

OPRICK, HERRINGTON & SUTCLIFFE
600 MONTGOMERY STREET, 12TH FLOOR
SAN FRANCISCO, CA 94111
ATTN: Robert Blostein

**THIS INDENTURE IS A SECURITY AGREEMENT AND A
MORTGAGE OF CHATTELS, AS WELL AS A MORTGAGE
UPON REAL ESTATE AND OTHER PROPERTY**

CONTINENTAL TELEPHONE COMPANY OF CALIFORNIA
(Formerly Known as California Interstate Telephone Company)

TO

**BANK OF AMERICA
NATIONAL TRUST AND SAVINGS ASSOCIATION**

AND

**W. F. CHAMBERS
AS TRUSTEES**

**Twenty-Second
Supplemental Indenture**

November 1, 1982

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**This Indenture is
A SECURITY AGREEMENT and A MORTGAGE OF CHATTELS, as well as
A MORTGAGE UPON REAL ESTATE AND OTHER PROPERTY**

This Twenty-Second Supplemental Indenture, dated as of the first day of November, 1982, made and entered into by and between CONTINENTAL TELEPHONE COMPANY OF CALIFORNIA, a corporation organized and existing under the laws of the State of California (formerly known as "CALIFORNIA INTERSTATE TELEPHONE COMPANY" and hereinafter sometimes called the "Company"), and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association, organized and existing under the laws of the United States of America, and having a principal office in the City of Los Angeles, State of California, at 555 South Flower Street in said City and State (hereinafter sometimes called the "Corporate Trustee"), and W. F. CHAMBERS, a citizen of the United States of America, and residing at 15202 Tungwood, Westminster, California (hereinafter sometimes called the "Individual Trustee"), as Trustees (Bank of America National Trust and Savings Association, and W. F. Chambers, wherever hereinafter jointly referred to, being called the "Trustees");

WITNESSETH:

WHEREAS, the Company has heretofore executed and delivered to the Trustees an Indenture dated as of February 1, 1954 (the "Original Indenture"), and twenty-one supplemental indentures dated, respectively, as of February 1, 1957, August 1, 1958, August 1, 1959, July 1, 1963, May 1, 1964, August 1, 1965, November 1, 1966, November 1, 1967, December 1, 1968, September 1, 1969, July 1, 1970, July 1, 1971, November 1, 1971, January 1, 1973, January 15, 1975, September 1, 1976, March 1, 1977, June 1, 1980, March 1, 1981, October 1, 1981 and August 1, 1982 (the "twenty-one supplemental indentures"), which Original Indenture and twenty-one supplemental indentures are jointly hereinafter called the "Indenture," to secure the payment of the principal of and interest on all bonds of the Company at any time outstanding thereunder, said Original Indenture and Twenty-First Supplemental Indenture being recorded as set forth in Schedule A attached hereto; and

WHEREAS, L. Rasmussen, individual trustee under the Original Indenture died, Charles F. Felt was appointed successor Individual Trustee, and thereafter died, D. C. Easterday was appointed successor Individual Trustee and thereafter resigned, A. D'Antonio was appointed successor Individual Trustee and thereafter resigned, and pursuant to Section 8 of Article IX of the Original Indenture, W. F. Chambers was appointed successor Individual Trustee under the Original Indenture by an appointment dated December 1, 1972, in which both the Company and the Corporate Trustee joined; and

WHEREAS, there have been issued and are now outstanding under the Original Indenture, as amended, First Mortgage Bonds, 5 $\frac{1}{8}$ % Series due 1983, in the aggregate principal amount of \$1,750,000; First Mortgage Bonds, 5 $\frac{1}{2}$ % Series due 1984, in the aggregate principal amount of \$2,145,000; First Mortgage Bonds, 4 $\frac{7}{8}$ % Series due 1988, in the aggregate principal amount of \$3,950,000; First Mortgage Bonds, Series A (4 $\frac{5}{8}$ %) due 1989, in the aggregate principal amount of \$4,000,000; First Mortgage Bonds, Series B (4 $\frac{7}{8}$ %) due 1990, in the aggregate principal amount of \$10,000,000; First Mortgage Bonds, Series C (6 $\frac{3}{8}$ %) due 1991, in the aggregate principal amount of \$10,000,000; First Mortgage Bonds, Series D (6 $\frac{3}{4}$ %) due 1992, in the aggregate principal amount of \$7,000,000; First Mortgage Bonds, Series E (7 $\frac{1}{2}$ %) due 1993, in the aggregate principal amount of \$10,000,000; First Mortgage Bonds, Series F (5 $\frac{5}{8}$ %) due 1990, in the aggregate principal amount of \$6,081,000; Serial First Mortgage Bonds, Series H (2%), in the aggregate principal amount of \$6,694,000; First Mortgage Bonds, Series I (8%) due 1996, in the aggregate principal amount of \$12,000,000; First Mortgage Bonds, Series J (7 $\frac{5}{8}$ %) due 1997, in the aggregate principal amount of \$10,000,000; First Mortgage Bonds, Series L (9 $\frac{1}{4}$ %) due 2001, in the aggregate principal amount of \$7,600,000; First Mortgage Bonds, Series M (2%) due through 2000, in the aggregate principal amount of \$1,971,578; First Mortgage Bonds, Series N (5%) due through 2004, in the aggregate principal amount of \$736,732; First Mortgage Bonds, Series O (5%) due through 2004, in the aggregate principal amount of \$393,789; First Mortgage Bonds, Series P (13 $\frac{1}{2}$ %) due 1987, in the aggregate principal amount of \$15,000,000; First Mort-

