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K-45423

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**NINETEENTH SUPPLEMENTAL INDENTURE**

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**UNITED TELEPHONE COMPANY OF THE NORTHWEST****TO****FIRST BANK NATIONAL ASSOCIATION****AND****ELLEN E. MITTET***As Trustees*

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*Dated as of July 1, 1993*

**First Mortgage Bonds, Series R, 5.74%, due July 1, 1998**  
**First Mortgage Bonds, Series S, 6.21%, due July 1, 2000**  
**First Mortgage Bonds, Series T, 6.89%, due July 1, 2008**

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THIS NINETEENTH SUPPLEMENTAL INDENTURE dated as of July 1, 1993, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (the "Company"), and FIRST BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the national banking laws of the United States of America, having its principal office and place of business in the City of Minneapolis, Minnesota, as successor trustee (the "Trustee") and ELLEN E. MITTET of the City of Seattle, County of King and State of Washington, as successor individual trustee (hereinafter sometimes referred to as the "Individual Trustee" and collectively, with the Trustee, the "Trustees"), as Trustees.

Recitals:

The background of this Nineteenth Supplemental Indenture is:

A. Until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on said date to United Telephone Company of the Northwest.

B. The Company heretofore executed and delivered to Peoples National Bank of Washington, now known as U.S. Bank of Washington, National Association, which has been succeeded by First Bank National Association as the Trustee and to E. L. Blaine, Jr., who has been succeeded by Robert G. Perry, who has been succeeded by Donald Greenfield, who has been succeeded by Leo M. Riley, who has been succeeded by S. M. Davis, who has been succeeded by Ellen E. Mittet, as Individual Trustee, its Indenture of Mortgage and Deed of Trust (hereinafter called the "Original Indenture," and the Original Indenture and all supplemental indentures thereto hereinafter collectively called the "Indenture"), dated as of January 1, 1946, whereby the Company granted, bargained, mortgaged, and conveyed unto the Trustees and to their successors in said trust, all real and personal property then owned or to be thereafter acquired by the Company (other than property excepted from the lien thereof), to be held by the Trustees in trust in accordance with the provisions of the Original Indenture for the equal pro rata benefit and security of all Bonds issued under the Original Indenture and indentures supplemental thereto.

C. The Company has heretofore executed and delivered to the predecessors to the Trustees a First Supplemental Indenture dated as of

April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, a Twelfth Supplemental Indenture dated as of July 1, 1971, a Thirteenth Supplemental Indenture dated as of February 1, 1972, a Fourteenth Supplemental Indenture dated as of August 1, 1973, a Fifteenth Supplemental Indenture dated as of September 1, 1974, a Sixteenth Supplemental Indenture dated as of February 1, 1977, a Seventeenth Supplemental Indenture dated as of July 1, 1979, and an Eighteenth Supplemental Indenture dated as of August 1, 1992, under and pursuant to which supplemental indentures and the Original Indenture the Company has issued its First Mortgage Bonds, Series A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, and Q, and the Original Indenture has been amended and modified in the particulars therein set forth.

D. The Company proposes (1) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated First Mortgage Bonds, Series R, 5.74%, due July 1, 1998 ("Series R Bonds"), limited in aggregate principal amount to \$2,650,000, (2) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated First Mortgage Bonds, Series S, 6.21%, due July 1, 2000 ("Series S Bonds"), limited in aggregate principal amount to \$4,700,000, (3) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated First Mortgage Bonds, Series T, 6.89%, due July 1, 2008 ("Series T Bonds"), limited in aggregate principal amount to \$8,150,000, and (4) to mortgage and convey additional properties acquired or constructed by the Company since the date of the Eighteenth Supplemental Indenture.

E. All acts and things necessary to make the Series R, Series S, and Series T Bonds, when executed by the Company and authenticated by the Trustee as in the Indenture provided, the valid, binding, and legal obligations of the Company, and to constitute these presents a valid indenture and agreement according to its terms, have been done and

performed, and the execution of this Nineteenth Supplemental Indenture and the issue of the Series R, Series S, and Series T Bonds have in all respects been duly authorized, and the Company in the exercise of the legal right and power vested in it executes this Nineteenth Supplemental Indenture.

NOW, THEREFORE, THIS NINETEENTH SUPPLEMENTAL INDENTURE  
WITNESSETH:

That UNITED TELEPHONE COMPANY OF THE NORTHWEST, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of the Series R Bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of, premium, if any, and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged, and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge, and set over unto FIRST BANK NATIONAL ASSOCIATION and ELLEN E. MITTET, Trustees, and to their successors in the trust hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the date of the Eighteenth Supplemental Indenture or described in the Original Indenture or the first eighteen supplemental indentures, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including, but without limiting the generality of the foregoing, the real property described in Schedule A hereto, together with all improvements thereon.

