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EASEMENT, MORTGAGE AND SEVERANCE AGREEMENT

Dated as of December 15, 1986

between

WILLIAMS TELECOMMUNICATIONS COMPANY,

as Lessee,

and

WILMINGTON TRUST COMPANY,

and

WILLIAM J. WADE,

as Owner Trustee

Leveraged Lease Financing of Fiber  
Optic Telecommunications Facility

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Entry No. ~~54293~~ Book 57  
RECORDED 12:27 at 2:47 PM Pay 422  
REQUEST of *Louise B. Sullivan*  
FEE *Matty L. Green, Morgan Co., Pa.*  
9/13/86 *[Signature]*

BOOK M 57 PAGE 4 22



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EASEMENT, MORTGAGE AND SEVERANCE AGREEMENT

EASEMENT, MORTGAGE AND SEVERANCE AGREEMENT dated as of December 15, 1986 (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;

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 and right of way 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, 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 with respect to the grant relating to each property described on Exhibit C hereto, such grant shall not be effective if, under the documents creating Lessee's estate or interest in such property, such grant is prohibited or restricted, 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. The easement and right of way granted hereunder is hereinafter called the "Easement". All the right, title and interest of Lessee in, to and under the agreements, permits, licenses or other matters shown on Exhibit C hereto are hereinafter called the "Collateral Rights". 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

Section 3.01 Grant of Mortgage. 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 and under the Collateral Rights.

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.

Section 3.03 No Merger. There shall not be any merger of the Easement with the 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 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 mortgage granted hereunder or any part thereof shall join in a written instrument effecting such merger and shall duly record the same in the appropriate public office.

SECTION 4

NATURE OF EASEMENT

The Easement and the Lien on the Collateral Rights 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 December 31, 2018; 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 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 described in Section 5.01 of this Agreement, that the Easement and the Collateral Rights are free of any Liens other than Permitted Liens, and that it will warrant and, subject to Lessee's rights under Section 6.05 of the Participation Agreement, defend the Easement and the Collateral Rights 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, but shall be under no obligation, 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) \$300,000 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, other than any costs incurred by Lessee in complying with the provisions of Section 4.15 of the Support Agreement.

## 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. Lessor shall have no obligation to remove any part of the Facility from the Right of Way upon surrender thereof pursuant to this Section 11.



## 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

Attest: [Signature]  
Title: Assistant Secretary

[Seal]

By [Signature]  
Title: Vice President

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

Attest: [Signature]  
Title: SENIOR FINANCIAL SERVICES OFFICER

[Seal]

By [Signature]  
Title: Vice President





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

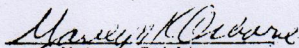
*WJ Wade*



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

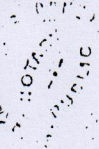
Before me personally appeared DAVID R. BISHOP,  
personally known to me to be the person whose name is  
subscribed to the foregoing instrument as the designated  
officer of WILLIAMS TELECOMMUNICATIONS COMPANY, one of the  
corporations named in said instrument, and personally known  
to me to be such 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 24th day of December, 1986.

  
Notary Public

[NOTARIAL STAMP AND SEAL]

MARILYN K. OSBORNE  
NOTARY PUBLIC, State of New York  
No. 41-8238050  
Qualified in Queens County  
Certificate filed in New York County  
Commission Expires September 30, 1987





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

Before me personally appeared WILLIAM B. SOWDEN, III, 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 24th day of December, 1986.

*Marilyn K. Osborne*  
Notary Public

[NOTARIAL STAMP AND SEAL]

MARILYN K. OSBORNE  
NOTARY PUBLIC, State of New York  
No. 41-8238050  
Qualified in Queens County  
Certificate filed in New York County  
Commission Expires September 13, 1988



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

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 24th day of December, 1986.

*Maryanne M. Osborne*  
Notary Public

[NOTARIAL STAMP AND SEAL]

MARYANNE M. OSBORNE  
NOTARY PUBLIC, State of New York  
No. 0244050  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires September 30, 1987



EXHIBIT A TO  
PARTICIPATION AGREEMENT  
LEASE AGREEMENT  
INDENTURE AND SECURITY AGREEMENT  
TRUST AGREEMENT  
EASEMENT, MORTGAGE AND SEVERANCE AGREEMENT  
BILL OF SALE  
SUPPORT AGREEMENT

WILLIAMS TELECOMMUNICATIONS COMPANY

DEFINITIONS RELATING TO THE PARTICIPATION AGREEMENT, LEASE  
AGREEMENT, INDENTURE AND SECURITY AGREEMENT, TRUST AGREEMENT,  
EASEMENT AND SEVERANCE 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.

"Adjusted Euro-Dollar Rate" shall mean, with respect to the Series A Loan Certificates, the "Adjusted Euro-Dollar Rate" as defined therein, and with respect to the Series B Loan Certificates, the "Adjusted Euro-Dollar Rate" as defined therein.

