

162190

FILED FOR RECORD

9:54 o'clock A m

MAY 22 1987

Vickie Gardley Dup
Beaver County Recorder

Fee \$ 68.00

PROPERTY RIGHTS AGREEMENT

Dated as of April 27, 1987

between

WILLIAMS TELECOMMUNICATIONS COMPANY,

as Lessee,

and

WILMINGTON TRUST COMPANY

and

WILLIAM J. WADE,

as Owner Trustee

Fiber Optic Telecommunications Facility

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| SECTION 1. GRANT, CONVEYANCE AND ASSIGNMENT OF EASEMENT | 2 |
| SECTION 2. SEVERANCE | 3 |
| SECTION 3. GRANT OF MORTGAGE OR DEED OF TRUST . . . | 3 |
| SECTION 4. NATURE OF EASEMENT | 4 |
| SECTION 5. TERM | 4 |
| SECTION 6. TITLE | 5 |
| SECTION 7. REMOVAL OF FACILITY | 5 |
| SECTION 8. RESERVATION OF USE BY LESSEE | 6 |
| SECTION 9. RENT | 6 |
| SECTION 10. POSSESSION AND QUIET ENJOYMENT | 7 |
| SECTION 11. SURRENDER | 7 |
| SECTION 12. NON-TERMINATION | 7 |
| SECTION 13. ASSIGNMENT | 8 |
| SECTION 14. SECURITY ASSIGNMENT OF LESSOR'S INTERESTS | 8 |
| SECTION 15. NOTICES..... | 9 |
| SECTION 16. BINDING EFFECT; SUCCESSORS AND ASSIGNS | 9 |
| SECTION 17. MISCELLANEOUS | 10 |

PROPERTY RIGHTS AGREEMENT

PROPERTY RIGHTS AGREEMENT dated as of April 27, 1987 (as the same may be amended, modified or supplemented from time to time, this "Agreement"), among WILLIAMS TELECOMMUNICATIONS COMPANY, a Delaware corporation ("Lessee") and WILMINGTON TRUST COMPANY, a Delaware banking corporation, and WILLIAM J. WADE, not in their individual capacities but solely as Owner Trustee under the Trust Agreement (herein in such capacity collectively called "Lessor"). Unless otherwise defined herein, capitalized terms used herein shall have their defined meanings set forth in Exhibit A hereto (such definitions to be equally applicable to both the singular and plural forms of the terms defined). The words "hereto", "hereof", "hereunder" and words of similar import shall refer to this Agreement (including all annexes and schedules hereto), as the same may be amended, modified or supplemented from time to time in accordance with the terms hereof.

W I T N E S S E T H :

WHEREAS, subject to the terms and conditions of the Participation Agreement, Lessor has agreed under the Lease to lease to Lessee the Facility more particularly described in Annex A hereto. According to the terms of the Lease, the Facility is and will be located on the real property described in Annex B hereto (herein called the "Right of Way"). Pursuant to the Indenture, the Owner Trustee has granted a first Lien on and a prior perfected security interest in the Facility to the Indenture Trustee; and

WHEREAS, the parties desire that Lessor shall have an easement and right of way for ingress and egress to and from, under, over, upon and across all of the Right of Way to enable Lessor to operate, repair and maintain the Facility and to remove or relocate the Facility upon the occurrence of a Lease Event of Default under, or upon any termination or expiration of, the Lease;

WHEREAS, notwithstanding any other provision hereof only William J. Wade or his successor as Owner Trustee shall act within the State of California as Lessor hereunder except as otherwise directed in writing from time to time by Wilmington Trust Company or its successor as Owner Trustee acting at the direction of the Owner Participant;

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

SECTION 1

GRANT, CONVEYANCE AND ASSIGNMENT OF EASEMENT

Lessee hereby grants, conveys and assigns (hereinafter "grants") to Lessor a limited, non-exclusive easement or sublease, as appropriate, and right of way (the "Easement") for ingress and egress to and from, under, over, upon and across the Right of Way, as is or may be necessary at any time to enable either Lessor or its agents to locate the Facility on the Right of Way and all right, title and interest of the Lessee in, to, under and with respect thereto, to have full and free access to the Facility, to operate, repair and maintain the Facility, to make improvements, modifications and additions to the Facility and to remove or relocate the Facility from the Right of Way; provided, however, that such grant shall not be effective with respect to any such property to the extent that, under the documents creating Lessee's estate or interest in such property as they are in force on the date hereof, or Applicable Laws, such grant is prohibited or restricted or in the event any consent is required, but such grant shall extend to such property, automatically and without further action on the part of any Person, as and to the extent that such prohibition or restriction ceases to exist or consent is obtained. Nothing in this Agreement shall be construed to grant to Lessor any rights in the Right of Way except those specifically enumerated herein, it being understood that Lessee reserves the right to use the Right of Way as contemplated by Section 8 of this Agreement. Notwithstanding the grant of the Easement to Lessor hereunder, without the prior written consent of Lessee, Lessor shall not prior to the Services Commencement Date be entitled to add additional fiber pairs to the Facility, to make other improvements, modifications or additions to the Facility or to use the Right of Way for the addition of any property, real or personal, not specifically included as part of the Facility.

SECTION 2

SEVERANCE

It is intended that the Facility shall constitute personal property and shall remain severed from the Right of Way and, even though attached or affixed to or placed upon the Right of Way, shall not be considered to become fixtures or part of the Right of Way and shall not be or become subject to the Lien of any mortgage or deed of trust heretofore or hereafter placed thereon by Lessee. Lessee and Lessor each confirm that they do not intend to make the Facility a permanent accession to the Right of Way or to appropriate the Facility to the use or purpose of that part of the Right of Way with which it is or may be connected. Lessee hereby waives any right that it may have (under any Applicable Laws, arising under the Lease or otherwise) to any Lien upon, or any right of attachment upon, or any other interest in, any part of the Facility except as specifically provided in the Lease.

SECTION 3

GRANT OF MORTGAGE OR DEED OF TRUST

Section 3.01 Grant of Mortgage or Deed of Trust.
 In order to secure the performance and observance by Lessee of all the covenants and agreements contained herein, in the Participation Agreement or in any Basic Agreement, in each case for the uses and purposes and subject to the terms and provisions hereof, and in consideration of the premises and of the covenants herein contained and of the sum of \$1.00 paid to Lessee by Lessor at or before the delivery hereof, the receipt and sufficiency of which is hereby acknowledged, Lessee hereby mortgages and hypothecates to and grants a lien and security interest in favor of Lessor on all the estates, rights and interests of Lessee in, to, under and with respect to the Right of Way not granted to the Lessor on the date hereof pursuant to Section 1 hereof. As to any such estates, rights and interests of Lessee in, to, under and with respect to any portion of the Right of Way located in California or Nevada, the grant of mortgage herein contained is a grant by Lessee, as trustor, to TICOR Title Insurance Company as trustee ("Trustee") for the benefit and security of Lessor, as beneficiary, and Lessee hereby grants, transfers and conveys to Trustee, in trust, with power of sale, for the benefit of Lessor all the estates, rights and interests of Lessee in, to, under and

with respect to the Right of Way not granted to the Lessor on the date hereof pursuant to Section 1.

Section 3.02. Action upon Event of Default. At any time after a Lease Event of Default shall have occurred and be continuing, Lessor, as assignee, lienor and secured party hereunder or otherwise may exercise with respect to all properties subject to the Lien of this Agreement all remedies available to it as mortgagee, assignee, lienor and secured party under the laws of the applicable jurisdiction or otherwise available under Applicable Laws, subject to any applicable limitation contained in Applicable Laws or in the instruments, permits, licenses or other documents evidencing or creating Lessee's property rights subject to the lien and mortgage of this Section 3.

Section 3.03 No Merger. There shall not be any merger of the Easement with the lien and mortgage granted hereunder or any part thereof by reason of the fact that the same Person may simultaneously acquire, own or hold, as the case may be, directly or indirectly, (a) the Easement or any interest in or Lien upon the Easement and (b) the lien and mortgage granted hereunder or any part thereof or any interest therein, unless and until all Persons having any interest in or Lien upon (i) the Easement and (ii) the lien and mortgage granted hereunder or any part thereof shall have joined in a written instrument effecting such merger and shall have duly recorded the same in the appropriate public office.

SECTION 4

NATURE OF EASEMENT

The Easement and the lien and mortgage granted hereunder shall run with the Right of Way, shall be binding upon the Lessee, its successors and assigns, and shall inure to the benefit of and be enforceable by Lessor and its successors and assigns.

SECTION 5

TERM

This Agreement and the Easement shall commence on the Closing Date and continue in full force and effect until July 15, 2019; provided, however, that this Agreement shall terminate prior to such date upon the occurrence of any

of the following events: (a) the payment in full of the purchase price of the Facility pursuant to Section 15(c) of the Lease, together with all other amounts then due and payable by Lessee under any of the Basic Agreements, or (b) the payment in full of the Stipulated Loss Value and/or Termination Value and/or Fair Market Sale Value of the Facility pursuant to Section 10 of the Lease, together with all other amounts then due and payable by Lessee under any of the Basic Agreements or (c) the conveyance of the Facility to Lessee after payment therefor as provided in Section 18(d) of the Lease. Lessor may at any time following the termination of the Lease or the expiration of the Term, at its option, terminate this Agreement upon payment of \$1.00 to the Lessee. Upon such termination, all Lessor's obligations and liabilities, including its obligation to make rental payments hereunder, shall automatically terminate. After such termination, upon Lessee's request and at the expense of Lessee, Lessor will execute and deliver to Lessee such proper instruments of release and satisfaction as may reasonably be requested by Lessee to evidence such release, and any such instrument when duly executed by Lessor and duly recorded by Lessee in the places where this Agreement is recorded shall conclusively evidence the release of this Agreement.