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gage Bonds, Series Q (13 $\frac{3}{8}$ %) due 1985, in the aggregate principal amount of \$20,000,000; First Mortgage Bonds, Series R (14 $\frac{1}{2}$ %) due 1989, in the aggregate principal amount of \$15,000,000; and First Mortgage Bonds, Series S (15 $\frac{5}{8}$ %) due 1992, in the aggregate principal amount of \$15,000,000; and the Company proposes presently to issue \$10,000,000 principal amount of bonds of the new series hereinafter mentioned; and

WHEREAS, the Company in the exercise of the powers and authority conferred upon and reserved to it under the provisions of the Indenture, and pursuant to a resolution duly adopted by its Board of Directors, has resolved and determined to create and issue a new series of First Mortgage Bonds, and to make, execute and deliver to the Trustees a Supplemental Indenture, in the form hereof, as a further supplement to the Indenture; and

WHEREAS, all conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument have been done, performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

Now, THEREFORE, in consideration of the premises and of the sum of One Dollar (\$1.00), lawful money of the United States of America, duly paid by the Trustees to the Company, and of other good and valuable considerations, receipt whereof is hereby acknowledged, to supplement and amend the Indenture, further to secure the due and punctual payment of the principal of and interest on all First Mortgage Bonds of the Company issued and outstanding from time to time under the Original Indenture as from time to time supplemented and amended (the "First Mortgage Bonds"), including specifically, but without limitation, the First Mortgage Bonds presently outstanding and the First Mortgage Bonds, Series T due 1998 to be issued, and to secure the performance and observance of each and every one of the covenants and conditions contained in the Indenture, as from time to time supplemented and amended, and without in any way limiting the generality or effect of the Indenture insofar as by any provision thereof any of the properties therein or hereinafter referred to are now subject or are now intended to be subject to the lien and security interest and operation

thereof, but to such extent confirming such lien and security interest and operation, the Company has executed and delivered this Supplemental Indenture and has granted, bargained, sold, warranted, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated, granted a security interest in, set over and confirmed, and by these presents does grant, bargain, sell, warrant, release, convey, assign, transfer, mortgage, pledge, hypothecate, grant a security interest in, set over and confirm, unto Bank of America National Trust and Savings Association and W. F. Chambers, as Trustees aforesaid, and to their successors in trust, and to them and their assigns forever, with power of sale, IN TRUST, subject to the exceptions, reservations, conditions, terms and provisions of the Original Indenture, as from time to time supplemented and amended, all rights, interests and property, real, personal and mixed, and the proceeds and products thereof (not specifically excepted), of every kind and nature whatsoever and wheresoever situate, now owned or possessed by the Company, or in which it may have any interest whatever, or which the Company or its successors may hereafter acquire, enjoy, own or possess.

TOGETHER WITH all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders, rents, incomes, issues and profits thereof, excepting and excluding, however, any and all property, premises and rights of the kinds or classes which, by the terms of the Indenture, as from time to time supplemented and amended, and to the extent therein defined, are excepted and excluded from the lien and security interest and operation thereof, and are therein referred to as "Excepted Property," including (without limitation) money, documents, instruments, accounts, chattel paper, general intangibles and contract rights, and all proceeds or products thereof, except such as are or may be specifically subjected or required to be subjected to the lien and security interest of the Indenture.

TO HAVE AND TO HOLD in trust with power of sale for the equal and proportionate benefit and security of all holders of all First

Mortgage Bonds and the interest coupons appertaining thereto, now or hereafter issued under the Original Indenture, as from time to time supplemented and amended, and for the enforcement and payment of First Mortgage Bonds and interest thereon when payable, and the performance of and compliance with the covenants and conditions of the Original Indenture, as from time to time supplemented and amended, without any preference, distinction or priority as to lien or security interest or otherwise of any First Mortgage Bonds over any others by reason of the difference in the time of the actual issue, sale or negotiation thereof, or for any other reason whatsoever, except as otherwise expressly provided in the Original Indenture, as from time to time supplemented and amended, so that each and every First Mortgage Bond shall have the same lien and security interest and so that the interest and principal of every First Mortgage Bond shall, subject to the terms thereof, be equally and proportionately secured by said lien and security interest, as if such First Mortgage Bond had been made, executed, delivered, sold and negotiated simultaneously with the execution and delivery of the Original Indenture.

The Trustees execute this Supplemental Indenture only on the condition that they shall have and enjoy with respect thereto all of the rights, powers, privileges and immunities set forth in the Original Indenture, as from time to time supplemented and amended by various supplemental indentures, including this Supplemental Indenture.

The Company has agreed and covenanted and does hereby agree and covenant with the Trustees and their successors and assigns and with the respective holders from time to time of the First Mortgage Bonds and interest coupons thereto appertaining, or any thereof, as follows:

ARTICLE I

DESCRIPTION OF BONDS OF SERIES T DUE 1998

SECTION 1. A new series of First Mortgage Bonds to be executed, authenticated and delivered under and secured by the Original

Indenture, as from time to time supplemented and amended, shall be First Mortgage Bonds, Series T due 1998 (hereinafter sometimes referred to as "the Bonds of Series T" or "the New Bonds"). The New Bonds shall, subject to the provisions of Article I of the Original Indenture, as from time to time supplemented and amended, be designated as "First Mortgage Bonds, Series T due 1998" of the Company. The New Bonds shall be executed, authenticated and delivered in accordance with the provisions of, and shall in all respects be subject to, all of the terms, conditions and covenants of the Original Indenture, as from time to time supplemented and amended.

