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OREGON-WASHINGTON TELEPHONE COMPANY

TO

PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE

AND

E. L. BLAINE, JR.

*Trustees*

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**First Supplemental Indenture**

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DATED AS OF APRIL 1, 1948

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THIS FIRST SUPPLEMENTAL INDENTURE dated as of April 1, 1948, by and between OREGON-WASHINGTON TELEPHONE COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said State (hereinafter sometimes referred to as the " Company"), and PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington, and E. L. BLAINE, JR., of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the " Trustee" and the " Individual Trustee" and collectively as the " Trustees" ) :

WHEREAS the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, (hereinafter sometimes referred to as the " Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has determined by due corporate action to provide for the immediate issuance, execution, authentication and delivery of Two Hundred Fifty Thousand Dollars (\$250,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series B, the said Series B bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture, in part, and against cash under the provisions of Article Six of the Original Indenture, in part; and

WHEREAS each of the coupon bonds of Series B to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:

## (FORM OF SERIES B COUPON BOND)

No. ....

\$1,000

## OREGON-WASHINGTON TELEPHONE COMPANY

## FIRST MORTGAGE BOND, SERIES B

Due April 1, 1973

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of April, 1973, the principal sum of One Thousand Dollars (\$1,000.00) and to pay interest thereon from the date hereof at the rate of three and three-quarters per cent. (3 $\frac{3}{4}$ %) per annum payable semi-annually on the first day of April and the first day of October in each year until said principal sum is paid, but until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series B, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948 (said two instruments being herein collectively called the Indenture) both duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees

and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof: if redeemed on or before April 1, 1953,  $6\frac{3}{4}\%$ ; thereafter and on or before April 1, 1958,  $5\frac{1}{2}\%$ ; thereafter and on or before April 1, 1963,  $4\%$ ; thereafter and on or before April 1, 1968,  $2\frac{1}{4}\%$ ; thereafter and on or before April 1, 1970,  $1\frac{1}{2}\%$ ; thereafter and prior to maturity,  $1\%$ ; all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture Series B bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series B bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus, in the case of bonds of such series redeemed with moneys referred to in (a) above, the then applicable premium set forth in the preceding paragraph and, in the case of bonds of such series redeemed with moneys referred to in (b) above, the then applicable premium set forth in the succeeding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and are subject to redemption on April 1st of any year prior to maturity for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before April 1, 1949,	2.75%
Thereafter and on or before April 1, 1950 ..	2.68%
Thereafter and on or before April 1, 1951	2.60%
Thereafter and on or before April 1, 1952,	2.53%
Thereafter and on or before April 1, 1953.	2.45%
Thereafter and on or before April 1, 1954 . . . .	2.37%
Thereafter and on or before April 1, 1955,	2.28%
Thereafter and on or before April 1, 1956	2.19%
Thereafter and on or before April 1, 1957 . . . .	2.10%

Thereafter and on or before April 1, 1958 . . . . .	2.01%
Thereafter and on or before April 1, 1959 . . . . .	1.91%
Thereafter and on or before April 1, 1960 . . . . .	1.81%
Thereafter and on or before April, 1961 . . . . .	1.70%
Thereafter and on or before April, 1962 . . . . .	1.59%
Thereafter and on or before April, 1963 . . . . .	1.48%
Thereafter and on or before April, 1964 . . . . .	1.37%
Thereafter and on or before April, 1965, . . . . .	1.27%
Thereafter and on or before April, 1966 . . . . .	1.1570
Thereafter and on or before April, 1967 . . . . .	1.03%
Thereafter and on or before April, 1968 . . . . .	.9070
Thereafter and on or before April, 1969 . . . . .	.7470
Thereafter and on or before April, 1970 . . . . .	.62%
Thereafter and on or before April, 1971 . . . . .	.4770
Thereafter and on or before April, 1972, . . . . .	.32%
Thereafter and prior to maturity . . . . .	.17%

all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund, shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the City of Chicago, Illinois, the first such publication to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemptions shall be published once in such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal published notice of such redemption need not be given. The Indenture provides among other things that notice of redemption having been duly given, this bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provi-

sion therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of this bond or, if registered as to principal, the registered owner as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent. (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the

mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent. (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice-Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated the first day of April, 1948.

OREGON-WASHINGTON TELEPHONE COMPANY

By

*President*

Attest:

.....  
*Secretary*

(FORM OF INTEREST COUPON)

No.....

\$18.75

On the first day of \_\_\_\_\_, 19\_\_\_\_, upon surrender of this coupon, unless the bond hereinafter mentioned shall have been previously called for redemption and payment duly provided therefor,

Oregon-Washington Telephone Company will pay to bearer at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, Eighteen and 75/100 Dollars (\$18.75) in lawful money of the United States of America, being six (6) months interest then due on its First Mortgage Bond, Series B, dated April 1, 1948, No. . . . .

OREGON-WASHINGTON TELEPHONE COMPANY

By

*Treasurer*

(FORM OF SERIES B FULLY REGISTERED BOND WITHOUT COUPONS)

No. . . . .

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OREGON-WASHINGTON TELEPHONE COMPANY

FIRST MORTGAGE BOND, SERIES B

Due April 1, 1973

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of April, 1973, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of three and three-quarters per cent. ( $3\frac{3}{4}\%$ ) per annum payable semi-annually on the first day of April and the first day of October in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series B, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture



hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, (said two instruments being herein collectively called the Indenture), both duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof: If redeemed on or before April 1, 1953,  $6\frac{3}{4}\%$ ; thereafter and on or before April 1, 1958,  $5\frac{1}{2}\%$ ; thereafter and on or before April 1, 1963,  $4\%$ ; thereafter and on or before April 1, 1968,  $2\frac{1}{4}\%$ ; thereafter and on or before April 1, 1970,  $n/Z\%$ ; thereafter and prior to maturity,  $1\%$ ; all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture Series B bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series B bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus, in the case of bonds of such series redeemed with moneys referred to in (a) above, the then applicable premium set forth in the preceding paragraph and, in the case of bonds of such series redeemed with moneys referred to in (b) above, the then applicable premium set forth in the succeeding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and are subject to redemption on April

1st of any year prior to maturity for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before April 1, 1949 . . . . .	2.75%
Thereafter and on or before April 1, 1950 . . . . .	2.68%
Thereafter and on or before April 1, 1951 . . . . .	2.60%
Thereafter and on or before April 1, 1952 . . . . .	2.53%
Thereafter and on or before April 1, 1953 . . . . .	2.45%
Thereafter and on or before April 1, 1954 . . . . .	2.37%
Thereafter and on or before April 1, 1955 . . . . .	2.28%
Thereafter and on or before April 1, 1956 . . . . .	2.19%
Thereafter and on or before April 1, 1957 . . . . .	2.10%
Thereafter and on or before April 1, 1958 . . . . .	2.01%
Thereafter and on or before April 1, 1959 . . . . .	1.91%
Thereafter and on or before April 1, 1960 . . . . .	1.81%
Thereafter and on or before April 1, 1961 . . . . .	1.70%
Thereafter and on or before April 1, 1962 . . . . .	1.59%
Thereafter and on or before April 1, 1963 . . . . .	1.48%
Thereafter and on or before April 1, 1964 . . . . .	1.37%
Thereafter and on or before April 1, 1965 . . . . .	1.27%
Thereafter and on or before April 1, 1966 . . . . .	1.15%
Thereafter and on or before April 1, 1967 . . . . .	1.03%
Thereafter and on or before April 1, 1968 . . . . .	.90%
Thereafter and on or before April 1, 1969 . . . . .	.74%
Thereafter and on or before April 1, 1970 . . . . .	.62%
Thereafter and on or before April 1, 1971 . . . . .	.47%
Thereafter and on or before April 1, 1972 . . . . .	.32%
Thereafter and prior to maturity . . . . .	.17%

all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemptions for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if less than all bonds of this series are to be called for redemption, bonds to be so called shall be selected by lot, each fully registered bond of a denomination of a multiple (greater than one) of \$1,000 to be represented by a separate number for each \$1,000 of its principal amount, and that if notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and pay-

able on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or maybe declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series of another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of the charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent premitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent. (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent. (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice-Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated the first day of \_\_\_\_\_, 19\_\_.

OREGON-WASHINGTON TELEPHONE COMPANY

By .....  
*President.*

Attest:

.....  
*Secretary.*

(FORM OF TRUSTEE'S CERTIFICATE FOR BONDS OF SERIES B)

This is one of the First Mortgage Bonds, Series B, referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, Trustee,

By .....  
*Authorized Officer.*

AND WHEREAS the Company subsequent to the execution and delivery of the Original Indenture has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make these presents and the Original Indenture (both of said instruments being herein sometimes collectively referred to as the "Indenture") a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture equally and ratably in accordance with the terms of said bonds, have been done and performed;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH :

That OREGON-WASHINGTON TELEPHONE COMPANY, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property con-

tained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, aliened, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer? mortgage, warrant, pledge and set over unto Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., Trustees, and to their successors in the trusts hereby and in said Original Indenture created and to them and their assigns forever:

All and singular the premises, property and franchises of the Company constructed or acquired since the delivery of the Original Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following:

I.

The following described real estate together with all improvements thereon:

A-Situated in the County of Hood River, in the State of Oregon, to-wit:

(a) Beginning at an iron pipe which is 231.0 ft. North and 131.0 ft. West of the SE corner of Lot #6 of Adams' Paradise Acreage, a duly dedicated Addition to the City of Hood River, Oregon, as per plat thereof; thence West 150.0 ft. to an iron pipe; thence North 200.0 ft. to an iron pipe; thence East 150.0 ft. to an iron pipe; thence South 200.0 ft. to the place of beginning.

Together therewith an easement for a joint user roadway for ingress and egress to and from the above described tract, said roadway being described as follows: Beginning at the Northeast corner of said Lot 6; thence West 80.0 ft. ; thence South 397.0 ft.; thence along the arc of a 102.3 foot radius curve right (the long chord of which bears South 45° West ) a distance of 160.7 ft. ; thence West 199.0 ft.; thence South 60.0 ft. to the Northwest corner of the principal tract of land conveyed to Pacific Power & Light Company by deed dated November 6, 1946, and recorded December 4, 1946 in Book 33 at Page 631, Deed Records of Hood River County; thence East 381.0 ft. to the East line of said Lot 6; thence North 559.0 feet to the place of beginning.

(b) Situated in the County of Hood River, State of Oregon: Beginning at the SE corner Section 4, Township 2, N. R. 10,

E.W.M.. thence West 110 feet to the point of beginning; thence N. 60 feet; thence West 25 feet; thence South 60 feet; thence East 25 feet to the point of beginning.

B—Situating in the County of Klickitat, in the State of Washington:

(a) Lot 9 in Guler-Coate tracts, Trout Lake in Klickitat County, Washington, according to the recorded plat thereof found of record in Vol. 3 of Plats, Page 21, in the office of the Auditor of Klickitat County, Washington.

(b) Lots 7 and 8, Block 2, Hopkin's Addition to the Town of Goldendale, Washington.

C—Situating in the County of Yakima, in the State of Washington:

(a) The West 30 feet of the following described property: The E. 110 feet of the West 410 feet of the South 265 feet of the SW $\frac{1}{4}$  of Section 26, Township 11, N. R. 18, E. W.M.

(b) Lots 57 and 58, Robert L. Allen's Subdivision in the City of Sunny side, Washington, according to the recorded plat thereof.

## II.

(a) All improvements and structures, offices, buildings and exchanges which now are or hereafter shall be located, erected or placed upon any of the lands and premises hereinbefore described.

(b) All equipment, switchboards, machinery, tools and appliances of every kind and nature, located in and upon and necessary or used or useful in and about the maintenance or operation of any of the premises hereinbefore described, or necessary or used or useful in or about the maintenance or operation of any of the telephone exchanges now and in the future located or conducted therein, including all of the equipment, switchboards, machinery, tools and appliances of every kind and nature located in and upon, and necessary or used or useful in and about the maintenance or operation of any of the telephone exchanges now owned or operated in Rockford and Dee in Hood River County, Oregon and Harrah in Yakima County, Washington.

## III.

The poles, supports, towers, cross arms, conduits, subways, underground pipes, cables, wires, fixtures, apparatus and other equipment con-

strutted or acquired since the delivery of the Original Indenture, including the following toll lines:

Between Burns, Oregon and Bend, Oregon on highway U. S. No. 20 through Harney, Lake and Deschutes Counties in said state.

Between White Salmon, Washington and Willard, Washington.

To HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, nevertheless, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by this First Supplemental Indenture, it being agreed as follows, to wit:

#### ARTICLE ONE.

##### SERIES B BONDS.

SECTION 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series B" (hereinafter sometimes referred to as "Series B bonds" or "bonds of Series B"). Series B bonds shall be coupon bonds of the denomination of \$1,000 each, registerable as to principal, and fully registered bonds without coupons of the denomination of \$1,000 and multiples thereof. The coupon bonds of Series B shall be dated April 1, 1948, and the registered bonds of Series B without coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series B bonds shall mature April 1, 1973 and shall bear interest at the rate of three and three-quarters per cent. ( $3\frac{3}{4}\%$ ) per annum from their respective dates, such interest to be payable semi-annually on the first day of April and the first day of October in each year. - Both the principal of and interest on bonds of Series B shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of



Series B, the Trustee's certificate with respect to Series B bonds and the coupons appertaining to Series B coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

SECTION 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series B shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof: If redeemed on or before April 1, 1953,  $6\frac{3}{4}\%$ ; thereafter and on or before April 1, 1958,  $5\frac{1}{2}\%$ ; thereafter and on or before April 1, 1963,  $4\%$ ; thereafter and on or before April 1, 1968,  $2\frac{7}{10}\%$ ; thereafter and on or before April 1, 1970,  $1\frac{1}{2}\%$ ; thereafter and prior to maturity,  $1\%$ .

SECTION 1.03. The Company covenants and agrees that so long as any Series B bonds are outstanding hereunder it will, in each of the years 1949-1972, both inclusive, not less than thirty (30) days prior to April 1st of such year, deposit with the Trustee, as and for a sinking fund for Series B bonds, moneys sufficient (when increased by the payment of accrued interest to such April 1st) to redeem on such April 1st Series B bonds in aggregate principal amount equal to one per cent. (1%) of the total aggregate principal amount of Series B bonds authenticated and delivered to and including such April 1st (exclusive of Series B bonds in exchange or substitution for which other bonds of Series B may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture, and Section 1.05 hereof). On each such April 1st the Trustee shall, in so far as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series B bonds.

Provided, however, that in lieu of depositing all or a part of such moneys the Company may do either or both of the following: (1) Deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series B, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than the current redemption price (exclusive of accrued interest) for such bonds speci-

fied in this Section, and(2) appropriate onorbefore the date required for such deposit net bondable expenditures for property additions, net bondable expenditures so appropriated to be credited against such sinking fund payment at sixty per cent. (60%) of their amount.

In the event that any available bonds be delivered to the Trustee as aforesaid there shall also 'be filed with the Trustee a certificate signed and verified by the Treasurer or an Assistant Treasurer of the Company stating the amount or amounts paid by it for such bonds.

In the event that any net bondable expenditures be so appropriated, their appropriation shall be evidenced by the filing with the Trustee of a certificate of net bondable expenditures for property additions dated as of a date within thirty (30) days of the date of such appropriation and if there be included in such certificate any new gross expenditures, the documents required by (i), (ii) and (iii) of subparagraph (4) of Section 4.05 of the Original Indenture.

The redemption price for Series B bonds for the purposes of the sinking fund created by this Section shall be the principal amount thereof plus interest accrued thereon to the date fixed for such redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before April 1, 1949 . . . . .	2.75%
Thereafter and on or before April 1, 1950 . . . . .	2.68%
Thereafter and on or before April 1, 1951, ., .,	2.60%
Thereafter and on or before April 1, 1952 . . . . .	2.53%
Thereafter and on or before April 1, 1953, . . . . .	2.45%
Thereafter and on or before April 1,1954 . . . . .,	2.37%
Thereafter and on or before April 1, 1955 . . . . .	2.28%
Thereafter and on or before April 1, 1956 . . . . .,	2.19%
Thereafter and on or before April 1, 1957 . . . . .	2.10%
Thereafter and on or before April 1, 1958 . . . . .	2.01%
Thereafter and on or before April 1, 1959 . . . . .	1.91%
Thereafter and on or before April 1, 1960 . . . . .	1.81%
Thereafter and on or before April 1, 1961 . . . . .	1.70%
Thereafter and on or before April 1, 1962 . . . . .	1.59%
Thereafter and on or before April 1, 1963 . . . . .	1.48%
Thereafter and on or before April 1, 1964 . . . . .	1.37%
Thereafter and on or before April 1, 1965 . . . . .	1.27%
Thereafter and on or before April 1,1966 . . . . .	1.15%
Thereafter and on or before April 1, 1967 . . . . .	1.03%
Thereafter and on or before April 1, 1968 . . . . .	.90%

Thereafter and on or before April 1, 1969 . . . . .	.74%
Thereafter and on or before April 1, 1970 . . . . .	.62%
Thereafter and on or before April 1, 1971 . . . . .	.47%
Thereafter and on or before April 1, 1972 . . . . .	.32%
Thereafter and prior to maturity . . . . .	.17%

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this Section.