TO HAVE AND TO HOLD all said franchises and real and personal property, conveyed, transferred, assigned, mortgaged or pledged by the

Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First through the Eighteenth Supplemental Indentures, it being agreed as follows, to wit:

#### ARTICLE ONE SERIES R BONDS

1.01. There is hereby created a series of bonds entitled "First Mortgage Bonds, Series R, 5.74%, due July 1, 1998" (the "Series R Bonds" or "Bonds of Series R") limited in principal amount to \$2,650,000. The Series R Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and integral multiples thereof. The Series R Bonds shall be dated as of the date of authentication. All Series R Bonds shall mature July 1, 1998, and shall pay interest thereon at the rate of five and seventy-four hundredths percent (5.74%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date thereof or from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal thereof becomes due and payable, and at the rate of six and seventy-four hundredths percent (6.74%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. For purposes of this section a "business day" shall mean any weekday on which the bank at which payment is to be made is open and conducting normal banking operations. Principal of, premium, if any, and interest on Series R Bonds shall be payable at the principal payment office of FIRST BANK NATIONAL ASSOCIATION, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The text of the Series R

Bonds and the Trustee's certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit A hereto.

1.02. At the option of the Company, the Series R Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate, over (ii) the principal amount of the bonds being redeemed. The Discount Rate shall be equal to the sum of (i) the Yield on U.S. Treasury securities, on the third trading day preceding the date fixed for redemption, having a maturity corresponding to the Weighted Average Life of the bonds being redeemed and (ii) one-half of one percent. If no U.S. Treasury security maturity exactly corresponds to such Weighted Average Life of the bonds to be redeemed, yields for the two such Treasury maturities most closely corresponding to such Weighted Average Life of the bonds to be redeemed shall be interpolated or extrapolated from such Treasury yields on a straight-line basis, rounding to the nearest month to determine the Yield on U.S. Treasury securities. The Weighted Average Life of the bonds being redeemed shall mean, as of the date of any determination thereof, the number of years obtained by dividing the Remaining Dollar-Years of such principal by the aggregate amount of such principal. The Remaining Dollar-Years of such principal shall equal the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have become due on each scheduled payment date if such redemption had not been made, less (2) the amount of principal scheduled to become due after giving effect to such redemption, by (y) the number of years (calculated to the nearest one-twelfth) between the date of determination and such scheduled payment date, and (ii) totaling the products obtained in (i). The Yield on U.S. Treasury securities, with respect to a particular maturity on a particular date, shall mean the yield reported for U.S. Treasury securities of such maturity in the first listed of the following publications then available: (1) page "USD" of the Bloomberg Financial

Markets Services Screen at 11:00 a.m., New York time, on such date, (2) any similar nationally recognized trading screen reporting on-line intraday trading in U.S. Treasury securities at 11:00 a.m., New York time, on such date, (3) the arithmetic mean of the yields reported under the headings "This Week" and "Last Week" in the Federal Reserve System's statistical release designated "H.15(519)" most recently published on or before such date, or (4) any other reasonably comparable index approved by the Company and the holders of 66⅔% in aggregate principal amount of the outstanding Series R Bonds.

1.03. In addition to redemption at the option of the Company as provided above, the Series R Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series R Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series R Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

1.04. Notwithstanding anything in the Indenture to the contrary, in case of redemption, other than pursuant to Section 1.03 hereof, of less than all of the Series R Bonds outstanding, the aggregate of all moneys to be applied to such redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of one thousand dollars (\$1,000) or any integral multiple thereof, among each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder bears to the aggregate



principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after being notified by the Company of its intent to redeem, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as in this section provided.

1.05. The Series R Bonds shall not be redeemable except as provided in Section 1.02 or Section 1.03 hereof. Notwithstanding anything in the Indenture to the contrary, in case the Company shall desire to exercise its right to redeem Bonds of Series R pursuant to Section 1.02 or Section 1.03 hereof, notice of redemption shall be mailed by the Company, by certified or registered mail, postage prepaid, not less than thirty days and not more than sixty days prior to the date fixed for redemption, to the holders of the bonds to be redeemed, as a whole or in part, at their addresses as the same shall appear on the transfer register of the Company. Such notice shall specify the date fixed for redemption, the principal amount of such holder's bonds being redeemed, the amount of interest accrued to the date fixed for redemption and an estimate of the Yield Maintenance Premium, if any. In the case of a redemption pursuant to Section 1.02 hereof, the Company shall also determine the amount of the Yield Maintenance Premium and give notice to the Trustee and each holder of the bonds being redeemed by facsimile or other same-day written communication two days prior to the date fixed for redemption stating the amount of the Yield Maintenance Premium and providing the details of the calculation of the Yield Maintenance Premium, even if it equals zero. The Trustee shall be entitled to rely on the Company's calculation of the Yield Maintenance Premium without independent verification thereof. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the holder receives it. In any case, failure duly to give notice by mail, or defect in the notice, to the holder of any such bond shall not affect the validity of the proceedings for the redemption of any other bond.

1.06. The Bonds of Series R, upon surrender thereof at the principal payment or main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations. Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection



therewith, and the Trustee shall make such exchange upon payment of a sum sufficient to reimburse the Company or the Trustee for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee in connection with the transfer. Notwithstanding anything in Article Two, Section 2.09, of the Original Indenture to the contrary, the Company shall make no charge in connection with the transfer of Series R Bonds other than those set forth in this Section 1.06.

1.07. Fully registered bonds of Series R shall be numbered "RR-1" and consecutively upwards.

1.08. Upon execution of the Nineteenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (provided that the Company has complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company Bonds of Series R in the form of fully registered bonds without coupons in the aggregate principal amount of Two Million Six Hundred and Fifty Thousand Dollars (\$2,650,000).