All of the New Bonds shall be registered bonds without coupons and shall be dated on the interest payment date next preceding the date of issuance, unless issued on an interest payment date or on a date prior to the first interest payment date after the date of this Supplemental Indenture, in which case such Bonds shall be dated on the date of issuance; provided, however, that, if at the time of authentication of any New Bond, interest is in default on outstanding bonds of such series, such Bond shall bear interest from, and shall be dated as of, the interest payment date for such series to which interest has previously been paid or made available for payment on outstanding bonds of such series; and provided, further, that as long as there is no existing default in the payment of interest on outstanding bonds of such series, any New Bond authenticated after the close of business on the record date (as hereinafter defined) for any interest payment date and prior to such interest payment date shall be dated on and shall bear interest from such interest payment date. All New Bonds shall mature January 1, 1998, and shall bear interest from the date thereof at the rate of fifteen and one-quarter per cent (15 $\frac{1}{4}$ %) per annum, payable semiannually on the first day of January and the first day of July in each year. The principal of, premium, if any, and interest on all New Bonds shall be payable at the Corporate Agency Division of the Corporate Trustee in the City of Los Angeles, California. Notwithstanding the provisions of Section 8 of Article I of the Original Indenture, the Company shall not require the payment of any charge (other than

any stamp tax or governmental charge) for exchange or transfer of the New Bonds.

Notwithstanding any provision of the Indenture or any New Bond to the contrary, the Company may enter into an agreement with the holder of any New Bond providing for the making to such holder of all payments of principal of and interest on such New Bond or any part thereof at a place and in a manner other than is provided in the Indenture (as amended by this Supplemental Indenture) and in the New Bonds without presentation or surrender of such New Bonds, upon such conditions as shall be satisfactory to the Corporate Trustee (the Corporate Trustee hereby acknowledging that the conditions set forth in paragraph 10 of the Bond Purchase Agreement between the Company and Teachers Insurance and Annuity Association of America with respect to the New Bonds are satisfactory to it). The Company will furnish to the Corporate Trustee a copy, certified to be correct by an officer of the Company, of such agreement. The Corporate Trustee shall not be liable to any such holder or to the Company or to any other holder for any act or omission to act on the part of the Company, any such holder or any agent of the Company, in connection with any such agreement. The Company will indemnify and hold the Corporate Trustee harmless against any liability which it may incur as a result of making such payments in accordance with the provisions of any such agreement.

The person in whose name any New Bond is registered at the close of business on any record date with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such New Bond upon any transfer or exchange thereof subsequent to the record date and prior to such interest payment date; provided however, that if the Company shall default in the payment of the interest due on any interest payment date on the principal represented by any New Bond, such defaulted interest shall be paid to the registered holder of such New Bond (or any New Bond or New Bonds issued upon transfer or exchange thereof) on the actual date

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of payment of such defaulted interest, or, at the election of the Company, to the person in whose name such New Bond (or any New Bond or New Bonds issued upon transfer or exchange thereof) is registered on a record date established by notice given by mail by or on behalf of the Company to the holders of New Bonds not less than 10 days preceding such subsequent record date. The term "record date" as used in this Section 1 shall mean, with respect to any semiannual interest payment date, the close of business on the 15th day next preceding such interest payment date or, if such day shall not be a business day, the next preceding business day, or in the case of defaulted interest, the close of business on any subsequent record date established as provided above.

SECTION 2. The New Bonds shall be issued in denominations of One Thousand Dollars (\$1,000) and any multiple of One Thousand Dollars (\$1,000) which may be executed by the Company and delivered to the Corporate Trustee for authentication and delivery.

SECTION 3. The New Bonds shall be substantially in the following form:

CONTINENTAL TELEPHONE COMPANY OF CALIFORNIA
FIRST MORTGAGE BOND, SERIES T DUE 1998
(15¼%)

No. \$.....

CONTINENTAL TELEPHONE COMPANY OF CALIFORNIA, a corporation organized and existing under and by virtue of the laws of the State of California (formerly known as "California Interstate Telephone Company" and hereinafter called the "Company"), for value received, hereby promises to pay to, the registered holder hereof, or registered assigns, on the first day of January, 1998, unless this bond is sooner redeemed, at the Corporate Agency Division of Bank of America National Trust and Savings Association in the City of Los Angeles, California,..... Dollars (\$.....) in legal tender money of the United States of America, and to pay interest thereon in like

money from the date hereof, at the rate of fifteen and one-quarter per cent (15¼%) per annum (computed on the basis of a 360-day year consisting of twelve 30-day months), semiannually on the first day of January and on the first day of July in each year, at the Corporate Agency Division of Bank of America National Trust and Savings Association in the City of Los Angeles, California. Interest shall (subject to certain exceptions provided in the Twenty-Second Supplemental Indenture hereinafter referred to) be paid to the person in whose name this bond, or the bond in exchange or substitution for which this bond shall have been issued, shall have been registered at the close of business on the fifteenth day next preceding the interest payment date, or, if such fifteenth day shall not be a business day, the next preceding business day, such day being the "record date" as defined in the Twenty-Second Supplemental Indenture.

This bond is one of an authorized issue of Bonds of the Company issuable in series, and is one of the Bonds of the series named in the caption hereof (the Bonds of said series being hereinafter called "Bonds of Series T"), all Bonds of all series issued and to be issued under, and equally and ratably secured (except insofar as any Sinking Fund or analogous fund may afford additional security for the Bonds of any particular series) by an Indenture dated as of February 1, 1954 (herein called the "Original Indenture"), duly executed, acknowledged and delivered by the Company to the Bank of America National Trust and Savings Association (herein called the "Corporate Trustee") and L. Rasmussen, as trustees (said Corporate Trustee and W. F. Chambers, heretofore substituted in place of L. Rasmussen as the individual trustee under the Original Indenture, and their successors in said trust, being herein called the "Trustees"), and indentures supplemental thereto, including the Twenty-Second Supplemental Indenture hereinafter mentioned, which Original Indenture and all indentures supplemental thereto are collectively hereinafter called the "Indenture." Reference is hereby made to the Indenture for a description of the properties, rights and franchises thereby mortgaged, pledged, and in which a

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security interest was granted, the nature and extent of the security thereby granted and the rights of the holders of said Bonds and of the Trustees in respect of such security, and the terms and conditions upon which said Bonds are, and are to be, issued and secured. As provided in the Indenture, said Bonds may be issued in series, for various principal sums, may bear different dates and mature at different times, may bear interest at different rates and may otherwise vary as in the Indenture provided or permitted. The Bonds of Series T are described in a Supplemental Indenture dated as of November 1, 1982 (herein called the "Twenty-Second Supplemental Indenture"), executed, acknowledged and delivered by the Company to the Corporate Trustee and said W. F. Chambers, as Trustees.