SECTION 1.04. Series B bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with moneys paid to or deposited with the Trustee pursuant to Section 11.04 of the Original Indenture, shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof, and bonds of such series so redeemed with moneys paid to or deposited with the Trustee pursuant to Sections 8.11, 8.14 and 9.02 of the Original Indenture shall be redeemed at the then applicable redemption price specified in Section 1.03 hereof.

In the event that all or any part of the bonds of Series B shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

SECTION 1.05. Fully registered bonds of Series B, upon surrender thereof at the main office of the Trustee, may be exchanged for the same aggregate principal amount of fully registered bonds of that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully

registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee, and in addition a further sum not in excess of the lesser of (1) the actual cost of the preparation of each new bond issued upon such exchange and the charges of the Trustee in connection therewith and (2) Two Dollars (\$2) per bond. The original registered owner of the \$250,000 of Series B fully registered bonds without coupons initially issued under Section 1.07 hereof shall, however, have the privilege of exchanging without charge to it for one or more coupon bonds any such fully registered bond so initially issued to it and any fully registered bond which has become substituted for a portion of such a fully registered bond or for several such fully registered bonds,

SECTION 1.06. Fully registered bonds of Series B shall be numbered "R-1" and consecutively upwards. Coupon bonds of Series B shall be numbered "M-1" and consecutively upwards.

SECTION 1.07. Upon the execution of this First Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series B in the form of fully registered bonds without coupons in the aggregate principal amount of Two Hundred Fifty Thousand Dollars (\$250,000).

## ARTICLE TWO, ADDITIONAL PROVISIONS.

SECTION 2.01. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this First Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whatsoever.

SECTION 2.02. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained

in the bonds of Series B, the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

SECTION 2.03. Except as herein specifically changed, the Original Indenture is hereby in all respects ratified and confirmed.

SECTION 2.04. This First Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused these presents to be signed in its name and behalf by its President or Vice-President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE has caused these presents to be signed in its name and behalf by its President or one of its Vice-Presidents and its corporate seal to be hereto affixed and attested by its Cashier or one of its Vice-Presidents and E. L. Blaine, Jr. has hereto set his hand and seal, all as of the first day of April, 1948, but this instrument has been actually executed and delivered the        day of        , 1948.

OREGON-WASHINGTON TELEPHONE COMPANY

By, . . . . .  
*President.*

Attest:

.....  
*Secretary.*

Signed, sealed and acknowledged by  
Oregon-Washington Telephone Com-  
pany in the presence of:

PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE,

By ..... President.

Attest:

..... Cashier.

Signed, sealed and acknowledged by Peoples National Bank of Washington in Seattle in the presence of:

.....

..... (L. S.) E. L. BLAINE, JR.

Signed, sealed and acknowledged by E. L. Blaine, Jr. in the presence of:

.....

COUNTY OF HOOD RIVER } STATE OF OREGON } ss.:

On this day of ,1948, before me, the undersigned officer, appeared and to me personally known, who, being duly sworn did acknowledge themselves to be the President and Secretary respectively of Oregon-Washington Telephone Company, a corporation, and that said instrument was signed and sealed by as such President in behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that

as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

. . . . .  
Notary Public in and for the State of Oregon residing at

My commission expires

STATE OF WASHINGTON } ss.:  
COUNTY OF KING }

On this            day of    A. D., 194S, before me, the undersigned officer, personally appeared and    to me known to be respectively President and Cashier of Peoples National Bank of Washington in Seattle, the national banking association which executed the within and foregoing instrument and    as President acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that he was authorized to execute said instrument and    as Cashier, on oath, stated that he was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

. . . . .  
Notary Public in and for the State of Washington residing at

My commission expires

STATE OF WASHINGTON }  
COUNTY OF KING } ss. :

On this \_\_\_\_\_ day of \_\_\_\_\_ A. D., 1948, before me, the undersigned officer, personally appeared E. L. Blaine, Jr., to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary "act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

.....  
Notary Public in and for the State of  
Washington residing at

My commission expires

AFFIDAVIT OF GOOD FAITH

STATE OF OREGON }  
COUNTY OF HOOD RIVER } 's":

I, the undersigned, being first duly sworn, depose and say that I am President of Oregon-Washington Telephone Company, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon; that said corporation has duly authorized me to make this affidavit for it and in its behalf; that the foregoing trust deed or mortgage is executed in good faith by said corporation and without any design to hinder, delay or defraud creditors, but to secure the payment of an actual advance of money as in said instrument provided.

.....  
Subscribed and sworn to before me, a Notary Public in and for said County and State, this \_\_\_\_\_ day of \_\_\_\_\_, 1948.

.....  
Notary Public in and for the State of  
Oregon residing at

My Commission expires



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OREGON-WASHINGTON TELEPHONE COMPANY

To

PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE

AND

E. L. BLAINE, JR.

*Trustees*

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**Second Supplemental Indenture**

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DATED AS OF JANUARY 1, 1951

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THIS SECOND SUPPLEMENTAL INDENTURE dated as of January 1, 1951, by and between OREGON-WASHINGTON TELEPHONE COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said State (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington, and E. L. BLAINE, JR., of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the "Trustee" and the "Individual Trustee" and collectively as the "Trustees") :

WHEREAS the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has determined by due corporate action to provide for the immediate issuance, execution, authentication and delivery of Seven Hundred Fifty Thousand Dollars (\$750,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series C, the said Series C bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture, in part, and against cash under the provisions of Article Six of the Original Indenture, in part; and

WHEREAS each of the coupon bonds of Series C to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:

## [FORM OF SERIES C COUPON BOND]

No . . . . . \$1,000

## OREGON-WASHINGTON TELEPHONE COMPANY

## FIRST MORTGAGE BOND, SERIES C

Due January 1, 1976

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of January, 1976, the principal sum of One Thousand Dollars (\$1,000.00) and to pay interest thereon from the date hereof at the rate of three and three-eighths per cent. (3 3/8 %) per annum, payable semi-annually on the first day of January and the first day of July in each year until said principal sum is paid, but until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series C, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and meddled by a First Supplemental Indenture dated as of April 1, 1948 and a Second Supplemental Indenture dated as of January 1, 1951 (said three instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee ) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the

security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before January 1, 1952 . . . . .	6%
Thereafter and on or before January 1, 1953 . . . . .	5 $\frac{3}{4}$ %
Thereafter and on or before January 1, 1954 . . . . .	5 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1955 . . . . .	5 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1956 . . . . .	5%
Thereafter and on or before January 1, 1957 . . . . .	4 $\frac{3}{4}$ %
Thereafter and on or before January 1, 1958 . . . . .	4 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1959 . . . . .	4 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1960 . . . . .	4%
Thereafter and on or before January 1, 1961 . . . . .	3 $\frac{3}{4}$ %
Thereafter and on or before January 1, 1962 . . . . .	3 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1963 . . . . .	3 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1964 . . . . .	3%
Thereafter and on or before January 1, 1965 . . . . .	2 $\frac{3}{4}$ %
Thereafter and on or before January 1, 1966 . . . . .	2 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1967 . . . . .	2 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1968 . . . . .	2%
Thereafter and on or before January 1, 1969 . . . . .	1 $\frac{3}{4}$ %
Thereafter and on or before January 1, 1970 . . . . .	1 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1971 . . . . .	1 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1972 . . . . .	1%
Thereafter and on or before January 1, 1973 . . . . .	$\frac{3}{4}$ %
Thereafter and on or before January 1, 1974 . . . . .	$\frac{1}{2}$ %
Thereafter and on or before January 1, 1975 . . . . .	$\frac{1}{4}$ %
Thereafter and prior to maturity, without premium;	

all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture Series C bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance

policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series C bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus, in the case of bonds of such series redeemed with moneys referred to in (a) above, the then applicable premium set forth in the preceding paragraph and, in the case of bonds of such series redeemed with moneys referred to in (b) above, the then applicable premium set forth in the succeeding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and are subject to redemption on January 1st of any year prior to maturity for the purpose of said sinking fund at the principal amount thereof plus interest accrued thereon to the date fixed for such redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before January 1, 1952 ..	2.56%
Thereafter and on or before January 1, 1953	2.50%
Thereafter and on or before January 1, 1954	2.42%
Thereafter and on or before January 1, 1955 . . . . .	2.35%
Thereafter and on or before January 1, 1956	2.28%
Thereafter and on or before January 1, 1957 ..	2.20%
Thereafter and on or before January 1, 1958 . . . . .	2.12%
Thereafter and on or before January 1, 1959 . . . . .	2.04%
Thereafter and on or before January 1, 1960 . . . . .	1.95%
Thereafter and on or before January 1, 1961 . . . . .	1.87%
Thereafter and on or before January 1, 1962 . . . . .	1.77%
Thereafter and on or before January 1, 1963 . . . . .	1.68%
Thereafter and on or before January 1, 1964 . . . . .	1.59%
Thereafter and on or before January 1, 1965 . . . . .	1.48876
Thereafter and on or before January 1, 1966 . . . . .	1.38%
Thereafter and on or before January 1, 1967 . . . . .	1.28%
Thereafter and on or before January 1, 1968 . . . . .	1.17%
Thereafter and on or before January 1, 1969 ..	1.05%
Thereafter and on or before January 1, 1970 . . . . .	.9470
Thereafter and on (Jr) before January 1, 1971 . . . . .	.82%
Thereafter and on or before January 1, 1972 . . . . .	.69%
Thereafter and on or before January 1, 1973 . . . . .	.56%
Thereafter and on or before January 1, 1974 . . . . .	.43%
Thereafter and on or before January 1, 1975 . . . . .	.29%
Thereafter and prior to maturity . . . . .	.1570

all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund, shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the City of Chicago, Illinois, the first such publication to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemptions shall be published once in such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for

that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of this bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent. (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent. ( 80% ) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated the first day of January, 1951.

OREGON-WASHINGTON TELEPHONE COMPANY

By.....  
*President*

Attest:

.....  
Secretary

[FORM OF INTEREST COUPON]

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

On the first day of \_\_\_\_\_, 19\_\_\_\_, upon surrender of this coupon, unless the bond hereinafter mentioned shall have been previously called for redemption and payment duly provided therefor, Oregon-Washington Telephone Company will pay to bearer at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), in lawful money of the United States of America, being six (6) mcmths' interest then due on its First Mortgage Bond, Series C, dated January 1, 1951, No. \_\_\_\_\_.

OREGON-WASHINGTON TELEPHONE COMPANY

By.....  
Treasurer



[FORM OF SERIES C FULLY REGISTERED BOND WITHOUT COUPONS]

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

OREGON-WASHINGTON TELEPHONE COMPANY  
FIRST MORTGAGE BOND, SERIES C  
Due January 1, 1976

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, on the first day of January, 1976, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of three and three-eighths per cent. (3%  $\frac{3}{8}$  %) per annum, payable semi-annually on the first day of January and the first day of July in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said bank or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series C, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948 and a Second Supplemental Indenture dated as of January 1, 1951 (said three instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred,

assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before January 1, 1952	6%
Thereafter and on or before January 1, 1953	5 <sup>3</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1954	5 <sup>1</sup> / <sub>2</sub> %
Thereafter and on or before January 1, 1955	5 <sup>1</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1956	5 <sup>0</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1957	4 <sup>3</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1958	4 <sup>2</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1959	4 <sup>1</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1960	4 <sup>0</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1961	3 <sup>3</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1962	3 <sup>1</sup> / <sub>2</sub> %
Thereafter and on or before January 1, 1963	3 <sup>1</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1964	3 <sup>0</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1965	2 <sup>3</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1966	2 <sup>1</sup> / <sub>2</sub> %
Thereafter and on or before January 1, 1967	2 <sup>1</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1968	2%
Thereafter and on or before January 1, 1969	1 <sup>3</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1970	1 <sup>1</sup> / <sub>2</sub> %
Thereafter and on or before January 1, 1971	1 <sup>1</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1972	1%
Thereafter and on or before January 1, 1973	<sup>3</sup> / <sub>4</sub> %
Thereafter and on or before January 1, 1974	<sup>1</sup> / <sub>2</sub> %
Thereafter and on or before January 1, 1975	<sup>1</sup> / <sub>4</sub> %
Thereafter and prior to maturity, without premium;	

all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture Series C bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance

policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series C bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus, in the case of bonds of such series redeemed with moneys referred to in (a) above, the then applicable premium set forth in the preceding paragraph and, in the case of bonds of such series redeemed with moneys referred to in (b) above, the then applicable premium set forth in the succeeding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and are subject to redemption on January 1st of any year prior to maturity for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before January 1, 1952	2.56%
Thereafter and on or before January 1, 1953	2.50%
Thereafter and on or before January 1, 1954	2.42%
Thereafter and on or before January 1, 1955 . . .	2.35%
Thereafter and on or before January 1, 1956 . . .	2.28%
Thereafter and on or before January 1, 1957 . . . . .	2.20%
Thereafter and on or before January 1, 1958	2.12%
Thereafter and on or before January 1, 1959 . . .	2.04%
Thereafter and on or before January 1, 1960 . . . . .	1.95%
Thereafter and on or before January 1, 1961 . . . . .	1.87%
Thereafter and on or before January 1, 1962 . . . . .	1.77%
Thereafter and on or before January 1, 1963 . . . . .	1.68%
Thereafter and on or before January 1, 1964 . . . . .	1.59%
Thereafter and on or before January 1, 1965 . . . . .	1.48%
Thereafter and on or before January 1, 1966 . . .	1.38%
Thereafter and on or before January 1, 1967	1.28%
Thereafter and on or before January 1, 1968 . . . . .	1.17%
Thereafter and on or before January 1, 1969 . . .	1.05%
Thereafter and on or before January 1, 1970 . . .	.94%
Thereafter and on or before January 1, 1971 . . .	.82%
Thereafter and on or before January 1, 1972 . . . . .	.69%
Thereafter and on or before January 1, 1973 . . .	.56%
Thereafter and on or before January 1, 1974 . . .	.43%
Thereafter and on or before January 1, 1975 . . . . .	.29%
Thereafter and prior to maturity . . . . .	.15%

all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemptions for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if less than all bonds of this series are to be called for redemption, bonds to be so called shall be selected by lot, each fully registered bond of a denomination of a multiple (greater than one) of \$1,000 to be represented by a separate number for each \$1,000 of its principal amount, and that if notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered

bond or bonds, of like form and in an authorized denomination or "in authorized denominations and of the same series, for the same aggregate principal amount. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series of another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of the charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent. (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent. (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated the first day of \_\_\_\_\_, 19 \_\_\_\_.

OREGON-WASHINGTON TELEPHONE COMPANY

By .....  
*President*

Attest:

.....  
*Secretary*

[FORM OF TRUSTEE'S CERTIFICATE FOR BONDS OF SERIES C]

This is one of the First Mortgage Bonds, Series C, referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON  
IN SEATTLE, Trustee

By .....  
*Authorized Officer*

AND WHEREAS the Company, subsequent to the execution and delivery of the First Supplemental Indenture to which reference is hereinafter made, has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS there are outstanding under and secured by the Original Indenture, as heretofore supplemented and modified by a First Supplemental Indenture dated as of April 1, 1948, executed and delivered by the Company to the Trustees, Six Hundred Thousand Dollars (\$600,000) in aggregate principal amount of First Mortgage Bonds, Series A, and Two Hundred Fifty Thousand Dollars (\$250,000) in

aggregate principal amount of First Mortgage Bonds, Series B, all of which are represented by fully registered bonds without coupons, registered in the name of one owner; and

WHEREAS the Company has decided to further amend the Original Indenture as hereinafter more particularly set forth, and the said owner of all outstanding bonds has agreed to such amendment by filing with the Trustee its written assent and authorization as prescribed by the Original Indenture; and

WHEREAS all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional Seven Hundred Fifty Thousand Dollars (\$750,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Second Supplemental Indenture provided the valid and binding obligations of the Company, and to make these presents, the Original Indenture and First Supplemental Indenture (said three instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE WITNESSETH :

That Oregon-Washington Telephone Company, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained

in the Original Indenture, has given, granted, bargained, sold, released, conveyed, aliened, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, property and franchises of the Company constructed or acquired since the delivery of the First Supplemental Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following:

I.