SECTION 6

TITLE

Lessee represents that it has the right to grant to Lessor the Easement and the lien and mortgage of this Agreement, that the property rights of the Lessee subject to such easement, lien or mortgage are free of any Liens other than Permitted Liens, and that the Lessee warrants, subject to Lessee's rights under Section 6.05 of the Participation Agreement, that it will defend the Easement and lien and mortgage granted hereunder against all claims and demands of all Persons other than Lessor, the Indenture Trustee and the Participants.

SECTION 7

REMOVAL OF FACILITY

The parties hereto acknowledge that the title to the Facility has been conveyed by a separate instrument or instruments to Lessor and that the Facility is the property of, and is owned by, Lessor. Lessor shall have the right to remove the Facility from the Right of Way and shall

have the right to require Lessee to remove the Facility from the Right of Way in accordance with the provisions of Section 15 of the Lease.

SECTION 8

RESERVATION OF USE BY LESSEE

During the term of this Agreement the Right of Way shall not be used by Lessor for any purpose other than those specifically enumerated in Section 1. Lessee specifically reserves the right prior to the Services Commencement Date to use the Right of Way for the use, operation and maintenance of the Facility and for any lawful purpose that does not interfere with the use, operation or maintenance of the Facility for its Intended Use and that will not result in the termination or forfeiture of the Easement granted hereby; provided, however, that in the case of any use of the Right of Way not in existence on the Closing Date, Lessee shall have given at least 30 days' prior written notice to Lessor and the Indenture Trustee, describing in reasonable detail the nature and intent of such planned use and the part of the Right of Way on which such use shall occur.

SECTION 9

RENT

As rent for the Easement for the term of this Agreement, Lessor shall pay to Lessee (i) for the period from the date hereof to the Services Commencement Date, the sum of \$1.00 per year, payable annually in advance on the date hereof (the receipt of which is hereby acknowledged by Lessee) and on the same day of each year thereafter and (ii) for the Shirt-Tail Period, an annual fee (or for any remaining period of less than 12 full months, a pro rata portion thereof) payable in advance, commencing on the Services Commencement Date and on the same date of each year thereafter throughout the Shirt-Tail Period, in an amount equal to the sum of (A) \$200,000 and (B) an amount equal to Lessee's good faith allocation (between the Facility and other property, if any, located on the Right of Way and used in Lessee's business operations from time to time) of the costs of maintaining and continuing in effect all rights necessary, advisable or ancillary to the continued existence of the Right of Way.

SECTION 10

POSSESSION AND QUIET ENJOYMENT

Lessee represents to the Lessor that, subject to Lessee's rights under Section 6.05 of the Participation Agreement, Lessor will enjoy quiet possession of the Easement free from claims and demands of all Persons other than Lessor, the Indenture Trustee and the Participants.

SECTION 11

SURRENDER

On the last day of the term of this Agreement, Lessor shall peaceably and quietly surrender possession of the Right of Way and any property thereon to Lessee, subject to Lessor's right to have Lessee return the Facility in accordance with Section 15 of the Lease, free and clear of all Liens other than Lessor Liens.

SECTION 12

NON-TERMINATION

Except as provided in Section 5, this Agreement shall not terminate, nor shall the estate created hereby be extinguished, lost, conveyed or otherwise impaired, or be merged into or with any other interest or estate in the Right of Way or any other property interest, in whole or in part, by any cause or for any reason whatsoever, including, without limitation, the following: (a) any damage to or destruction of all or any part of the Facility, or the taking of the Facility or any portion thereof by condemnation, requisition, eminent domain or otherwise, (b) any prohibition, limitation or restriction of any party's use of all or any part of the Right of Way or the Facility or the interference of such use by any Person, or any eviction by paramount title or otherwise, (c) the termination or loss of Lessor's or Lessee's interest in the Lease, (d) any inadequacy, incorrectness or failure of the description of the Right of Way or the Easement or any property or rights intended to be granted or conveyed by this Agreement, (e) any default in the performance or the observance by any party of any of its covenants and agreements to be performed and observed by such party under any of the Basic Agreements, (f) the insolvency, bankruptcy,

reorganization or similar proceedings by or against any party hereto, (g) any action taken by the Indenture Trustee to assert its rights or remedies under the Indenture or (h) any other reason whatsoever, whether similar or dissimilar to any of the foregoing. It is intended and agreed by the parties hereto that the Easement and other rights granted and conveyed hereunder shall be separate and independent covenants and agreements of the parties hereto and that, except as provided in Section 5, the Easement and any other right granted or conveyed pursuant to this Agreement may not be terminated without the express consent of the Indenture Trustee or any other mortgagee of the Trust Estate.

SECTION 13

ASSIGNMENT

Other than in accordance with Section 14 hereof, Lessor will not assign this Agreement, except that at any time after the expiration of the Term of the Lease, or at any time after the Lease has terminated pursuant to the terms of the Lease or remedies have been exercised under Section 18 of the Lease, Lessor may, with the prior written consent of the Indenture Trustee until the Indenture shall have been discharged in accordance with its terms, assign this Agreement or any rights hereunder to any Person in connection with the sale or lease or other disposition of the Facility or any interest therein to such Person (which Person may subsequently make a similar assignment to a subsequent purchaser or lessee of the Facility). Upon the assumption by any assignee of the obligations of Lessor hereunder, the Lessor so assigning shall be automatically released from such obligations.

SECTION 14

SECURITY ASSIGNMENT OF LESSOR'S INTERESTS

In order to secure the indebtedness evidenced by the Loan Certificates and certain other obligations as provided in the Indenture, the Indenture provides, among other things, for the assignment by Lessor to the Indenture Trustee of its estate, right, title and interest in, to and under this Agreement, and for the creation of a Lien on and security interest in the interest created hereby in favor of the Indenture Trustee. Lessee hereby consents to such assignment and to the creation of such Lien and security interest, consents to the terms and provisions of the Indenture and acknowledges that the Indenture provides for

the exercise and enjoyment by the Indenture Trustee of the rights of Lessor hereunder to give any consents, approvals, waivers, notices or the like, and to make any elections, demands or the like, and to take any other discretionary action hereunder, except as specifically set forth in the Indenture. Lessee will furnish to the Indenture Trustee and each Participant counterparts of all notices, certificates, opinions or other documents of any kind delivered hereunder by Lessee to Lessor. Notwithstanding the foregoing, the Indenture Trustee shall have no liability under this Agreement.

SECTION 15

NOTICES

Unless otherwise specifically provided for herein, all notices, consents, directions, approvals, instructions, requests and other communications required or permitted by the terms hereof to be given to any Person shall be given in the manner specified in the Participation Agreement.

SECTION 16

BINDING EFFECT; SUCCESSORS AND ASSIGNS

The terms and provisions of this Agreement and the respective rights and obligations hereunder of Lessor and Lessee shall be binding upon, and inure to the benefit of, their respective successors and assigns. Each time a successor Owner Trustee is appointed in accordance with the terms of the Trust Agreement, such successor Owner Trustee shall, without further act, succeed to all rights, duties, immunities and obligations of the predecessor Owner Trustee hereunder and the predecessor Owner Trustee shall be released from all further duties and obligations hereunder, all without the necessity of any consent or approval by Lessee and without in any way altering the terms of this Agreement or the rights or obligations of Lessor hereunder. Lessee shall, at its expense, upon receipt of written notice of the appointment of a successor Owner Trustee under the Trust Agreement, promptly make such modifications and changes to reflect such appointment as shall be reasonably requested by such successor Owner Trustee in any insurance policies, schedules, certificates and other instruments relating to the Right of Way or this Agreement, all in form and substance satisfactory to such successor Owner Trustee.

SECTION 17

MISCELLANEOUS

Section 17.01 Severability. Any provision of this Agreement that shall be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law that renders any term or provision hereof invalid or unenforceable in any respect.

Section 17.02 Amendments. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the party against which the enforcement of the termination, amendment, supplement, waiver or modification shall be sought and, unless and until the Indenture shall have been terminated and discharged, consented to by the Indenture Trustee.

Section 17.03 Headings. The headings of the various Articles and Sections of this Agreement are for convenience only and shall not modify, define or limit any of the terms or provisions hereof.

Section 17.04 Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original for all purposes, but all such counterparts shall together constitute but one and the same instrument.

Section 17.05 Governing Law. With respect to each portion of the Right of Way, this Agreement shall be governed by, and construed in accordance with, the laws of the jurisdiction wherein such Right of Way is located.

IN WITNESS WHEREOF, each of the parties hereto has caused these presents to be duly executed as of the day and year first above written.

WILLIAMS TELECOMMUNICATIONS
COMPANY

By *Harry S. Dandellis*
Title: Vice President

WILMINGTON TRUST COMPANY,
not in its individual
capacity but solely as
Owner Trustee

By *R. Smith*
Title: Vice President
SENIOR FINANCIAL SERVICES OFFICER

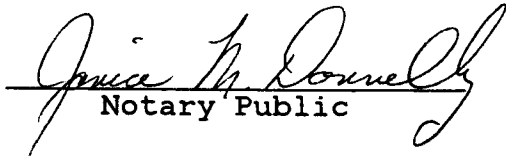
WILLIAM J. WADE
not in his individual capacity
but solely as Owner Trustee

W. Wade

STATE OF NEW YORK)
 :
COUNTY OF NEW YORK) SS:

Before me personally appeared HARRY G. DANDELLES, personally known to me to be the person whose name is subscribed to the foregoing instrument as the designated officer of WILLIAMS TELECOMMUNICATIONS COMPANY, one of the corporations named in said instrument, and personally known to me to be such officer of said corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated, for and on behalf of and as the act and deed of said corporation.

IN WITNESS of which I have hereunto set my hand and official seal, this 25th day of April, 1987.