With the consent of the Trustees, and to the extent permitted by, and as provided in, the Indenture, any of the provisions thereof may, upon the proposal of the Company, be modified or altered by the affirmative written assents of the holders of at least seventy-five per cent (75%) in principal amount of the bonds then outstanding under the Indenture; provided that no such modification or alteration (a) shall give to any bond or bonds secured by the Indenture preference over any other bond or bonds thereby secured, (b) shall authorize the creation by the Company of any lien or security interest prior or equal to the lien and security interest of the Indenture upon any of the trust property at the time of such modification subject thereto, (c) shall authorize or permit the extension of the time or times of payment of the principal of or the interest or premium, if any, on the bonds, or any reduction in the principal amount thereof, or in the rate of interest, or in the amount of premium, if any, thereon, or any other modification in the terms of the payment of the principal thereof or the interest or premium thereon, (d) shall authorize the extension of any waiver of default to a subsequent default or the impairment of any rights consequent thereto, (e) shall reduce the percentage of bonds required by the provisions of Article XI of the Original Indenture for the taking of any action

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thereunder (and, if such modification or alteration shall affect the rights of the holders of bonds of one or more, but less than all, of the series of bonds then outstanding, such modification or alteration shall be assented to by the holders of at least seventy-five per cent (75%) in principal amount of the bonds of each series so affected), or (f) shall, without the consent of the Trustees, modify or alter the rights, duties or immunities of the Trustees. The Indenture as amended by the Sixth Supplemental Indenture provides that the holders of Bonds of Series B and all subsequent series of First Mortgage Bonds, including Bonds of Series T, assent to an amendment to the Indenture which would reduce the aforesaid requirements of written assents from seventy-five per cent (75%) to sixty-six and two-thirds per cent (66 $\frac{2}{3}$ %), such amendment to become effective when either no bonds issued prior to the issuance of the Bonds of Series B shall be outstanding or such amendment to the Indenture shall have become effective by the written assent thereto by the holders of all bonds at the time outstanding.

The Bonds of Series T may not be redeemed prior to July 1, 1990 for any reason (other than by reason of the Sinking Fund), including, without limitation, by operation of the Property Sinking Fund or the Depreciation Fund. On and after July 1, 1990, the Bonds of Series T are subject to redemption at any time or from time to time prior to maturity, at the option of the Company, either as a whole or in part, upon payment of accrued interest to the date fixed for redemption thereof, plus that percentage of the principal amount thereof applicable to such date in accordance with the following table (wherein all dates are inclusive):

July 1, 1990 to December 31, 1990	107.63%
January 1, 1991 to December 31, 1991	106.54
January 1, 1992 to December 31, 1992	105.45
January 1, 1993 to December 31, 1993	104.36
January 1, 1994 to December 31, 1994	103.27
January 1, 1995 to December 31, 1995	102.18
January 1, 1996 to December 31, 1996	101.09
January 1, 1997 to December 31, 1997	100.00

provided that the redemption of any Bonds of Series T prior to January 1, 1993 (other than by operation of the Sinking Fund) is subject to the restriction on refunding set forth in the Twenty-Second Supplemental Indenture.

As provided in the Indenture, the Bonds of Series T are entitled to the benefits of the Sinking Fund, the Property Sinking Fund and the Depreciation Fund provided for therein, and are also subject to redemption in whole or in part by the operation of such Sinking Fund, Property Sinking Fund and Depreciation Fund. In case of redemption from the Sinking Fund, the amount payable upon such redemption shall be 100% of the principal amount of Bonds of Series T so redeemed, plus accrued interest to the dates fixed for redemption thereof. In case of redemption from the Property Sinking Fund or the Depreciation Fund, the amount payable upon such redemption shall be accrued interest to the date fixed for such redemption, plus that percentage of the principal amount thereof applicable to such date in accordance with the following table (wherein all dates are inclusive):

// July 1, 1990 to December 31, 1990	107.63%
January 1, 1991 to December 31, 1991	106.54
January 1, 1992 to December 31, 1992	105.45
January 1, 1993 to December 31, 1993	104.36
January 1, 1994 to December 31, 1994	103.27
January 1, 1995 to December 31, 1995	102.18
January 1, 1996 to December 31, 1996	101.09
January 1, 1997 to December 31, 1997	100.00

If default shall be made in the payment of any installment of interest on this bond, or in the performance of any of the covenants and agreements of the Indenture, then the principal of this bond may be declared and become due and payable on the conditions, in the manner, and at the time provided in the Indenture.

This bond is transferable as prescribed in the Indenture by the registered holder hereof in person, or by his duly authorized attorney, at the Corporate Agency Division of Bank of America National

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Trust and Savings Association in the City of Los Angeles, California, upon surrender and cancellation of this bond, and thereupon a new registered bond without coupons, of the same series, shall be issued to the transferee in exchange for this bond as provided in the Indenture. The Company shall not require the payment of any charge (other than any stamp tax or governmental charge) for any exchange or transfer of this bond.