## ARTICLE TWO

### SERIES S BONDS

2.01. There is hereby created a series of bonds entitled "First Mortgage Bonds, Series S, 6.21%, due July 1, 2000" (the "Series S Bonds" or "Bonds of Series S") limited in principal amount to \$4,700,000. The Series S Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and integral multiples thereof. The Series S Bonds shall be dated as of the date of authentication. All Series S Bonds shall mature July 1, 2000, and shall pay interest thereon at the rate of six and twenty-one hundredths percent (6.21%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date thereof or from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal thereof becomes due and payable, and at the rate of seven and twenty-one hundredths percent (7.21%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided

further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. For purposes of this section a "business day" shall mean any weekday on which the bank at which payment is to be made is open and conducting normal banking operations. Principal of, premium, if any, and interest on Series S Bonds shall be payable at the principal payment office of FIRST BANK NATIONAL ASSOCIATION, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The text of the Series S Bonds and the Trustee's certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit B hereto.

2.02. At the option of the Company, the Series S Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate, over (ii) the principal amount of the bonds being redeemed. The Discount Rate shall be equal to the sum of (i) the Yield on U.S. Treasury securities, on the third trading day preceding the date fixed for redemption, having a maturity corresponding to the Weighted Average Life of the bonds being redeemed and (ii) one-half of one percent. If no U.S. Treasury security maturity exactly corresponds to such Weighted Average Life of the bonds to be redeemed, yields for the two such Treasury maturities most closely corresponding to such Weighted Average Life of the bonds to be redeemed shall be interpolated or extrapolated from such Treasury yields on a straight-line basis, rounding to the nearest month to determine the Yield on U.S. Treasury securities. The Weighted Average Life of the bonds being redeemed shall mean, as of the date of any determination thereof, the number of years obtained by dividing the Remaining Dollar-Years of such principal by the aggregate amount of such principal. The Remaining Dollar-Years of such principal shall equal the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would

have become due on each scheduled payment date if such redemption had not been made, less (2) the amount of principal scheduled to become due after giving effect to such redemption, by (y) the number of years (calculated to the nearest one-twelfth) between the date of determination and such scheduled payment date, and (ii) totaling the products obtained in (i). The Yield on U.S. Treasury securities, with respect to a particular maturity on a particular date, shall mean the yield reported for U.S. Treasury securities of such maturity in the first listed of the following publications then available: (1) page "USD" of the Bloomberg Financial Markets Services Screen at 11:00 a.m., New York time, on such date, (2) any similar nationally recognized trading screen reporting on-line intraday trading in U.S. Treasury securities at 11:00 a.m., New York time, on such date, (3) the arithmetic mean of the yields reported under the headings "This Week" and "Last Week" in the Federal Reserve System's statistical release designated "H.15(519)" most recently published on or before such date, or (4) any other reasonably comparable index approved by the Company and the holders of 66<sup>2</sup>/<sub>3</sub>% in aggregate principal amount of the outstanding Series S Bonds.

2.03. In addition to redemption at the option of the Company as provided above, the Series S Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series S Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series S Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

2.04. Notwithstanding anything in the Indenture to the contrary, in case of redemption, other than pursuant to Section 2.03 hereof, of less than all of the Series S Bonds outstanding, the aggregate of all moneys to be applied to such redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of one thousand dollars (\$1,000) or any integral multiple thereof, among each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after being notified by the Company of its intent to redeem, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as in this section provided.

2.05. The Series S Bonds shall not be redeemable except as provided in Section 2.02 or Section 2.03 hereof. Notwithstanding anything in the Indenture to the contrary, in case the Company shall desire to exercise its right to redeem Bonds of Series S pursuant to Section 2.02 or Section 2.03 hereof, notice of redemption shall be mailed by the Company, by certified or registered mail, postage prepaid, not less than thirty days and not more than sixty days prior to the date fixed for redemption, to the holders of the bonds to be redeemed, as a whole or in part, at their addresses as the same shall appear on the transfer register of the Company. Such notice shall specify the date fixed for redemption, the principal amount of such holder's bonds being redeemed, the amount of interest accrued to the date fixed for redemption and an estimate of the Yield Maintenance Premium, if any. In the case of a redemption pursuant to Section 2.02 hereof, the Company shall also determine the amount of the Yield Maintenance Premium and give notice to the Trustee and each holder of the bonds being redeemed by facsimile or other same-day written communication two days prior to the date fixed for redemption stating the amount of the Yield Maintenance Premium and providing the details of the calculation of the Yield Maintenance Premium, even if it equals zero. The Trustee shall be entitled to rely on the Company's calculation of the Yield Maintenance Premium without independent verification thereof. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the holder receives it. In any case, failure duly to give notice by mail, or

defect in the notice, to the holder of any such bond shall not affect the validity of the proceedings for the redemption of any other bond.

2.06. The Bonds of Series S, upon surrender thereof at the principal payment or main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations. Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment of a sum sufficient to reimburse the Company or the Trustee for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee in connection with the transfer. Notwithstanding anything in Article Two, Section 2.09, of the Original Indenture to the contrary, the Company shall make no charge in connection with the transfer of Series S Bonds other than those set forth in this Section 2.06.

2.07. Fully registered bonds of Series S shall be numbered "SR-1" and consecutively upwards.

2.08. Upon execution of the Nineteenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (provided that the Company has complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company Bonds of Series S in the form of fully registered bonds without coupons in the aggregate principal amount of Four Million Seven Hundred Thousand Dollars (\$4,700,000).

