

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the matter of the Application of)	
The Oregon Farmers Mutual Telephone)	
Company for Authority to Execute)	Case No. _____
a Secured Guaranty in favor of the)	
Rural Telephone Finance Cooperative)	
in connection with a loan to Northwest)	
Missouri Holdings, Inc.)	

APPLICATION

Comes now The Oregon Farmers Mutual Telephone Company ("Oregon Farmers"), pursuant to Section 392.310, RSMo 2000, 4 CSR 240-2.060 and 4 CSR 240-3.530, and in support of its application to the Missouri Public Service Commission ("Commission") for an Order authorizing Oregon Farmers to execute a Secured Guaranty in favor of the Rural Telephone Finance Cooperative ("RTFC"), states that:

1. Oregon Farmers is a Missouri chartered corporation, in good standing in all respects, with its principal place of business at 118 East Nodaway. Oregon, MO 64473. Oregon Farmers is engaged generally in the business of providing basic local telecommunications service to approximately 1,271 customers subject to the jurisdiction of the Commission in one exchange located in the Missouri county of Holt as shown by its exchange area map on file with and approved by the Commission. A copy of Oregon Farmer's Certificate of Corporate Good Standing from the Missouri Secretary of State is attached hereto as Appendix 1.

2. Northwest Missouri Holdings, Inc. ("Northwest") is a Delaware corporation, in good standing in all respects, with its principal office and place of business at 756 Tyvola Road, Charlotte, NC 28217. Northwest received authority from the Commission in Case No. IM-2004-0461 to

acquire all of the outstanding capital stock of Oregon Farmers. In that same case, the Commission also authorized Oregon Farmers to execute and deliver a Deed of Trust, Security Agreement and Financing Statement placing a lien on its assets in order to secure a loan from the RTFC to Northwest in the amount of \$7,388,889.

3. All communications, notices, orders and decisions respecting this Application and proceeding should be addressed to:

W. R. England, III
Sondra B. Morgan
Brydon, Swearengen & England P.C.
312 E. Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102
(573) 635-7166
(573) 634-7431 (fax)
smorgan@brydonlaw.com (e-mail)

or, if to Oregon Farmers, to:

Patrick L. Eudy
756 Tyvola Road
Suite 100
Charlotte, NC 28217
704 665-9036
888 698-7975 (fax)

4. As a part of the transaction authorized by the Commission in Case No. IM-2004-0461, all existing debt of Oregon Farmers was paid off. Oregon Farmers does not currently hold any debt. In order for Northwest to continue to receive a more favorable interest rate for the debt owed to its lender RTFC, RTFC has requested that Oregon Farmers execute a Secured Guaranty substantially in the form of the Secured Guaranty marked Appendix 2 attached hereto and made a part hereof for all purposes. This Secured Guaranty will serve as additional security for the RTFC

loan to Northwest. As a Missouri telecommunications company, Oregon Farmers must seek authorization from the Commission for the issuance of "any evidence of indebtedness" such as the proposed guaranty.

5. A certified copy of the resolutions of the Board of Directors of Oregon Farmers authorizing it to enter into and perform in accordance with the terms of the Secured Guaranty is marked Appendix 3, attached hereto, and made a part hereof for all purposes.

6. The proposed transaction will have no impact on the financial statements of Oregon Farmers. Accordingly, Oregon Farmers requests a waiver of 4 CSR 240-3.530(E) requiring the applicant to provide a pro forma balance sheet and pro forma income statement showing the effect of the proposed financing upon bonded and other indebtedness.

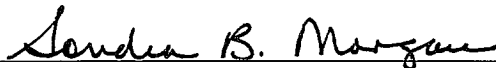
7. Marked Appendix 4, attached hereto and made a part hereof for all purposes is a five (5) year capitalization expenditure schedule as required by § 392.310, RSMo 2000.