The Company, the Trustees and any paying agent may deem and treat the person in whose name this bond is registered as the absolute owner and holder hereof (whether or not this bond shall be overdue) for the purpose of receiving payment thereof and on account hereof and for all other purposes, and neither the Company nor the Trustees nor any paying agent shall be affected by any notice to the contrary.

The Bonds are interchangeable as to denominations in the manner and upon the conditions prescribed in the Indenture.

No recourse shall be had for the payment of the principal or of the interest on this bond or for any claim based hereon or on the Indenture against any incorporator, stockholder, director or officer, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being waived and released by every holder hereof by the acceptance of this bond and as part of the consideration for the issue thereof, and being likewise waived and released by the terms of the Indenture.

This bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the certificate of Bank of America National Trust and Savings Association, one of the Trustees, or its successor in said trust, endorsed hereon.

IN WITNESS WHEREOF, Continental Telephone Company of California has caused this bond to be executed in its name by its President, or a Vice President, manually or by facsimile and its corporate seal or a facsimile thereof to be hereunto affixed and attested by its Secretary, or an Assistant Secretary, manually or by facsimile.

DATED:

CONTINENTAL TELEPHONE COMPANY
OF CALIFORNIA

By
President

ATTEST:

.....
Secretary

(FORM OF TRUSTEE'S CERTIFICATE)

It is hereby certified that the within bond is one of the bonds, of the series designated herein, described in the Indenture herein mentioned.

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION, TRUSTEE

By
Authorized Officer

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(FORM OF ASSIGNMENT OF REGISTERED BOND)

For value received, hereby assigns and transfers unto the within bond, together with accrued interest thereon, hereby irrevocably constituting and appointing attorney to transfer the said bond on the books of the Company at the office of the Corporate Trustee, with full power of substitution in the premises.

Dated:

.....

In the Presence of:

.....

ARTICLE II
AUTHORIZED PRINCIPAL AMOUNT

The aggregate principal amount of New Bonds which may be executed by the Company and authenticated and delivered by the Trustee, and secured by the Indenture, as from time to time in effect, shall be \$10,000,000. No New Bonds in addition to said \$10,000,000 principal amount shall be executed by the Company and authenticated and delivered by the Trustee except in lieu of other New Bonds in accordance with the provisions of the Indenture.

ARTICLE III
PROPERTY SINKING FUND AND DEPRECIATION FUND

The Company covenants that, until the redemption or payment of all of the New Bonds at any time outstanding hereunder, it will maintain a Property Sinking Fund which shall be computed in the manner and used for the purposes set forth in Section 19 of Article I of the Original Indenture, as from time to time in effect, and the New Bonds shall be entitled to the benefits thereof.

In case of redemption of New Bonds from the Property Sinking Fund or the Depreciation Fund the amount payable upon such redemption shall be accrued interest to the date fixed for such redemption, plus that percentage of the principal amount thereof applicable to such date in accordance with the following table (wherein all dates are inclusive):

July 1, 1990 to December 31, 1990	107.63%
January 1, 1991 to December 31, 1991	106.54
January 1, 1992 to December 31, 1992	105.45
January 1, 1993 to December 31, 1993	104.36
January 1, 1994 to December 31, 1994	103.27
January 1, 1995 to December 31, 1995	102.18
January 1, 1996 to December 31, 1996	101.09
January 1, 1997 to December 31, 1997	100.00

ARTICLE IV SINKING FUND

SECTION 1. The Company covenants and agrees that, until the redemption or payment of all of the Bonds of Series T at any time outstanding hereunder, it will establish and maintain a Sinking Fund for the Bonds of Series T (herein called "Sinking Fund for the Bonds of Series T") to be computed in the manner and to be used for the purposes hereinafter in this Article IV provided. Sinking Fund provisions applicable to any series of bonds, other than Series T, shall be fixed and determined by the resolution of the Board of Directors of the Company pertaining to any such series of bonds.

SECTION 2. The Company covenants that, on the first day of January, 1989, and on the first day of each succeeding January (said dates being hereinafter referred to as the "sinking fund payment date"), it will pay to the Corporate Trustee cash in an amount equal to one-tenth of the maximum principal amount of Bonds of Series T which shall have been issued and authenticated pursuant to the provisions of the Indenture (exclusive of Bonds of Series T issued and authenticated in lieu of other Bonds of Series T in accordance with the provisions of the Indenture).

All sums so paid to the Corporate Trustee pursuant to the provisions of this Section 2 of Article IV shall constitute a Sinking Fund for the further security of the Bonds of Series T issued hereunder and then outstanding and shall be held and disbursed by the Corporate Trustee as hereinafter provided in this Section 2 of Article IV.

Cash paid to the Corporate Trustee under the provisions of this Section 2 of Article IV shall be applied by the Corporate Trustee to redeem on each sinking fund payment date, in the manner provided in Article IV and Article V of the Original Indenture, such number of Bonds of Series T as will, as nearly as may be, exhaust the money so held in the Sinking Fund for the Bonds of Series T. Notwithstanding any other provisions of the Indenture, the redemption price of any of the Bonds of Series T redeemed pursuant to the provisions of this Article IV shall be the principal amount of such bonds, together with accrued interest thereon, but without premium of any kind. The Company agrees to deposit with the Corporate Trustee such sums as may be necessary to pay the accrued interest on any Bonds of Series T purchased or redeemed pursuant to this Article IV.