### ARTICLE THREE

#### SERIES T BONDS

3.01. There is hereby created a series of bonds entitled "First Mortgage Bonds, Series T, 6.89%, due July 1, 2008" (the "Series T Bonds" or "Bonds of Series T") limited in principal amount to \$8,150,000. The Series T Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and integral multiples thereof. The Series T Bonds shall be dated as of the date of authentication. All Series T Bonds shall mature July 1, 2008, and shall pay interest thereon at the rate of six and eighty-nine hundredths percent (6.89%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date thereof or

from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal thereof becomes due and payable, and at the rate of seven and eighty-nine hundredths percent (7.89%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. For purposes of this section a "business day" shall mean any weekday on which the bank at which payment is to be made is open and conducting normal banking operations. Principal of, premium, if any, and interest on Series T Bonds shall be payable at the principal payment office of FIRST BANK NATIONAL ASSOCIATION, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The text of the Series T Bonds and the Trustee's certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit C hereto.

3.02. At the option of the Company, the Series T Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate, over (ii) the principal amount of the bonds being redeemed. The Discount Rate shall be equal to the sum of (i) the Yield on U.S. Treasury securities, on the third trading day preceding the date fixed for redemption, having a maturity corresponding to the Weighted Average Life of the bonds being redeemed and (ii) one-half of one percent. If no U.S. Treasury security maturity exactly corresponds to such Weighted Average Life of the bonds to be redeemed, yields for the two such Treasury maturities most closely corresponding to

such Weighted Average Life of the bonds to be redeemed shall be interpolated or extrapolated from such Treasury yields on a straight-line basis, rounding to the nearest month to determine the Yield on U.S. Treasury securities. The Weighted Average Life of the bonds being redeemed shall mean, as of the date of any determination thereof, the number of years obtained by dividing the Remaining Dollar-Years of such principal by the aggregate amount of such principal. The Remaining Dollar-Years of such principal shall equal the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have become due on each scheduled payment date if such redemption had not been made, less (2) the amount of principal scheduled to become due after giving effect to such redemption, by (y) the number of years (calculated to the nearest one-twelfth) between the date of determination and such scheduled payment date, and (ii) totaling the products obtained in (i). The Yield on U.S. Treasury securities, with respect to a particular maturity on a particular date, shall mean the yield reported for U.S. Treasury securities of such maturity in the first listed of the following publications then available: (1) page "USD" of the Bloomberg Financial Markets Services Screen at 11:00 a.m., New York time, on such date, (2) any similar nationally recognized trading screen reporting on-line intraday trading in U.S. Treasury securities at 11:00 a.m., New York time, on such date, (3) the arithmetic mean of the yields reported under the headings "This Week" and "Last Week" in the Federal Reserve System's statistical release designated "H.15(519)" most recently published on or before such date, or (4) any other reasonably comparable index approved by the Company and the holders of 66 $\frac{2}{3}$ % in aggregate principal amount of the outstanding Series T Bonds.

3.03. In addition to redemption at the option of the Company as provided above, the Series T Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated



to each registered holder of 2% or more of the total principal amount of Series T Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series T Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

3.04. Notwithstanding anything in the Indenture to the contrary, in case of redemption, other than pursuant to Section 3.03 hereof, of less than all of the Series T Bonds outstanding, the aggregate of all moneys to be applied to such redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of one thousand dollars (\$1,000) or any integral multiple thereof, among each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after being notified by the Company of its intent to redeem, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as in this section provided.

3.05. The Series T Bonds shall not be redeemable except as provided in Section 3.02 or Section 3.03 hereof. Notwithstanding anything in the Indenture to the contrary, in case the Company shall desire to exercise its right to redeem Bonds of Series T pursuant to Section 3.02 or Section 3.03 hereof, notice of redemption shall be mailed by the Company, by certified or registered mail, postage prepaid, not less than thirty days and not more than sixty days prior to the date fixed for redemption, to the holders of the bonds to be redeemed, as a whole or in part, at their addresses as the same shall appear on the transfer register of the Company. Such notice shall specify the date fixed for redemption, the principal amount of such holder's bonds being redeemed, the amount of interest accrued to the date fixed for redemption and an estimate of the Yield Maintenance Premium, if any. In the case of a redemption pursuant to Section 3.02 hereof, the Company shall also determine the amount of the Yield Maintenance

Premium and give notice to the Trustee and each holder of the bonds being redeemed by facsimile or other same-day written communication two days prior to the date fixed for redemption stating the amount of the Yield Maintenance Premium and providing the details of the calculation of the Yield Maintenance Premium, even if it equals zero. The Trustee shall be entitled to rely on the Company's calculation of the Yield Maintenance Premium without independent verification thereof. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the holder receives it. In any case, failure duly to give notice by mail, or defect in the notice, to the holder of any such bond shall not affect the validity of the proceedings for the redemption of any other bond.

3.06. The Bonds of Series T, upon surrender thereof at the principal payment or main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations. Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment of a sum sufficient to reimburse the Company or the Trustee for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee in connection with the transfer. Notwithstanding anything in Article Two, Section 2.09, of the Original Indenture to the contrary, the Company shall make no charge in connection with the transfer of Series T Bonds other than those set forth in this Section 3.06.