"Adjusted Prime Rate" shall mean, with respect to the Series A Loan Certificates, the "Adjusted Prime Rate" as defined therein, and with respect to the Series B Loan Certificates, the "Adjusted Prime Rate" as defined therein.

"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.

"Alternative Loan Certificates" shall mean the Loan Certificates referred to in Section 9 of the Participation Agreement and Section 2.18 of the Indenture.

"Amortization Amount" shall mean (i) with respect to the Series A Loan Certificates the amount due on the Series A Loan Certificates on any Principal Repayment Date set forth opposite such date on the Series A amortization table set forth as Appendix C-1 to the Indenture and (ii) with respect to the Series B Loan Certificates the amount due on the Series B Loan Certificates on any Principal Repayment Date set forth opposite such date on the Series B amortization table attached as Appendix C-2 to the Indenture.

"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.

"Applicable Rate" shall mean, with respect to the Series A Loan Certificates, the "Applicable Rate" as defined therein, and with respect to the Series B Loan Certificates, the "Applicable Rate" as defined therein.

"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 is (i) one of the world's 200 largest banks measured by total assets in United States dollars, (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.

"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 Easement and Severance Agreement and the Tax Indemnification Agreement.

"Basic Rent" shall mean the aggregate rent payable pursuant to Section 3(a) 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(b) 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 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.

"Collateral Rights" shall have the meaning set forth in the Easement and Severance Agreement.

"Commencement Date" shall mean the Closing Date.

"Contract Services" shall mean, at any time during the Shift-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 90% of Lessor's Cost.

"Domestic Office" shall mean, as to each initial Loan Participant, its office located at the address set forth for such Loan Participant on Schedule I to the Participation Agreement, and, as to each other Loan Participant, such office as such Loan Participant may hereafter designate as its Domestic Office by notice to the Indenture Trustee, the Owner Trustee, the Lessee and the Reference Bank; provided, however, that any Loan Participant may from time to time by notice to the Indenture Trustee, the Owner Trustee, the Lessee and the Reference Bank change its designated Domestic Office.

"Easement and Severance Agreement" shall mean the Easement, Mortgage and Severance Agreement dated as of December 15, 1986 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.

"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.

"Euro-Dollar Business Day" shall mean any Business Day on which commercial banks are open for international business (including dealings in dollar deposits) in London or in any other financial center which the Reference Bank



may specify to the Loan Participants, the Indenture Trustee, the Owner Participant, the Owner Trustee and the Lessee from time to time.

"Euro-Dollar Office" shall mean, as to each initial Loan Participant, its office located at the address set forth for such Loan Participant on Schedule I to the Participation Agreement and, as to each other Loan Participant, such other office, branch or Affiliate of such Loan Participant as it may hereafter designate as its Euro-Dollar Office by notice to the Indenture Trustee, the Owner Trustee, the Lessee and the Reference Bank; provided, however, that any Loan Participant may from time to time change its designated Euro-Dollar Office by notice to each of the above Persons.

"Euro-Dollar Rate" shall have the meaning assigned to it in the Variable Rate Loan Certificates.

"Euro-Dollar Rate Election" shall mean an election made by the Owner Trustee in accordance with Section 2.03 and 2.06 of the Indenture to have the Variable Rate Loan Certificates bear interest for the designated Interest Period at the Adjusted Euro-Dollar Rate.

"Euro-Dollar Reserve Percentage" shall have the meaning assigned to it in the Variable Rate Loan Certificates.

"Event of Default" shall mean any event or condition defined as an "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 three years' 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 pursuant to Section 16 of the Lease with respect to any of the amounts referred to in clauses (a) and (b) above, and (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.

"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 1,080 route miles starting in Fairfax, Kansas and ending in Salt Lake City, Utah, and running through the States of Kansas, Colorado, Wyoming and Utah and the spur line intersecting the main line in the NW/4 NW/4 SE/4 of Section 12, T12S, R16E, Shawnee County, Kansas, and running north approximately 6.7 miles to space Lessee has leased in a building designated as Building 4 of Townsite Office Park, Topeka, Kansas. The Facility begins inside a concrete building located in the SE/4 NE/4 of Section 34, T10S, R25E, Wyandotte County, Kansas and ends in the offices of the Mountain States Telephone and Telegraph Company located at 70 South State Street, Salt Lake City, Utah. 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. The Facility specifically excludes the Electronics, the concrete block building located at the beginning point of the Facility (as described above) and the concrete block building located in the NE/4 of Section 32, T15N, R120W, Uinta County, Wyoming.

"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 Easement and Severance Agreement and the Support Agreement, subject, however, to the payment of the charges provided for in the Easement and Severance 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 Easement and Severance Agreement and the Support Agreement, subject, however, to the payment of the charges provided for in the Easement and Severance 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.

"Final Maturity Date" shall mean, with respect to the Series A Loan Certificates, the Series A Final Maturity Date as set forth in Section 2.09(a)(i) of the Indenture, and with respect to the Series B Certificates, the Series B



Final Maturity Date as set forth in Section 2.09(a)(i) of the Indenture.