ARTICLE V REDEMPTION OF BONDS

The New Bonds may not be redeemed prior to July 1, 1990 for any reason (other than by reason of the Sinking Fund), including, without limitation, by operation of the Property Sinking Fund or the Depreciation Fund. On and after July 1, 1990, the New Bonds may, at the option of the Company, be redeemed at any time or from time to time before maturity, either as a whole or in part, subject to and in accordance with the provisions of this Article V and the provisions of Article V of the Original Indenture, upon payment of accrued interest to the date fixed for redemption thereof, plus that percentage of the principal amount thereof applicable to

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such date in accordance with the following table (wherein all dates are inclusive):

July 1, 1990 to December 31, 1990	107.63%
January 1, 1991 to December 31, 1991	106.54
January 1, 1992 to December 31, 1992	105.45
January 1, 1993 to December 31, 1993	104.36
January 1, 1994 to December 31, 1994	103.27
January 1, 1995 to December 31, 1995	102.18
January 1, 1996 to December 31, 1996	101.09
January 1, 1997 to December 31, 1997	100.00

provided that the New Bonds shall not be redeemed prior to January 1, 1990 (other than by operation of the Sinking Fund), if such redemption is for the purpose, in anticipation or the result of any refunding of the New Bonds through the use, directly or indirectly, of (a) the proceeds derived from the issue or sale of any preferred stock having a dividend rate of less than 15¼% per annum, or (b) funds borrowed by the Company having either (i) an interest cost computed in accordance with generally accepted financial practice (and without regard to any conversion right) of less than 15¼% per annum or (ii) as of the date of the proposed redemption, a Weighted Average Life to Maturity less than the remaining Weighted Average Life to Maturity of the New Bonds.

As used herein, the term "Weighted Average Life to Maturity" of any indebtedness for borrowed money means, as of the date of the determination thereof, the number of years obtained by dividing the then Remaining Dollar-years of such indebtedness by the then outstanding principal amount of such indebtedness. The term "Remaining Dollar-years" of any indebtedness for borrowed money means the amount obtained by (i) multiplying the amount of each then remaining sinking fund, serial maturity or other required repayment of principal, including the payment at final maturity, by the number of years (calculated to the nearest one-twelfth) that will elapse between the date of such determination and the date of such required repayment, and (ii) totaling all the products obtained in the foregoing clause (i).

ARTICLE VI
ADDITIONAL COVENANTS

SECTION 1. So long as any Bonds of Series T shall remain outstanding, the Company covenants that, without the prior written consent of the holders of sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) of the Bonds of Series T then outstanding, it will not declare or pay any dividends on any of its Common Stock (other than dividends payable or paid solely in shares of its Common Stock) or make any other distribution of any sort in respect of its Common Stock (other than warrants or rights to subscribe for or purchase its Common Stock) or make any payment on account of the purchase, redemption, or other acquisition or retirement of its Common Stock if, as a result thereof, the accumulated aggregate amounts of such dividends, distributions and payments after December 31, 1979 shall exceed the amount of the net income of the Company accumulated subsequent to December 31, 1979 to the end of the most recent fiscal quarter preceding the date of computation, plus \$11,500,000, plus net proceeds to the Company from the issuance or sale after December 31, 1979 of any of its Common Stock plus the amount of any equity contributions to capital of the Company after December 31, 1979.

For the purpose of this Section 1 of Article VI, the net income of the Company shall mean its earnings available for dividends on its Common Stock determined in accordance with generally accepted accounting principles applicable to public utility telephone companies.

The provisions of this Section 1 of Article VI shall not prevent the payment of any dividend or the making of any distribution referred to herein within 60 days after the date of declaration thereof, if at said date such declaration complied with the provisions hereof.

For the purposes of any computation under this Section 1 of Article VI, the amount of any dividend declared or other payment or distribution made in property other than cash, or property other

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than cash received upon the issuance or sale of securities or as a contribution to capital, shall be deemed to be the fair value (as determined by the Board of Directors) of such property at the time of declaration (in the case of dividends) or in other cases at the time of payment, distribution or receipt, as the case may be.

SECTION 2. So long as any Bonds of Series T shall remain outstanding, the Company covenants that, without the prior written consent of the holders of sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) of the Bonds of Series T then outstanding, it will at no time create, assume or incur funded debt, unless the income available for interest of the Company during any 12 consecutive calendar months ending within the 90 days immediately preceding the date of such creation, assumption or incurring shall be at least two times (200% of) the total annual interest charges on funded debt, to be outstanding immediately after such creation, assumption or incurring of additional funded debt.

For the purposes of this Section 2 of Article VI, (a) "funded debt" means all items which, in accordance with sound accounting practice, (i) constitute indebtedness, whether secured or unsecured, (including, without limiting the generality thereof, to the extent required by generally accepted accounting practices, guarantees, endorsements and contingent liabilities, but excluding consumers' credit deposits), and (ii) mature, or are renewable or refundable at the option of the Company, for a period or periods extending more than twelve months from the date of determination of funded debt without regard to any unexercised right of acceleration; and (b) "income available for interest" of the Company means the gross revenues and other income of the Company from all sources, less all proper deductions for operating expenses, taxes (other than income and excess or other profits taxes of the Company which are based on its income after the deduction of interest charges), depreciation and maintenance expense and other proper deductions, all determined in accordance with generally accepted accounting principles applicable to public utility telephone companies and in conformity

with any applicable government regulations, but subject to the provisions of the following subsections (i) through (iii) inclusive:

(i) in making such computations there shall not be included (A) gains or losses resulting from the sale, abandonment, revaluation or other disposition of, or increase or diminution in the book costs or recorded values of, securities or other investments, (B) deductions for interest charges paid or payable on indebtedness and amortization of stock and debt discount and expense or premium, or (C) deductions for elimination, other than through periodic amortization against earnings, of intangibles or of utility plant acquisition adjustment accounts or utility plant adjustment accounts or any accounts for similar purposes;

(ii) in case, within or after the particular period for which the calculation of income available for interest is made, the Company shall acquire any property, for a consideration in excess of \$500,000, which within six months prior to the date of such acquisition has been used or operated in a business similar to that in which it has been or is to be operated by the Company, then in computing such income there shall be included, to the extent that the same may not have been otherwise included and shall be ascertainable, the earnings or losses of such property for the whole of such period; and

(iii) in case, within or after the particular period for which the calculation of the income available for interest is made, the Company shall dispose of any property the proceeds of which exceed \$500,000, then in computing such income there shall be excluded to the extent ascertainable the earnings or losses for such property for the whole of such period.