Notary Public

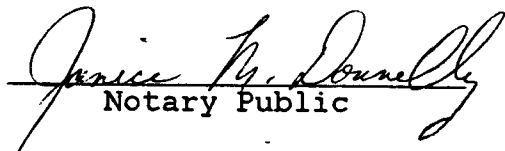
[NOTARIAL STAMP AND SEAL]

JANICE M. DONNELLY
Notary Public, State of New York
No. 41-4650319
Qualified in Queens County
Certificate filed in New York County
Commission Expires

STATE OF NEW YORK)
 :
COUNTY OF NEW YORK) SS:

Before me personally appeared ROBIN LYNCH, personally known to me to be the person whose name is subscribed to the foregoing instrument as the designated officer of WILMINGTON TRUST COMPANY, one of the corporations named in said instrument, and personally known to me to be such officer of said corporation, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated, for and on behalf of and as the act and deed of said corporation.

IN WITNESS of which I have hereunto set my hand and official seal, this 25th day of April, 1987.


Notary Public

[NOTARIAL STAMP AND SEAL]

JANICE M. DONNELLY
Notary Public, State of New York
No. 41-4650319
Qualified in Queens County
Certificate filed in New York County
Commission expires January 31, 1990

BOOK 231 PAGE 281

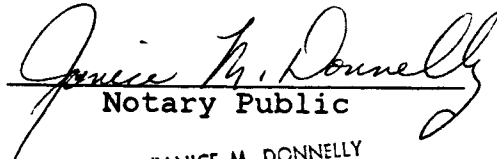
STATE OF NEW YORK)
 :
COUNTY OF NEW YORK)

SS:

DESCRIPTION OF FIBER OPTIC SOCIETY

Before me personally appeared WILLIAM J. WADE, personally known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed said instrument for the purposes and consideration therein expressed and in the capacity therein stated, for and on his own behalf and as his act and deed.

IN WITNESS of which I have hereunto set my hand and official seal, this 25th day of April, 1987.


Notary Public

[NOTARIAL STAMP AND SEAL]

JANICE M. DONNELLY
Notary Public, State of New York
No. 41-4650319
Qualified in Queens County
Certificate filed in New York County
Commission expires January 31, 1990

DESCRIPTION OF THE RIGHT OF WAY
DESCRIPTION OF FIBER OPTIC FACILITY

"Facility" shall mean, except as expressly hereinafter noted, the entire fiber optics telecommunications system comprising approximately 747 route miles starting in Salt Lake City, Utah, and ending in Los Angeles, California and running through the States of Utah, Nevada and California. The Facility begins inside a building located at 70 South State Street, Salt Lake City, Utah and ends in the office building located at One Wilshire Boulevard, Los Angeles, California. The Facility is installed along the Right of Way and includes the following: (i) the fiber optic cable manufactured by Siecorm Company and included in such system, (ii) all cable ducts or conduits through which such cable runs (excluding all steel pipelines), (iii) the associated splice boxes, splice vaults and other associated concrete structures constructed by or for Lessee and used to protect, or provide splicing space for, the fiber optic cable, together with all manhole and handhole covers relating thereto, (iv) electrical power facilities, including electrical distribution panels, lighting, wiring and other related apparatus attached to or within the Facility (excluding any meters owned by other Persons), (v) heating, ventilating and air conditioning equipment, (vi) metal enclosures (sometimes referred to as the regeneration stations) containing the Electronics together with the concrete slabs to which the enclosures are attached, (vii) auxiliary generators, batteries, battery-charging equipment, telephone equipment and other related equipment used on the Closing Date by Lessee on the Right of Way, and (viii) any other property the title to which vests in Lessor pursuant to the terms of the Lease; provided, that with respect to that portion of the Facility which is subject to the Centel Agreement (as defined below) the term Facility shall mean only the Lessee's interest in the items described in clauses (i) through (viii) above. The Facility specifically excludes (i) the Electronics and (ii) the green sheath containing eight fibers and such eight fibers which are owned by Central Telephone Company (of Nevada) pursuant to the Telecommunications Agreement dated October 10, 1986, between Central Telephone Company (of Nevada) and the Lessee (the "Centel Agreement") and which lie between a point approximately 24.0 kilometers north of the North Three Central Office in Las Vegas, Nevada and a point near Stateline, Nevada with a total length of approximately 125.7 kilometers, as more fully described in the Centel Agreement.

ANNEX B

DESCRIPTION OF THE RIGHT OF WAY

BOOK 231 PAGE 284

ASSIGNMENT LIST
BEAVER COUNTY, UTAH

| Tract | County | Grantor | Section | Township | Range | Inst. Date | Record # Data |
|---|--------|----------------------|---------|----------|---------|------------|------------------|
| 6800 | Beaver | Letha S. Smyth | 9 | 26 South | 10 West | 7-8-86 | 227/291 |
| A strip of land 16 feet in width situated in the W/2 NW/4 of Section 9, Township 26 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6801 | Beaver | State of Utah | 9 | 26 South | 10 West | 8-14-86 | Consent |
| A strip of land in the West Half of the Southwest Quarter (W/2 SW/4) of Section 9, Township 26 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6802 | Beaver | BLM | 8/16/17 | 26 South | 10 West | 7-31-86 | Grant |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 8 Township 26 South, Range 10 West; the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section 16, Township 26 South, Range 10 West; and the Northeast Quarter of the Northeast Quarter (NE/4 NE/4) and the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) of Section 17, Township 26 South, Range 10 West. | | | | | | | |
| 6803 | Beaver | Ralph & June Pearson | 17/20 | 26 South | 10 West | 7-9-86 | 226/530 |
| A strip of land 16 feet in width situated in the E/2 SE/4 of Section 17 and E/2 NE/4 NE/4 of Section 20, Township 26 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6804 | Beaver | BLM | 20/29 | 26 South | 10 West | 7-31-86 | Grant |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Southeast Quarter of the Northeast Quarter (SE/4 NE/4), the Northeast Quarter of the Southeast Quarter (NE/4 SE/4), and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 20, Township 26 South, Range 10 West; and the Northeast Quarter of the Northeast Quarter (NE/4 NE/4), the Southeast Quarter of the Northeast Quarter (SE/4 NE/4), the Northeast Quarter of the Northeast Quarter (NE/4 NE/4), and the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 29, Township 26 South, Range 10 West. | | | | | | | |
| 6805 | Beaver | Ralph & June Pearson | 32 | 26 South | 10 West | 7-9-86 | 226/528 |
| A strip of land 16 feet in width situated in the E/2 E/2 of Section 32, Township 26 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6806 | Beaver | BLM | 5/8 | 27 South | 10 West | 7-31-86 | Grant |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Northeast Quarter of the Northeast Quarter (NE/4 NE/4), the Southeast Quarter of the Northeast Quarter (SE/4 NE/4), the Northeast Quarter of the Southeast Quarter (NE/4 SE/4), and the Southeast Quarter of the Southeast Quarter | | | | | | | |

582
BOOK 231

[BEAVER COUNTY, UTAH

Scale of Utah

286

| Tract | County | Grantor | Section | Township | Range | Inst. Date | Recording Date |
|--|----------|--------------------------|---------|-------------|---------|------------|----------------|
| 6807 | Beaver | Ralph & June Pearson | 17 | 27 South | 10 West | 7-9-86 | 226/526 |
| A strip of land 16 feet in width situated in the W/2 NE/4 of Section 17, Township 27 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6808 | Beaver | Howard V. Hatch, et al | 17 | 27 South | 10 West | 7-30-86 | 226/518 |
| A strip of land 16 feet in width situated in the SE/4 NW/4 and the N/2 SW/4 of Section 17, Township 27 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6809 | Beaver | Gary E. Sullivan, et ux | 17 | 27 South | 10 West | 7-22-86 | 226/524 |
| A strip of land 16 feet in width situated in the SW/4 SW/4 of Section 17, Township 27 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6810 | Beaver | BLM | 29/20 | 27 South | 10 West | 7-31-86 | Grant |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Northwest quarter of the Northwest Quarter (NW/4 NW/4), the Southwest Quarter of the Northwest Quarter (SW/4 NW/4), the Northwest Quarter of the Southwest Quarter (NW/4 SW/4), and the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 29, Township 27 South, Range 10 West; and the Southwest Quarter (SW/4 SW/4), the Northwest Quarter of the Southwest Quarter (NW/4 SW/4), the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section 20, Township 27 South, Range 10 West. | | | | | | | |
| 6813 A | X Beaver | City of Milford | 30/31 | 27 South | 10 West | 9-18-86 | 228/736 |
| A strip of land being situated in part of the East Half of the East Half (E/2 E/2) of Section 30, Township 27 South, Range 10 West; and part of the East Half of the Northeast Quarter (E/2 NE/4) of Section 31, Township 27 South, Range 10 West; and part of the East Half of the Northeast Quarter of the Southeast Quarter (E/2 NE/4 SE/4) of Section 31, Township 27 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6813 C | X Beaver | Dorothy B. Newdigate | 31/6 | 27/28 South | 10 West | 9-18-86 | 228/734 |
| A strip of land 16 feet in width situated in the S/2 N/2 SE/4 and S/2 SE/4, Section 31, Township 27 South, Range 10 West, and N/2 NE/4, Section 6, Township 28 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6813 D | Beaver | Beaver County Road Dept. | 6 | 28 South | 10 West | 8-14-86 | Permit |