"Funding Date" shall mean the date on which the additional conditions set forth in Section 13.20 of the Participation Agreement are satisfied and each Participant shall have made available the full amount then required to be made available by it pursuant to Section 3.01 of the Participation Agreement.

"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 December 15, 1986 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 and Security Agreement as of December 15, 1986, 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 Easement and Severance 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 06155, 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.

"Interest Payment Date" shall mean (a) with regard to all Interest Periods for which a Prime Rate Election is in effect, the next succeeding March 31, June 30, September 30 or December 31; and (b) with regard to each Interest Period for which a Euro-Dollar Rate Election is in effect, the last Euro-Dollar Business Day of such Interest Period.

"Interest Period" shall mean:

(a) with respect to each period for which a Euro-Dollar Rate Election is made the period commencing on the effective date of such election and ending on the numerically corresponding day (or, if there is no corresponding day, the last day) in the calendar month that (i) for periods commencing on or prior to June 30, 1987, is one month thereafter and (ii) for periods commencing after June 30, 1987, is one, two or three months thereafter, as the Owner Trustee may elect in accordance with the applicable provisions of Sections 2.03 and 2.06 of the Indenture; provided that:



(A) no Interest Period may be elected which would otherwise extend beyond a Principal Repayment Date;

(B) no Interest Period may be elected which would end on a date after the Final Maturity Date; and

(C) any Interest Period which would otherwise end on a day which is not a Euro-Dollar Business Day shall be extended to the next succeeding Euro-Dollar Business Day unless such Euro-Dollar Business Day falls in another calendar month, in which case such Interest Period shall end on the next preceding Euro-Dollar Business Day; and

(b) with respect to each period for which a Prime Rate Election is made or deemed to be made, the period commencing on the effective date of such election and ending on the earlier of the period on which a Euro-Dollar Rate Election commences or the next Interest Payment Date; provided, that any Interest Period which would otherwise end on a day which is not a Business Day shall be extended to the next succeeding Business Day unless such Business Day is in a different calendar year, in which case such Interest Period shall end on the next preceding Business Day.

"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 December 15, 1986, 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(a) of the Participation Agreement.

"Lessor's Cost" shall mean \$100,000,000, representing the purchase price of such Facility paid by the Owner Trustee to Lessee on the Funding 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 (i) the Series A Loan Certificates and the Series B Loan Certificates issued to the initial Loan Participants on the Funding Date to evidence its loans to the Owner Trustee on the Funding Date, and all Loan Certificates issued upon the transfer of or substitution for such Loan Certificates in accordance with Section 2.15 or 2.16 of the Indenture, each Series A 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, (ii) the Alternative Loan Certificates and/or (iii) any other evidence of indebtedness issued pursuant to the Indenture.

"Loan Participants" shall mean the banks listed in Schedule I to the Participation Agreement and their respective successors and assigns and each holder of an Alternative Loan Certificate.

"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) 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.

"New Loan Participant" shall have the meaning set forth in Section 9.02 of the Participation 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.

"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 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 The CIT Group/Factoring Manufacturers Hanover, Inc., a New York 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 December 15, 1986 among Lessee, the Owner Participant, the banks identified therein as the Loan Participants, the Owner Trustee (in its individual capacity and 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 1-3/4% plus the interest rate at the time payable on the Loan Certificates then outstanding.

"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) December 31, 2001.

"Prime Rate" shall mean the interest rate per annum (computed on the basis of actual days elapsed in a year of 360 days) announced by Chemical Bank in New York City from time to time as its stated rate. The Prime Rate shall be a fluctuating rate and shall change automatically from time to time effective as of the opening of business on the effective date of each change in such stated rate.



"Prime Rate Election" shall mean an election made or deemed to have been made by the Owner Trustee in accordance with Sections 2.03 and 2.06 of the Indenture to have the Series A Loan Certificates bear interest for the designated Interest Period at a rate per annum equal to the Adjusted Prime Rate.

"Principal Repayment Date" shall mean the dates, identified as such on Exhibit C-1 and C-2 to the Indenture and including June 30, 1999 or, if any such date is not a Business Day, the next succeeding Business Day except as otherwise provided in Section 10.05 of the Indenture.

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

"Reference Bank" shall mean Chemical Bank.

"Refunding Date" shall mean any date following the Commencement Date on which date the Owner Trustee shall have advised the Indenture Trustee and the Loan Participant that one or more New Loan Participants shall make its loan(s) (subject to the terms and conditions of the Participation Agreement) and the date on which any or all of the Loan Certificates shall be refunded in whole.

"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, Basic Rent and Supplemental Rent.

"Rent Payment Date" shall mean (i) with respect to the Primary Term, each June 30 and December 31 in each year, commencing June 30, 1987 and ending on and including December 31, 2001; and (ii) 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 the period commencing on (and including) the Commencement Date and ending on (and including) June 30, 1987 and each of the subsequent six-month periods throughout the Term, such subsequent periods commencing on (and including) July 1 or January 1, as the case may be, and ending on (and including) the next succeeding December 31 or June 30, 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 (including the Collateral Rights) in or with respect to real property described in Annex B to the Easement and Severance Agreement.