8. There are no additional proceeds to be received as a result of this guaranty, so no proceeds of the loan will be subject to the fee schedule as set forth in § 386.300, RSMo 2000. See, § 392.310.2, RSMo 2000.

9. Oregon Farmers does not have any pending action or final unsatisfied judgment or decision against it from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three (3) years of the date of this application. Oregon Farmers further states that no annual report or assessment fees are overdue.

WHEREFORE, Oregon Farmers respectfully requests that the Commission issue an order authorizing (1) Oregon Farmers to enter into and perform in accordance with the terms of the Secured Guaranty contained in Appendix 2; (2) authorizing Oregon Farmers to do any and all other things as may be reasonably necessary in furtherance of all acts specifically authorized; and (3) granting such other relief as the Commission may deem just and proper under the circumstances.

Respectfully submitted,



W. R. England, III Mo. Bar #23975

Sondra B. Morgan Mo. Bar #35482

BRYDON, SWEARENGEN & ENGLAND, P.C.

312 E. Capitol Avenue

P.O. Box 456

Jefferson City, MO 65102

573-635-7166

573-635-0427 (Facsimile)

smorgan@brydonlaw.com (e-mail)

Attorneys for The Oregon Farmers Mutual Telephone
Company

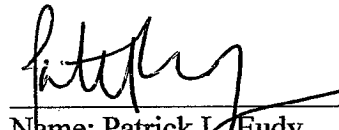
VERIFICATION

STATE OF South Carolina)

COUNTY OF Charleston)

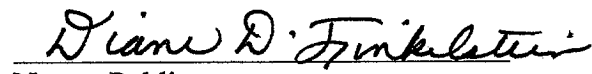
) ss

I, Patrick L. Eudy, having been duly sworn upon his oath, states that he is the President of Oregon Farmers Mutual Telephone Company, Applicant herein, and as such, is duly authorized to execute the foregoing Application and to make this Affidavit on its behalf, and that the matters and things stated in the foregoing Application and Appendices thereto are true and correct to the best of his knowledge, information and belief.



Name: Patrick L. Eudy
Title: President

Subscribed and sworn to before me, a Notary Public, on this 22nd day of June, 2005.



Notary Public

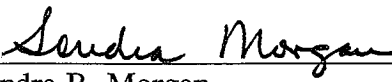
My Commission Expires: **My Commission Expires**
September 30, 2012

Certificate of Service

I hereby certify that a true and correct copy of the above and foregoing document was sent by electronic transmission, hand-delivered or mailed, United States Mail, postage prepaid, this 24th day of June, 2005, to:

Lewis Mills
Public Counsel
Office of Public Counsel
P. O. Box 7800
Jefferson City, MO 65102

Dan Joyce
General Counsel
Missouri Public Service Commission
P. O. Box 360
Jefferson City, MO 65102



Sondra B. Morgan

STATE OF MISSOURI



Robin Carnahan
Secretary of State

**CORPORATION DIVISION
CERTIFICATE OF GOOD STANDING**

I, ROBIN CARNAHAN, Secretary of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

**THE OREGON FARMERS MUTUAL TELEPHONE COMPANY
T00000413**

was created under the laws of this State on the 4th day of May, 1910, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 21st day of June, 2005

A handwritten signature in cursive script that reads "Robin Carnahan".

Secretary of State



Certification Number: 7798832-1 Reference:
Verify this certificate online at <http://www.sos.mo.gov/businessentity/verification>

Appendix 1

DRAFT

SECURED GUARANTY

This guaranty agreement ("Guaranty") is made and executed as of _____, 2004, by THE OREGON FARMERS MUTUAL TELEPHONE COMPANY, a Missouri corporation (hereinafter called the "Guarantor") in favor of RURAL TELEPHONE FINANCE COOPERATIVE a South Dakota cooperative association (hereinafter called the "Lender").