3.07. Fully registered bonds of Series T shall be numbered "TR-1" and consecutively upwards.

3.08. Upon execution of the Nineteenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (provided that the Company has complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company Bonds of Series T in the form of fully registered bonds without coupons in the aggregate principal amount of Eight Million One Hundred and Fifty Thousand Dollars (\$8,150,000).

**ARTICLE FOUR****AMENDMENTS TO THE INDENTURE**

SECTION 4.01. Upon the earlier of the (a) the retirement of all bonds of series H, I, J, and Q and (b) the consent, pursuant to Section 17.04 of the Indenture, of the holders of bonds of series H, I, J, and Q, the Indenture shall be amended in accordance with this section:

(A) In Section 1.01, there shall be added the following definition of "Bonded Prior Lien Debt"

*"Bonded Prior Lien Debt:*

Indebtedness secured by an underlying mortgage certified by the Company as bonded prior lien debt in the manner provided for in section 4.06."

(B) In Section 1.01, the period at the end of paragraph (c) in the definition of Permitted Encumbrances shall be replaced with a semicolon and there shall be added to the end of the definition the following subparagraph (d):

"(d) bonded prior lien debt."

(C) The second paragraph of Section 4.01(A) shall be amended by adding after the words "constructed or acquired" the words "(including, for this purpose, property of a successor corporation in a consolidation or merger that assumes the duties and liabilities of the Company hereunder as described in Section 13.01)".

(D) A new Section 4.06 shall be added to the Indenture to read as follows:

Section 4.06. The Company may, at any time, certify any indebtedness secured by an underlying mortgage as bonded prior lien debt by delivering to the Trustee its order identifying (i) the mortgagee or trustee of such underlying mortgage, (ii) the principal amount of the indebtedness secured by such underlying mortgage and (iii) the mortgaged property of the Company subject to the lien of such underlying mortgage, and (iv) in addition to all of the foregoing, by performing one or more of the following:

(a) appropriating net bondable expenditures in the same manner and to the same extent as provided for in

Section 4.04 for the issuance of additional bonds hereunder and by delivering the documents described in Section 4.05, provided that for such purposes, the mortgaged property described pursuant to (iii) above shall be treated as property additions and the indebtedness described pursuant to (ii) above shall be treated as additional bonds to be issued under Section 4.04; or

(b) delivery of the documents required by paragraphs (2) and (3) of Section 5.01 and by Section 5.02 for the issuance of additional bonds for or on account of the refunding of bonds theretofore authenticated hereunder or the retirement of bonded prior lien debt theretofore certified hereunder, provided that for such purposes, the indebtedness described pursuant to (ii) above shall be treated as additional bonds to be issued under Section 5.01; or

(c) delivery of the documents required by paragraphs (2), (3), and (4) of Section 6.01 for the issuance of additional bonds against cash deposited with the Trustee, provided that for such purposes, the indebtedness described pursuant to (ii) above shall be treated as additional bonds to be issued under Section 6.01.

(E) Section 5.01 of the Indenture shall be amended in its entirety to read as follows:

Section 5.01. Additional bonds of any series, other than bonds of the series to be refunded, may, from time to time, be executed by the Company and delivered to the Trustee for or on account of the payment, purchase and cancellation, redemption or other discharge at, before or after maturity of (i) bonds theretofore authenticated under any provision of this Indenture or (ii) bonded prior lien debt theretofore certified under Section 4.06 of this Indenture, and the Trustee shall, subject to the provisions of this Article, authenticate and deliver the same to or upon the order of the Company upon receipt by the Trustee of:

(1) The documents required by the provisions of Section 4.03 hereof;

(2) In the case of (i) above, Bonds theretofore authenticated and delivered hereunder with all unmatured coupons, if any, attached in aggregate principal amount of the bonds authentication whereof is applied for; provided, however, that in lieu of bonds that have been called for redemption or are then about to mature it shall be sufficient if funds in an amount sufficient to redeem or pay the same shall have been deposited with the Trustee and evidence furnished to the satisfaction of the Trustee that notice of any such redemption has been given, or provided for, or waived; or, in the case of (ii) above, a certificate of the trustee or mortgagee of the underlying mortgage securing such bonded prior lien debt that such indebtedness has been discharged or is otherwise no longer outstanding and secured by such underlying mortgage:

(3) A certificate, dated as of the date of the delivery of such additional bonds, signed and verified by the President or a Vice-President and by the Treasurer or an Assistant Treasurer of the Company stating that the Company is not in default hereunder, and that none of the bonds or none of the bonded prior lien debt, as the case may be, proposed to be refunded have been:

(a) [Deleted]

(b) Purchased or redeemed with the proceeds of the sale or taking of, or with insurance moneys received because of damage to or destruction of, any of the mortgaged property; or

(c) Theretofore used as the basis for the issuance of bonds under this Article Five, or delivered to the Trustee in lieu of payments for any sinking fund, or theretofore used as the basis for the certification of bonded prior lien debt under Section 4.06, or otherwise credited under any requirement hereof;

(4) An opinion of counsel stating that said additional bonds when duly authenticated and delivered will be secured by the lien of this Indenture.

(F) Section 8.07 shall be amended

(1) by substituting for the first occurrence of the word "which" in the first sentence thereof the words "that has been operated for a period of at least twelve months as telephone utility property prior to its acquisition by the Company and that";

(2) by substituting for the word "fifteen" in the first sentence thereof the word "eighteen"; and

(3) by deleting the words "to offset such part of such indebtedness as shall exceed such percentage there shall be appropriated net bondable expenditures for property additions in an amount equivalent to such excess." and by deleting the last sentence thereof and by substituting therefor the words "such indebtedness shall be certified as bonded prior lien debt in the manner provided for in section 4.06."