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



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

"Series B 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 Loan Certificate" shall mean a 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 Easement and Severance 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 Board of Directors 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 II to the Lease opposite such Rent Payment Date subject to adjustment in accordance with Section 3(b) of the Lease; 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 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 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 and (iii) any interest payable



with respect to overdue payments of Basic Rent or Supplemental Rent.

"Support Agreement" shall mean the Support Agreement dated as of December 15, 1986 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 December 15, 1986 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 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(c) 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 III to the Lease opposite such Rent Payment Date subject to adjustment in accordance with Section 3(b) of the Lease; 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 any



refunding and reoptimization effected pursuant to Section 9 of the Participation Agreement, 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 fee of the appraiser 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 facility fee payable pursuant to Section 4.02(bb) of the Participation Agreement.

"Trust Agreement" shall mean the Trust Agreement dated as of December 15, 1986 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.

"Variable Rate Loan Certificates" shall mean the Series A Loan Certificates and the Series B Loan Certificates.

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

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



ANNEX A  
DESCRIPTION OF FACILITY

"Facility" shall mean, except as expressly hereinafter noted, the entire fiber optics telecommunications system comprising approximately 1,080 route miles starting in Fairfax, Kansas and ending in Salt Lake City, Utah, and running through the States of Kansas, Colorado, Wyoming and Utah and the spur line intersecting the main line in the NW/4 NW/4 SE/4 of Section 12, T12S, R16E, Shawnee County, Kansas, and running north approximately 6.7 miles to space Lessee has leased in a building designated as Building 4 of Townsite Office Park, Topeka, Kansas. The Facility begins inside a concrete building located in the SE/4 NE/4 of Section 34, T10S, R25E, Wyandotte County, Kansas and ends in the offices of the Mountain States Telephone and Telegraph Company located at 70 South State Street, Salt Lake City, Utah. 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. The Facility specifically excludes the Electronics, the concrete block building located at the beginning point of the Facility (as described above) and the concrete block building located in the NE/4 of Section 32, T15N, R120W, Uinta County, Wyoming.



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ANNEX R  
DESCRIPTION OF THE RIGHT OF WAY

BOOK M 57 PAGE 460



ASSIGNMENT LIST  
Morgan County, Utah

X = Nonstandard  
C = Condemnation

Tract	County	Grantor	Section	Township	Range	Inst. Date	Recording Date
P 5117 A	Morgan	Deseret Title Holding Co.	Various	6 North	8/7/6 East		
			Section 19, Township 6 North, Range 8 East and Section 24, 23, 26, 27, 28, 29, and 31, Township 6 North, Range 6 East, and Section 36 and 35, Township 6 North, Range 6 East, Morgan County, Utah				
P 5117 B	Morgan	Loc Creek Ranch Corp.	Various	5 North	6/5 East		
			Section 2, 3, 4, 7, 8, 9, and 18, Township 5 North, Range 6 East, and Section 10, 11, 13, and 14, Township 5 North, Range 5 East, Morgan County, Utah				
P 5126, P 5117 A	Morgan	First Security Bank of Utah for	10	5 North	5 East	X	
			N/4 Section 10, Township 5 North, Range 5 East, and				
			S/2 Section 10, Township 5 North, Range 5 East, Morgan County, Utah				
P 5129, P 5130, P 5131, P 5214, P 5229, P 5221	Morgan	U.S.A.	10/9/18/26/27	5 North	5/1 East	7-31-86	Grant
S/2 N/4 Section 10, Township 5 North, Range 5 East, N/2 Section 9, Township 5 North, Range 5 East, E/2 Section 8, Township 5 North, Range 5 East, SW/4 SE/4 Section 26, Township 5 North, Range 1 East, SE/4 SW/4 Section 27, Township 5 North, Range 1 East, and S/2 SW/4 of Section 27, Township 5 North, Range 1 East, Morgan County, Utah							
P 5132	Morgan	R. T. Phillips, et al	8	5 North	5 East	8-28-86	M55/150
SE/4 Section 8, Township 5 North, Range 5 East, Morgan County, Utah							
P 5133	Morgan	R. T. Phillips, et al	8	5 North	5 East	8-18-86	M55/150
S/2 S/2 Section 8, Township 5 North, Range 5 East, Morgan County, Utah							
P 5134, P 5136	X Morgan	Glen F. & Beverly B. Dvard	17/18	5 North	5 East	8-13-86	M55/130
N/2 Section 17, Township 5 North, Range 5 East, and SE/4 SE/4 Section 18, Township 5 North, Range 5 East, Morgan County, Utah							
P 5135, P 5137	C Morgan	Paul C. & Janene C. Toone	18/24-37-38/19	5 North	5/4 East		Condemn 2374
SE/4 SE/4 Section 18, Township 5 North, Range 5 East, and Section of Section 24-37-38, Township 5 North, Range 4 East, and N/2 N/2 Section 19, Township 5 North, Range 5 East, Morgan County, Utah							