WHEREAS, concurrently with the execution and delivery of this Guaranty and a Mortgage and Security Agreement by Guarantor, the Lender has made a loan in the amount of \$7,388,889 (hereinafter called the "Loan") to Guarantor's parent company, NORTHWEST MISSOURI HOLDINGS, INC. (hereinafter called the "Borrower") evidenced by a Note and Loan Agreement, each dated as of even date herewith.

WHEREAS, this Guaranty is executed and delivered to the Lender by Guarantor to induce the Lender to make the Loan and in satisfaction of a material condition precedent to such extension of credit by the Lender;

NOW, THEREFORE, in consideration of the Loan by the Lender to the Borrower and the benefits derived by the Guarantor therefrom, it is agreed as follows:

1. Guarantor hereby unconditionally guarantees to the Lender the due, timely and full payment by the Borrower of the Indebtedness evidenced by the Note and Loan Agreement ("Indebtedness"), and the due, timely and complete performance by the Borrower of all indentures, mortgages, security agreements, pledge agreements, loan agreements and other written obligations and other writings executed by the Borrower or one or more of them purporting to evidence or confirm the Indebtedness evidenced by the Note and Loan Agreement or to grant or create any lien, security interest or other encumbrance upon any property of any nature to secure the payment, in whole or in part, of any Indebtedness evidenced by the Note and Loan Agreement (the Note and Loan Agreement and all such other writings being referred to herein as the "Loan Documents"). The obligation of the Guarantor hereunder is an absolute, unconditional, continuing guaranty of payment and performance by the Borrower which will not terminate until either: (a) the Borrower shall have paid in full all amounts owing to the Lender under the Loan Documents or the Guarantor or any co-guarantor (if applicable) shall have paid all amounts due hereunder, or (b) Lender shall have provided its written consent thereto.

2. The Lender may, at the Lender's option, proceed to enforce this Guaranty directly against the Guarantor (and any collateral securing performance of this Guaranty owned by the Guarantor) without first proceeding against the Borrower, any co-guarantor, or any other person liable for payment or performance under the Loan Documents and without first proceeding against or exhausting any collateral now or hereafter held by the Lender to secure payment or performance under the Loan Documents.

3. The Guarantor waives diligence, presentment, protest, notice of dishonor, demand for payment, notice of nonpayment or nonperformance, notice of the incurrence of Indebtedness by Borrower, notice of acceptance of this Guaranty and all other notices of any nature in connection with the exercise of the Lender's rights under the Loan Documents or this Guaranty. Performance by the Guarantor hereunder will not entitle the Guarantor to any payment by the Borrower under any claim for contribution, indemnification, subrogation or otherwise, until such time as the Borrower shall have paid in full all amounts owing to the Lender and performed all of the Borrower's obligations under the Loan Documents. The Guarantor waives the right to require suit against the Borrower or any other party before enforcing this Guaranty, and all rights to setoffs and counterclaims against the Lender and agrees that any rights which the Guarantor might now or hereafter hold against the Borrowers and any co-guarantors will be subordinate, junior and inferior to all rights which the Lender might now or hereafter hold against the Borrower and any co-guarantors.

4. The Guarantor hereby consents and agrees that renewals and extensions of time of payment, surrender, release, exchange, substitution, dealing with or taking of additional collateral security, taking or release of other guarantees, abstaining from taking advantage of or realizing upon any collateral security or other guarantees and any and all other forbearances or indulgences granted by Lender to the Borrower or any other party may be made, granted and effected by Lender without notice to the Guarantor and without in any manner affecting its liability hereunder.

5. Nothing herein contained shall limit the Lender in exercising any rights held under any one or more of the Loan Documents. In the event of any default under the Loan Documents or this Guaranty, the Lender will be entitled to selectively and successively enforce any one or more of the rights held by the Lender and such action will not be deemed a waiver of any other rights held by the Lender. All of the remedies of the Lender under this Guaranty and the Loan Documents are cumulative and not alternative. If the Lender elects to foreclose any lien created by the Loan Documents, the Lender is authorized to purchase for the Lender's account all or any part of the collateral covered by such lien at public or private sale and to credit the amount recovered first against any portion of the Loan for which the Guarantor is or may not be liable with any balance remaining to be applied in reduction of the liability of the Guarantor hereunder.