The following described real estate together with all improvements thereon:

A—Situated in the County of Hood River, in the State of Oregon, to-wit:,

“ Commencing at a point in the West line of Section 18, Township 2, N. R.11, E. W. M., 602.5 feet South from the Northwest corner of said Section; run thence East parallel with the North line of said Section 1502.3 feet, more or less, to the West right of way line of the County Road for the point and place of beginning of this description; thence South 5° 21' East along the West line of said road 25 feet to a point; thence West parallel with the North line of said Section 30 feet to a point; thence North parallel to the East line of the tract herein conveyed 25 feet; and thence East 30 feet to the point of beginning.

Subject to a right of way for an irrigation pipeline across the East line and along the North line of said premises, and also of a right to drive upon such portion of said premises as is not occupied by buildings for the purpose of cultivating and farming; and

Also subject to a right to allow spray and irrigation water to fall upon the said premises and the buildings located thereon during ordinary farming operations, but not to such an extent as will interfere with the use of the premises as a telephone relay station.



B—Situating in the County of Harney, in the State of Oregon:

(a) Lot 4, Block 2, Original Town of Burns.

(b) Lot 19, Tract 5, Stafford, Derves and Roy Subdivision to Hines, Oregon.

C—Situating in the County of Malheur, in the State of Oregon:

A parcel of land 25 feet square, being within and a part of Lot 6, Block 9, Town of Harper, Malheur County, Oregon, and more particularly described as follows: Beginning at the Northeast corner of said Lot 6, which faces " B" Street; thence South 46° 21' West along said " B" Street 25 feet; thence South 43°39' East 25 feet; thence North 46° 21' East 25 feet; thence North 43° 39' West 25 feet to the point of beginning.

D—Situating in the County of Yakima, in the State of Washington:

Lot 17, Block 22, Granger, Washington, according to the official plat thereof on file and of record in Volume " A" of Plats, Page 140, records of Yakima County, Washington; together with the water rights and appurtenances thereunto belonging.

E—Situating in the County of Klickitat, in the State of Washington:

(a) The North half of Lots 9 and 10, Block 2, original town of Goldendale, Washington, according to the duly recorded plat thereof.

(b) The West 35 feet of Lot 9, Block "A" McAllister's Addition to the Townsite of Glenwood, Washington, according to the recorded plat thereof in the office of the Auditor of Klickitat County, Washington.

F—Situating in the County of Benton, in the State of Washington:

(a) That portion of Lot 3, Block 85, Town of Prosser, Washington, according to the recorded plat thereof on file in the office of the Auditor of Benton County, Washington, described as follows: Beginning at the Northwesterly corner of said Lot 3 and said Block 85, and running southeasterly along the line between Lots 3 and 2 of said Block 85, 140 feet to the Southwesterly corner of said Lot 3; thence Northeasterly along Southeasterly line of said Lot 3, 21 feet; thence Northwesterly on a line parallel with the line between Lots 3 and 2 of said Block 85 to the Northwesterly

line of said Lot 3, 140 feet; thence Southwesterly along the Northwesterly line of said Lot 3, 21 feet to the point of beginning.

(b) The West 40 feet of the East 325 feet of the North 111 feet of the South 126 feet of the Southeast quarter of the Northeast quarter of Section 29, Township 9, N.R. 25, E.W.M.

## II.

(a) All improvements and structures, offices, buildings and exchanges which now are or hereafter shall be located, erected or placed upon any of the lands and premises hereinbefore described.

(b) All equipment, switchboards, machinery, tools and appliances of every kind and nature, located in and upon and necessary or used or useful in and about the maintenance or operation of any of the premises hereinbefore described, or necessary or used or useful in or about the maintenance or operation of any of the telephone exchanges now and in the future located or conducted therein, including all of the equipment, switchboards, machinery, tools and appliances of every kind and nature located in and upon, and necessary or used or useful in and about the maintenance or operation of any of the telephone exchanges now owned or operated in Pine Grove in Hood River County, Oregon, Burns and Hines in Harney County, Oregon, Harper in Malheur County, Oregon, Harrah and Granger in Yakima County, Washington, Goldendale and Glenwood in Klickitat County, Washington, and Presser and Whitstran in Benton County, Washington.

## III.

The poles, supports, towers, cross arms, conduits, subways, underground pipes, cables, wires, fixtures, apparatus and other equipment constructed or acquired since the delivery of the First Supplemental Indenture, including the following toll lines:

Between Sunnyside and Bickleton in Yakima County, Washington.

Between Goldendale and Glenwood in Klickitat County, Washington.

To HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture and this Second Supplemental Indenture, it being agreed as follows, to wit:

## ARTICLE ONE

### SERIES C BONDS

SECTION 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series C" (hereinafter sometimes referred to as "Series C bonds" or "bonds of Series C"). Series C bonds shall be coupon bonds of the denomination of \$1,000 each, registerable as to principal, and fully registered bonds without coupons of the denomination of \$1,000 and multiples thereof. The coupon bonds of Series C shall be dated January 1, 1951, and the registered bonds of Series C without coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series C bonds shall mature January 1, 1976 and shall bear interest at the rate of three and three-eighths per cent. ( $3\frac{3}{8}\%$ ) per annum from their respective dates, such interest to be payable semi-annually on the first day of January and the first day of July in each year. Both the principal of and interest on bonds of Series C shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series C, the Trustee's certificate with respect to Series C bonds and the coupons appertaining to Series C coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

SECTION 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series C shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed

for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before January 1, 1952 . . . . .	6%
Thereafter and on or before January 1, 1953 . . . . .	5 $\frac{3}{4}$ %
Thereafter and on or before January 1, 1954 . . . . .	5 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1955 . . . . .	5 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1956 . . . . .	5%
Thereafter and on or before January 1, 1957 . . . . .	4 $\frac{3}{4}$ %
Thereafter and on or before January 1, 1958 . . . . .	4 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1959 . . . . .	4 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1960 . . . . .	4%
Thereafter and on or before January 1, 1961 . . . . .	3 $\frac{3}{4}$ %
Thereafter and on or before January 1, 1962 . . . . .	3 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1963 . . . . .	3 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1964 . . . . .	3%
Thereafter and on or before January 1, 1965 . . . . .	2 $\frac{3}{4}$ %
Thereafter and on or before January 1, 1966 . . . . .	2 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1967 . . . . .	2 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1968 . . . . .	2%
Thereafter and on or before January 1, 1969 . . . . .	1 $\frac{7}{8}$ %
Thereafter and on or before January 1, 1970 . . . . .	1 $\frac{1}{2}$ %
Thereafter and on or before January 1, 1971 . . . . .	1 $\frac{1}{4}$ %
Thereafter and on or before January 1, 1972 . . . . .	1 $\frac{1}{8}$ %
Thereafter and on or before January 1, 1973 . . . . .	$\frac{3}{4}$ %
Thereafter and on or before January 1, 1974 . . . . .	$\frac{1}{2}$ %
Thereafter and on or before January 1, 1975 . . . . .	$\frac{1}{4}$ %
Thereafter and prior to maturity, without premium.	

SECTION 1.03. The Company covenants and agrees that so long as any Series C bonds are outstanding hereunder it will, in each of the years 1952-1975, both inclusive, not less than thirty (30) days prior to January 1st of such year, deposit with the Trustee, as and for a sinking fund for Series C bonds, moneys sufficient (when increased by the payment of accrued interest to such January 1st) to redeem on such January 1st Series C bonds in aggregate principal amount equal to one per cent. (1 %) of the total aggregate principal amount of Series C bonds authenticated and delivered to and including such January 1st

(exclusive of Series C bonds in exchange or substitution for which other bonds of Series C may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.05 hereof). On each such January 1st the Trustee shall, in so far as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series C bonds.

Provided, however, that in lieu of depositing all or a part of such moneys the Company may do either or both of the following: (1) Deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series C, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest ) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than the current redemption price (exclusive of accrued interest) for such bonds specified in this Section, and (2) appropriate on or before the date required for such deposit net bondable expenditures for property additions, net bondable expenditures so appropriated to be credited against such sinking fund payment at sixty per cent. (60 %) of their amount.

In the event that any available bonds be delivered to the Trustee as aforesaid there shall also be filed with the Trustee a certificate signed and verified by the Treasurer or an Assistant Treasurer of the Company stating the amount or amounts paid by it for such bonds.

In the event that any net bondable expenditures be so appropriated, their appropriation shall be evidenced by the filing with the Trustee of a certificate of net bondable expenditures for property additions dated as of a date within thirty (30) days of the date of such appropriation and if there be included in such certificate any new gross expenditures, the documents required by (i), (ii) and (iii) of subparagraph (4) of Section 4.05 of the Original Indenture.

The redemption price for Series C bonds for the purposes of the sinking fund created by this Section shall be the principal amount thereof plus interest accrued thereon to the date fixed for such redemp-

tion, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before January 1, 1952	2.56%
Thereafter and on or before January 1, 1953	2.50%
Thereafter and on or before January 1, 1954	2.42%
Thereafter and on or before January 1, 1955	2.35%
Thereafter and on or before January 1, 1956	2.28%
Thereafter and on or before January 1, 1957	2.20%
Thereafter and on or before January 1, 1958	2.12%
Thereafter and on or before January 1, 1959	2.04%
Thereafter and on or before January 1, 1960	1.95%
Thereafter and on or before January 1, 1961	1.87%
Thereafter and on or before January 1, 1962	1.77%
Thereafter and on or before January 1, 1963	1.68%
Thereafter and on or before January 1, 1964	1.59%
Thereafter and on or before January 1, 1965	1.48%
Thereafter and on or before January 1, 1966	1.38%
Thereafter and on or before January 1, 1967	1.28%
Thereafter and on or before January 1, 1968	1.17%
Thereafter and on or before January 1, 1969	1.05%
Thereafter and on or before January 1, 1970	.94%
Thereafter and on or before January 1, 1971	.82%
Thereafter and on or before January 1, 1972	.69%
Thereafter and on or before January 1, 1973	.56%
Thereafter and on or before January 1, 1974	.43%
Thereafter and on or before January 1, 1975	.29%
Thereafter and prior to maturity	.15%

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this Section.

SECTION 1.04. Series C bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with moneys paid to or deposited with the Trustee pursuant to Section 11.04 of the Original Indenture, shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof, and bonds of such series so redeemed with moneys paid to or deposited with the Trustee pursuant to Sections 8.11, 8.14 and 9.02 of the Original Indenture shall be redeemed at the then applicable redemption price specified in Section 1.03 hereof.

In the event that all or any part of the bonds of Series C shall be redeemed or otherwise discharged prior to their maturity pursuant to

or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

SECTION 1.05. Fully registered bonds of Series C, upon surrender thereof at the main office of the Trustee, may be exchanged for the same aggregate principal amount of fully registered bonds of that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee, and in addition a further sum not in excess of the lesser of (1) the actual cost of the preparation of each new bond issued upon such exchange and the charges of the Trustee in connection therewith, and (2) Two Dollars (\$2 ) per bond. The original registered owner of the \$750,000 of Series C fully registered bonds without coupons initially issued under Section 2.01 hereof shall, however, have the privilege of exchanging without charge to it for one or more coupon bonds any such fully registered bond so initially issued to it and any fully registered bond which has become substituted for a portion of such a fully registered bond or for several such fully registered bonds.

SECTION 1.06. Fully registered bonds of Series C shall be numbered "R-1" and consecutively upwards. Coupon bonds of Series C shall be numbered "M-1" and consecutively upwards.

## ARTICLE TWO

ISSUE OF \$750,000 SERIES C BONDS AND RESTRICTION  
AS TO PORTION OF PROCEEDS

SECTION 2.01. Upon the execution of this Second Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee shall authenticate and deliver to, or upon the order of, the Company bonds of Series C in the form of fully registered bonds without coupons in the aggregate principal amount of Seven Hundred Fifty Thousand Dollars (\$750,000), provided, nevertheless, that the said bonds shall not be issued unless prior to or simultaneously with their issue the Company shall not only have complied with the provisions of the Original Indenture respecting such issue, but shall have deposited with the Trustee either \$350,000 in cash or an amount of cash equal to the aggregate principal amount of bonds being issued under the provisions of Article Six of the Original Indenture, whichever is the greater.

SECTION 2.02. The Company shall not be permitted to withdraw any of the cash to which reference is made in Section 2.01 hereof unless, in addition to having met the requirements of Section 6.02 of the Original Indenture for the withdrawal of so much thereof as (regardless of the provisions of Section 2.01 hereof) would have been required to be deposited with the Trustee because of the provisions of Section 6.01 of the Original Indenture, it shall have increased by One Hundred Fifty Thousand Dollars (\$150,000) the amount of capital of the Company represented by cash invested, since December 31, 1950, in common or preferred stock of the Company, or both.

In the absence of bad faith the Trustee shall be permitted to rely conclusively on a certificate signed and verified by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company to the effect that its capital has been so increased.



ARTICLE THREE

AMENDMENTS TO ORIGINAL INDENTURE

SECTION 3.01. Section 8.17 of the Original Indenture is amended by substituting for said entire Section the following:

✓ "SECTION 8.17. It will not apply any sum to the redemption, retirement or purchase of any share of its common stock, nor to the payment of any dividend or other disbursement thereon ( exclusive of dividends payable in its common stock) if, after such application shall have been made, the aggregate of such sum and all sums so applied since December 31, 1950, together with the aggregate of all sums which since said date have been or concurrently are being applied to the redemption, retirement or purchase of shares of its preferred stock or to the payment of dividends thereon (exclusive of dividends payable in its capital stock) would exceed the Company's net income since said date (treated as one accounting period), plus Fifty Thousand Dollars (\$50,000 )."

SECTION 3.02. Section 12.01 of the Original Indenture is amended by substituting for said entire Section the following:

"SECTION 12.01. All moneys required to be deposited with or paid to the Trustee under any provision hereof shall be held by it in trust. Except as hereinafter in this Section provided such moneys shall not be invested by the Trustee, and except for moneys deposited with or paid to the Trustee for the redemption of bonds, notice of the redemption of which has been duly given, shall, while held by it, constitute part of the trust estate and be subject to the lien hereof. Except as permitted by, and when adequately secured in accordance with, the regulation of the Board of Governors of the Federal Reserve System, none of the moneys paid to or deposited with the Trustee shall be intermingled with other funds of the Trustee.

"Any moneys deposited with or paid to the Trustee under any provision hereof, except sinking fund moneys or moneys deposited with or paid to the Trustee for the redemption of bonds, notice of the redemption of which has been duly given, may, upon orders of the Company requesting such action, be invested by the Trustee, for the Company, in United States Government Bonds (hereinafter sometimes referred to as 'Government Bonds"),

having maturities not later than two years from the date of their purchase. Such Government Bonds may be registered in the name of the Company but shall be endorsed by the Company or otherwise held by the Trustee in such form as to be transferable and deliverable by the Trustee. So long as no unremedied event of default exists, the Company shall be permitted to collect or receive from the Trustee interest paid on such Government Bonds. Upon the occurrence of such an event of default the Trustee shall, however, cause any such Government Bonds which are in registered form and are not registered in its name to be transferred into its name as such Trustee and shall collect the interest thereafter accruing. When and if such event of default shall have been cured, any interest then remaining on deposit with the Trustee may be paid over to the Company upon receipt of an order of the Company requesting such payment and the Trustee shall cause any of such Government Bonds to be registered again in the name of the Company in like manner as hereinbefore provided. Such Government Bonds shall be sold by the Trustee pursuant to orders of the Company and all moneys collected on such sales or at maturity shall be held by the Trustee in the same manner as moneys originally deposited with it. "

#### ARTICLE FOUR

##### ADDITIONAL PROVISIONS

SECTION 4.01. If requested so to do by the holders of twenty-five per cent. (25%) in aggregate principal amount of the bonds outstanding hereunder, the Company will keep its insurable property insured with either a corporation, similar to the War Damage Corporation, created by the Federal government or with a reputable insurance company, or with both, against loss or damage which may result from enemy attack (including any action taken by the military, naval or air forces of the United States in resisting such attack). Such insurance shall be in an amount **not less** than the full insurable value of the property insured or, if insurance in such amount is not obtainable, in the largest amount which is obtainable. The Company shall not be considered to be in default under the provisions of this Section by reason of the fact that the policy or policies of insurance required to be carried under the provisions of this Section contain general exceptions to the coverage hereinbefore in this Section described if such insurance is not

obtainable without such exceptions or if such exceptions are contained in policies insuring similar properties of other persons engaged in the same business and in similar geographical locations,

The provisions of the second paragraph of Section 8.11 of the Original Indenture shall apply equally to any such insurance and its proceeds, and such proceeds shall for all purposes of the Indenture be treated as would be those resulting from policies to which reference is made in said Section 8.11.

