

terms and provisions, be issued upon and subject to such terms and conditions and be entitled to such rights and benefits, all as provided by the applicable terms and provisions of the Original Indenture.

SECTION 7. The Bonds of Series R are (subject to the provisions of Section 9 of Article I of the Indenture) to be substantially in the following form:

(FORM OF BOND)

GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC.  
First Mortgage Bond,  
7 $\frac{1}{8}$ % Series R Due 1999

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

GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC., a corporation organized and existing under and by virtue of the laws of the State of Washington (hereinafter called the "Company"), for value received, hereby promises to pay to ..... the registered holder hereof, on the 1st day of June, 1999, unless this bond is sooner redeemed, ..... Dollars (\$.....) and to pay interest thereon at the rate of seven and one eighth per cent (7 $\frac{1}{8}$ %) per annum until the payment of said principal sum, semi-annually on the first day of June and on the first day of December in each year.

Such interest shall accrue from the date hereof, unless such date is an interest payment date and the Company shall default in the payment of the interest then due, in which case interest hereon shall accrue from the first day of June or the first day of December next preceding the date hereof. The interest so payable on any interest payment date will, subject to certain exceptions provided in the Indenture hereinafter referred to, be paid to the person in whose name this Bond (or any Bond or Bonds of Series R evidencing the same debt) is registered at the close of business on the 16th day of May or the 15th day of November, as the case may be, next preceding such interest payment date. Both the principal of and the interest on this Bond shall be payable at the office or agency of the Company in the City of San Francisco, State of California, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

This bond is one of an authorized issue of bonds of the Company, known as First Mortgage Bonds, all issued and to be issued pursuant to the terms and conditions of, and irrespective of the time of actual issue,