(G) Section 11.04(A)(b) shall be amended by replacing "\$25,000" with "an amount equal to 2% of Total Telephone Plant in Service".

(H) Section 13.01 shall be amended

(1) by deleting the words "unless there shall be appropriated net bondable expenditures in an amount equivalent to such excess (such appropriation to be evidenced in the same way as a similar appropriation pursuant to Section 8.07)" and by substituting therefor the words "unless such obligations shall be certified as bonded prior lien debt in the manner provided for in section 4.06"; and

(2) by deleting the words "fifteen (15)" and substituting therefor the words "eighteen (18)".

## **ARTICLE FIVE**

### **ADDITIONAL PROVISIONS**

5.01. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Nineteenth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and

demands (except those which constitute permitted encumbrances) of all persons whomsoever.

5.02. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. So long as any Series R, S, or T Bonds remain outstanding, it will during the three year period beginning January 1, 1992, and each successive three year period, upon written request of the holders or registered owners of not less than twenty-five per cent (25%) in principal amount of any one of the Series R, S, or T Bonds then outstanding, have the physical properties of the Company inspected at the Company's expense by an engineer or firm of engineers (who may be in the regular employ of the Company or under regular retainer from the Company) selected by the Board of Directors of the Company and satisfactory to the Trustee. Such engineer or firm of engineers will file with the Trustee a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each holder of Series R, S, and T Bonds.

The Company covenants and agrees that, if such engineer or firm of engineers shall report that a maintenance deficiency exists, the Company will with all reasonable speed make such repairs or do such other maintenance work as may be necessary to make good such deficiency as shall exist at the time of such report, whereupon such engineer or firm of engineers (or, in the case of his or its refusal or inability to act, some other engineer or firm of engineers similarly selected) shall report in writing to the Trustee that such deficiency has been made good.

If such deficiency shall not have been made good within one year, or such longer period as may be reported by such engineer or firm of engineers to be reasonably necessary for the purpose, the Trustee may, and upon proper request of the holders of at least twenty-five per centum (25%) in principal amount of the bonds of all series at the time outstanding shall, in accordance with the provisions of Article Fifteen of the Original Indenture, proceed to enforce this covenant of the Company.

5.03. Notwithstanding anything in the Indenture to the contrary, the signatures of the officers executing the Bonds of Series R, S, and T may



be manual signatures or facsimiles thereof, and the corporate seal may be mechanically reproduced thereon.

5.04. Except as herein specifically changed, the Original Indenture, as supplemented and amended by the First through the Eighteenth Supplemental Indentures, is hereby in all respects ratified and confirmed.

5.05. The Company, and the holders of the bonds hereby issued by their acceptance and holding thereof, hereby consent and agree that the amendments to the Original Indenture contained in all prior supplemental indentures shall be effective as therein provided.

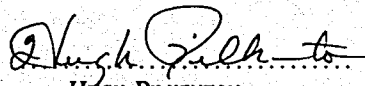
5.06. Although this Nineteenth Supplemental Indenture is dated for convenience and for the purpose of reference as of July 1, 1993, the actual dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto annexed.

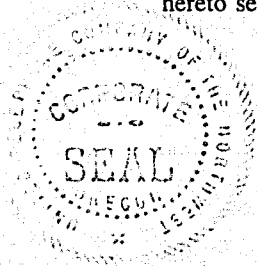
5.07. The warranties, representations, and agreements contained in this Nineteenth Supplemental Indenture, insofar as they apply exclusively to the Series R, S, or T Bonds, shall be construed in accordance with and governed by the laws of the State of Washington.

5.08. This Nineteenth Supplemental Indenture shall be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created; FIRST BANK NATIONAL ASSOCIATION, has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Authorized Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and ELLEN E. MITTET has hereto set her hand, all as of July 1, 1993.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By:   
HUGH PILKENTON,  
Vice President



(CORPORATE SEAL)

Attest:

Tim J. Bonansinga  
TIM J. BONANSINGA,  
Secretary

FIRST BANK NATIONAL ASSOCIATION,  
Trustee

By: [Signature]  
Vice President

(CORPORATE SEAL)

Attest:

[Signature]  
Assistant Secretary

Signed, sealed and acknowledged by FIRST  
BANK NATIONAL ASSOCIATION in the presence  
of:

[Signature]

[Signature]  
ELLEN E. MITTET,  
Individual Trustee

Signed, sealed and acknowledged by ELLEN  
E. MITTET in the presence of:

Kim Murphy  
Trust Officer

STATE OF OREGON  
COUNTY OF HOOD RIVER

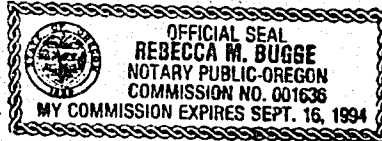
SS:

On this 9th day of July, 1993, before me, the undersigned officer, appeared HUGH PILKENTON and TIM J. BONANSINGA, to me personally known, who, being duly sworn, did acknowledge themselves to be Vice President and Secretary, respectively, of UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation, and that said instrument was signed and sealed by HUGH PILKENTON as such Vice President on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that TIM J. BONANSINGA as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written.