**SECTION 4.02.** The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Second Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whatsoever.

**SECTION 4.03.** For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series C, the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

**SECTION 4.04.** Except as herein specifically changed, the Original Indenture and the First Supplemental Indenture are hereby in all respects ratified and confirmed.

**SECTION 4.05.** This Second Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE has caused these presents to be signed in

its name and behalf by its President or one of its Vice Presidents and its corporate seal to be hereto affixed and attested by its Cashier or one of its Vice Presidents, and E. L. Blaine, Jr. has hereto set his hand and seal, all as of the first day of January, 1951, but this instrument has been actually executed and delivered the 13th day of April, 1951.

**OREGON-WASHINGTON TELEPHONE COMPANY**

By (s) **W. H. DEAN**  
*President*

(Corporate Seal)

Attest:

(s) **Z. O. BROOKS**  
*Secretary*

Signed, sealed and acknowledged by  
Oregon - Washington Telephone  
Company in the presence of:

(s) **F. M. HICKS**

(s) **K. H. COATE**

**PEOPLES NATIONAL BANK OF WASHINGTON  
IN SEATTLE**

By (s) **VICTOR R. GRAVES**  
*Vice President*

Attest:

(Corporate Seal)

(s) **M. C. GEDDES**  
*Vice President*

Signed, sealed and acknowledged by  
Peoples National Bank of Wash-  
ington in Seattle in the presence  
of:

(s) **E. R. MACKAY**

(s) **KAY M. WALTER**

(s) E. L. BLAINE, JR. (L. S.)

E. L. Blaine, Jr.

Signed, sealed and acknowledged by  
E. L. Blaine, Jr. in the presence  
of:

(s) CARROLL H. AITKEN

(s) RUTH C. HANSEN

STATE OF OREGON }  
COUNTY OF HOOD RIVER } 's':

On this 13th day of April, A. D. 1951, before me, the under-  
signed officer, appeared W. H. DEAN and Z. O. BROOKS to me  
personally known, who, being duly sworn did acknowledge themselves  
to be President and Secretary, respectively, of Oregon-Washington  
Telephone Company, a corporation, and that said instrument was  
signed and sealed by W. H. DEAN as such President in behalf of  
said corporation and as the free act and deed of said corporation by  
authority of its Board of Directors and that Z. O. BROOKS as such  
Secretary affixed the corporate seal of said corporation thereto and  
attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed  
my official seal this the day and year first in this my certificate above  
written.

(s) JOHN N. MOHR

Notary Public in and for the  
State of Oregon residing at  
Hood River

My commission expires  
Aug. 1, 1953

(Notarial Seal)

STATE OF WASHINGTON }  
COUNTY OF KING } Ss.:

On this 13th day of April, A. D. 1951, before me, the undersigned officer, personally appeared VICTOR R. GRAVES and M. C. GEDDES to me known to be Vice Presidents of Peoples National Bank of Washington in Seattle, the national banking association which executed the within and foregoing instrument and VICTOR R. GRAVES as Vice President acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that he was authorized to execute said instrument and M. C. GEDDES as Vice President, on oath, stated that he was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

(s) ROBERT A. HARRIS  
Notary Public in and for the  
State of Washington residing  
at Renton

My commission expires  
Dec. 22, 1954

(Notarial Seal)

STATE OF WASHINGTON }  
COUNTY OF KING } Ss.:

On this 13th day of April A. D. 1951, before me, the undersigned officer, personally appeared E. L. BLAINE, JR., to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed 'and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate e above written.

(s) MARY WILLIAMS  
Notary Public in and for the  
State of Washington residing at  
Seattle.

My commission expires  
Sept. 1, 1954

(Notarial Seal)



AFFIDAVIT OF GOOD FAITH

STATE OF OREGON }  
COUNTY OF HOOD RIVER } 's':

I, the undersigned, being first duly sworn, depose and say that I am President of Oregon-Washington Telephone Company, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon; that said corporation has duly authorized me to make this affidavit for it and in its behalf; that the foregoing trust deed or mortgage is executed in good faith by said corporation and without any design to hinder, delay or defraud creditors, but to secure the payment of an actual advance of money as in said instrument provided.

(s) W. H. DEAN

Subscribed and sworn to before me, a Notary Public in and for said County and State, this 13th day of April, 1951.

(s) JOHN N. MOHR  
Notary Public in and for the  
State of Oregon residing at  
Hood River, Oregon.

My commission expires  
Aug. 1, 1953

(Notarial Seal)

United States Internal Revenue Stamps in the sum of \$825.00 have been affixed and properly cancelled, to that counterpart filed with the corporate trustee.

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OREGON-WASHINGTON TELEPHONE COMPANY  
TO  
PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE  
AND  
E. L. BLAINE, JR.  
*Trustees*

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**Third Supplemental Indenture**

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DATED AS OF SEPTEMBER 1, 1954

THIS THIRD SUPPLEMENTAL INDENTURE dated as of September 1, 1954, by and between OREGON-WASHINGTON TELEPHONE COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said State (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington, and E. L. BLAINE, JR., of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the "Trustee" and the "Individual Trustee" and collectively as the " Trustees" ) :

WHEREAS the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has determined by due corporate action to provide for the immediate issuance, execution, authentication and delivery of Seven Hundred Thousand Dollars (\$700,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series D, the said Series D bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture, in part, and against cash under the provisions of Article Six of the Original Indenture, in part; and

WHEREAS the fully registered bonds without coupons and the coupon bonds of Series D to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:

[FORM OF SERIES D FULLY REGISTERED BOND WITHOUT COUPONS]

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

OREGON-WASHINGTON TELEPHONE COMPANY  
FIRST MORTGAGE BOND, SERIES D  
Due September 1, 1979

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, on the first day of September, 1979, the principal sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of four per cent. (4%) per annum, payable semi-annually on the first day of March and the first day of September in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for tile purpose, said bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series D, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with tile provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951 and a Third Supplemental Indenture dated as of September 1, 1954 (said four instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto

reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before September 1, 1955 ..	9.16%
Thereafter and on or before September 1, 1956	8.93%
Thereafter and on or before September 1, 1957	8.6870
Thereafter and on or before September 1, 1958	8.43%
Thereafter and on or before September 1, 1959	8.17 %
Thereafter and on or before September 1, 1960	7.90%
Thereafter and on or before September 1, 1961	7.62%
Thereafter and on or before September 1, 1962	7.33%
Thereafter and on or before September 1, 1963	7.03%
Thereafter and on or before September 1, 1964	6.72%
Thereafter and on or before September 1, 1965	6.40%
Thereafter and on or before September 1, 1966	6.07%
Thereafter and on or before September 1, 1967	5.72%
Thereafter and on or before September 1, 1968	5.37%
Thereafter and on or before September 1, 1969	5%
Thereafter and on or before September 1, 1970	4.62%
Thereafter and on or before September 1, 1971	4.22%
Thereafter and on or before September 1, 1972	3.82%
Thereafter and on or before September 1, 1973	3.39%
Thereafter and on or before September 1, 1974	2.96%
Thereafter and on or before September 1, 1975	2.51%
Thereafter and on or before September 1, 1976	2.04%
Thereafter and on or before September 1, 1977	1.55%
Thereafter and on or before September 1, 1978	1.05%
Thereafter and prior to maturity, without premium;	

all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture Series D bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property

taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or' destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series D bonds so redeemed shall be redeemed at their principal amount' plus interest accrued to the date fixed for redemption plus, in the case Of bonds of' such series redeemed with moneys referred to in (a) above, the then applicable premium set forth in the preceding paragraph and, in the case of bonds of such series redeemed with moneys referred to in (b) above, the then applicable percentage of the principal amount thereof:

If redeemed on or before September 1, 1955	4.03%
Thereafter and on or before September 1, 1956	3.93%
Thereafter and on or before September 1, 1957	3.83%
Thereafter and on or before September 1, 1958	3.72%
Thereafter and on or before September 1, 1959	3.61%
Thereafter and on or before September 1, 1960	3.50%
Thereafter and on or before September 1, 1961	3.38%
Thereafter and on or before September 1, 1962	3.25%
Thereafter and on or before September 1, 1963	3.12%
Thereafter and on or before September 1, 1964	2.99%
Thereafter and on or before September 1, 1965	2.85%
Thereafter and on or before September 1, 1966	2.70%
Thereafter and on or before September 1, 1967	2.55%
Thereafter and on or before September 1, 1968	2.40%
Thereafter and on or before September 1, 1969	2.24%
Thereafter and on or before September 1, 1970	2.07%
Thereafter and on or before September 1, 1971	1.89%
Thereafter and on or before September 1, 1972	1.71%
Thereafter and on or before September 1, 1973	1.53%
Thereafter and on or before September 1, 1974	1.33%
Thereafter and on or before September 1, 1975	1.13%
Thereafter and on or before September 1, 1976	.92%
Thereafter and on or before September 1, 1977	.70%
Thereafter and on or before September 1, 1978	.48%
Thereafter and prior to maturity	.24%

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on September 1 st of any year, subsequent to the year 1955, for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, plus the then applicable premium set forth in the preceding paragraph; all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemptions for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if less than all bonds of this series are to be called for redemption, bonds to be so called shall be selected by lot, each fully registered bond of a denomination of a multiple (greater than one) of \$1,000 to be represented by a separate number for each \$1,000 of its principal amount, and that if notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or trans-

erees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series of another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of the charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent. (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent. (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company, or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.



IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated the first day of \_\_\_\_\_, 19\_\_ .

OREGON-WASHINGTON TELEPHONE COMPANY

By, .....  
*President*

Attest:

.....  
*Secretary*

[FORM OF SERIES D COUPON BOND]

No. \_\_\_\_\_ \$1,000

OREGON-WASHINGTON TELEPHONE COMPANY

FIRST MORTGAGE BOND, SERIES D

Due September 1, 1979

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of September, 1979, the principal sum of One Thousand Dollars (\$1,000.00) and to pay interest thereon from the date hereof at the rate of four per cent. (4% ) per annum, payable semi-annually on the first day of March and the first day of September in each year until said principal sum is paid, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

(The provisions of paragraphs 2 to 5, inclusive, of the form of coupon bond of Series D shall be precisely the same as the provisions of the corresponding paragraphs of the form of fully registered bond without coupons of Series D.)

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund, shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the City of Chicago, Illinois, and one such newspaper published and of general circulation in the Borough of Manhattan in the City and State of New York, the first such publication in each such newspaper to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemption shall be published once in each such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of this bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

(The provisions of paragraphs 11. to 13, inclusive, of the form of coupon bond of Series D shall be precisely the same as the provisions of the corresponding paragraphs of the form of fully registered bond without coupons of Series D.)

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated the first day of September, 1954.

OREGON-WASHINGTON TELEPHONE COMPANY

By . . . . . *President*

Attest:

*Secretary*

[FORM OF INTEREST COUPON]

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

On the first day of . . . . ., 19 . . . . ., upon surrender of this coupon, unless the bond hereinafter mentioned shall have been previously called for redemption and payment duly provided therefor, Oregon-Washington Telephone Company will pay to bearer at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, . . . . . Dollars (\$ . . . . .), in lawful money of the United States of America, being six (6) months' interest then due on its First Mortgage Bond, Series D, dated September 1, 1954, No. . . . .

OREGON-WASHINGTON TELEPHONE COMPANY

By . . . . .  
*Treasurer*

[FORM OF TRUSTEE'S CERTIFICATE FOR BONDS OF SERIES D]

This is one of the First Mortgage Bonds, Series D, referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK. OF WASHINGTON  
IN SEATTLE, Trustee

By . . . . .  
*Authorized Officer*

AND WHEREAS the Company, subsequent to the execution and delivery of the Second Supplemental Indenture to which reference is hereinafter made, has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional Seven Hundred Thousand Dollars (\$700,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Third Supplemental Indenture provided the

valid and binding obligations of the Company, and to make these presents, the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture (said four instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed;

NOW, THEREFORE, THIS THIRD SUPPLEMENTAL INDENTURE WITNESSETH :

That Oregon-Washington Telephone Company, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, aliened, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, property and franchises of the Company constructed or acquired since the delivery of the Second Supplemental Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following:

## I.

The following described real estate together with all improvements thereon:

A. Situated in the County of Hood River, in the State of Oregon:

***Parcel 1***

A tract of land 25 feet square located at Dee, Oregon, in the NW $\frac{1}{4}$  of Section 7, Township 1 North, Range 10 East Willamette Meridian, being more particularly described as follows: Beginning at a point 20 feet south of the center line of the old covered bridge over Hood River, on the county road known as the Dee Flat Road, and 45 feet West of the westerly bridge abutment, (said point also being 3887.6 feet north and 419.2 feet east of the southwest corner of said Section 7) ; thence north 83° 7' east a distance of 25 feet; thence south 6° 53' east a distance of 25 feet; thence south 83° 7' west a distance of 25 feet; thence north 6° 53' west a distance of 25 feet to the point of beginning.

***Parcel 2***

Lots 3 and 4, block 21, Hood River Proper, in the City of Hood River.

B. Situated in the County of Yakima, in the State of Washington:

***Parcel 1***

Lot Nine (9) of Sanger's Re-plat of a portion of Block One (1 ) of the Mabton Townsite Company's Second Addition and Mabton Garden Tracts to Mabton, Washington, according to the official Plat thereof now on file and of record in the office of the auditor of Yakima County, Washington.

This conveyance is made subject to a reservation to Yakima County, Washington, of a one-eighth (12%%) interest in all oil and gas and mineral deposits now situate or in the future becoming situate beneath the surface of the said described premises.

***Parcel 2***

Lot Four, Block Twenty-eight, City of Grandview, according to the recorded plat thereof.

**Parcel 3**

Lot 9, Block 6, Gilbert's Addition to Toppenish according to the official plat thereof shown in Volume 3 of Plats, Page 29, records in the office of county auditor in Yakima County, Washington.

Also, an undivided  $\frac{1}{2}$  interest in and to the North or North-easterly 8 inches of Lot 10 of said Block and Addition on which there is erected a party wall, for the buildings on the respective lots.

Together with all rights accruing on the property conveyed and subject to all obligations against the property conveyed by virtue of the party wall agreement on the dividing line between Lots 9 and 10 of said block and addition.

**Parcel 4**

Lot 12, Block 11, Town of White Swan, according to the official plat thereof recorded in Volume "C?" of Plats, Page 23, records of Yakima County, Washington.

C. Situated in the County of Klickitat, in the State of Washington:

Commencing at a point on the east and west center line of Section Twenty-three (23 ) Township Four (4) north, Range Thirteen (13) east, Willamette Meridian, Klickitat County, Washington, which is eight hundred one and six-tenths (801.6) feet, south eight y-nine degrees and fort y-eight minutes east (S 89°48' E) from the one-quarter Section corner between Sections twenty-two (22) and twenty-three (23) to the point of the Traverse; thence south twenty-five degrees and fif t y-one minutes west (S 25° 51' W) for nine hundred and forty-six (946.0) feet; thence north sixty-four degrees and nine minutes west (N 64° 09' W) for seven and five-tenths (7.5) feet to the point of beginning of the area to be described.

Thence continuing on the same bearing (N 64°09' W) for thirty (30) feet; thence south twenty-five degrees and fifty-one minutes west (S 25° 51' W) for fifty (50) feet; thence south sixty-four degrees and nine minutes east (S 64° 09' E) for thirty (30) feet; thence north twenty-five degrees and fifty-one minutes east (N 25° 51' E) for fifty (50) feet to the point of beginning; as the same is now surveyed and staked out upon the ground and described upon the company's townsite plat, Klickitat Townsite, Klickitat, Washington.

II.

(a) All improvements and structures, offices, buildings and exchanges which now are or hereafter shall be located, erected or placed upon any of the lands and premises hereinbefore described.

(b) All equipment, switchboards, machinery, tools and appliances of every kind and nature, located in and upon and necessary or used or useful in and about the maintenance or operation of any of the premises hereinbefore described, or necessary or used or useful in or about the maintenance or operation of any of the telephone exchanges now and in the future located or conducted therein, including all of the equipment, switchboards, machinery, tools and appliances of every kind and nature located in and upon, and necessary or used or useful in and about the maintenance or operation of any of the telephone exchanges now owned or operated in Dee and Hood River in Hood River County, Oregon, Mabton, Grandview, Toppenish and White Swan in Yakima County, Washington, and Klickitat in Klickitat County, Washington.