<u>Tract</u>	<u>County</u>	<u>Grantor</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Inst. Date</u>	<u>Recording Date</u>
P 5138, P 5143 M54/262	Morgan	Charles I. & Jewel V. Pentz	25/24-37-38/4/3/34-39	5 1/4 North	4 East	6-27-86	
N1/4 NW/4 Section 25 and Section 38 of Section 24-37-38, Township 5 North, Range 4 East, and Lots 1 and 6 and the SE/4 NE/4 of Section 4 and Lots 7 and 11 in Section 3, Township 4 North, Range 4 East, and Lot 13 Section 34-39, Township 5 North, Range 4 East Morgan County, Utah							
P 5139, P 5141 X Morgan	Morgan	Richard C. & Valen S. Jernan	35/26/34	5 North	4 East	8-28-86	M55/332
Section 35 and Section 26, Township 5 North, Range 4 East, and Section 34, Township 5 North, Range 4 East, Morgan County, Utah							
P 5140	Morgan	Milan D. Svjlor, et al	35	5 North	4 East	4-23-86	M53/248
W/2 NW/4 Section 35, Township 5 North, Range 4 East, Morgan County, Utah							
P 5142	Morgan	Estate of M. J. Toone	34-39	5 North	4 East	3-12-86	M54/29
Section 39 of Section 34-39, Township 5 North, Range 4 East, Morgan County, Utah							
P 5144	X Morgan	McLvan Wayne & Habel M.C. Crouch	9/4	4 North	4 East	7-29-86	M55/57
Section 9 and Section 4, Township 4 North, Range 4 East, Morgan County, Utah							
P 5145	X Morgan	Ronald W. & DeAnne B. Crouch	9	4 North	4 East	7-30-86	M55/51
SW/4 Section 9, Township 4 North, Range 4 East, Morgan County, Utah							
P 5146, P 5148, P 5150, P 5135	X Morgan	H. R. Wilde & Sons Co.	17/20/24	4 North	4 1/3 East	7-29-86	M54/242
SE/4 NE/4 Section 17, Township 4 North, Range 4 East, and NW/4 Section 20, Township 4 North, Range 4 East, Morgan County, Utah							
Let 14, Section 24, Township 4 North, Range 3 East, Morgan County, Utah							
P 5147, P 5149	Morgan	J. W. Toone Trust	17/20	4 North	4 East	7-2-86	M54/246
SE/4 NE/4 Section 17, Township 4 North, Range 4 East, and NW/4 Section 20, Township 4 North, Range 4 East, Morgan County, Utah							
P 5151, P 5152	X Morgan	Idea: Cement Co.	15/24	4 North	4 1/3 East	5-13-86	M54/389
Lots 3 and 4, SE/4, and SE/4 NE/4 Section 19, Township 4 North, Range 4 East, and Lots 9 and 10 Section 24, Township 4 North, Range 3 East, Morgan County, Utah							



Assignment and  
Date of Dis.

Tract	County	Grantor	Section	Township	Range	Inst. Date	Recording P.
P 5153, P 5156 Lot 11 Section 24, Township 4 North, Range 3 East, and Lot 13 Section 24, Township 4 North, Range 3 East, Morgan County, Utah	Morgan	BLM	24	4 North	3 East	7-31-86	Grant
P 5157, P 5160, P 5162 Lot 16 in Section 23, Township 4 North, Range 3 East, S/2 Section 27, Township 4 North, Range 3 East, and SE/4 SW/4 and SW/4 SE/4 Section 28, Township 4 North, Range 3 East, Morgan County, Utah	Morgan	Ercanbrack Enterprises	23/27/28	4 North	3 East	4-25-86	M54/49
P 5158 Lot 1 NE/4 Section 27, Township 4 North, Range 3 East, Morgan County, Utah	Morgan	Queen V. Porter	27	4 North	3 East	4-14-86	M54/81
P 5159 Lot 1 NE/4 Section 27, Township 4 North, Range 3 East, Morgan County, Utah	Morgan	Margaret Taggart	27	4 North	3 East	4-14-86	M54/132
P 5161, P 5163, P 5164 SE/4 SE/4 Section 28, Township 4 North, Range 3 East, SW/4 Section 28, Township 4 North, Range 3 East, and S/2 S/2 Section 29, Township 4 North, Range 3 East, Morgan County, Utah	Morgan	J. E. Rees & Sons Co.	28/29	4 North	3 East	4-17-86	M54/145
P 5165 S/2 SE/4 Section 30 and S/2 SW/4 Section 25, Township 4 North, Range 3 East, Morgan County, Utah	Morgan	Frank & Lewis Tombs Fam. Trusts, by es	30/29	4 North	3 East	3-20-86	M52/602
P 5166 NE/4 NW/4 and NW/4 NE/4 Section 31, Township 4 North, Range 3 East, Morgan County, Utah	Morgan	Frank, Floza, Lewis, & Ruth Tombs	31	4 North	3 East	3-20-86	M53/01
P 5167-1 S/2 Section 31, Township 4 North, Range 3 East, and NE/4 Section 36, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Don Willey and Sidney Stewart Est	31/36	4 North	3/2 East	5-13-86	M54/40
P 5167-2 S/2 Section 31, Township 4 North, Range 3 East, and NE/4 Section 36, Township 4 North, Range 7 East, Morgan County, Utah	Morgan	Don Willey and Sidney Stewart Est	31/36	4 North	3/2 East	5-14-86	M54/43