The terms "earnings" and "losses", as used in subsections (ii) and (iii) above, means the earnings and losses of the property referred to, computed in the manner provided in this definition for the computation of income available for interest of the Company.

SECTION 3. So long as any Bonds of Series T shall remain outstanding, the Company covenants that, without the prior written consent of the holders of sixty-six and two-thirds per cent ($66\frac{2}{3}\%$) of the Bonds of Series T then outstanding, it will at no time create, assume, incur or suffer to exist any funded debt, including the bonds issued hereunder then outstanding, which in the aggregate exceeds in amount sixty per cent (60%) of the total capitalization of the Company. For purposes of this Section 3 of Article VI, (a) the term "funded debt" shall mean all items which, in accordance with generally accepted accounting principles, (i) constitute indebtedness, whether secured or unsecured (including, without limiting the generality hereof, guarantees, endorsements and contingent liabilities, but excluding consumers' credit deposits), and (ii) mature, or are renewable or refundable at the option of the obligor, for a period or periods extending more than twelve months from the date of determination of funded debt without regard to any unexercised right of acceleration, and (b) the term "total capitalization" shall mean the total of funded debt at the time outstanding plus the total capital represented by the capital stock of the Company at the time outstanding, based upon, in the case of stock having par value, its par value and, in the case of stock having no par value or having a stated value, the value stated on the books of the Company, plus the total amount of surplus of the Company and its subsidiaries on a consolidated basis, whether earned, paid in or capital, less the amount of any net deficit in the surplus accounts of the Company and its subsidiaries and plus the amount of any premium on capital stock not included in surplus, all determined in accordance with generally accepted accounting principles; provided however, that in determining the surplus of the Company and its subsidiaries no effect shall be given to any unrealized write-up or write-down in the value of assets or any amortization thereof, except for write-downs consisting of reserves for depreciation, depletion, amortization and property retirement determined in accordance with generally accepted accounting principles, which reserves shall have been created by charges made by the Company and its subsidiaries on their books.

ARTICLE VII**MISCELLANEOUS PROVISIONS**

Except insofar as herein otherwise expressly provided, all the definitions, provisions, terms and conditions of the Original Indenture as theretofore supplemented and amended shall be deemed to be incorporated in and made a part of this Supplemental Indenture; and the Original Indenture as supplemented by the twenty-one supplemental indentures and by this Supplemental Indenture is in all respects ratified and confirmed; and the Original Indenture together with the twenty-one supplemental indentures and this Supplemental Indenture, shall be read, taken and construed as one and the same instrument.

All covenants, promises and agreements in this Supplemental Indenture contained by or on behalf of the Company shall bind its successors and assigns whether so expressed or not.

This Supplemental Indenture may be executed simultaneously or from time to time in any number of counterparts, and each counterpart shall constitute an original instrument, and it shall not be necessary in making proof of this Supplemental Indenture or of any counterpart hereof to produce or account for any of the other counterparts.

IN WITNESS WHEREOF, said Continental Telephone Company of California has caused this Supplemental Indenture to be executed on its behalf by its President or one of its Vice Presidents and its corporate seal to be hereto affixed, and the said seal and this Supplemental Indenture to be attested by its Secretary or one of its Assistant Secretaries; said Bank of America National Trust and Savings Association, in evidence of its acceptance of the trust hereby created, has caused this Supplemental Indenture to be executed on its behalf by one of its Vice Presidents and its corporate seal to be hereto affixed and said seal and this Supplemental Indenture to be attested by one of its Trust Officers; and said W. F. Cham-

bers, in evidence of his acceptance of the trust hereby created, has executed this Supplemental Indenture; all as of the day and year first hereinabove written.

CONTINENTAL TELEPHONE COMPANY
OF CALIFORNIA

By *Kenneth D. Veitch*
Vice President
Kenneth D. Veitch

ATTEST:

Norma Leitko
Secretary
Norma Leitko

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION

By *W. F. Chambers*
Vice President
W. F. Chambers

ATTEST:

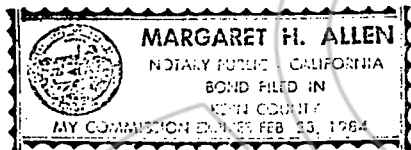
Vicki L. Herrick
Trust Officer
Vicki L. Herrick

By *W. F. Chambers*
As Trustee
W. F. Chambers

STATE OF CALIFORNIA }
 COUNTY OF KERN } ss.

On this 29 day of November, 1982, before me, a Notary Public in and for the State of California, personally appeared Kenneth D. Veitch, known to me to be a Vice President and NORMA LEITKO, known to me to be the Secretary of Continental Telephone Company of California, one of the corporations that executed the within instrument, and personally known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same; and, upon oath, they did depose and say that they are the officers of said corporation as above respectively designated, that they are acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation, that the signatures to said instrument were made by officers of said corporation as indicated after said signatures, and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and year in this certificate first above written.



(Notarial Seal)

Margaret H. Allen
 Margaret H. Allen
 Notary Public in and for the
 State of California

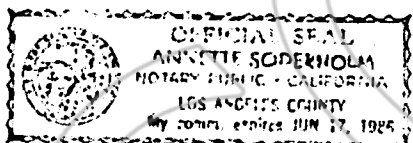
My commission expires: Feb. 23, 1984

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STATE OF CALIFORNIA }
 COUNTY OF LOS ANGELES } ss.