III.

The poles, supports, towers, cross arms, conduits, subways, underground pipes, cables, wires, fixtures, apparatus and other equipment constructed or acquired since the delivery of the Second Supplemental Indenture.

To HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture, the Second Supplemental Indenture and this Third Supplemental Indenture, it being agreed as follows, to wit:

ARTICLE ONE

SERIES D BONDS

SECTION 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series D" (hereinafter sometimes referred to as "Series D bonds" or "bonds of Series D"). Series



D bonds shall be coupon bonds of the denomination of \$1,000 each, registerable as to principal, and fully registered bonds without coupons of the denomination of \$1,000 and multiples thereof. The coupon bonds of Series D shall be dated September 1, 1954, and the registered bonds of Series D without coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series D bonds shall mature September 1, 1979 and shall bear interest at the rate of four per cent. (4. ) per annum from their respective dates, such interest to be payable semi-annually on the first day of March and the first day of September in each year. Both the principal of and interest on bonds of Series D shall be payable at the main office of People National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series D, the Trustee's certificate with respect to Series D bonds and the coupons appertaining to Series D coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

SECTION 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series D shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before September 1, 1955	9.16%
Thereafter and on or before September 1, 1956	8.93%
Thereafter and on or before September 1, 1957	8.6870
Thereafter and on or before September 1, 1958	8.43%
Thereafter and on or before September 1, 1959	8.17%
Thereafter and on or before September 1, 1960	7.90%
Thereafter and on or before September 1, 1961	7.62%
Thereafter and on or before September 1, 1962	7.33%
Thereafter and on or before September 1, 1963	7.03%
Thereafter and on or before September 1, 1964	6.72%
Thereafter and on or before September 1, 1965	6.40%
Thereafter and on or before September 1, 1966	6.07%
Thereafter and on or before September 1, 1967	5.72%
Thereafter and on or before September 1, 1968	5.3770
Thereafter and on or before September 1, 1969	5.00%
Thereafter and on or before September 1, 1970	4.62%

Thereafter and on or before September 1, 1971	4.22%
Thereafter and on or before September 1, 1972	3.82%
Thereafter and on or before September 1, 1973	3.39%
Thereafter and on or before September 1, 1974	2.96%
Thereafter and on or before September 1, 1975	2.51%
Thereafter and on or before September 1, 1976	2.04%
Thereafter and on or before September 1, 1977	1.55%
Thereafter and on or before September 1, 1978	1.05%
Thereafter and prior to maturity, without premium.	

SECTION 1.03. The Company covenants and agrees that so long as any Series D bonds are outstanding hereunder it will, in each of the years 1956-1978, both inclusive, not less than thirty (30) days prior to September 1st of such year, deposit with the Trustee, as and for a sinking fund for Series D bonds, moneys sufficient (when increased by the payment of accrued interest to such September 1st) to redeem on such September 1st Series D bonds in aggregate principal amount equal to one per cent. (1%) of the total aggregate principal amount of Series D bonds authenticated and delivered to and including such September 1st (exclusive of Series D bonds in exchange or substitution for which other bonds of Series D may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.05 hereof). On each such September 1st the Trustee shall, in so far as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series D bonds.

The redemption price for Series D bonds redeemed for the purposes of the sinking fund created by this Section shall be the one then applicable for a redemption pursuant to Section 8.11, 8.14 or 9.02 of the Original Indenture as set forth in Section 1.04 hereof.

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this Section.

SECTION 1.04. Series D bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with moneys paid to or deposited with the Trustee pursuant to Section 11.04 of the Original Indenture, shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof, and bonds of such series so redeemed

with moneys paid to or deposited with the Trustee pursuant to Sections 8.11, 8.14 and 9.02 of the Original Indenture shall be redeemed at the principal amount thereof plus interest accrued thereon to the date fixed for such redemption plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before September 1, 1955	4.03%
Thereafter and on or before September 1, 1956	3.9370
Thereafter and on or before September 1, 1957	3.83%
Thereafter and on or before September 1, 1958	3.72%
Thereafter and on or before September 1, 1959	3.61%
Thereafter and on or before September 1, 1960	3.50%
Thereafter and on or before September 1, 1961	3.38%
Thereafter and on or before September 1, 1962	3.25%
Thereafter and on or before September 1, 1963	3.12%
Thereafter and on or before September 1, 1964	2.99%
Thereafter and on or before September 1, 1965	2.85%
Thereafter and on or before September 1, 1966	2.70%
Thereafter and on or before September 1, 1967	2.55%
Thereafter and on or before September 1, 1968	2.40%
Thereafter and on or before September 1, 1969	2.24%
Thereafter and on or before September 1, 1970	2.07%
Thereafter and on or before September 1, 1971	1.89%
Thereafter and on or before September 1, 1972	1.71%
Thereafter and on or before September 1, 1973	1.53%
Thereafter and on or before September 1, 1974	1.33%
Thereafter and on or before September 1, 1975	1.13%
Thereafter and on or before September 1, 1976	.92%
Thereafter and on or before September 1, 1977	.70%
Thereafter and on or before September 1, 1978	.48%
Thereafter and prior to maturity	.24%

In the event that all or any part of the bonds of Series D shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

SECTION 1.05. Fully registered bonds of Series D, upon surrender thereof at the main office of the Trustee, may be exchanged for the same aggregate principal amount of fully registered bonds of

that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee, and in addition a further sum not in excess of the lesser of (1) the actual cost of the preparation of each new bond issued upon such exchange and the charges of the Trustee in connection therewith, and (2) Two Dollars (\$2) per bond. The original registered owner of the \$700,000 of Series D fully registered bonds without coupons initially issued under Section 1.07 hereof shall, however, have the privilege of exchanging without charge to it for one or more coupon bonds any such fully registered bond so initially issued to it and any fully registered bond which has become substituted for a portion of such a fully registered bond or for several such fully registered bonds.

SECTION 1.06. Fully registered bonds of Series D shall be numbered "R-1" and consecutively upwards. Coupon bonds of Series D shall be numbered "M-1" and consecutively upwards.

SECTION 1.07. Upon the execution of this Third Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series D in the form of fully registered bonds without coupons in the aggregate principal amount of Seven Hundred Thousand Dollars (\$700,000).

ARTICLE TWO  
ADDITIONAL PROVISIONS

SECTION 2.01. So long as any Series D bonds are outstanding it will not apply any sum to the redemption, retirement or purchase of any share of its common stock, nor to the payment of any dividend or other disbursement thereon (exclusive of dividends payable in its common stock ) if, after such application shall have been made, the aggregate of such sum and all sums so applied since August 31, 1954, together with the aggregate of all sums which since said date have been or concurrently are being applied to the redemption, retirement or purchase of shares of its preferred stock or to the payment of dividends thereon (exclusive of dividends-payable in its capital stock) would exceed the Company's net income since said date (treated as one accounting period), plus Fifty Thousand Dollars (\$50,000).

SECTION 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Third Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whatsoever.

SECTION 2.03. All newspaper notices with respect to Series D bonds shall be published in a newspaper published and of general circulation in the Borough of Manhattan, in the City and State of New York, as well as in one so published and of general circulation in the City of Chicago, Illinois.

SECTION 2.04. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series D, the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

SECTION 2.05. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture and the Second Supplemental Indenture are hereby in all respects ratified and confirmed.

SECTION 2.06. This Third Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE has caused these presents to be signed in its name and behalf by its President or one of its Vice Presidents and its corporate seal to be hereto affixed and attested by its Cashier or one of its Vice Presidents, and E. L. Blaine, Jr. has hereto set his hand and seal, all as of the first day of September, 1954, but this instrument has been actually executed and delivered the 27 day of Sept., 1954.

OREGON-WASHINGTON TELEPHONE COMPANY

By /s/ W. H. DEAN  
*President*

( Corporate Seal)

Attest:

/s/ Z. O. BROOKS  
*Secretary*

Signed, sealed and acknowledged  
by Oregon-Washington Telephone  
Company in the presence of:

/s/ F. M. HICKS

/s/ W. E. BISHOP

PEOPLES NATIONAL BANK OF WASHINGTON  
IN SEATTLE

By /s/ C. E. JENKS  
**Vice President**

Attest:

(Corporate Seal)

/s/ M. C. GEDDES  
**Vice President**

Signed, sealed and acknowledged by  
Peoples National Bank of Wash-  
ington in Seattle in the presence  
of:

/s/ E. R. MACKAY

/s/ WESTON CHANDLER

/s/ E. L. BLAINE, JR. (L. S.)  
E. L. Blaine, Jr.

Signed, sealed and acknowledged by  
E. L. Blaine, Jr. in the presence  
of:

/s/ E. R. MACKAY

/s/ WESTON CHANDLER

STATE OF OREGON }  
COUNTY OF HOOD RIVER 's":

On this 27 day of Sept., A. D. 1954, before me, the undersigned officer, appeared W. H. DEAN and Z. O. BROOKS to me personally known, who, being duly sworn did acknowledge themselves to be President and Secretary, respectively, of Oregon-Washington Telephone Company, a corporation and that said instrument was signed and sealed by W. H. Dean as such President in behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that Z. O. Brooks as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

/s/ ORTHA W. REED  
Notary Public in and for the  
State of Oregon residing at  
Hood River

My commission expires  
Aug. 9,1957

(Notarial Seal)

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STATE OF WASHINGTON }  
COUNTY OF KING } ss. :

On this 27th day of Sept., A. D. 1954, before me, the undersigned officer, personally appeared C. E. JENKS and M. C. GEDDES to me known to be Vice Presidents of Peoples National Bank of Washington in Seattle, the national banking association which executed the within and foregoing instrument and C. E. Jenks as Vice President acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that he was authorized to execute said instrument and M. C. Geddes as Vice President, on oath, stated that he was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

/s/ CHARLES F. BURKE  
Notary Public in and for the  
State of Washington residing at  
Seattle, Wash.

(Notarial Seal)

My commission expires  
Nov. 3, 1956

STATE OF WASHINGTON }  
COUNTY OF KING } Ss. :

On this 27th day of September A. D. 1954, before me, the under-  
signed officer, personally appeared E. L. BLAINE, JR., to me known to  
be the individual described in and who executed the within and fore-  
going instrument and acknowledged that he executed and signed the  
same as his free and voluntary act and deed for the uses and purposes  
therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed  
my official seal this the day and year first in this my certificate above  
written.

/s/ CHARLES F. BURKE  
Notary Public in and for the  
State of Washington residing at  
Seattle, Wash.

My commission expires  
Nov. 3, 1956

(Notarial Seal)

AFFIDAVIT OF GOOD FAITH

STATE OF OREGON }  
COUNTY OF HOOD RIVER } 's':

I, the undersigned, being first duly sworn, depose and say that I am President of Oregon-Washington Telephone Company, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon; that said corporation has duly authorized me to make this affidavit for it and in its behalf; that the foregoing trust deed or mortgage is executed in good faith by said corporation and without any design to hinder, delay or defraud creditors, but to secure the payment of an actual advance of money as in said instrument provided.

/s/ W. H. DEAN

Subscribed and sworn to before me, a Notary Public in and for said County and State, this 27 clay of Sept., 1%4.

/s/ ORTHA W. REED  
Notary Public in and for the  
State of Oregon residing at  
Hood River.  
(Notarial Seal)

My commission expires  
Aug. 9, 1957

REVENUE STAMPS

United States Revenue Stamps in the sum of \$770.00 have been affixed and properly cancelled to that counterpart filed with the corporate trustee.

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OREGON-WASHINGTON TELEPHONE COMPANY

TO

**PEOPLES NATIONAL BANK OF WASHINGTON  
IN SEATTLE**

AND

E. L. **BLAINE, JR.**

TRUSTEES

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**Fourth Supplemental Indenture**

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DATED **AS OF JUNE 1, 1959**

## **This Fourth Supplemental Indenture,**

dated as of June 1, 1959, by and between OREGON-WASHINGTON TELEPHONE COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said State (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington, and E. **L. BLAINE, JR.**, of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the "Trustee" and the "Individual Trustee" and collectively as the "Trustees"):

WHEREAS the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has executed and delivered to the Trustees a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, and a Third Supplemental Indenture dated as of September 1, 1954, amending and supplementing such Original Indenture pursuant to which Supple-

mental Indentures the Company has issued its First Mortgage Bonds, Series B, C and D; and

WHEREAS the Company has determined by due corporate action to provide for the immediate issuance, execution, authentication and delivery of One Million Dollars (\$1,000,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series E, the said Series E bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture; and

WHEREAS the fully registered bonds without coupons and the coupon bonds of Series E to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to-wit:

Form of Series E Fully Registered Bond Without Coupons

No. \$  
OREGON-WASHINGTON TELEPHONE COMPANY  
First Mortgage Bond, Series E  
Due June 1, 1989

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to ..... or registered assigns, on the first day of June, 1989, the principal sum of ..... Dollars (\$ ..... ) and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of five and one-eighth per cent (5% %) per annum, payable semiannually on the first day of June and the first day of December in each year until said principal sum is

paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said Bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series E, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, and a Fourth Supplemental Indenture dated as of June 1, 1959 (said five instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned, and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered

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owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before June 1, 1960	— 5.125%
Thereafter and on or before June 1, 1961	— 5.00%
Thereafter and on or before June 1, 1962	— 4.85%
Thereafter and on or before June 1, 1963	— 4.70%
Thereafter and on or before June 1, 1964	— 4.557.
Thereafter and on or before June 1, 1965	— 4.407.
Thereafter and on or before June 1, 1966	— 4.25%
Thereafter and on or before June 1, 1967	— 4.10%
Thereafter and on or before June 1, 1968	— 3.95%
Thereafter and on or before June 1, 1969	— 3.80%
Thereafter and on or before June 1, 1970	— 3.65%
Thereafter and on or before June 1, 1971	— 3.50%
Thereafter and on or before June 1, 1972	— 3.35%
Thereafter and on or before June 1, 1973	— 3.20%
Thereafter and on or before June 1, 1974	— 3.00%
Thereafter and on or before June 1, 1975	— 2.80%
Thereafter and on or before June 1, 1976	— 2.60%
Thereafter and on or before June 1, 1977	— 2.40%
Thereafter and on or before June 1, 1978	— 2.20%
Thereafter and on or before June 1, 1979	— 2.00%
Thereafter and on or before June 1, 1980	— 1.80%
Thereafter and on or before June 1, 1981	— 1.60%
Thereafter and on or before June 1, 1982	— 1.40%
Thereafter and on or before June 1, 1983	— 1.20%
Thereafter and on or before June 1, 1984	— 1.00%
Thereafter and on or before June 1, 1985	— .80%
Thereafter and on or before June 1, 1986	— .60%
Thereafter and on or before June 1, 1987	— .40%
Thereafter and on or before June 1, 1988	— .20%
Thereafter and prior to maturity, without premium;	



all on the conditions and in the manner provided in the Indenture; provided, how-ever, that no bond shall be redeemable, in whole or in part, at any time prior to June 1, 1964, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series E shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series E bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series E bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on June 1st of any year, subsequent to the year 1959, in whole or in part for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof

at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if less than all bonds of this series are to be called for redemption, bonds to be so called shall be selected by lot, each fully registered bond of a denomination of a multiple (greater than one) of \$1,000 to be represented by a separate number for each \$1,000 of its principal amount, and that if notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date, and that whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will, at the option of the owner and holder thereof, issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an

amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by the registered owner hereof, in person or by duly authorized attorney, upon the books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the same aggregate principal amount. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series or another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the

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terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eight y per cent (80\$%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80% ) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant

Secretaries, and this bond to be dated the first day  
of .....19.....