Assignment with  
date of Utah

<u>Tract</u>	<u>County</u>	<u>Grantor</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Inst. Date</u>	<u>Recording Date</u>
P 5168, P 5224, P 5276	Morgan	UPRR	36/22	4/5 North	2/1 East	8-1-86	N/A
N/2 Section 36, Township 4 North, Range 2 East, N/2 S/2 Section 28, Township 5 North, Range 1 East, and N/2 S/2 Section 28, Township 5 North, Range 1 East, Morgan County, Utah							
P 5170	Morgan	Estate of J. E. & Theima Rees	26	4 North	2 East	3-13-86	M52/599
N/4 NW/4 Section 26, Township 4 North, Range 2 East, Morgan County, Utah							
P 5171	X Morgan	John D. Potter Revocable Trust	22/21/26	4 North	2 East	3-22-86	M53/5
S/2 Section 22, Section 27, and Section 26, Township 4 North, Range 2 East, Morgan County, Utah							
P 5172	Morgan	Navis & Wallace Stoddard	22	4 North	2 East	5-9-86	M54/33
S/2 Section 22, Township 4 North, Range 2 East, Morgan County, Utah							
P 5173	Morgan	R. Lyle & Sharon Porter	22	4 North	2 East	4-17-86	M53/136
SW/4 Section 22, Township 4 North, Range 2 East, Morgan County, Utah							
P 5174	X Morgan	Cari & Martha Thompson	22	4 North	2 East	7-10-86	M54/378
W/2 W/2 Section 22, Township 4 North, Range 2 East, Morgan County, Utah							
P 5175	Morgan	Dean W. & Michael D. Morgan	21	4 North	2 East	5-2-86	M54/35
SE/4 Section 21, Township 4 North, Range 2 East, Morgan County, Utah							
P 5176, P 5183	Morgan	Dean W. & Helen R. Morgan	21/16	4 North	2 East	5-2-86	M54/37
N/2 NE/4 Section 21, Township 4 North, Range 2 East, and W/2 and SE/4 Section 16, Township 4 North, Range 2 East, Morgan County, Utah							
P 5177	Morgan	Doyle & Betty Reiner	16	4 North	2 East	4-12-86	M52/595
SE/4 Section 16, Township 4 North, Range 2 East, Morgan County, Utah							
P 5178	Morgan	Jerry D. Wilde	16	4 North	2 East	3-12-86	M53/3
S/2 S/2 Section 16, Township 4 North, Range 2 East, Morgan County, Utah							
P 5179	Morgan	Dean W. Morgan & Katherine Madsen	16	4 North	2 East	5-2-86	M54/204
SW/4 Section 16, Township 4 North, Range 2 East, Morgan County, Utah							



<u>Tract</u>	<u>County</u>	<u>Grantee</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Inst. Date</u>	<u>Recording Date</u>
P 5180 SW/4 Section 16, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Herbert C. Olsen	16	4 North	2 East	4-4-86	M53/28
P 5182 SW/4 NE/4 Section 16, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Arnold & Olga J. Hannum	16	4 North	2 East	3-20-86	M52/597
P 5183 NE/4 Section 27 and NE/4 Section 16, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Helen Anderson	17/16	4 North	2 East	4-5-86	M53/22
P 5184 NE/4 Section 17, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Don & Herbert Crittenden	17	4 North	2 East	7-17-86	M54/40
P 5185 SW/4 SE/4 Section 8 and NE/4 Section 17, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Wardell Farms, Inc.	17	4 North	2 East	4-10-86	M53/25
P 5186, P 5187 N/2 NE/4 Section 17, Township 4 North, Range 2 East, and SE/4 Section 8, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Ella Barum, et al	17/8	4 North	2 East	4-17-86	M53/142
P 5188 SW/4 SE/4 and SE/4 SW/4 Section 8, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Steven H. & Bonnie B. Studdert	8	4 North	2 East	5-21-86	M54/206
P 5189 SW/4 Section 8, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	George & Myrtle Fearn	8	4 North	2 East	4-3-86	M52/491
P 5190, P 5191 W/2 Section 8, Township 4 North, Range 2 East, and NE/4 NE/4 Section 7, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Roger & Karen Bigler	8/7	4 North	2 East	4-4-86	M53/20
P 5192-1, P 5193-1 NE/4 NE/4 Section 7, Township 4 North, Range 2 East, and SE/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Roland F. Bohman	7/6	4 North	2 East	4-16-86	M53/32
P 5192-2, P 5193-2 NE/4 NE/4 Section 7, Township 4 North, Range 2 East, and SE/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Roland F. Bohman	7/6	4 North	2 East	4-3-86	M53/30