BOOK 23 PAGE 286

ASSIGNMENT LIST
BEAVER COUNTY, UTAH

State of Utah

287

BOOK 231 PAGE 287

| Tract | County | Grantor | Section | Township | Range | Inst. Date | Recording Date |
|--|--|-------------------------------------|---------|----------|---------|------------|----------------|
| A strip of land in the South Half of the Northeast Quarter (S/2 NE/4) of Section 6, Township 28 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6813 G | Beaver | Roy Gray, et ux | 6 | 28 South | 10 West | 11-10-86 | 229/11 |
| A strip of land in the N/2 SW/4 NE/4, Section 6, Township 28 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6814 | Beaver | City of Millford | 6 | 28 South | 10 West | 9-18-86 | 228/736 |
| A strip of land 16 feet in width situated on the Quarter section line of the SW/4 and the SE/4, Section 6, Township 28 South, Range 10 West, Beaver County Utah | | | | | | | |
| 6814 B, 6814 D, | Beaver | Larry R. Aleona B. Shurtliff, et al | 7 | 28 South | 10 West | 9-13-86 | 228/741 |
| 6814 F | A strip of land 16 feet in width situated in the E/2 SE/4 NW/4 and the S/2 NE/4 NW/4 of Section 7, Township 28 South, Range 10 West, Beaver County, Utah | | | | | | |
| 6814 E | Beaver | Church of Latter Day Saints | 7 | 28 South | 10 West | 9-23-86 | 228/749 |
| A strip of land situated in the East Half (E/2) of the following described tract: Beginning at a point bearing North 1680.15 feet and bearing West 10 feet from the Southeast Quarter of the Northwest Quarter (SE/4 NW/4); thence North 89°39'41" West 736.20 feet; thence North 89°39'41" East 736.20 feet; thence South 350 feet to the point of beginning, in Section 7, Township 28 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6814 G | Beaver | City of Millford | 7 | 28 South | 10 West | 9-10-86 | 228/751 |
| A strip of land 16 feet in width situated in the E/2 SW/4, Section 7, Township 28 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6814 H | Beaver | Russell Mayer, et ux | 7 | 28 South | 10 West | 9-11-86 | 228/753 |
| A strip of land 16 feet in width situated in the NE/4 SW/4, Section 7, Township 28 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6817 | Beaver | Beaver Co. Road | 18 | 28 South | 10 West | 8-14-86 | Permit |
| A strip of land in the West Half (W/2) of Section 18, Township 28 South, Range 10 West, Beaver County, Utah | | | | | | | |
| 6818 | Beaver | Byron E. Pullen, et ux | 13 | 28 South | 11 West | 7-25-86 | 226/516 |
| A strip of land 16 feet in width situated in the Easterly portion of the SE/4 SE/4 of Section 13, Township 28 South, Range 11 West, Beaver County, Utah | | | | | | | |

ASSIGNMENT LIST
BEAVER COUNTY, UTAH

State of Utah

80
81
82

| Tract | County | Grantor | Section | Township | Range | Inst. Date | Recording Date |
|-------|--------|---------|---------|----------|-------|------------|----------------|
|-------|--------|---------|---------|----------|-------|------------|----------------|

| | | | | | | | |
|---|--------|--------------------|---------|-------------|---------|---------|--------|
| 6819 | Beaver | Beaver County Road | Various | 28/29 South | 11 West | 8-14-86 | Permit |
| A strip of land located in the following quarter sections in Beaver County, Utah: the East Half of the East Half of Section 24, the East Half of the East Half (E/2 E/2) of Section 25, and the East Half of the East Half (E/2 E/2) of Section 36, Township 28 South, Range 11 West; the East Half of the East Half of Section 10, the East Half of the East Half (E/2 E/2) of Section 12, the East Half of the East Half (E/2 E/2) of Section 13, the North Half of the North Half (N/2 N/2) of Section 24, the North Half of the North Half (N/2 N/2) of Section 23, and the West Half of the West Half (W/2 W/2) of Section 26, Township 29 South, Range 11 West. | | | | | | | |

| | | | | | | | |
|---|--------|-----|-------|----------|---------|---------|-------|
| 6821 | Beaver | BLM | 35/34 | 29 South | 11 West | 7-31-86 | Grant |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section 35 Township 29 South, Range 11 West; and the Northeast Quarter of the Northeast Quarter (NE/4 NE/4), the Southeast Quarter of the Northeast Quarter (SE/4 NE/4) and the Southwest Quarter of the Northeast Quarter (SW/4 NE/4) of Section 34, Township 29 South, Range 11 West. | | | | | | | |

| | | | | | | | |
|--|--------|--------------------|---------|-------------|---------|---------|--------|
| 6821 A | Beaver | Beaver County Road | Various | 29/30 South | 11 West | 8-14-86 | Permit |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Southwest Quarter (SW/4) of Section 34, Township 29 South, Range 11 West; the Northeast Quarter of the Northwest Quarter (NW/4 NW/4) of Section 3, Township 30 South, Range 11 West; the Northeast Quarter of the Northeast Quarter (NE/4 NE/4), the Southeast Quarter of the Northeast Quarter (SE/4 NE/4), the Southwest Quarter of the Northeast Quarter (SW/4 NE/4), the Northwest Quarter of the Southeast Quarter (NW/4 SE/4), the Northeast Quarter of the Southwest Quarter (NE/4 SW/4), the Southeast Quarter of the Southwest Quarter (SE/4 SW/4), and the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 4, Township 30 South, Range 11 West; the Southeast Quarter of the Southwest Quarter (SE/4 SE/4) of Section 5, Township 30 South, Range 11 West; the Northeast Quarter (NE/4 NE/4), the Northwest Quarter of the Northeast Quarter (NW/4 NE/4), the Southwest Quarter of the Northeast Quarter (SW/4 NE/4), and the Southeast Quarter of the Northwest Quarter (SE/4 NW/4) of Section 8, Township 30 South, Range 11 West. | | | | | | | |

| | | | | | | | |
|---|--------|-----|-----|----------|---------|---------|-------|
| 6821 B | Beaver | BLM | 7/8 | 30 South | 11 West | 7-31-86 | Grant |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 7, Township 30 South, Range 11 West; the Northeast Quarter of the Southwest Quarter (NE/4 SW/4), the Northwest Quarter of the Southwest Quarter (NW/4 SW/4), and the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 8, Township 30 South, Range 11 West. | | | | | | | |

| | | | | | | | |
|---|--------|--------------------|----|----------|---------|---------|--------|
| 6821 C | Beaver | Beaver County Road | 18 | 30 South | 11 West | 8-14-86 | Permit |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Northeast Quarter of the Northeast Quarter (NE/4 NE/4), the Northwest Quarter of the Northeast Quarter (NW/4 NE/4), the Southwest Quarter of the Northeast Quarter (SW/4 NE/4), the Southeast Quarter of the Northwest Quarter (SE/4 NW/4), the Northeast Quarter of the Southwest Quarter (NE/4 SW/4), the Northwest Quarter of the Southwest Quarter (NW/4 SW/4), and the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 18, Township 30 South, Range 11 West. | | | | | | | |

ASSIGNMENT LIST
BEAVER COUNTY, UTAH

State of Utah

289

| Tract | County | Grantor | Section | Township | Range | Inst. Date | Recording Date |
|--|--------|--------------------|----------|----------|---------|------------|----------------|
| 6821 D | Beaver | Beaver County Road | 13/24/23 | 30 South | 12 West | 8-14-86 | Permit |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 13 Township 30 South, Range 12 West; the Northeast Quarter of the Northeast Quarter (NE/4 NE/4), the Northwest Quarter of the Northeast Quarter (NW/4 NE/4), the Northeast Quarter of the Northeast Quarter (NE/4 NW/4), the Southeast Quarter of the Northeast Quarter (SE/4 NW/4), the Southwest Quarter of the Northeast Quarter (SW/4 NW/4), and the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section 24, Township 30 South, Range 12 West; and the Northeast Quarter of the Southeast Quarter (NE/4 SE/4), the Southeast Quarter of the Southeast Quarter (SE/4 SE/4), and the Southwest Quarter of the Southeast Quarter (SW/4 SE/4) of Section 23, Township 30 South, Range 12 West. | | | | | | | |

| | | | | | | | |
|--|--------|-----|----|----------|---------|---------|-------|
| 6821 E | Beaver | BLM | 26 | 30 South | 12 West | 7-31-86 | Grant |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Northwest Quarter of the Northeast Quarter (NW/4 NE/4) and the Southwest Quarter of the Northeast Quarter (SW/4 NE/4) of Section 26, Township 30 South, Range 12 West. | | | | | | | |

| | | | | | | | |
|---|--------|--------------------|----|----------|---------|---------|--------|
| 6821 F | Beaver | Beaver County Road | 26 | 30 South | 12 West | 8-14-86 | Permit |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Southeast Quarter of the Northwest Quarter (SE/4 NW/4), the Northeast Quarter of the Southwest Quarter (NE/4 SW/4), the Northwest Quarter of the Southwest Quarter (NW/4 SW/4), and the Southwest Quarter of the Southwest Quarter (SW/4 SW/4) of Section 26, Township 30 South, Range 12 West. | | | | | | | |

| | | | | | | | |
|--|--------|-----|----|----------|---------|---------|--------|
| 6821 G | Beaver | BLM | 27 | 30 South | 12 West | 7-31-86 | Permit |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) and the Southwest Quarter of the Southeast Quarter (SW/4 SE/4) of Section 27, Township 30 South, Range 12 West. | | | | | | | |

| | | | | | | | |
|---|--------|--------------------|----------|----------|---------|---------|--------|
| 6821 H | Beaver | Beaver County Road | 34/33/32 | 30 South | 12 West | 8-14-86 | Permit |
| A strip of land located in the following quarter sections in Beaver County, Utah: the Northwest Quarter of the Northeast Quarter (NW/4 NE/4), the Northeast Quarter of the Northwest Quarter (NE/4 NW/4), and the Northwest Quarter of the Northwest Quarter (NW/4 NW/4) of Section 34, Township 30 South, Range 12 West; the Northeast Quarter of the Northeast Quarter (NE/4 NE/4), the Southeast Quarter of the Northeast Quarter (SE/4 NE/4), the Southwest Quarter of the Northeast Quarter (SW/4 NE/4), the Southeast Quarter of the Northeast Quarter (SE/4 NW/4), the Northeast Quarter of the Southwest Quarter (NE/4 SW/4), and the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section 33, Township 30 South, Range 12 West; and the Northeast Quarter of the Southwest Quarter (NE/4 SE/4), the Northwest Quarter of the Southwest Quarter (NW/4 SE/4), the Southwest Quarter of the Southwest Quarter (SW/4 SE/4), the Southeast Quarter of the Southwest Quarter (SE/4 SW/4) of Section 32, Township 30 South, Range 12 West. | | | | | | | |

| | | | | | | | |
|--|--------|----------------------------|----|----------|---------|---------|---------|
| 6822 | Beaver | Lucille M. Woodward, et al | 31 | 30 South | 12 West | 7-22-86 | 226/522 |
| Being a strip of land 16 feet in width situated in the SE/4, Section 31, Township 30 South, Range 12 West, Beaver County, Utah | | | | | | | |