6. If an event of default has occurred under the Loan Agreement and any applicable cure periods have expired, then Lender shall have the right to declare the Indebtedness guaranteed hereunder immediately due and payable in full, without notice to Borrower or Guarantor, regardless of whether Lender has accelerated all or any part of the Borrower's Indebtedness. Without limiting the generality of the foregoing, if the Borrower should at any time (a) become insolvent, (b) make a general assignment for the benefit of creditors, (c) petition for or be subject to a receivership proceeding, or (d) be subject to a petition in bankruptcy or any insolvency or reorganization proceeding, whether voluntary or involuntary, then Lender shall have the right to declare the Indebtedness guaranteed hereunder immediately due and payable in full, without notice to Borrower or Guarantor, regardless of whether Lender has accelerated all or any part of the Borrower's Indebtedness, and Lender shall have the right to demand and to collect from Guarantor payment in full of the Indebtedness guaranteed hereunder, including all principal, interest, fees and charges, whether or not then due and payable by Borrower.

7. The Guarantor further agrees to pay Lender any and all costs, expenses and reasonable attorneys' fees paid or incurred by Lender in collecting or endeavoring to collect the Indebtedness of the Borrower or in enforcing or endeavoring to enforce this Guaranty. All accounts, deposits, investments and property of the Guarantor with or in the hands of Lender shall be and stand pledged as collateral security for the Indebtedness of the Borrower, and Lender shall have the same right of setoff with respect to deposits, investments and other credits of the Guarantor as it has with respect to deposits, investments and other credits of the Borrower. Lender is hereby authorized at any time and from time to time, without prior notice to the Guarantor, to exercise rights of setoff or recoupment and apply any and all amounts held, or hereafter held, by Lender or owed to the Guarantor or for the credit or account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing hereunder or under the Guaranty. Lender agrees to notify the Guarantor promptly after any such setoff or recoupment and the application thereof, provided that the failure to give such notice shall not affect the validity of such setoff, recoupment or application. The rights of Lender under this section are in addition to any other rights and remedies (including other rights of setoff or recoupment) which Lender may have. Guarantor waives all rights of setoff, deduction, recoupment or counterclaim.

8. GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER OF JURY TRIAL.

(a) THE PERFORMANCE AND CONSTRUCTION OF THIS GUARANTY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE COMMONWEALTH OF VIRGINIA.

(b) GUARANTOR HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES COURTS LOCATED IN VIRGINIA AND OF ANY STATE COURT SO LOCATED FOR PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY. GUARANTOR IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE ESTABLISHING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE GUARANTOR AND THE LENDER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY OR THE TRANSACTIONS CONTEMPLATED HEREBY.

9. If any payment or thing of value should be received and accepted by the Lender in payment of any Indebtedness or obligation of the Borrower under any of the Loan Documents and it should subsequently be determined or adjudged that such payment be void or voidable under any law or statute now or hereafter in effect the receipt of such payment by the Lender shall, as to the Guarantor, be deemed a provisional receipt and if any such payment should be avoided or set aside under any such law or statute the Guarantor shall be and remain liable to the Lender in respect thereof as if such payment had not been received by the Lender notwithstanding any release or discharge of this Guaranty to the Guarantor issued or granted by the Lender in the belief or assumption that its receipt of such payment was absolute and not subject to any avoidance.