Assignment and  
date of Utah

Tract	County	Grantor	Section	Township	Range	Inst. DATE	Recording Date
P 5194 SE/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Frank W. Bohman	6	4 North	2 East	4-9-86	M53/41
P 5195, P 5205, P 5206, P 5208 SE/4 Section 6, Township 4 North, Range 2 East, NW/4 NW/4 Section 6, Township 4 North, Range 2 East, SW/4 SW/4 Section 31, Township 5 North, Range 1 East, and SW/4 SW/4 Section 31, Township 5 North, Range 2 East, Morgan County, Utah	Morgan	Joann Whittier, et al	6/31	4/5 North	2/1 East	7-15-86	M54/372
P 5196 SE/4 NW/4 and NW/4 SE/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Russ & Lanez Carrigan	6	4 North	2 East	4-10-86	M53/34
P 5197 SW/4 NW/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan		6	4 North	2 East	X	
P 5198 NW/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Whitear Family Partnership	6	4 North	2 East	7-18-86	M54/38
P 5199 NW/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Reynold F. & Karen M. Kemp	6	4 North	2 East	4-3-86	M52/593
P 5200 E/2 NW/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Donald C. & Valerie Whitear	6	4 North	2 East	4-3-86	M53/16
P 5201 NW/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Rex L. & Sandra W. Jensen	6	4 North	2 East	4-3-86	M53/10
P 5202 NW/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Elden G. & Lois Clark	6	4 North	2 East	4-3-86	M53/13
P 5203 NW/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan		6	4 North	2 East	X	
P 5204 NW/4 Section 6, Township 4 North, Range 2 East, Morgan County, Utah	Morgan	Bohman Trust	6	4 North	2 East	4-21-86	M53/140

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Assignment Date  
Date of Utah

Tract	County	Grantor	Section	Township	Range	Inst. Date	Recording Date
P 5207 SW/4 SW/4 Section 31, Township 5 North, Range 2 East, Morgan County, Utah	Morgan	Vern W. Young	31	5 North	2 East	4-12-86	MS3/28
2 5209 SW/4 SW/4, Section 31, Township 5 North, Range 2 East, Morgan County, Utah	Morgan		31	5 North	2 East		
P 5211 E/2 SE/4 Section 36, Township 5 North, Range 1 East and NE/4 SW/4 Section 31, Township 5 North, Range 2 East, Morgan County, Utah	Morgan	Debra A. Sessions Family Trust	36/31	5 North	1/2 East	4-3-86	MS3/36
P 5212 N/2 Section 36, Township 5 North, Range 1 East, Morgan County, Utah	Morgan	Randy F. Sessions Family Trust	36	5 North	1 East	4-3-86	MS3/39
P 5213-1, P 5215-1 N/2 NE/4 Section 35, Township 5 North, Range 1 East, S/2 S/2 Section 26, Township 5 North, Range 1 East, Morgan County, Utah	Morgan	Barbara Gillespie	35/26	5 North	1 East	4-1-86	MS3/132, 126
P 5213-2, P 5215-2 N/2 NE/4 Section 35, Township 5 North, Range 1 East, and S/2 S/2 Section 26, Township 5 North, Range 1 East, Morgan County, Utah	Morgan	Clyde H. & Harold H. Gailley	35/26	5 North	1 East	3-18-86	MS3/28, 122
P 5213-3, P 5215-3 N/2 NE/4 Section 35, Township 5 North, Range 1 East, and S/2 S/2 Section 26, Township 5 North, Range 1 East, Morgan County, Utah	Morgan	J. Conute Barnes	35/26	5 North	1 East	3-27-86	MS3/30, 124
P 5216 SE/4 Section 27, Township 5 North, Range 1 East, Morgan County, Utah	Morgan	Clyde H. & Harold J. Gailley	27	5 North	1 East	3-18-86	MS3/34
P 5217 SW/4 SE/4 Section 27, Township 5 North, Range 1 East, Morgan County, Utah	Morgan	J. W. & Thornley K. Swan	27	5 North	1 East	7-23-86	MS4/405
P 5218, P 5220, P 5222 SE/4 SW/4 Section 27, Township 5 North, Range 1 East, SE/4 SW/4 Section 27, Township 5 North, Range 1 East, and SW/4 SW/4 Section 27, Township 5 North, Range 1 East, Morgan County, Utah	Morgan	Thornley K. Swan	27	5 North	1 East	7-23-86	MS4/407

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Assigned with  
State of Utah

Inst.  
Date      Recording Date  
7-31-86      Grant

Range  
1 East

Township  
5 North

Section  
28

County      Grantor  
Morgan      U.S.A.  
N/2 S/2 Section 28, Township 5 North, Range 1 East, Morgan County, Utah

Tract  
P 5225



<u>Tract</u>	<u>Name</u>	<u>Grantor</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County/State</u>	<u>Inst. Date</u>	<u>Recording Date</u>
RS #10	Trell Canyon	Paul C. & Janene Toome	19	5 North	5 East	Morgan, UT	8-19-86	
	A tract of land located in the Northwest Quarter (NW/4) of Section 19, Township 5 North, Range 5 East.							