ASSIGNMENT LIST
BEAVER COUNTY, UTAH

State of Utah

290

BOOK 201 PAGE

| <u>Tract</u> | <u>County</u> | <u>Grantor</u> | <u>Section</u> | <u>Township</u> | <u>Range</u> | <u>Inst. Date</u> | <u>Recording No.</u> |
|--|---------------|------------------|----------------|-----------------|--------------|-------------------|----------------------|
| 6823 | Beaver | Robert D. Dibkey | 31 | 30 South | 12 West | 7-25-86 | 226/520 |
| A strip of land 16 feet in width situated in the S/2 SW/4 of Section 31, Township 30 South, Range 12 West, Beaver County, Utah | | | | | | | |
| 6824 | Beaver | State of Utah | 36 | 30 South | 13 West | 8-14-86 | Consent |
| A strip of land in the Southeast Quarter of the Southeast Quarter (SE/4 SE/4) of Section 36, Township 30 South, Range 13 West, Beaver County, Utah | | | | | | | |

Regenerator Sites
Assignment List

| <u>Tract Name</u> | <u>Grantor</u> | <u>Section</u> | <u>Township</u> | <u>Range</u> | <u>County/State</u> | <u>Inst. Date</u> | <u>Recording Data</u> |
|---|-------------------|----------------|-----------------|--------------|---------------------|-------------------|-----------------------|
| SL #9 Milford North | City of Milford | 31 | 27 South | 10 West | Beaver, UT | 8-25-86 | 229/48 |
| A portion of the Northeast Quarter (NE/4) of Section 31, Township 27 South, Range 10 West, S.L.B.6M., Beaver County, Utah. | | | | | | | |
| SL #10 Milford South | Larry L. Hamilton | 26 | 29 South | 11 West | Beaver, UT | 8-8-86 | 229/51 |
| A portion of the Northwest Quarter of the Southwest Quarter (NW/4 SW/4) of Section 26, Township 29 South, Range 11 West, S.L.M., abutting and parallel to the East right of way line of the Beaver County road, as it now exists. | | | | | | | |

-8-

EXHIBIT A TO
PARTICIPATION AGREEMENT
LEASE AGREEMENT
INDENTURE AND SECURITY AGREEMENT
TRUST AGREEMENT
PROPERTY RIGHTS AGREEMENT
BILL OF SALE
SUPPORT AGREEMENT

WILLIAMS TELECOMMUNICATIONS COMPANY

Fiber Optic Telecommunications Facility

DEFINITIONS RELATING TO THE PARTICIPATION AGREEMENT, LEASE
AGREEMENT, INDENTURE AND SECURITY AGREEMENT, TRUST AGREEMENT,
PROPERTY RIGHTS AGREEMENT, SUPPORT AGREEMENT AND
GUARANTY AGREEMENT REFERRED TO BELOW

"Acceptance Certificate" shall mean the Acceptance Certificate substantially in the form of Annex C to the Lease, which shall be executed and delivered by Lessor and Lessee on the Closing Date for the purpose of setting forth the Closing Date and confirming the acceptance of the Facility by Lessee under the Lease on the Closing Date.

"Affiliate" of the specified Person shall mean any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with, such specified Person. For purposes of this definition, the term "control" (including the correlative meanings of the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"After-Tax Basis" shall mean, with respect to any payment received or deemed to have been received by any Person, the amount of such payment supplemented by a further payment to that Person so that the sum of the two payments, after deduction of all Taxes and other charges (taking into account any current credits or deductions arising therefrom) resulting from the receipt or accrual (actual or constructive) of such two payments imposed under any federal, state or local law or by a Governmental Authority or any taxing authority of any thereof, shall be equal to the payment received or deemed to have been received.

"Applicable Laws" shall mean all applicable laws (including, without limitation, federal and state securities laws), ordinances, judgments, decrees, injunctions, writs and orders of any court, arbitrator or governmental agency or authority and rules, regulations, orders, interpretations, licenses and permits of any federal, state, county, municipal, regional or other governmental body, instrumentality, agency or authority.

"Appraisal Procedure" shall mean the following procedure for determining Fair Market Rental Value, Fair Market Sale Value or Return Value if either Lessor or Lessee shall request by notice (the "Appraisal Request") to the other the determination of either of such Values by the Appraisal Procedure. Lessor and Lessee shall, within 15 days after the Appraisal Request, appoint an independent appraiser mutually satisfactory to them, who shall determine such Value and such determination shall be final and binding on Lessor and Lessee. If Lessor and Lessee are unable to agree on a mutually acceptable appraiser within such 15-day period, Fair Market Rental Value, Fair Market Sale Value or Return Value, as the case may be, shall be determined by a panel of three independent appraisers, one of whom shall be appointed by Lessor, another by Lessee and the third of whom shall be appointed by the other two appraisers or, if such two appraisers are unable to agree on a third appraiser within 45 days after the Appraisal Request, by the American Arbitration Association (or its successor); provided, however, that if Lessor or Lessee shall not have appointed its appraiser within 30 days after the Appraisal Request, such Value shall be determined solely by the appraiser selected by the other party. The appraiser or appraisers appointed pursuant to the foregoing procedure shall be instructed to determine Fair Market Rental Value, Fair Market Sale Value or Return Value, as the case may be, within 45 days after such appointment, and such determination shall be final and binding on Lessor and Lessee. If three appraisers are appointed, the determination of the appraiser that shall differ most from the second highest determinations of all three appraisers shall be excluded, the remaining two determinations shall be averaged and such average shall constitute the determination of the appraisers. In the event that a single appraiser is appointed, the fees of such appraiser shall be divided equally between Lessee and Lessor. In the event that more than a single appraiser is appointed, the fees and expenses of the appraiser appointed by Lessee shall be paid by Lessee, the fees and expenses of the appraiser appointed by Lessor shall be paid by Lessor and the fees and expenses of the third appraiser shall be divided equally between Lessee and Lessor. Notwithstanding the foregoing, all fees and expenses of each appraiser shall be paid by Lessee in the case of an appraisal or determination under Section 18 of

the Lease and the Lessee shall pay all such fees and expenses in the circumstances provided in Section 15(c) of the Lease.

"Approved Bank" shall mean (a) so long as Canadian Imperial Bank of Commerce shall remain the L/C Bank, Canadian Imperial Bank of Commerce, or (b) any other bank, acting through a branch or agency located in the United States, that (i) is one of the world's 200 largest banks measured by total assets in United States dollars, and (ii) has, on the date that its written commitment to issue a replacement Letter of Credit is delivered to the Owner Participant pursuant to Section 6.16 of the Participation Agreement, an A-1 or P-1 commercial paper rating, (iii) was identified as a bank then meeting the requirements of clauses (i) and (ii) above in a written notice delivered by Lessee to the Owner Participant not more than 90 days prior to the expiration date of the Letter of Credit then in effect and (iv) was not identified on a written notice delivered by the Owner Participant to Lessee within 10 days after the delivery to the Owner Participant of the written notice described in clause (iii) above, as one of not more than 10 banks that the Owner Participant elects to eliminate from qualification as an Approved Bank eligible to issue the replacement Letter of Credit.

"Base Rate" shall mean the rate of interest announced publicly by Citibank, N.A. in New York, New York, from time to time, as its base rate.

"Basic Agreements" shall mean the Lease, the Bill of Sale, the Participation Agreement, the Trust Agreement, the Indenture, the Guaranty Agreement, the Letter of Credit, the Loan Certificates, the Support Agreement, the Property Rights Agreement and the Tax Indemnification Agreement.

"Basic Rent" shall mean the aggregate rent payable pursuant to Section 3(b) of the Lease for the Primary Term, the aggregate rent payable pursuant to Section 13 of the Lease for the Renewal Term, if any, in each case subject to adjustment in accordance with Section 3(c) of the Lease.

"Bill of Sale" shall mean a Bill of Sale and Deed, substantially in the form of Exhibit E to the Participation Agreement, to be executed and delivered by the Lessee to the Owner Trustee on the Closing Date with respect to the Facility.

"Business Day" shall mean any day except a Saturday, Sunday or other day on which commercial banks in New York City, Delaware or Connecticut are authorized by law to be closed.

"Closing Date" shall mean the date on which the Facility is sold by Lessee to Lessor and accepted by Lessee under the Lease, which shall be the date of the Bill of Sale and the Acceptance Certificate.

"Code" shall mean the Internal Revenue Code of 1986, as amended to the Closing Date, but "1954 Code" shall mean the Internal Revenue Code of 1954, as amended to the Closing Date, as in effect after the enactment of Title XVIII of the Tax Reform Act of 1986 (the "Act") but before the enactment of any other title of the Act.