OREGON-WASHINGTON TELEPHONE  
COMPANY

By.....  
*President*

ATTEST:

.....  
*Secretary*

Form of Series E Coupon Bond

No. \$1,000

OREGON-WASHINGTON TELEPHONE COMPANY

First Mortgage Bond, Series E

Due June 1, 1989

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of June, 1989, the principal sum of One Thousand Dollars (\$1,000) and to pay interest thereon from the date hereof at the rate of five and one-eighth per cent (5% ) per annum, payable semiannually on the first day of June and on the first day of December in each year until said principal sum is paid, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series E, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, and a Fourth Supplemental Indenture dated as of June 1, 1959 (said five instruments being herein collectively called the Indenture) all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the

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then applicable percentage of the principal amount thereof:

If redeemed on or before June 1, 1960 — 5.125%  
 Thereafter and on or before June 1, 1961 — 5.00%  
 Thereafter and on or before June 1, 1962—4.85%  
 Thereafter and on or before June 1, 1963 — 4.70%  
 Thereafter and on or before June 1, 1964 — 4.55%  
 Thereafter and on or before June 1, 1965 —4.40%  
 Thereafter and on or before June 1, 1966—4.25%  
 Thereafter and on or before June 1, 1967 — 4.10%  
 Thereafter and on or before June 1, 1968 — 3.95%  
 Thereafter and on or before June 1, 1969 — 3.80%  
 Thereafter and on or before June 1, 1970 — 3.65%  
 Thereafter and on or before June 1, 1971 — 3.50%  
 Thereafter and on or before June 1, 1972—3.35%  
 Thereafter and on or before June 1, 1973 — 3.20%  
 Thereafter and on or before June 1, 1974—3.00%  
 Thereafter and on or before June 1, 1975 — 2.80%  
 Thereafter and on or before June 1, 1976— 2.60%  
 Thereafter and on or before June 1, 1977 — 2.40%  
 Thereafter and on or before June 1, 1978 — 2.20%  
 Thereafter and on or before June 1, 1979 — 2.00%  
 Thereafter and on or before June 1, 1980— 1.80%  
 Thereafter and on or before June 1, 1981 — 1.60%  
 Thereafter and on or before June 1, 1982 —1.40%  
 Thereafter and on or before June 1, 1983 — 1.20%  
 Thereafter and on or before June 1, 1984— 1.00%  
 Thereafter and on or before June 1, 1985 — .80%  
 Thereafter and on or before June 1, 1986 — .60%  
 Thereafter and on or before June 1, 1987— .40%  
 Thereafter and on or before June 1, 1988— .20%  
 Thereafter and prior to maturity, without premium;

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to June 1, 1964, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series E shall be

subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series E bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under the power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series E bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on June 1st of any year, subsequent to the year 1959, in whole or in part, for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund, shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the City of Chicago, Illinois, and one such newspaper published and of general circulation in the Borough of Manhattan in the City and State of New York, the first such publication in



each such newspaper to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemption shall be published once in each such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an

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amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of this bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered

by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON-WASHINGTON - TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile

signature of its Treasurer to be attached hereto, and this bond to be dated the first day of June, 1959.

OREGON-WASHINGTON TELEPHONE COMPANY

By.....

ATTEST:

President

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Secretary

FORM OF INTEREST COUPON

INTEREST COUPON

No.

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On the first day of , 19 , upon surrender of this coupon, unless the bond hereinafter mentioned shall have been previously called for redemption and payment duly provided therefor, Oregon-Washington Telephone Company will pay to bearer at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, Dollars (\$ ) in lawful money of the United States of America, being six (6) months' interest then due on its First Mortgage Bond, Series E, dated June 1, 1959, No.

OREGON-WASHINGTON TELEPHONE COMPANY

By.....

Treasurer

FORM OF TRUSTEE'S CERTIFICATE FOR BONDS OF SERIES E

This is one of the first Mortgage Bonds, Series E, referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, Trustee

By.....

Authorized Officer

WHEREAS the Company, subsequent to the execution and delivery of the Third Supplemental Indenture to which reference is hereinafter made, has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional One Million Dollars (\$1,000,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Fourth Supplemental Indenture provided, the valid and binding obligations of the Company, and to make these presents, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, and the Fourth Supplemental Indenture (said five instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed;

NOW, THEREFORE, THIS FOURTH SUPPLEMENTAL INDENTURE WITNESSETH :

That Oregon-Washington Telephone Company, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds

that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, aliened, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights, and powers of every kind and description, real and personal, of the Company constructed or acquired since the delivery of the Third Supplemental Indenture or not described in the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture or Third Supplemental Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following, together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining:

I.

The following-described real property, together with all improvements thereon:

A. Situated in the County of Yakima in the State of Washington:

The East 22 feet of Lot 12, and the North 7 feet of the East 22 feet of Lot 11, Block 22, Granger,

Washington, according to the official plat thereof recorded in Volume "A" of Plats, page 140, records of Yakima County, Washington.

B. Situated in the County of Hood River in the State of Oregon:

That portion of Lot 6. ADAMS PARADISE ACREAGE, in the City of Hood River, described as follows:

Beginning at an iron pipe that is 231 feet North and 381 feet West of the Southeast corner of said Lot 6, and said iron pipe is also the Southwest corner of the property sold to the Pacific Power and Light Company by Deed, filed December 4, 1946, and recorded in Volume 33, Page 631, Deed Records, Hood River County. Thence East along the South line of said property a distance of 100 feet to the true point of beginning of the property herein described; thence East 150 feet thence South 50 feet thence West 150 feet thence North 50 feet, to the point of beginning.

C. Situated in the County of Skamania in the State of Washington:

Beginning at a point on the westerly line of Russell Street in the town of Stevenson which is North 34°30' West 31.2 feet from the northeast corner of Lot 1, Block 8 of the town of Stevenson according to the plat thereof on file and of record in the office of the County Auditor of Skamania County, Washington; thence South 34° 30' East a distance of 33 feet; thence South 55° 30' West 4½ feet to the southeasterly corner of the brick and tile building known as "Skamania County Abstract & Title Co. Building"; thence on the same course along the

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southerly wall of said building a distance of 25 feet to the angle corner of the brick annex of said building; thence North 34° 30' West along the westerly wall of the brick annex a distance of 3.5 feet; thence South 55°30' West a distance of 77.0 feet; thence North 34°30' West 29.5 feet; thence North 55°30' East a distance of 106.5 feet to the point of beginning;

*ALSO* easement for road purposes 10 feet in width and 100 feet in depth along the northerly line of the said tract as more particularly described in deed dated May 16, 1932, and recorded at page 86 of Book Y of Deeds, Records of Skamania County, Washington.

D. Situated in the County of Klickitat in the State of Washington:

Lot 19, Block 19, First Addition to Lyle, according to plat thereof in volume 3 of plats, page 1, records of said county.

E. Situated in the County of Grant in the State of Oregon:

Beginning at a point South 89° 38' East for 200.0 feet and South 0°22' West for 295.0 feet of the Southwest corner of the Seneca Townsite to the point of beginning of said tract; thence South 0° 22' West for 50.0 feet; thence North 89° 38' West for 13.0 feet, more or less, to the Easterly boundary of the Burns-Canyon City Highway; thence Northerly along the Easterly boundary of said Highway a distance of 50.0 feet, more or less; thence South 89°38' East a distance of 11.0 feet, more or less, to the point of beginning.

Beginning at a point. South 89° 38' East for 200.0 feet and South 0°22' West for 295.0 feet of



the Southwest corner of the Seneca Townsite to the point of beginning of said tract; thence South 89°38' East for 25 feet; thence South 0°22' West for 50.0 feet; thence North 89° 38' West for 25.0 feet; thence North 0°22' East for 50.0 feet to the point of beginning.

All being in the Northwest Quarter of the Northwest Quarter of Section Two (2), Township Seventeen (17) South, Range Thirty-one (31), East of the Willamette Meridian.

Except all rights of way and easements thereon.

F. Situated in the County of Lane in the State of Oregon:

PARCEL ONE :

That certain real property situate, lying and being in the City of Oakridge, more particularly described as follows:

The North sixty-three (63) feet of Lot Four (4) in Block Twelve (12), being 63x 50 feet in area, situated north of the Northeast corner of First and Hazel Streets, in the City of Oakridge, Oregon.

PARCEL TWO:

The West 24 feet of Lot 3 in Block 12 of the Plat of Oakridge, as platted and recorded at page 29 of Volume 4, Lane County Plat Records.

G. Situated in the County of Jackson in the State of Oregon:

PARCEL ONE :

Commencing at a point 102 feet North and 405 feet West of the South quarter corner of Section 29, Township 32 South, Range 3 East; thence South 25 feet along a line parallel with the North and

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South center line of the Section; thence West 25 feet along a line parallel with the South line of the Section; thence North 25 feet along a line parallel with the North and South center line of the Section, same being the West Boundary of the so-called "Pearson Lot"; thence East 25 feet along a line parallel with the South line of the Section to the point of beginning, containing approximately 6.25 square feet, same being a portion of the lot formerly known as the "Pearson Lot, " which is described in the deed recorded in Deed Book 213 on page 416 of the Deed Records of Jackson County, Oregon.

PARCEL TWO:

Commencing at an iron pin that bears North 277.71 feet and 1268.19 feet east of the Quarter section corner common to Sections 15 and 16 in Township 34 South of Range 1 West of the Willamette Meridian, running thence South 5° 51' 30" West 111.66 feet to the true point of beginning; thence South 4°05' West 25.00 feet; thence South 84° 20' East 31.35 feet; thence North 4° 35' 30" East 25.00 feet; thence North 84° 21' 30" West 31.60 feet to the true point of beginning.

Subject to:

Patent reservations, rights of way for transmission lines deeded to California Oregon Power Company as shown in Volume 188, page 606 and Volume 226, page 421, Jackson County Deed Records, and that part of subject property which lies within the boundaries of the Crater Lake Highway.

PARCEL THREE:

Beginning at the Northeast corner of Lot 6, Block 18, Butte Falls, Oregon, according to the official plat thereof, now of record; thence West along the North line of said Lot, 25 feet; thence

Southerly along a line 25 feet from and parallel to the East line of said Lot, 25 feet; thence Easterly along a line parallel to and 25 feet from the North line of said Lot, 25 feet; thence Northerly along the Easterly line of said Lot, 25 feet, more or less, to the point of beginning.

H. Situated in the County of Klamath in the State of Oregon:

PARCEL ONE:

A tract of land 10 feet by 20 feet in size off the southeasterly corner of Lot 1, Block 43, City of Malin, being 10 feet frontage on 4th Street by 20 feet on the alley through said Block 43, being further described as beginning at the southeast corner of said Lot 1; thence north along 4th Street 10 feet; thence West 20 feet; thence South 10 feet; thence East 20 feet.

PARCEL Two:

The North 25 feet of Lot 11 of Block 13 of FIRST ADDITION TO BONANZA, OREGON, according to the duly recorded supplementary plat thereof in the office of the County Clerk of Klamath County.

PARCEL THREE:

Beginning at a point in the south line of the Southwest Quarter of the Southwest Quarter ( $SW\frac{1}{4}SW\frac{1}{4}$ ) of Section 35, Township 39 South, Range 12 East, Willamette Meridian, which is 218.7 feet East of the Southwest corner of said Section 35; running thence East 25 feet; thence North 25 feet; thence West 25 feet; thence South 25 feet to the place of beginning.

Subject to:

(a) Reservations contained in patent from the United States of America to John W. Shayhan, dated May 10, 1921, recorded July 18, 1934, on page

285 of Vol. 103 of Deeds, Records of Klamath County, Oregon.

(b) Easement for pole lines granted by Iona J. Fordney, now known as Ions James, et al., to The California Oregon Power Company, a California corporation, dated August 23, 1945, recorded September 11, 1945, on page 180 of Vol. 37 of Deeds, Records of Klamath County, Oregon.

(c) Easement for pole lines granted by Iona James, E. C. Jones and Edith M. Jones, his wife, as their interest may appear, to The California Oregon Power Company, a California corporation, dated January 22, 1947, recorded January 28, 1947, on page 409 of Vol. 201 of Deeds, Records of Klamath County, Oregon.

(d) All contracts and agreements with the United States of America and the Langell Valley Irrigation District relative to irrigation and/or drainage and any existing rights of way for ditches or canals heretofore conveyed or used in connection therewith.

PARCEL FOUR:

Lots 2 and 3 in Block 37, CITY OF MALIN.

## II.

(a) All improvements and structures, offices, buildings and exchanges which now are or hereafter shall be located, erected or placed upon any of the lands and premises hereinbefore described.

(b) All equipment, switchboards, machinery, tools and appliances of every kind and nature, located in and upon and necessary or used or useful in and about the maintenance or operation of any of the premises hereinbefore described, or necessary or used or useful in or about the maintenance or operation of any of the

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telephone exchanges now and in the future located or conducted therein, including all of the equipment, switchboards, machinery, tools and appliances of every kind and nature located in and upon, and necessary or used or useful in and about the maintenance or operation of any of the telephone exchanges now owned or operated in Bonanza, Butte Falls, Crater Lake, Eagle Point and Lorella in Jackson County, Oregon; Malin and Merrill in Klamath County, Oregon; Oakridge in Lane County, Oregon; and Prospect, Shady Cove and White City in Jackson County, Oregon.

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All franchises, grants, permits, easements, licenses, rights and privileges to construct, maintain and operate poles, wires and other necessary equipment with which to transmit, relay and receive messages and images by telephone, telegraph, teletype, telephoto, radio, and television, or by any other means whereby messages and images may now or hereafter be transmitted, relayed and/or received in, over, upon, under or through streets, avenues, roads, alleys, lanes and other public and private places in Harrah in Yakima County, Washington; Seneca in Grant County, Oregon; Bonanza, Butte Falls, Crater Lake, Eagle Point and Lorella in Jackson County, Oregon; Malin and Merrill in Klamath County, Oregon; Oakridge in Lane County, Oregon; and Prospect, Shady Cove and White City in Jackson County, Oregon; or elsewhere; heretofore or hereafter granted to the Company, or to its predecessors in interest, and now or hereafter held and enjoyed by the Company, including the following easements and rights of way:

A. Situated in the County of Klamath in the State of Oregon:

(1) Easement from Carl Rajnus dated April 9, 1958, recorded on April 15, 1958, in Volume 298 of the Deed Records of such county at page 629,

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(2) Easement from Nora Murphy dated October 26, 1957, recorded on April 15, 1958, in Volume 12 of Miscellaneous Records of such county at page 510.

(3) Easement from Dennis T. Murphy dated October 26, 1957, recorded on April 15, 1958, in Volume 12 of Miscellaneous Records of such county at page 511.

(4) Easement from Melvin W. Hunter and Shirley M. Hunter dated December 26, 1957, recorded on April 15, 1958, in Volume 12 of Miscellaneous Records of such county at page 512.

(5) Easement from Frank Paygr and Elizabeth Paygr dated July 6, 1950, recorded on January 8, 1959, in Volume 13 of the Miscellaneous Records of such county at page 305.

(6) Easement from Carl Rajnus and Laddie Rajnus dated April 9, 1958, recorded on April 15, 1958, in Volume 298 of the Deed Records of such county at page 628.

B. Situated in the County of Jackson in the State of Oregon:

(1) Easement from Jess E. Terry and Ada Terry dated April 28, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at pages 221, 222.

(2) Easement from Straus Brothers & Sons (F. M. Straus) dated June 5, 1958, recorded July 21, 1958, in Volume 458 of the Deed Records of such county at pages 223, 224.

(3) Easement from Prospect Timber Corporation (George C. Flanagan, R. R. Chaffee) dated June 3, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 225.

(4) Easement from Byron G. Colter and Mae Colter dated May 2, 1958, recorded July 21, 1958, in Volume 458 of the Deed Records of such county at page 226.

(5) Easement from Charles P. Nelson dated May 14, 1958, recorded July 21, 1958, in Volume 458 of the Deed Records of such county at page 227.

(6) Easement from August B. Singler and Nannie L. Singler dated May 5, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 228.

(7) Easement from Seiya Tanaka dated May 7, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 229.

(8) Easement from Guy W. Bishop and Hazel M. Bishop dated May 19, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 230.

(9) Easement from Carl W. Bergman dated April 23, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at pages 231, 232.

(10) Easement from R. J. Anderson and Faye M. Anderson dated June 4, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at pages 233, 234.

(11) Easement from W. E. Stingley dated July 16, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 235.

(12) Easement from Curtis L. MeRae and Kathleen McRae dated July 16, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 236.

(13) Easement from Louise Tobin dated July 2, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at pages 237, 238.

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(14) Easement from Vera Andersen dated May 13, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at pages 239, 240.

(15) Easement from J. Fred Lewis dated July 16, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 241.

(16) Easement from Earl B. Day, Earl B. Day, Jr., and Louise C. Day dated July 17, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 242.

(17) Easement from E. J. Nelson and Nellie B. Nelson dated July 21, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 243.

(18) Easement from Venson A. Hunt and Wilma D. Hunt dated July 15, 1958, recorded on July 21, 1958, in Volume 458 of the Deed Records of such county at page 244.

(19) Easement from Elk Lumber Company (George C. Flanagan and Rae VanHorn) dated July 31, 1958, recorded on August 26, 1958, in Volume 460 of the Deed Records of such county at page 31.

(20) Easement from Gerald E. Patterson and Mildred L. Patterson dated August 13, 1958, recorded on August 26, 1958, in Volume 460 of the Deed Records of such county at pages 29, 30.

(21) Easement from Troy L. Drexler and Jean Fay Drexler dated July 21, 1958, recorded July 25, 1958, in Volume 458 of the Deed Records of such county at page 359.