On this 20th day of November, 1982, before me, a Notary Public in and for the State of California, personally appeared W. F. Chambers, known to me to be a Vice President, and Vicki L. Herrick, known to me to be a Trust Officer of Bank of America National Trust and Savings Association, one of the corporations that executed the within instrument, and personally known to me to be the persons who executed the within instrument on behalf of the corporation therein named, and acknowledged to me that such corporation executed the same; and, upon oath, they did depose and say that they are the officers of said corporation as above respectively designated, that they are acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation, that the signatures to said instrument were made by officers of said corporation as indicated after said signatures, and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and year in this certificate first above written.



(Notarial Seal)

Annette Soderholm

Notary Public in and for the
 State of California

My commission expires: *June 17, 1986*

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STATE OF CALIFORNIA }
COUNTY OF LOS ANGELES } ss.

On this 30th day of November, 1982, before me, a Notary Public in and for the State of California, personally appeared W. F. Chambers, personally known to me to be the person whose name is subscribed to the within instrument, and the person described in and who executed the foregoing instrument, and acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal, the day and year in this certificate first above written.

Annette Soderholm
Notary Public in and for the
State of California

My commission expires: *June 17, 1986*



SCHEDULE A

Incorporated in and made a part of the Twenty-Second Supplemental Indenture dated as of November 1, 1982, from Continental Telephone Company of California to Bank of America National Trust and Savings Association and W. F. Chambers, as Trustees.

Recordation Data for Original Indenture and Twenty-First Supplemental Indenture:

Original Indenture

<u>County</u>	<u>State</u>	<u>Book</u>	<u>Page</u>	<u>Records</u>
Inyo	California	109	65	Official Records
Kern	California	2208	294	Official Records
Los Angeles	California	D2447	1	Official Records
Madera	California	901	1	Official Records
Mono	California	31	329	Official Records
San Bernardino	California	3352	233	Official Records
Tulare	California	2501	177	Official Records
Douglas	Nevada	5	290	Trust Deeds
Lyon	Nevada	"V"	587	Mortgages
Mineral	Nevada	9	163	Real Mortgages
Ormsby	Nevada	65	1	Mortgages
Alpine	California	"G"	128	Official Records
Washoe	Nevada	84	531	Mortgages
Santa Barbara	California	2286	1340	Official Records
San Luis Obispo	California	1535	350	Official Records
Ventura	California	3566	181	Official Records
Santa Clara	California	8679	406	Official Records
Sutter	California	743	81	Official Records
Yolo	California	922	9	Official Records
San Joaquin	California	3337	9	Official Records
Fresno	California	5728	706	Official Records
Merced	California	1809	323	Official Records
Kings	California	976	480	Official Records
Imperial	California	1315	379	Official Records
Mendocino	California	861	83	Official Records
Trinity	California	149	651	Official Records
Humboldt	California	1102	519	Official Records
		Instrument #		
Riverside	California	1971	109883	Official Records
Amador	California	215	422	Official Records
Calaveras	California	326	27	Official Records
Stanislaus	California	2423	547	Official Records
Yuma	Arizona	Docket 668	300	Official Records
Mohave	Arizona	107	295	Official Records
Monterey	California	1132	223	Official Records
Placer	California	1822	579	Official Records
Sonoma	California	3210	542	Official Records
		Instrument #		
Nevada	California	80-18179		Official Records

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Twenty-Second Supplemental Indenture

County	State	Instrument #	Book	Page	Records
Mohave	Arizona	82-43738	864	906-935	Official Records
Yuma	Arizona	16205	1294	399-429	Official Records
Alpine	California	622	41	597	Official Records
Amador	California	4019	414	449	Official Records
Calaveras	California	8051	623	287	Official Records
Fresno	California	67978	7954	852	Official Records
Humboldt	California	13889	1679	46	Official Records
Imperial	California	30	1488	1455	Official Records
Inyo	California	82-3536			Official Records
Kern	California	16700	5480	2048	Official Records
Kings	California	10358	1238	513	Official Records
Los Angeles	California	82-847061	—	—	Official Records
Madera	California	14417	1652	22	Official Records
Mendocino	California	11123	1363	24	Official Records
Merced	California	15304	2337	64-93	Official Records
Mono	California	945	360	572	Official Records
Monterey	California	G33371	1571	1154	Official Records
Placer	California	30035	2522	290	Official Records
Riverside	California	140776	1982	140776	Official Records
San Bernardino	California	82-163321	—	—	Official Records
San Joaquin	California	82047205	—	—	Official Records
San Luis Obispo	California	33488	2425	407	Official Records
Santa Barbara	California	82-33968			Official Records
Santa Clara	California	7444668			Official Records
Sonoma	California	82043754	—	—	Official Records
Stanislaus	California	08558	3586	342	Official Records
Sutter	California	9848	1052	367	Official Records
Trinity	California	3039	227	303	Official Records
Tulare	California	36713	3990	107	Official Records
Ventura	California	74657	—	—	Official Records
Yolo	California	12214	1536	428	Official Records
Carson City	Nevada	13034	325	550	Official Records
Douglas	Nevada	70179	882	637	Official Records
Lyon	Nevada	70029	—	—	Official Records
Mineral	Nevada	58762	86	343-373	Official Records
Washoe	Nevada	810018	1774	0807	Official Records
Nevada	California	82-18592	—	—	Official Records

Orick, Herington & Sublett
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for Com. Sec. of Calif.
 IN OFFICIAL RECORDS OF
 DOUGLAS CO. NEVADA
 \$33.00 fee
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SUZANNE BEAUDREAU
 RECORDER

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