"Collateral" shall mean all the properties, interests and rights referred to in the Granting Clause of the Indenture and intended to be subjected to the mortgage, security interest and assignment created by the Indenture.

"Commencement Date" shall mean July 15, 1987.

"Contract Services" shall mean, at any time during the Shirt-Tail Period, materials, supplies or services of a kind provided by Lessee at such time to Persons (other than Lessor or any affiliate of Lessee), including (but not limited to) the provision of interconnection and similar services between the Facility and other telecommunications facilities (whether or not based on fiber optics) then owned by Lessee, but excluding services provided to such other Persons at such time that are insignificant or infrequent in comparison to the services required by Lessor.

"Default" shall mean an event or condition that, with notice or lapse of time or both, would constitute an Event of Default.

"Depreciable Basis" shall mean an amount equal to 91.75% of Lessor's Cost.

"Electronics" shall mean the transceivers, regenerators, multiplexers and other electronic equipment, together with all racks to which the same are affixed, located at the regenerator sites and points of presence on the Right of Way, including all equipment replacing any of the foregoing.

"Employee Benefit Plan" shall have the meaning set forth in Section 3 of ERISA.

"Engineer" shall mean a Person appointed by Lessee who is engaged in the engineering profession (who shall be duly licensed as an engineer in a State of the United States) and is familiar with engineering and operational matters relating to the Facility or facilities similar thereto, which Engineer may be an officer or employee of Lessee or any Affiliate.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended, or any comparable successor law.

"Event of Default" shall mean any event or condition defined as "Event of Default" under either Section 17 of the Lease or Section 4.01 of the Indenture, or both, as is indicated by the context in which the term "Event of Default" is used.

"Event of Loss" shall mean any of the following events or conditions:

(i) all or substantially all of the Facility shall become destroyed or damaged beyond repair or permanently rendered unfit for commercial operation, as a consequence of any event whatsoever;

(ii) any damage to or loss of all or any portion of the Facility occurring through any cause whatsoever, which results in the receipt of insurance proceeds with respect to the Facility on the basis of an actual or constructive total loss of the Facility;

(iii) the condemnation, confiscation or seizure of, or other requisition of title to, or use of, all or substantially all of the Facility or the Right of Way (including the taking of title to, or use of, all or substantially all of the Facility or the Right of Way under power of eminent domain or by forfeiture pursuant to any proceeding commenced under any provision of law providing for escheat) by a Governmental Authority; provided, however, that, in the case of a requisition of use of all or substantially all of the Facility or the Right of Way, such requisition shall be for an indefinite period which shall have continued for at least one year or for a definite period of at least one year's duration or that extends beyond the end of the Primary Term or, if such requisition shall occur during a Renewal Term, beyond the end of such Renewal Term; or

(iv) a Special Event of Termination shall have occurred and be continuing.

Subject to the proviso in Section 10(a) of the Lease, the date of occurrence of any of the Events of Loss specified in clause (i), (ii) or (iii) above shall be the date of the casualty or other occurrence specified above giving rise to such Event of Loss. The date of

occurrence of a Special Event of Termination shall be the date specified in the definition of that term.

"Excepted Payments" shall mean (a) any amount paid or payable to or for the benefit of the Owner Participant or the Owner Trustee, in its individual capacity, under Sections 7, 8 or 11 of the Participation Agreement, or pursuant to the Tax Indemnification Agreement, (b) any proceeds of Excess Insurance paid or payable to or for the benefit of the Owner Trustee in its individual capacity or the Owner Participant, (c) amounts payable by the Lessee to the Owner Participant or the Owner Trustee in its individual capacity or as Trustee under the Trust Agreement pursuant to Section 16 of the Lease with respect to any of the amounts referred to in clauses (a) and (b) above, (d) amounts payable pursuant to the Guaranty Agreement with respect to any of the amounts described in clauses (a), (b) and (c) above, together with the right to demand, collect, sue for or otherwise obtain such amounts from the Lessee or the Guarantor, and (e) amounts payable to the Owner Participant under the Letter of Credit or the Note and Supplemental Note Amounts paid pursuant to Section 6.16 of the Participation Agreement.

"Excess Insurance" shall mean the proceeds of liability insurance on the Facility or the Right of Way payable to or for the benefit of the Owner Participant or the Owner Trustee, in its individual capacity, and any insurance proceeds payable solely to the Owner Participant or the Owner Trustee under policies of insurance carried pursuant to Section 12(f) of the Lease.

"Facility" shall mean, except as expressly hereinafter noted, the entire fiber optics telecommunications system comprising approximately 747 route miles starting in Salt Lake City, Utah, and ending in Los Angeles, California and running through the States of Utah, Nevada and California. The Facility begins inside a building located at 70 South State Street, Salt Lake City, Utah and ends in the office building located at One Wilshire Boulevard, Los Angeles, California. The Facility is installed along the Right of Way and includes the following: (i) the fiber optic cable manufactured by Siecor Company and included in such system, (ii) all cable ducts or conduits through which such cable runs (excluding all steel pipelines), (iii) the associated splice boxes, splice vaults and other associated concrete structures constructed by or for Lessee and used to protect, or provide splicing space for, the fiber optic cable, together with all manhole and handhole covers relating thereto, (iv) electrical power facilities, including electrical distribution panels, lighting, wiring and other related apparatus attached to or within the Facility (excluding any meters owned by other Persons), (v) heating,

ventilating and air conditioning equipment, (vi) metal enclosures (sometimes referred to as the regeneration stations) containing the Electronics together with the concrete slabs to which the enclosures are attached, (vii) auxiliary generators, batteries, battery-charging equipment, telephone equipment and other related equipment used on the Closing Date by Lessee on the Right of Way, and (viii) any other property the title to which vests in Lessor pursuant to the terms of the Lease; provided, that with respect to that portion of the Facility which is subject to the Centel Agreement (as defined below) the term Facility shall mean only the Lessee's interest in the items described in clauses (i) through (viii) above. The Facility specifically excludes (i) the Electronics and (ii) the green sheath containing eight fibers and such eight fibers which are owned by Central Telephone Company (of Nevada) pursuant to the Telecommunications Agreement dated October 10, 1986, between Central Telephone Company (of Nevada) and the Lessee (the "Centel Agreement") and which lie between a point approximately 24.0 kilometers north of the North Three Central Office in Las Vegas, Nevada and a point near Stateline, Nevada with a total length of approximately 125.7 kilometers, as more fully described in the Centel Agreement.

"Fair Market Rental Value" shall mean at any time, with respect to the Facility or any part thereof, the fair market rental value thereof at such time as determined by agreement between Lessor and Lessee or, if requested by either of such parties, by the Appraisal Procedure. Fair Market Rental Value shall be equal to the rental value of the Facility or such part, as the case may be, for a specified period that would be obtained in an arm's-length transaction between an informed and willing lessor under no compulsion to lease and an informed and willing lessee-user (other than a lessee currently in possession), which determination shall be made on the assumption that the Facility or such part is free and clear of all Liens (other than Lessor Liens) and is in the condition and repair required under Section 7 of the Lease, and shall be calculated at the higher of (i) the fair market rental value thereof at its existing location on the assumption that the lessee-user has the right to use the Facility and the necessary ancillary rights in connection with the operation thereof that are comparable to the rights provided for in the Property Rights Agreement and the Support Agreement, subject, however, to the payment of the charges provided for in the Property Rights Agreement and the Support Agreement for such ancillary rights, and (ii) the fair market rental value thereof at any place other than at its existing location after deduction of all costs and expenses of dismantling, removal, delivery and reconstruction thereof.

"Fair Market Sale Value" shall mean at any time, with respect to the Facility or any part thereof, the fair market sale value thereof at such time as determined by agreement between Lessor and Lessee or, if requested by either of such parties, by the Appraisal Procedure. Fair Market Sale Value shall be equal to the sale value of the Facility or such part, as the case may be, that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer-user (other than a buyer currently in possession), which determination shall be made on the assumption that the Facility or such part, as the case may be, is free and clear of all Liens (other than Lessor Liens) and is in the condition and repair required under Section 7 of the Lease, and shall be calculated at the higher of (i) the fair market sale value thereof at its existing location, on the assumption that the buyer-user has the right to use the Facility and the necessary ancillary rights in connection with the operation thereof that are comparable to the rights provided for in the Property Rights Agreement and the Support Agreement, subject, however, to the payment of the charges provided for in the Property Rights Agreement and the Support Agreement for such ancillary rights, and (ii) the fair market sale value thereof at any place other than at its existing location, after deduction of all costs and expenses of dismantling, removal, delivery and reconstruction thereof; provided, however, that notwithstanding the foregoing provisions of this definition, the determination of Fair Market Sale Value for the purpose of Section 9(a) or 18(d) of the Lease shall be based on the actual condition of the Facility or part thereof at the time of such determination and shall take into account any legal impediments to the prompt transfer of title to the Facility or such part.

"Governmental Authority" shall mean any federal, state, county, municipal, local, territorial, or other governmental department, court, commission, board, bureau, agency, taxing authority or instrumentality, domestic or foreign.

"Guarantor" shall mean The Williams Companies, a Nevada corporation, and its successors and, to the extent permitted by the Guaranty Agreement, its assigns.

"Guaranty Agreement" shall mean the Guaranty Agreement dated as of April 15, 1987 by the Guarantor for the benefit of the Owner Trustee, the Owner Participant, the Loan Participants and the Indenture Trustee, substantially in the form of Exhibit D to the Participation Agreement, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture and the Participation Agreement.

"Highest Lawful Rate" shall mean, in the case of any holder of a Loan Certificate, the maximum legal rate of interest which such holder is permitted to contract for, charge or receive under applicable law and as to which the Owner Trustee could not successfully assert a claim or defense of usury.