(22) Easement from William Bishop and Martha Bishop dated October 9, 1956, over Tax Lot 11 in the Southeast Quarter of the Northeast Quarter (SE $\frac{1}{4}$  NE $\frac{1}{4}$ ) of Section 20, Township 34 South, Range 1 West of the Willamette Meridian.



(23) Easement from Isabelle A. Loftin and George A. Loftin dated August 5, 1955, over the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 11 and the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 12, and the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section 12, Township 35 South, Range 2 West of the Willamette Meridian.

(24) Easement from Eleanor C. Smallwood dated December 12, 1956, over Tax Lot 8 in the Southwest Quarter of the Northeast Quarter ( $SW\frac{1}{4} NE\frac{1}{4}$ ) of Section 29, Township 34 South, Range 1 West of the Willamette Meridian.

(25) Easement from Gene Weitman and Ruth Weitman over Tax Lot 5 in the West Half of the Southwest Quarter ( $W\frac{1}{2} SW\frac{1}{4}$ ) of Section 29, Township 34 South, Range 1 West of the Willamette Meridian.

(26) Easement from T. M. Littlefield and Della A. Littlefield over Tax Lot 10 in the Southeast Quarter of the Southeast Quarter ( $SE\frac{1}{4} SE\frac{1}{4}$ ) of Section 20, Township 34 South, Range 1 West of the Willamette Meridian,

(27) Easement from John B. Short and Anna Short dated August 30, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 182.

(28) Easement from A. C. Millard dated July 17, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 181.

(29) Easement from E. C. Hostutler dated July 24, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 178.

(30) Easement from E. C. Hostutler dated July 24, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 179.

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(31) Easement from E. C. Hostutler dated July 24, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 180.

(32) Easement from Irvin Dahack dated August 5, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 177.

(33) Easement from Donald Grissom dated August 1, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 176.

(34) Easement from Harold Zundel and Dorothy Zundel dated September 11, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 171.

(35) Easement from A. R. Burrell and Ozie Inez Burrell dated August 24, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 175.

(36) Easement from Julia B. Dow dated July 17, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 173.

(37) Easement from Joseph Franklin and Jean Franklin dated August 3, 1954, recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 174.

(38) Easement from Leonard Bradshaw recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 172.

(39) Easement from Burrell O. Wyant and Agnes M. Wyant recorded on November 12, 1954, in Volume 49 of the Miscellaneous Records of such county at page 170.

(40) Easement from George E. Millard and Anna K. Millard recorded on November 12, 1954,

in Volume 49 of the Miscellaneous Records of such county at page 169.

C. Situated in the County of Wasco in the State of Oregon:

(1) Easement from W. A. Salisbury dated May 12, 1939, close to the line between Lot 3 in Section 2 and Lot 1 of Rowena Tracts, between the river and the new county road, all in Township 2 North, Range 12 East of the Willamette Meridian.

(2) Easement from Howard Root dated November 27, 1944, across a 62.3 acre tract, in the South  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of Section 6, Township 2 North, Range 12 East of the Willamette Meridian, also the Northeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$ , North  $\frac{1}{2}$  of the North  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$ , and Northeast  $\frac{1}{4}$  of Section 7, Township 2 North, Range 12 East of the Willamette Meridian.

(3) Easement from John Combs dated November 27, 1944, across a 65.17 acre tract in the West  $\frac{1}{2}$  of the Southwest  $\frac{1}{4}$  of Section 5, Township 2 North of Range 12 East of the Willamette Meridian.

(4) Easement from A. L. VanOsdol and M. A. VanOsdol dated November 30, 1946, across Lots Six (6) and Seven (7) in Block One (1) in the Town of Mosier.

(5) Easement from Jim Fulton dated May 24, 1950, across part of Section 2, Township 2 North, Range 11 East of the Willamette Meridian.

(6) Easement from Clyde A. Root dated June 13, 1951, across Section or Lot 7, Township or Block 2 North, Range 12 East of the Willamette Meridian.

(7) Easement from Lewis Owen and Marie Owen dated March 22, 1954, across the Southeast Quarter of Section 2, Township 2 North, Range 11 East of the Willamette Meridian.

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D. Situated in the County of Yakima, in the State of Washington:

(1) Permit from the United States Government, Department of Interior approved December 4, 1958, by the Project Engineer, in Section 24, Township 10 North, Range 18 East of the Willamette Meridian.

(2) Permit from the United States Government, Department of Interior, approved November 6, 1958, by the Project Engineer, one-half mile south from the Northwest corner of Section 18, Township 10 North, Range 19 East of the Willamette Meridian, and one-half mile South from the East Quarter corner of Section 13, Township 10 North, Range 18 East of the Willamette Meridian,

(3) Easement from Charles F. Owens dated August 1, 1958, across the West Half of the Southeast Quarter, Section 32, Township Range 20 East of the Willamette Meridian.

(4) License from the United States Government, Department of Interior, Bureau of Reclamation, dated August 8, 1952,

Beginning at a point where the power line intersects the North line of Section 12, Township 9 North, Range 24 East of the Willamette Meridian, thence Easterly on said power line poles for a distance of approximately 7,800 feet.

Beginning at a point in Section 8, Township 9 North, Range 25 East of the Willamette Meridian, said point being approximately 1,300 feet West of the East line of Section 8, thence Easterly on said power line poles a distance of approximately 5,500 feet.

Beginning at a point in Section 10, Township 9 North, Range 25 East of the Willamette Meridian, said point being approximately

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3,500 feet West of the East line of said Section, thence Easterly on said power line poles for a distance of approximately 9,300 feet.

The total distance being approximately 22,600 feet.

(5) Permit adopted by City Council of the City of Sunny side, Washington, on December 20, 1954.

(6) Easement from James Conner dated September 15, 1955, across lot located in the City of Grandview, Washington, at 900 Hillcrest Avenue.

(7) Easement from Leo E. Horrigan dated April 3, 1953, across Northeast quarter ( $NE\frac{1}{4}$ ) of Section 13, Township 8 North, Range 22, and the South Half ( $S\frac{1}{2}$ ) of the Southwest quarter ( $SW\%$ ) and the Southwest quarter of the Northeast quarter of Southeast quarter ( $SW\% NE\frac{1}{4} SE\frac{1}{4}$ ) of Section 7, Township 8 North, Range 23 East of the Willamette Meridian.

(8) Easement from Modern Home Builders, Inc. dated January 17, 1950, recorded in the office of the County Auditor, Deed Records, Volume 480 at page 42, under No. 1287651.

(9) Easement from the heirs of Charlotte E. Pitt, Allottee No. 1569, dated May 29, 1950, over the  $N\frac{1}{2} NW\frac{1}{4}$ , Section 35, Township 11 North, Range 19 East of the Willamette Meridian.

(10) Easement from the heir of Pony Brown, deceased, Yakima allottee No. 1522, dated May 11, 1950, across the Southwest Quarter of the Northeast Quarter ( $SW\% NE\frac{1}{4}$ ), Section 35, Township 11 North, Range 19 East of the Willamette Meridian.

(11) Easement from J. F. and Roxie Diamond dated June 2, 1950, across the East 268.5 feet of the Northeast Quarter of the Southwest Quarter ( $NE\frac{1}{4} SW\frac{1}{4}$ ), Section , Township , Range of the Willamette Meridian.

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(12) Easement from E. R. Casperson and Annie Casperson dated June 2, 1950, across the Northeast Quarter of the Southwest Quarter of the South-west Quarter ( $NE\frac{1}{4}SW\frac{1}{4}SW\frac{1}{4}$ ), Section 30, Township 10 North, Range 23 East of the Willamette Meridian.

(13) Easement from Frank J. Metko and Florence A. Metko dated June 3, 1950, across the North 214.5 feet of the West 203 feet of the East 471.5 feet (measured along the North Line) of that part of the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 30, Township 10 North, Range 23 East of the Willamette Meridian.

(14) Easement from G. M. Cullen dated August 16, 1950, across the north part of the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 4, Township 10 North, Range 22 East of the Willamette Meridian.

(15) Easement from George A. Schroder dated August 16, 1950, across the north part of the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 4, Township 10 North, Range 22 East of the Willamette Meridian.

(16) Easement from Keith R. Devereaux and Zelda D. Devereaux dated January 29, 1951, along the west line of the following-described tract: west 539 feet of that part of the southeast quarter ( $SE\%$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) and of the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) lying north of the county road and south of the Union Gap Canal, in Section 28, Township 12 North, Range 19 East of the Willamette Meridian.

(17) Easement from Helen Logic signed by Alvin Logic dated February 10, 1951, across restricted Indian land described as Allot. 3118, North Half ( $N\frac{1}{2}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 32, Township 11 North, Range 18 East of the Willamette Meridian.

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(18) Easement from Nancy Soctilla and Robert Tomaskan, signed by Nancy Soctilla, dated February 10, 1951, across restricted Indian land described as Allotment 3042, Southeast Quarter ( $SE\frac{1}{4}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 32, Township 11 North, Range 18 East of the of the Willamette Meridian.

(19) Easement from H. B. Rouse, dated April 28, 1951, across Lot One (1), Block A, George E. Shaw Acre Tract Addition, City of Sunnyside.

(20) Easement from the heirs of Augustine Estabrook, Allottee No. 1570, dated May 22, 1951, across the South Half ( $S\frac{1}{2}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 35, Township 11 North, Range 19 East of the Willamette Meridian.

(21) Easement from Henry Wertenberger dated July 30, 1951, across the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ), Southeast Quarter ( $SE\%$ ) of the Southeast Quarter ( $SE\%$ ) of Section 15, Township 10 North, Range 20 East of the Willamette Meridian.

(22) Easement from Dan Kissler dated July 30, 1951, across the Northwest Quarter of the Southeast Quarter ( $NW\frac{1}{4}SE\frac{1}{4}$ ) of Section 15, Township 10 North, Range 20 East of the Willamette Meridian.

(23) Easement from J. F. Diamond dated December 5, 1951, across the East 268.5 feet of the East 561 feet of the East Half of the Northeast Quarter of the Southwest Quarter ( $E\frac{1}{2}NE\frac{1}{4}SW\frac{1}{4}$ ) lying north of Northern Pacific Railroad R.W. ex. R.W. of State Highway, Section 30, Township 10 North, Range 23 East of the Willamette Meridian.

(24) Easement from Sam Hert dated January 21, 1955, across the north 20 feet of the North Half ( $N\%$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of the

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Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 20, Township 11 North, Range 20 East of the Willamette Meridian.

(25) Easement from Otto Halverson dated February 1, 1955, across the south 10 feet of the East Half ( $E\frac{1}{2}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 14, Township 10 North, Range 19 East of the Willamette Meridian.

(26) Easement from the heirs of Hahnie Kielow, deceased, dated February 4, 1955, across the West Half ( $W\frac{1}{2}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section 14, Township 10 North, Range 19 East of the Willamette Meridian.

(27) Easement from Norton Mitchell and Hazel Mitchell dated December 15, 1954, across Lots 6 and 7, Block 14, City of Sunny side, Washington.

(28) Easement from Margaret Ross Baker, heir of Lizzie Johnson, Yakima Allottee No. 2649, dated November 29, 1954, across the South Half of the Southeast Quarter ( $S\frac{1}{2}SE\frac{1}{4}$ ) of Section 15, Township 10 North, Range 18 East of the Willamette Meridian.

(29) Easement from Arthur M. Garrison dated June 14, 1954, across the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section 27, Township 11 North, Range 22 East of the Willamette Meridian.

(30) Easement from Amos Simtustus dated January 3, 1955, being original Allotment No. 1041 of Hannah Myers, deceased, across the Northeast Quarter of the Southwest Quarter ( $NE\frac{1}{4}SW\frac{1}{4}$ ), North Half of the Southeast Quarter of the Southwest Quarter ( $N\frac{1}{2}SE\frac{1}{4}SW\frac{1}{4}$ ), East Half of the Southeast Quarter of the Northwest Quarter ( $E\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}$ ), Section 21, Township 10 North, Range 18 East of the Willamette Meridian.

(31) Easement from Andy Charley dated January 3, 1955, being original Allotment No. 696 of



Anna Meachem, deceased, across the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$  SE $\frac{1}{4}$ ), Section 20, and the South Half of the Northwest Quarter of the Southwest Quarter (S $\frac{1}{2}$  NW $\frac{1}{4}$  SW $\frac{1}{4}$ ), North Half of the Southwest Quarter of the Southwest Quarter (N $\frac{1}{2}$  SW $\frac{1}{4}$  SW $\frac{1}{4}$ ), Section 21, Township 10 North, Range 18 East of the Willamette Meridian.

(32) Easement from Fred Webb dated November 3, 1954, across the west 90.8 feet out of the east 1051.7 feet out of the south 480 feet of the Southeast Quarter out of the Southwest Quarter (SE $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 14, Township 9 North, Range 23 East of the Willamette Meridian, line adjacent to the east line of Bryan Grandview Acre Tracts except the south 25 feet for road.

(33) Easement from Frances Marie Mason dated October 15, 1954, across the westerly end of Lots 1, 4 and 5, Block 2, Franart Addition according to the official plat thereof recorded in Volume P of Plats, page 38, Records of Yakima County.

(34) Easement from Edward B. Powell dated October 15, 1954, across the westerly end of Lot 6, Block 2, Franart Addition according to the Official plat thereof recorded in Volume P of Plats, page 38, Records of Yakima County.

(35) Easement from Gustav Bansmer dated October 15, 1954, across the westerly end of Lots 7 and 8, Block 2, Franart Addition according to the Official plat thereof recorded in Volume P of Plats, page 38, Records of Yakima County.

(36) Easement from P. E. Robertson dated October 26, 1954, across Zillah Heights Ranch, South Half (S $\frac{1}{2}$ ) and South 65 feet of the North Half (N $\frac{1}{2}$ ) of Section 3, Township  
Range \_\_\_\_\_ of the Willamette Meridian.

(37 ) Easement from Erling Garmann dated October 26, 1954, across Zillah Heights Ranch, that

part of Tract 7 lying within the Southeast Quarter of the Southwest Quarter ( $SE\frac{1}{4}SW\frac{1}{4}$ ) of Section 30, Township 11 North, Range 21 East of the Willamette Meridian and north of the following-described line: Beginning 62 feet south of the northeast corner of tract 7, thence South  $43^{\circ} 36'$  West 86.6 feet, thence South  $89^{\circ} 58'$  West 86.6 feet, thence South  $72^{\circ} 32'$  West 126.6 feet, thence South  $86^{\circ} 28'$  West 70.6 feet, thence South  $55^{\circ} 10'$  West 128.3 feet, thence South  $52^{\circ} 36'$  West 127.1 feet, thence South  $43^{\circ} 03'$  West 254.5 feet to right of way of

(3S) Easement from Ponce V. Divina dated August 11, 1954, across Lot 34 of Schmidt Tracts—North Half (N $\frac{1}{2}$ ) of Section 22, Township 11 North, Range      East of the Willamette Meridian, being on the West side of South Wapato Road between Evans and Progressive Roads in Yakima Fire Protection District No. 5.

(39) Easement from Byron P. Myers dated July 17, 1953, across two feet inside of the west boundary of property not described.

(40) Easement from D. F. Burdick and Etta Burdick dated July 24, 1952, across Mt. Pleasant Orchard Tracts in Zillah, Washington, (unrecorded), described as beginning at a point 710.7 feet north and  $89^{\circ} 49'$  East 583.4 feet of the West Quarter section corner of said point of beginning, thence North  $89^{\circ} 49'$  East 100 feet, thence North  $11^{\circ} 22'$  East of center of irrigation ditch to a line situated 275 feet north of the true point of beginning, thence South  $89^{\circ} 49'$  West 130 feet, thence Southwesterly to the true point of beginning.

(41) Easement from Harry W. Kobas dated July 11, 1952, across Lot 3, Zillah Adams View Park Addition, Zillah, Washington.

(42) Easement from Grace W. Schroeder dated July 11, 1952, across Lot 4, Adams View Park,

Zillah, Washington, according to the plat thereof recorded in Volume P of Plats, page 16, Records of Yakima County.

(43) Easement from Wayne W. Taylor dated July 18, 1952, across Lot 5, Adams View Park Addition to Zillah, Washington.

(44) Easement from C. A. Garrison dated December 10, 1952, across Lot 6, Adams View Park, Zillah, Washington.

(45) Easement from Wilson Wollock, heir of Wilgus Wynish, deceased, dated March 3, 1954, across the North Half of the Northwest Quarter ( $N\frac{1}{2}NW\frac{1}{4}$ ) of Section 28, Township 10 North, Range 21 East of the Willamette Meridian.