Tract Name Grantor Section Township Range County/State Inst. Date Recording Date  
MS #12 Mountain Green Thornley Swan 27 5 North 1 East Morgan, UT 8-13-86  
A tract of land located in the Southeast Quarter of the Southwest Quarter of Section 27, Township 5 North, Range 1 East.



EXHIBIT C

DESCRIPTION OF COLLATERAL RIGHTS  
1. DESCRIPTION OF PROPERTY

Assignment List  
State of Utah

TRACT	COUNTY	GRANTOR	SECTION	TOWNSHIP	RANGE	INST. DATE	RECORDING DATE
P 5151, P 5152	I	Morgan	19/74	4 North	4/3 East	5-13-86	MSL/389
P 5145, P 5224, P 5226		Morgan UPRR	36/78	4/5 North	2/1 East	8-1-86	N/A
P 5225		Morgan		5 North	5 North	7-31-86	Grant
P 5228, P 5231, P 5233		Davis	29/25	5 North	1 East	7-31-86	Grant
P 5229		Davis		5 North	1 East	7-25-86	Licenses Agree
P 5230		Davis		5 North	1 East	8-1-86	Consent



ASSIGNMENT LIST  
Morgan County, Utah

<u>Tract</u>	<u>County</u>	<u>Grantor</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Inst. Date</u>
P 5153, P 5156 Lot 11 Section 24, Township 4 North, Range 3 East, and Lot 13 Section 24, Township 4 North, Range 3 East, Morgan County, Utah	Morgan	BLM	24	4 North	3 East	7-31-86 Grant



ASSIGNMENT LIST  
Morgan County, Utah

<u>Tract</u>	<u>County</u>	<u>Grantor</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>Inst. Date</u>
P 5129, P 5130, P 5131, P 5214, P 5219, P 5221, S2 NW/4 Section 10, Township 5 North, Range 5 East, N/2 Section 9, Township 5 North, Range 5 East, E/2 Section 8, Township 5 North, Range 1 East, SW/4 SE/4 Section 26, Township 5 North, Range 1 East, and SE/4 SW/4 Section 27, Township 5 North, Range 1 East, and S/2 SW/4 of Section 27, Township 5 North, Range 1 East, Morgan County, Utah	Morgan	U.S.A.	10/9/8/26/27	5 North	5/1 East	7-31-86 Grant



Exhibit C Definitions

In this Exhibit the following abbreviations shall refer to the respective agreement identified:

1. "Forest Service" refers to that USDA - Forest Service Special Use Application and Report and Special Use Permit Dated 7-11-86 or that USDA - Forest Service Collection Agreement dated 5-12-86 or that U.S.D.A - Forest Service Special Use Permit dated 8-19-86 as the case may be.

2. "State of Colorado" refers to that State of Colorado Board of Land Commissioners License Agreement dated 7-16-86.

3. "State of Wyoming" refers to that State of Wyoming, Commissioner of Public Lands Permit dated 8-19-86.

4. "City of Topeka" refers to that Agreement between the Lessee and the City of Topeka dated 9-12-86.

5. "BLM" refers to that certain U.S. Dept. of Interior - Bureau of Land Management Right of Way Grant dated 7-31-86 or that U.S. Dept. of Interior - Bureau of Land Management Temporary Use Permit dated 7-31-86 as the case may be.

6. "Mt. Bell" refers to that General License Agreement for Central Office - Space and Conduit Occupancy between the Mountain States Telephone and Telegraph Company and the Lessee dated 7-18-86.

7. "UDOT" refers to that Utah Department of Transportation License dated 8-15-86.

8. "Wyoming Game and Fish" refers to that State of Wyoming Game & Fish Department Letter Permit dated 9-16-86.

9. "U.S.A. - Department of the Interior" refers to that USA - Dept. of Interior License Agreement No. 6-07-41-L0460 dated 7-25-86.

10. "UPRR" refers to that Fiber Optic Agreement between the Lessee and the Union Pacific Railroad Company et al dated 7-31-86

11. "UPLRC" refers to that License Agreement between the Lessee and Union Pacific Land Resources Corporation dated 8-4-86.



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12. "Upland" refers to that License Agreement between the Lessee and Upland Industries Corporation dated 8-1-86.

13. "UDC" or "Uinta" refers to that License Agreement between the Lessee and Uinta Development Company dated 8-1-86 .

14. "UIDC" refers to that License Agreement between the Lessee and Upland Industrial Development Company dated 8-1-86 .