"Indemnified Person" shall mean each of the Participants, the Indenture Trustee, in its individual capacity and as Indenture Trustee under the Trust Indenture, the Owner Trustee in its individual capacity and as Owner Trustee under the Trust Agreement, the Trust Estate, the Indenture Estate, and the respective successors, assigns, officers, directors, servants or agents of any thereof and any Affiliate of any of the foregoing.

"Indenture" shall mean the Indenture, Deed of Trust, Assignment of Rents, Security Agreement and Fixtures Filing as of April 15, 1987 between the Owner Trustee and the Indenture Trustee, substantially in the form of Exhibit C to the Participation Agreement, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture and the Participation Agreement.

"Indenture Default" shall mean any event or condition defined as an "Event of Default" under Section 4.01 of the Indenture.

"Indenture Estate" shall mean all estate, right, title and interest of the Indenture Trustee in and to the Facility and the Right of Way and in, to and under the Lease, the Guaranty Agreement, the Property Rights Agreement, the Support Agreement and the Bill of Sale, including without limitation, all properties referred to in the Granting Clause of the Indenture including all amounts of Basic Rent, Supplemental Rent, insurance proceeds (other than Excess Insurance) and requisition and other payments of any kind for or with respect to the Facility, but excluding Excepted Payments.

"Indenture Trustee" shall mean The Connecticut Bank and Trust Company, National Association, a national banking association, in its capacity as Indenture Trustee under the Indenture, and its successors as Indenture Trustee thereunder.

"Indenture Trustee Office" shall mean the office of The Connecticut Bank and Trust Company, National Association at One Constitution Plaza, Hartford, Connecticut 06115, Attention: Corporate Trust Department.

"Intended Use" shall mean the use of the Facility in commercial operation on a continuing basis for the functions for which the Facility was specifically designed, taking into account normal wear and tear.

"Interim Rent" shall mean the aggregate rent payable pursuant to Section 3(a) of the Lease for the Interim Term.

"Interim Term" shall mean the period beginning on the Closing Date and ending on (but not including) the Commencement Date.

"IRS" shall mean the Internal Revenue Service or any successor agency or other office or official of the United States at the time administering the Code.

"L/C Amounts" shall mean the amounts set forth in Schedule II to the Participation Agreement.

"L/C Bank" shall mean Canadian Imperial Bank of Commerce or another Approved Bank issuing the Letter of Credit.

"Lease" shall mean the Lease Agreement dated as of April 15, 1987, between the Owner Trustee and the Lessee, pertaining to the leasing of the Facility by the Owner Trustee to Lessee, substantially in the form of Exhibit B to the Participation Agreement, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture and the Participation Agreement.

"Lease Default" shall mean an Event of Default under the Lease or an event or a condition that, with notice or lapse of time or both, would become such an Event of Default.

"Lease Event of Default" shall mean an Event of Default under the Lease.

"Lessee" shall mean Williams Telecommunications Company, a Delaware corporation, and its successors and, to the extent permitted by the Lease and the Participation Agreement, its assigns thereunder and sublessees.

"Lessor" shall mean the Owner Trustee as lessor under the Lease and, to the extent permitted by the Lease and the Participation Agreement, its successors and assigns.

"Lessor Liens" shall mean the Liens that Lessor in its individual capacity or Owner Participant is required to discharge pursuant to Section 6.01 of the Participation Agreement.

"Lessor's Cost" shall mean \$76,500,000 representing the purchase price of the Facility paid by the Owner Trustee to Lessee on the Closing Date, as set forth in the Acceptance Certificate.

"Letter of Credit" shall mean the Letter of Credit substantially in the form of Exhibit I to the Participation Agreement, any renewal thereof and any replacement letter of credit in substantially such form and meeting the requirements of Section 6.16 of the Participation Agreement.

"Lien" shall mean any lien, mortgage, deed of trust, encumbrance, pledge, charge, lease, easement, servitude, or other security interest of any kind.

"Loan Certificates" shall mean the Series A-1 Loan Certificates and the Series B-1 Loan Certificates issued to the initial Loan Participants on the Closing Date to evidence its loans to the Owner Trustee on the Closing Date and all Loan Certificates issued upon the transfer of or substitution for such Loan Certificates in accordance with Section 2.10 or 2.11 of the Indenture, each Series A-1 Loan Certificate to be substantially in the form set forth in Appendix B-1 to the Indenture and to bear interest at the rates and to be payable as to principal and interest as set forth in such form and in the Indenture, and each Series B-Loan Certificate to be substantially in the form set forth in Exhibit B-2 to the Indenture and to bear interest at the rates and to be payable as to principal and interest as set forth in such form and in the Indenture.

"Loan Participants" shall mean the financial institutions listed in Schedule I to the Participation Agreement and their respective successors and assigns.

"Majority in Interest of Certificate Holders" as of a particular date of determination shall mean the holders of not less than 66-2/3% in aggregate unpaid principal amount of all unpaid indebtedness evidenced by the Loan Certificates at the time outstanding, excluding any Loan Certificate then held by the Owner Participant or the Owner Trustee (unless the Owner Participant or the Owner Trustee shall hold all Loan Certificates) or the Lessee or Guarantor (or an Affiliate of any thereof).

"Majority in Interest of Participants" as of a particular date of determination shall mean (i) a Majority in Interest of Certificate Holders, and (ii) the Owner Participant; provided, however, that during any period during which an Indenture Default shall have occurred and be continuing, "Majority in Interest of Participants" shall have the same meaning as "Majority in Interest of Certificate Holders."

"Net Economic Return" shall mean the Owner Participant's after-tax yield (as computed using the Multiple Investment Sinking Fund Method), internal rate of return (as determined by the Owner Participant), earnings (determined in accordance with FASB 13) and aggregate after-tax cash flows computed by the Owner Participant on the date the Participation Agreement is executed on the basis of the assumptions set forth in Exhibit J to the Participation Agreement and in Section 1 of the Tax Indemnification Agreement.

"1954 Code" shall have the meaning set forth above in the definition of "Code".

"Non-Removable Improvement" shall have the meaning set forth in Section 9(b) of the Lease.

"Note" shall mean a promissory note of the Guarantor to be delivered pursuant to Section 6.16 of the Participation Agreement, substantially in the form of Exhibit M to the Participation Agreement.

"Officer's Certificate" shall mean, with respect to any corporation or national banking association, a certificate signed by the President, any Vice President, the Secretary or any Assistant Secretary, and the Treasurer, any Assistant Treasurer, the Cashier, or any Assistant Cashier of such corporation or national banking association or by any other officer authorized to execute and deliver contracts on behalf of such corporation and any financial officer of such corporation and, with respect to any other entity, a certificate signed by any two individuals generally authorized to execute and deliver contracts on behalf of such entity.

"Other Services" shall mean Support Services other than Contract Services or Special Services.

"Overall Transaction" shall mean all the transactions and activities referred to in or contemplated by the Basic Agreements.

"Owner Participant" shall mean Ford Motor Credit Company, a Delaware corporation, and also shall include any Person to which such corporation (or any successor) shall transfer its right, title and interest in and to the Trust Estate and the Basic Agreements in accordance with Section 12 of the Participation Agreement.

"Owner Trustee" shall mean, collectively, Wilmington Trust Company, a Delaware banking corporation, and William J. Wade, an individual, in their capacities as trustees under the Trust Agreement, and their respective successors

as trustees and where expressly provided, in their individual capacities.

"Participants" shall mean the Owner Participant and the Loan Participants.

"Participation Agreement" shall mean the Participation Agreement dated as of April 15, 1987 among Lessee, the Owner Participant, the institutions identified therein as the Loan Participants, the Owner Trustee (not in its individual capacity except as expressly provided therein, but solely as Owner Trustee) and the Indenture Trustee (in its individual capacity and as Indenture Trustee), as the same may from time to time be amended, modified or supplemented in accordance with the terms thereof.

"Past Due Rate" shall mean the lesser of (a) the Highest Lawful Rate and (b) a rate per annum equal to 2% plus the higher of (x) the weighted average interest rate at the time payable on the Loan Certificates then outstanding or (y) the Base Rate.

"Percentages" shall have the meaning set forth in Section 10.01(a) of the Participation Agreement.

"Permitted Liens" shall have the meaning set forth in Section 14(d) of the Lease.

"Person" shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, non-incorporated organization, or government, or any agency or political subdivision thereof.

"Primary Term" shall mean the period beginning on the Commencement Date and ending on (and including) July 14, 2007.

"Property Rights" shall mean the rights conferred or intended to be conferred upon Lessor in the Right of Way pursuant to the Property Rights Agreement and the services, undertakings and obligations to be provided to or performed for the Lessor under the Support Agreement.

"Property Rights Agreement" shall mean the Property Rights Agreement dated as of April 27, 1987 between the Lessee and the Owner Trustee, substantially in the form of Exhibit F to the Participation Agreement, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture and the Participation Agreement.

"Regulations" shall mean the Treasury Regulations, as amended from time to time, promulgated under the Code by the Treasury Department of the United States.

"Related Person" shall mean a successor, assign, officer, director, servant, agent or Affiliate of the specified Person.

"Renewal Term" shall mean each of the periods after the end of the Primary Term with respect to which the Lessee shall exercise its option to renew the Lease pursuant to Section 13 of the Lease, or such shorter period as may result from the termination of the Lease as provided in the Lease.

"Rent" shall mean, collectively, Interim Rent, Basic Rent and Supplemental Rent.

"Rent Payment Date" shall mean (i) with respect to the Interim Term, July 15, 1987, (ii) with respect to the Primary Term, each January 15 and July 15 in each year, commencing January 15, 1988 and ending on and including July 15, 2007; and (iii) with respect to any Renewal Term, each semiannual anniversary of the date immediately preceding the first day of such Renewal Term, including the last day of such Renewal Term.