*Rebecca M. Bugge*  
Notary Public

My commission expires:  
*September 16, 1994*



Minnesota

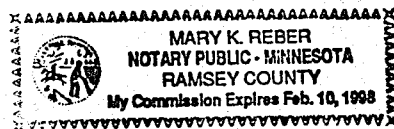
STATE OF OREGON

COUNTY OF MULTNOMAH

SS:

On this 8th day of July, before me, the undersigned officer, personally appeared Mark D. Hartzell and K.C. Albright to me known to be Authorized Officers of FIRST BANK NATIONAL ASSOCIATION, the national banking association which executed the within and foregoing instrument, and Mark D. Hartzell and K.C. Albright as Authorized Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instrument and K.C. Albright as Authorized Officer on oath stated that she was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.



Mary K. Reber  
Notary Public

Typed Name: MARY K. REBER  
Residing at: NO. 57 PAUL-MN

My commission expires:

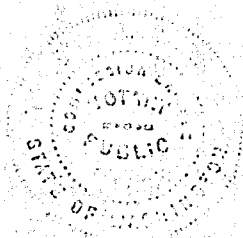
2-10-98

STATE OF WASHINGTON  
COUNTY OF KING

SS:

On this 7th day of July, 1993, before me, the undersigned officer, personally appeared ELLEN E. MITTET, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that she executed and signed the same as her free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.



*Teresa A. Carroll*  
Notary Public

Typed Name: TERESA A. CARROLL

Residing at: Seattle, WA

My commission expires:

01-09-97

**SCHEDULE A**  
**Real Property Descriptions**

**OREGON**

**Lincoln County**

A tract of land situated in the Northeast Quarter of the Northeast Quarter of Section 15, T 7 S, R 11 W, W.M., in Lincoln County, Oregon, more particularly described as follows:

A parcel of land beginning at the North corner of Government Lots 1 and 2 in Section 15, T 7 S, R 11 W, W.M., running thence North  $88^{\circ}34'$  West along the North boundary of said Government Lot 2 a distance of 100 feet; thence South on a line parallel to the North and South line between the aforesaid Government Lots 1 and 2 a distance of 246 feet to the North line of the Reed tract described in Deed recorded February 21, 1962, in Book 222, Page 498, Deed Records; thence South  $81^{\circ}23'30''$  East along said Reed tract 112 feet, more or less, to the North and South line between the aforesaid Government Lots 1 and 2; thence North along said line a distance of 263.7 feet to the place of beginning.

EXCEPTING THEREFROM that tract deeded to William Cates, et ux, by instrument recorded in Book 254, Page 435, Deed Records, more particularly described as follows:

Beginning at a point where the South line of Brookside Street intersects the Northeast corner of Government Lot 2 in Section 15, T 7 S, R 11 W, W.M., Lincoln County, Oregon; running thence North  $88^{\circ}34'$  West along the North boundary line of Government Lot 2 a distance of 75.0 feet; thence South on a line parallel to the East line of said Government Lot 2 a distance of 99 feet; thence East and parallel to the North line of Government Lot 2 a distance of 75 feet to the East line of said Government Lot 2; thence North 99 feet to the place of beginning.

## EXHIBIT A

## Form of Series R Fully Registered Bond Without Coupon

No. RR- ..... \$ .....

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

FIRST MORTGAGE BOND, SERIES R, 5.74%, DUE JULY 1, 1998

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (the "Company"), for value received, hereby promises to pay to ..... or registered assigns, on the first day of July, 1998, the principal sum of ..... and to pay interest thereon at the rate of five and seventy-four hundredths percent (5.74%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date hereof or from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal hereof becomes due and payable, and at the rate of six and seventy-four hundredths percent (6.74%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. Both the principal of and the interest on this Bond shall be payable at the principal payment office of First Bank National Association, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America; provided that, notwithstanding any provision hereof or of the Indenture (as herein defined) to the contrary, any payment made hereon may be made directly to the registered owner hereof without presentation or surrender hereof if there shall have been delivered to the Trustee a written agreement between the Company and such registered owner that payment may be so made.

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated First Mortgage Bonds, Series R,



5.74%, due July 1, 1998, limited as to aggregate principal amount as set forth in the Nineteenth Supplemental Indenture hereinafter mentioned, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Eighteenth Supplemental Indentures and a Nineteenth Supplemental Indenture dated as of July 1, 1993 (said twenty instruments being collectively called the Indenture), all duly executed and delivered by the Company to First Bank National Association of Minneapolis, Minnesota, or its predecessors as corporate trustee (the "Trustee"), and to Ellen E. Mittet or her predecessors as individual trustee (the "Individual Trustee") as trustees (the "Trustees"), to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees, and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest, and in other ways as in the Indenture provided or permitted.

At the option of the Company and upon notice as provided in the Indenture, the Series R Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate (as defined in the Indenture by reference to the yield three trading days prior to the date fixed for redemption of U.S. Treasury securities having a maturity corresponding to the weighted average life of the bonds being

redeemed on the date fixed for redemption), over (ii) the principal amount of the bonds being redeemed.

On the conditions and in the manner provided in the Indenture and in addition to redemption at the option of the Company as explained above, the Series R Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series R Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series R Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the office of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the

enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By: .....  
*President*

Attest:

.....  
*Secretary*

[TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds of the First Mortgage Bonds, Series R, 5.74%, due July 1, 1998, referred to in the within-mentioned Indenture.