10. The Guarantor represents and warrants to the Lender as of the date of this Guaranty that:

10.01 Obligations. The aggregate amount of obligations guaranteed hereunder shall not exceed the maximum amount allowed under any mortgage, indenture or agreement of any kind entered into by or affecting the Guarantor at the time Lender may seek payment under this Guaranty. During the term of this Guaranty, the Guarantor will not, without the written consent of Lender, make any investment, loan, deposit, advance, guaranty or other obligation which would cause the total aggregate Indebtedness guaranteed hereunder to exceed said maximum allowable amount.

10.02 Good Standing. Guarantor is a corporation duly organized, validly existing and in good standing under the laws of the state of its incorporation, has the power to own its property and to carry on its business, is duly qualified to do business, and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary.

10.03 Authority. Guarantor has corporate power and authority to enter into this Guaranty, to execute and deliver all documents and instruments required hereunder and to incur and perform the obligations provided for herein, all of which have been duly authorized by all necessary and proper corporate or other action, and no consent or approval of any person, including, without limitation, stockholders and members of Guarantor and any public authority or regulatory body, which has not been obtained is required as a condition to the validity or enforceability hereof or thereof.

10.04 No Conflicting Agreements. The execution, delivery of and performance by Guarantor of this Guaranty, and the transactions contemplated hereby, will not violate any provision of law, any order, rule or regulation of any court or other agency of government, any award of any arbitrator, the charter or by-laws of Guarantor, or any indenture, contract, agreement, mortgage, deed of trust or other instrument to which Guarantor is a party or by which it or any of its property is bound.

10.05 Litigation. There are no judgments, claims, actions, suits or proceedings pending or, to the knowledge of Guarantor, threatened against or affecting Guarantor or its properties, at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, which may result in any material adverse change in the business, operations, prospects, properties or assets or in the condition, financial or otherwise, of Guarantor, and Guarantor is not, to its knowledge, in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which would have a material adverse effect on Guarantor.

10.06 Taxes. Guarantor has paid or caused to be paid all federal, state and local taxes to the extent that such taxes have become due, unless the Guarantor is contesting in good faith any such tax. Guarantor has filed or caused to be filed all federal, state and local tax returns which are required to be filed by Guarantor.

10.07 Licenses and Permits. Guarantor has duly obtained and now holds all licenses, permits, certifications, approvals and the like necessary to own and operate its property and business that are required by federal, state and local laws of the jurisdictions in which Guarantor conducts its business and each remains valid and in full force and effect.

10.08 Required Approvals. No license, consent, permit or approval of any governmental agency or authority is required to enable the Guarantor to enter into this Guaranty or to perform any of its obligations provided for herein except as disclosed to Lender and except ~~with respect to regulatory approvals which may be required in connection with the Lender's~~ enforcement of certain remedies hereunder.

11. If any provision of this Guaranty is held to be invalid, illegal or unenforceable in any respect or application for any reason, such invalidity, illegality or unenforceability will not affect any other provisions herein contained and such other provisions will remain in full force and effect. This Guaranty will be binding on the Guarantor and all heirs, personal representatives, successors and assigns of the Guarantor and will inure to the benefit of the Lender and all successors and assigns of the Lender. The Guarantor consents to the assignment of all or any portion of the rights of the Lender hereunder in connection with any assignment of the rights of the Lender under the Loan Documents without notice to the Guarantor. If this Guaranty is executed by more than one person, each term herein contained will be jointly and severally binding on each such person.

12. The obligation under this Guaranty is secured by a Guarantor's Mortgage and Security Agreement dated as of even date hereof by and between The Oregon Farmers Mutual Telephone Company as Mortgagor and Rural Telephone Finance Cooperative as Mortgagee, as it may be supplemented, amended, or consolidated from time to time.

IN WITNESS WHEREOF the Guarantor has executed and delivered to Lender this Guaranty as of the day and year first above written.