"Rental Period" shall mean (i) the period commencing on the Closing Date and ending on (but not including) the Commencement Date and (ii) the period commencing on (and including) the Commencement Date and ending on (and including) January 14, 1988, and each of the subsequent six-month periods throughout the Term, such subsequent periods commencing on (and including) January 15 or July 15, as the case may be, and ending on (and including) the next succeeding July 14 or January 14, as the case may be.

"Responsible Officer" shall mean, with respect to the subject matter of any covenant, agreement or obligation of the Lessee or of the Owner Participant contained in any Basic Agreement, an Assistant Treasurer, Assistant Secretary, Treasurer, Secretary, Vice President, President, Chairman or other officer performing similar functions of the Lessee or of the Owner Participant, as the case may be, who in the normal performance of his operational responsibility would have knowledge of such matter and the requirements with respect thereto.

"Return Value" shall mean, with respect to the Facility, the excess of (i) the amount that would be obtained by dismantling, removing and selling the Facility, following such commercially feasible procedures as an owner of a similar facility would follow in order to achieve the highest Resale Value, taking into account only such components of the Facility as it is commercially feasible to dismantle, remove and resell, over (ii) the cost of dismantling, removing and delivering the Facility (or such

components of the Facility as can be commercially resold as aforesaid) for the purposes of such sale. Resale value, for purposes of determining Return Value, shall be equal to the sale value of the Facility (or such components) that would be obtained in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer, which determination shall be made on the assumption that the Facility (or such components) is free and clear of all Liens (other than Lessor Liens). Return Value shall be determined by agreement between Lessor or Lessee or, if requested by either of such parties, by the Appraisal Procedure.

"Right of Way" shall mean the interests of the Lessee in or with respect to real property described in Annex B to the Property Rights Agreement.

"Series A-1 Loan" shall mean the secured loan made by the Loan Participants to the Owner Trustee pursuant to Section 3.01(a)(i) of the Participation Agreement.

"Series A-1 Loan Certificate" shall mean a Senior Secured Loan Certificate substantially in the form of Appendix B-1 to the Indenture.

"Series B-1 Loan" shall mean the secured loan made by the Loan Participants to the Owner Trustee pursuant to Section 3.01(a)(ii) of the Participation Agreement.

"Series B-1 Loan Certificate" shall mean a Senior Secured Loan Certificate substantially in the form of Appendix B-2 to the Indenture.

"Services Commencement Date" shall mean the first to occur of the date on which the Term of the Lease expires, the date on which the Lease is terminated pursuant to the terms of the Lease, the date on which an Event of Default described in Section 17(vi) or 17(vii) of the Lease occurs and the date on which the Lessor begins to exercise remedies under Section 18 of the Lease.

"Shirt-Tail Period" shall mean the period commencing on Services Commencement Date and ending on the date on which the Property Rights Agreement shall terminate pursuant to Section 5 thereof.

"Special Event of Termination" shall mean the delivery of notice to Lessee from the Owner Participant to the effect that Lessor or the Owner Participant (or any Affiliate of either), solely by reason of (i) the legal or beneficial ownership of the Facility or any part thereof by Lessor or the Owner Participant, or (ii) the lease of the Facility to Lessee under the Lease or (iii) any of the other

transactions contemplated by the other Basic Agreements, is deemed by any Governmental Authority having jurisdiction to be subject to regulation as a "public utility" or "carrier" under Applicable Laws, in a manner and to an extent determined in good faith by the Executive Vice President - Diversified Operations, the Vice President and General Counsel and a Vice President of the Owner Participant to be materially burdensome to the Owner Participant (it being understood that routine reporting requirements and the possible exercise by a Governmental Authority of emergency powers and the like shall not constitute a materially burdensome event), except that if Lessee, at its sole cost and expense, is contesting diligently and in good faith any action by any Governmental Authority that would otherwise constitute a Special Event of Termination under this definition, such Special Event of Termination shall be deemed not to have occurred so long as (a) such contest does not involve any danger of the foreclosure, sale, forfeiture or loss of, or the creation of any Lien on, the Facility or any part of any thereof or any interest in any thereof, (b) such contest does not adversely affect the Facility, the Right of Way or the Property Rights or any part thereof or any other property, assets or rights of Lessor or the Owner Participant (or any Affiliate of either) or the Lien of the Indenture thereon, (c) Lessee shall, if requested, have furnished Lessor, the Owner Participant, the Indenture Trustee and each holder of a Loan Certificate with an opinion of independent counsel satisfactory to each such Person to the effect that there exists a reasonable basis for contesting such determination, (d) such determination shall be effectively stayed or withdrawn during such contest (and shall not be subject to retroactive application at the conclusion of such contest) in a manner satisfactory to Lessor and the Owner Participant and (e) Guarantor shall have provided Lessor and the Owner Participant indemnity satisfactory to each such Person for any liability or loss that either such Person may incur as a result of Lessee's contest.

"Special Services" shall mean, at any time during the Shirt-Tail Period, materials, supplies or services that Lessee can provide, and that are impossible or not commercially feasible for other Persons to provide, to Lessor at such time, including (but not limited to) (i) providing (or sharing) interconnection and similar services between the Facility and other telecommunications facilities (whether or not based on fiber optics) owned by Persons other than Lessor or its Affiliates and (ii) making available to Lessor, for emergency or replacement use, any alternative innerduct or similar conduit facilities within the Right of Way.

"Stipulated Loss Value" shall mean, as of any particular Rent Payment Date, the amount determined by multiplying Lessor's Cost by the Stipulated Loss Value percentage specified in Schedule III to the Lease opposite such Rent Payment Date, subject to adjustment in accordance with Section 3(c) of the Lease and Section 8 of the Tax Indemnification Agreement; provided, however, that Stipulated Loss Value shall be, under any circumstances and in any event, in an amount which, together with any Basic Rent payable on such date, is at least sufficient to pay in full as of the day of payment thereof the aggregate unpaid principal amount of and premium, if any, on all Loan Certificates outstanding as of such day of payment, together with accrued interest thereon to such day of payment.

"Supplemental Rent" shall mean any and all amounts, liabilities and obligations, other than Interim Rent and Basic Rent, that Lessee assumes or agrees to pay hereunder or under the Participation Agreement, the Lease or the Tax Indemnification Agreement to Lessor or others, including (without limitation) (i) payments of Stipulated Loss Value and Termination Value, (ii) all amounts required to be paid by Lessee under the agreements, covenants and indemnities contained in the Participation Agreement and the Tax Indemnification Agreement, (iii) any interest payable with respect to overdue payments of Basic Rent or Supplemental Rent, and (iv) any premium payable in connection with the prepayment of the Loan Certificates.

"Support Agreement" shall mean the Support Agreement dated as of April 15, 1987 between the Owner Trustee and the Lessee, substantially in the form of Exhibit G to the Participation Agreement, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture and the Participation Agreement.

"Support Services" shall mean the services, undertakings and obligations to provide services to be provided or performed by Lessee under the Support Agreement, including Contract Services, Special Services and Other Services.

"Tax Indemnification Agreement" shall mean the Tax Indemnification Agreement dated as of April 15, 1987 between Lessee and the Owner Participant, substantially in the form of Exhibit K to the Participation Agreement, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture and the Participation Agreement.

"Taxes" shall have the meaning set forth in Section 8.01 of the Participation Agreement.

"Term" shall mean the Interim Term, the Primary Term and, if the Lease is renewed pursuant to Section 13 of the Lease, the Renewal Term.

"Termination Date" shall have the meaning set forth in Section 11(a) of the Lease.

"Termination Value" shall mean, as of any particular Rent Payment Date, the amount determined by multiplying Lessor's Cost by the Termination Value percentage specified in Schedule II to the Lease opposite such Rent Payment Date, subject to adjustment in accordance with Section 3(c) of the Lease and Section 8 of the Tax Indemnification Agreement; provided, however, that Termination Value shall be, under any circumstances and in any event, in an amount which, together with any Basic Rent payable on such date, is at least sufficient to pay in full as of the day of payment thereof the aggregate unpaid principal amount of, and premium, if any, on, all Loan Certificates outstanding as of such day of payment, together with accrued interest thereon to such day of payment.

"Transaction Expenses" shall mean the fees, expenses, disbursements and costs incurred in connection with the preparation, execution and delivery of the Basic Agreements, the purchasing and leasing of the Facility by Lessor and including, without limitation:

(a) the reasonable fees, expenses and disbursements of the counsel referred to in Section 4.02 of the Participation Agreement, and any other counsel or special counsel for any of the parties thereto for services rendered in connection with any such transactions by any of such counsel;

(b) the fees, expenses and disbursements of the Owner Trustee and the Indenture Trustee incurred on or prior to the Closing Date in connection with such transactions;

(c) the fees of the appraisers referred to in Section 4.02(y) of the Participation Agreement; and

(d) all other expenses in connection with such transactions including any placement fees, commitment fees of Participants, printing, word processing and other document reproduction and distribution expenses and all fees, taxes and other charges payable in connection with the sale of the Facility and recording or filing of instruments and financing statements described in the Participation Agreement or required pursuant to the provisions of the Indenture; and

(e) the fee of Salomon Brothers Inc for services rendered in connection with the Overall Transaction.

"Trust Agreement" shall mean the Trust Agreement dated as of April 15, 1987 between the Owner Participant and the Owner Trustee, substantially in the form of Exhibit H to the Participation Agreement, as the same may be amended, modified or supplemented from time to time in accordance with the provisions thereof and of the Indenture and the Participation Agreement.

"Trust Estate" shall have the meaning set forth in Section 2.02 of the Trust Agreement.

"Wilmington Trust Company" shall mean Wilmington Trust Company, a Delaware banking corporation.

"William J. Wade" shall mean William J. Wade, an individual.