FIRST BANK NATIONAL ASSOCIATION,  
*Successor Trustee*

Dated:

By: .....  
*Authorized Officer*

**EXHIBIT B****Form of Series S Fully Registered Bond Without Coupon**

No. SR- ..... \$ .....

**UNITED TELEPHONE COMPANY  
OF THE NORTHWEST**

**FIRST MORTGAGE BOND, SERIES S, 6.21%, DUE JULY 1, 2000**

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (the "Company"), for value received, hereby promises to pay to ..... or registered assigns, on the first day of July, 2000, the principal sum of ..... and to pay interest thereon at the rate of six and twenty-one hundredths percent (6.21%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date hereof or from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal hereof becomes due and payable, and at the rate of seven and twenty-one hundredths percent (7.21%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. Both the principal of and the interest on this Bond shall be payable at the principal payment office of First Bank National Association, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America; provided that, notwithstanding any provision hereof or of the Indenture (as herein defined) to the contrary, any payment made hereon may be made directly to the registered owner hereof without presentation or surrender hereof if there shall have been delivered to the Trustee a written agreement between the Company and such registered owner that payment may be so made.

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated First Mortgage Bonds, Series S.

6.21%, due July 1, 2000, limited as to aggregate principal amount as set forth in the Nineteenth Supplemental Indenture hereinafter mentioned, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Eighteenth Supplemental Indentures and a Nineteenth Supplemental Indenture dated as of July 1, 1993 (said twenty instruments being collectively called the Indenture), all duly executed and delivered by the Company to First Bank National Association of Minneapolis, Minnesota, or its predecessors as corporate trustee (the "Trustee"), and to Ellen E. Mittet or her predecessors as individual trustee (the "Individual Trustee") as trustees (the "Trustees"), to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees, and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest, and in other ways as in the Indenture provided or permitted.

At the option of the Company and upon notice as provided in the Indenture, the Series S Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate (as defined in the Indenture by reference to the yield three trading days prior to the date fixed for redemption of U.S. Treasury securities having a maturity corresponding to the weighted average life of the bonds being

redeemed on the date fixed for redemption), over (ii) the principal amount of the bonds being redeemed.

On the conditions and in the manner provided in the Indenture and in addition to redemption at the option of the Company as explained above, the Series S Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series S Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series S Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the office of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the

enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By: .....  
*President*

Attest:

.....  
*Secretary*

[TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds of the First Mortgage Bonds, Series S, 6.21%, due July 1, 2000, referred to in the within-mentioned Indenture.

FIRST BANK NATIONAL ASSOCIATION,  
*Successor Trustee*

Dated:

By: .....  
*Authorized Officer*



## EXHIBIT C

## Form of Series T Fully Registered Bond Without Coupon

No. TR- .....

\$ .....

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

FIRST MORTGAGE BOND, SERIES T, 6.89%, DUE JULY 1, 2008

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (the "Company"), for value received, hereby promises to pay to or registered assigns, on the first day of July, 2008, the principal sum of and to pay interest thereon at the rate of six and eighty-nine hundredths percent (6.89%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date hereof or from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal hereof becomes due and payable, and at the rate of seven and eighty-nine hundredths percent (7.89%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. Both the principal of and the interest on this Bond shall be payable at the principal payment office of First Bank National Association, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America; provided that, notwithstanding any provision hereof or of the Indenture (as herein defined) to the contrary, any payment made hereon may be made directly to the registered owner hereof without presentation or surrender hereof if there shall have been delivered to the Trustee a written agreement between the Company and such registered owner that payment may be so made.

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated First Mortgage Bonds, Series T,

6.89%, due July 1, 2008, limited as to aggregate principal amount as set forth in the Nineteenth Supplemental Indenture hereinafter mentioned, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Eighteenth Supplemental Indentures and a Nineteenth Supplemental Indenture dated as of July 1, 1993 (said twenty instruments being collectively called the Indenture), all duly executed and delivered by the Company to First Bank National Association of Minneapolis, Minnesota, or its predecessors as corporate trustee (the "Trustee"), and to Ellen E. Mittet or her predecessors as individual trustee (the "Individual Trustee") as trustees (the "Trustees"), to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees, and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest, and in other ways as in the Indenture provided or permitted.

At the option of the Company and upon notice as provided in the Indenture, the Series T Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate (as defined in the Indenture by reference to the yield three trading days prior to the date fixed for redemption of U.S. Treasury securities having a maturity corresponding to the weighted average life of the bonds being

redeemed on the date fixed for redemption), over (ii) the principal amount of the bonds being redeemed.

On the conditions and in the manner provided in the Indenture and in addition to redemption at the option of the Company as explained above, the Series T Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series T Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series T Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the office of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the

enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By: .....  
*President*

Attest:

.....  
*Secretary*

[TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds of the First Mortgage Bonds, Series T, 6.89%, due July 1, 2008, referred to in the within-mentioned Indenture.

FIRST BANK NATIONAL ASSOCIATION,  
*Successor Trustee*

Dated:

By: .....  
*Authorized Officer*

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co the 12th day  
of July A.D., 19 93 at 11:55 o'clock A M., and duly recorded in Vol. M93  
of Mortgages on Page 16706.

FEE \$205.00

Evelyn Biehn .County Clerk  
By *Daniel Mulendore*