THE OREGON FARMERS MUTUAL TELEPHONE COMPANY

By: _____

Title: _____

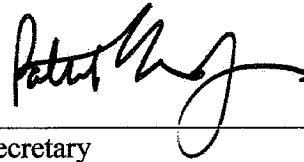
(SEAL)

Attest: _____
Secretary

CERTIFICATE

I, Patrick L. Eudy, do hereby certify that: I am the Secretary of Oregon Farmers Mutual Telephone Company, Inc. (hereinafter called the "Corporation"); the attached are true and correct copies of resolutions duly adopted by the board of directors of the Corporation by Unanimous Written Consent on September 23, 2004, and entered in the minute book of the Corporation. None of the attached resolutions have been rescinded or modified.

IN WITNESS WHEREOF I have hereunto set my hand and affixed the seal of the Corporation this 20th of June, 2005.



Secretary

(Corporate Seal)

UNANIMOUS WRITTEN CONSENT
OF THE
BOARD OF DIRECTORS
OF

OREGON FARMERS MUTUAL TELEPHONE COMPANY, INC.

The undersigned, being the sole member of the Board of Directors of Oregon Farmers Mutual Telephone Company, Inc., a Missouri corporation (the "Corporation"), hereby consents to the adoption of the following resolutions without a meeting:

RESOLVED, subject to the condition that the Missouri Public Service Commission first expressly approve such action, that the Corporation guarantee long-term loans in the aggregate principal amount of \$7,388,889 obtained by NORTHWEST MISSOURI HOLDINGS, INC. ("Northwest") from RURAL TELEPHONE FINANCE COOPERATIVE ("RTFC") upon terms and conditions set forth in the loan agreement presented to this meeting, bearing such interest as is provided in the notes or loan agreement evidencing such loans, and providing for payment thereof within fifteen (15) years after the date of said agreement.

RESOLVED, as authorized by the Missouri Public Service Commission, that the Corporation grant to RTFC, as security for Northwest's obligations under said loan, a mortgage and security agreement pledging and granting to RTFC a prior and continuing security interest in all of Company's real and personal property described in the mortgage and security agreement presented to this meeting.

RESOLVED, that the officers of the Corporation be and hereby are authorized on behalf of the Corporation to execute and deliver as many counterparts as shall be deemed advisable of a Corporation's ~~Mortgage and Security Agreement with RTFC as mortgagee,~~ substantially in the form presented to the Board of Directors.

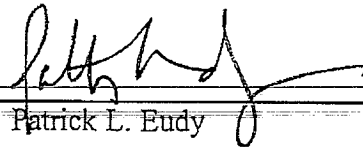
RESOLVED, that said officers be, and each of them hereby is, authorized and directed to execute and deliver in the name of and on behalf of the Corporation such other documents and instruments and to take such other actions as such person, in his sole discretion, shall deem necessary or advisable to carry out the intent and purpose of the foregoing resolutions or the transactions contemplated thereby.

RESOLVED, that the officers of the Corporation be and hereby are authorized and directed to execute and deliver the Mortgage and all such agreements, instruments and documents required by, under or in connection therewith to be executed, delivered or performed by the Corporation, each in form and substance approved by any officer of the Corporation, his signature thereon being conclusive evidence of such approval; and all such agreements, instruments and documents are hereby in all respects approved, adopted and authorized by and on behalf of the Corporation.

RESOLVED, that the officers of the Corporation are hereby authorized, empowered and directed to take all such action on behalf of the Corporation as they may deem necessary, appropriate or advisable to carry out the intent and purposes of the foregoing resolutions, and to do all further things necessary or advisable and proper to carry on the business of the Corporation in the best interests of the Corporation.

[Signature page follows]

IN WITNESS WHEREOF, the undersigned have executed this Consent as of the 23rd day of September, 2004.



Patrick L. Eudy

OREGON FARMERS MUTUAL TELEPHONE COMPANY
Capitalization Expenditure Schedule
2000-2004

2000	\$344,650
2001	\$562,608
2002	\$175,201
2003	\$256,005
2004	\$308,829