(46) Easement from Charles E. White dated December 16, 1953, across the Northwest Quarter of the Southeast Quarter of the Southeast Quarter ( $NW\frac{1}{4}SE\frac{1}{4}SE\frac{1}{4}$ ) of the Section 13, Township 9 North, Range 23 East of the Willamette Meridian, except the east 20 feet for road.

(47) Easement from Harry Buisit dated August 15, 1953, across the  $2\frac{3}{4}$  miles south on Lateral A on the right side of the road in the North Half of the Southeast Quarter ( $N\frac{1}{2}SE\frac{1}{4}$ ) of Section 30, Township 11 North, Range 19 East of the Willamette Meridian.

(48) Easement from F. G. Cornue dated June 23, 1953, across a portion of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 26, Township 11 North, Range 21 East of the Willamette Meridian.

(49) Easement from John McGrew and Odessa McGrew dated March 26, 1957, across that portion north of the railroad track of the North Half of the Northwest Quarter ( $N\frac{1}{2}NW\frac{1}{4}$ ) of Section 24, Township 11 North, Range 19 East of the Willamette Meridian.

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(50) Easement from Glen Schuchman and Blanch Schuchman dated March 27, 1957, across that portion north of the railroad tracks of the North Half of the Northwest Quarter (  $N\frac{1}{2}NW\frac{1}{4}$  ) of Section 24, Township 11 North, Range 19 East of the Willamette Meridian.

(51) Easement from F. P. Sheppard estate dated April 26, 1957, across Parker Heights Orchard Tract No. 3, Lot 4, in Section 20, Township 31 North, Range 12 East of the Willamette Meridian.

(52) Easement from Beulah Baker dated August 13, 1957, across the south portion of Lot 6, Block 4 of Lubys Addition, Wapato, located in Section 10, Township 11 North, Range 19 East of the Willamette Meridian.

(53) Easement from Wilbur O. Tregloan dated November 28, 1951, across his property in Harrah, Washington, as is necessary to reach "the George Ritchie place. "

(54) Easement from Toppenish Indian Affairs Co. dated September 1, 1923, across the south side of lot 7, Block 1, Mountain View Addition to the City of Toppenish according to the plat thereof cm file and of record in the office of the Auditor of Yakima County.

(55) Statement of Owner, Caples Dave Van., allottee No. 50, Yakima of Yakima Indian Reservation, dated January 22, 1932, regarding premises described as the Southeast Quarter (  $SE\frac{1}{4}$  ) of Section 26, Township 3 North, Range 12 East of the Willamette Meridian.

(56) Easement from Albert A. Broetje and Florence L. Broetje, dated May 2, 1946, across the Northeast Quarter of the Northwest Quarter (  $NE\frac{1}{4}NW\frac{1}{4}$  ) of Section 19, township 11 North, Range 19 East of the Willamette Meridian.

(57) Easement from A. P. Young dated June 18, 1945, across property described as beginning

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at the southwest corner of Section 26, Township 11 North, Range 18 East of the Willamette Meridian; thence north along the west line of said section 200 feet; thence east and parallel with the south line of said section a distance of 300 feet; thence south and parallel with the west line of said section a distance of 200 feet; thence west along the south line of said section a distance of 300 feet to the point of beginning; less roads along the west and south sides thereof.

(58) Easement from the United States Department of the Interior, Office of the Secretary, Washington, D. C., dated October 17, 1941, across allotted Indian lands in the Yakima Indian Reservation.

(59) Statement of Owner, Millie Hudwahne Van., allottee No. 187 of the Yakima Indian Reservation, re: the West Half of the Southwest Quarter ( $W\frac{1}{2}SW\frac{1}{4}$ ) and the West Half of the Northwest Quarter ( $W\frac{1}{2}NW\frac{1}{4}$ ) of Section 28, Township 4 North, Range 13 East of the Willamette Meridian.

(60) Agreement with C. M. Hibler dated September 1, 1923. re: Lot 16, Block 1, Mountain View Addition to Toppenish, according to the plat thereof on file and of record in the office of the Auditor of Yakima County.

(61) Authority from the United States Department of the Interior, Office of Indian Affairs, Yakima Indian Agency, in form of letter dated September 24, 1946, to cross land from White Swan, Washington, to a point two miles south.

(62) Permission from M. L. Nichols covering the road or lane along the south side of the Northeast Quarter of the Southwest Quarter of the Southwest Quarter ( $NE\frac{1}{4}SE\frac{1}{4}SW\frac{1}{4}$ ) of Section 33, Township 11 North, Range 21 East of the Willamette Meridian.

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(63) Permission from John B. Schellenberger dated March 11, 1920, covering the road or lane along the north side of his property.

(64) Permission from A. J. Allphin dated October 10, 1915, covering the west side of Acre Tracts Nos. 1 and 2, Robin's Addition to Toppenish, Washington.

(65) Permission from O. S. Follansbee covering the south side of the Northwest Quarter of the Northwest Quarter of the Southeast Quarter ( $NW\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$ ) of Section 23, Township 11 North, Range 20 East of the Willamette Meridian.

(66) Permission from B. F. Presson dated April 15, 1915, covering the east side of Block 11, Lot 11, Mabton, Washington.

(67) Permission from Mrs. Anna Curtis covering the south side of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 14, Township 11 North, Range 20 East of the Willamette Meridian,

(68) Permission from Ed Taylor dated October 10, 1915, along the west side of Acre Tract No. 3, Robin's Addition to Toppenish, Washington.

(69) Easement from Joe Jay Pinkham dated April 10, 1958, across the West Half of the Southwest Quarter ( $W\frac{1}{2}SW\frac{1}{4}$ ) of Section 28, Township 11 North, Range 20 East of the Willamette Meridian.

(70) Easement from Mrs. W. A. Howard dated May 13, 1958, across that portion of the Southeast Quarter of the Northwest Quarter ( $SE\frac{1}{4}NW\frac{1}{4}$ ) of Section 13, Township 9 North, Range 22 East of the Willamette Meridian beginning at a point on the east line of said subdivision 990 feet north of the Southeast corner of said subdivision; thence South  $64^{\circ}$  West 278 feet; etc.

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(71) Easement from Rose Telekish dated May 7, 1958, across the West Half of the Southeast Quarter ( $W\frac{1}{2}SE\frac{1}{4}$ ) of Section 1, Township 10 North, Range 20 East of the Willamette Meridian.

(72) Easement from Frances Northern (or Northover) dated December 4, 1956, across a portion of the West Half of the Southwest Quarter ( $W\frac{1}{2}SW\frac{1}{4}$ ) of Section 26, Township 11 North, Range 18 East of the Willamette Meridian.

(73) Easement from H. H. Grubenoff dated June 7, 1956, across the Southwest Quarter of the Northwest Quarter ( $SW\frac{1}{4}NW\frac{1}{4}$ ) of Section 14, Township 10 North, Range 20 East of the Willamette Meridian, Except the west 30 feet of the County Road; Except the State Highway; Except beginning at a point on the east line of the State Highway, said point being 86.86 feet east of the center line of said highway, Thence south  $53^{\circ} 35'$  east 720.17 feet, thence north  $38^{\circ} 30'$  east 118.62 feet, thence north  $06^{\circ} 46'$  east 329.27 feet to the north boundary of the Southwest Quarter of the Northwest Quarter ( $SW\frac{1}{4}NW\frac{1}{4}$ ), thence north  $88^{\circ} 51'$  west 691.54 feet to the point of beginning; and Except the east 3 acres lying northeasterly of the State Highway.

(74) Permission from the United States Department of Interior, Office of Indian Affairs, Yakima Indian Agency, in form of letter dated October 5, 1956, covering land between Agency and Signal Peak Ranger Station as follows: East along the Fort Road from the Harrah Road for a distance of seven spans; and east along the Fort Road from Lateral C Road for a distance of one-half mile.

(75) Easement from Cole E. Wylie dated October 26, 1956, across Lots 1, 2, 3 and 4 in Blocks 2, 3 and 4, and Lots 5,6,7,8,9, 10,11 and 12 in Blocks 2 and 4, and Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, and 10 in Blocks 5 and 7, all in the Northeast Quarter of the

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Northwest Quarter ( $NE\frac{1}{4}NW\frac{1}{4}$ ) of Section 36, Township 10 North, Range 22 East of the Willamette Meridian and known as the Roselawn Subdivision of Sunny side, Washington.

(76) Easement from Lewis and Violet E. Brandhagen and Henry and Ida Raab Dated January 14, 1956, westerly from county road to a point on the west line of Section 36 between the Northwest Quarter ( $NW\frac{1}{4}$ ) and the Southwest Quarter of the Southwest Quarter ( $SW\frac{1}{4}SW\frac{1}{4}$ ) of Section 36, Township 9 North, Range 23 East of the Willamette Meridian; and across the West Half of the Northwest Quarter of the Southwest Quarter ( $W\frac{1}{2}NW\frac{1}{4}SW\frac{1}{4}$ ) of Section 36, Township 9 North, Range 23 East of the Willamette Meridian; and across the West Half of the Southwest Quarter of the Southwest Quarter ( $W\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$ ) of said Section lying north of a straight line drawn through said tract from the northwest corner of the Southwest Quarter of the Southwest Quarter ( $SW\frac{1}{4}SW\frac{1}{4}$ ) of said Section (said point being the intersection of the west line of said Section and road across said tract) to a point on the east line of the West Half of the Southwest Quarter ( $W\frac{1}{2}SW\frac{1}{4}$ ) of said Section, 16 rods and 10 feet distant from the south line of said Section (said point being the point of intersection of the present road across said land and the east line of the West Half of the Southwest Quarter ( $W\frac{1}{2}SW\frac{1}{4}$ ) of said Section), being all that part of the West Half of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter ( $W\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$ ) lying north of the Euclid Road, LESS rights of way for roads, in Section 36, Township 9 North, Range 23 East of Willamette Meridian.

(77) Easement from Charley Scrivner, Richard E. James and K. A. Hawkins dated May 8, 1958, across the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section



32, Township 11 North, Range 20 East of the Willamette Meridian.

(78) Easement from Paul Shellenberger dated January 22, 1953, across part of the Southeast Quarter of the Southeast Quarter ( $SE\frac{1}{4}SE\frac{1}{4}$ ) of Section 31, Township 11 North, Range 20 East of the Willamette Meridian.

(79) License from the United State Department of the Interior, Bureau of Reclamation, dated April 23, 1958, to serve Stokely Van Camp labor quarters in the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 9, Township 9 North, Range 29 East of the Willamette Meridian.

E. Situated in the County of Klickitat in the State of Washington:

(1) Easement from T. V. Wilkins dated June 30, 1954, across the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 23, and the North Half ( $N\frac{1}{2}$ ) of Section 24, Township 4 North, Range 18 East of the Willamette Meridian, and Section 19, Township 4 North, Range 19 East of the Willamette Meridian except that part of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section 19, Township 4 North, Range 19 East of the Willamette Meridian as owned by F. Newell.

(2) Easement from J. I. Wherry dated July 12, 1954, across the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 13, Township 4 North, Range 19 East of the Willamette Meridian, and the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 18, Township 4 North, Range 20 east of the Willamette Meridian.

(3) Easement from June L. Jackson dated June 30, 1954, across the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 23, and the North Half ( $N\%$ ) of Section 24, Township 4 North, Range 18 East of the Willamette Meridian, and Section 19, Township 4 North, Range 19 East of the Willamette Meridian, except that part of the Southeast Quarter ( $SE\frac{1}{4}$ )

of Section 19, Township 4 North, Range 19 East of the Willamette Meridian as owned by F. Newell.

(4) Easement from A. O. White dated June 30, 1954, across the South Half ( $S^{1/2}$ ) of Section 17, Township 4 North, Range 19 East of the Willamette Meridian.

(5) Easement from Miles R. Matson and James M. Spalding dated June 30, 1954, across the South Half ( $S^{1/2}$ ) of Section 14, Township 4 North, Range 19 East of the Willamette Meridian, except that part of the Southwest Quarter ( $SW^{1/4}$ ) as owned by W. W. Rasmussen and the Northwest Quarter ( $NW^{1/4}$ ) of Section 13, Township 4 North, Range 19 East of the Willamette Meridian.

(6) Easement from F. Newell dated June 30, 1954, across the Southeast Quarter of the Southeast Quarter ( $SE^{1/4} SE^{1/4}$ ) of Section 17 and the Northwest Quarter of the Northwest Quarter ( $NW^{1/4} NW^{1/4}$ ) of Section 21, Township 4 North, Range 19 East of the Willamette Meridian.

(7) Easement from Fred Newell dated June 30, 1954, across the North Half ( $N^{1/2}$ ) of Section 20, Township 4 North, Range 19 East of the Willamette Meridian.

(8) Easement from Victor Ganguin dated June 30, 1954, across the South Half ( $S^{1/2}$ ) of Section 15, Township 4 North, Range 18 East of the Willamette Meridian.

(9) Easement from J. A. Imrie and MTS. J. A. Imrie dated June 30, 1954, across the Southwest Quarter ( $SW^{1/4}$ ) of Section 14, Township 4 North, Range 18 East of the Willamette Meridian, and the Southwest Quarter of the Southeast Quarter ( $SW^{1/4} SE^{1/4}$ ) of Section 14, Township 4 North, Range 18 East of the Willamette Meridian.

(10) Easement from F. G. McClaskey dated June 30, 1954, across the North Half ( $N^{1/2}$ ) of

Section 21, Township 4North, Range 19 East of the Willamette Meridian, except that part of the Northwest Quarter of the Northwest Quarter ( $NW\frac{1}{4} NW\frac{1}{4}$ ) as owned by F. Newell.

(11) Easement from Therron Yarrington and Katherine Yarrington dated May 12, 1955, across premises described as beginning at the southeast corner of Block A of Western Addition to Bingen, Washington, thence south  $62^{\circ} 00'$  east 310 feet to a point, thence north  $28^{\circ} 00'$  east to the south right-of-way line of the State Highway 8-D, thence north-west along said south right-of-way line to a point which is north  $28^{\circ} 00'$  east 251.5 feet from the point of beginning, thence south  $28^{\circ} 00'$  west to the point of beginning, in Bingen, Washington.

(12) Easement from Wesley Rasmussen dated June 30, 1954, across the North Half ( $N\frac{1}{2}$ ) of Section 22 and the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 23. Township 4 North, Range 19 East of the Willamette Meridian and the Northwest Quarter of the Southwest Quarter ( $NW\frac{1}{4} SW\frac{1}{4}$ ) of Section 13, Township 4 North, Range 19 East of the Willamette Meridian.

(13) Easement by W. J. Knight across Lot 6 in Block 3 in the Town of Lyle, Washington.

(14) Order of Public Service Commission re: Application No. 21828, dated January 2, 1952, covering those portions of the South Half of the North Half ( $S\frac{1}{2} N\frac{1}{2}$ ) and the North Half of the Southwest Quarter ( $N\frac{1}{2} SW\frac{1}{4}$ ) of Section 16, Township 4 North, Range 18 East of the Willamette Meridian, included within the limits of a strip of land 10 feet in width and having 5 feet of such width on each side of the following-described center line: Beginning at the west quarter section corner of said Section 16 and running thence North  $89^{\circ} 52'$  East 2692 feet, North  $83^{\circ} 28'$  East 1272 feet and South  $86^{\circ} 32'$  East 1306 feet to a point on the

east line of said Section 16, which is north 72.03 feet from the east quarter section corner of said Section 16, and having a total area of 1.21 acres according to the plat thereof on file in the office of the Commissioner of Public Lands at Olympia, Washington; subject, however, to an easement for a power line granted to Public Utility District No. 1 of Klickitat County, on December 28, 1948, under Application No. 20470; subject, however, to an easement for a county road granted July 13, 1925, under Application No. 1114.

(15) Letter to hold harmless from Wallace Pascoe dated June 26, 1950, covering his residential property.

(16) Resolution of City Council of Dallas City, Washington, dated February 3, 1942, re: County Road adjoining property purchased by Dallas City for an airport in said county.

(17) Transfer of right of way of Columbia River-Goldendale Toll Line from The Pacific Telephone and Telegraph Company dated October 31, 1944.

(18) Easement from Maryhill Museum of Fine Arts dated October 14, 1937, filed for record on February 9, 1938, in Book 76 of the Deed Records of said county at page 552.

(19) Easement from Birdie M. Jordan and W. T. Jordan dated December 6, 1937, filed for record on February 9, 1938, in Book 76 of the Deed Records of said county at pages 550-551.

(20) Agreement between Federal Farm Mortgage Corporation and A. S. Goss as Land Bank Commissioner and The Pacific Telephone and Telegraph Company dated December 13, 1937, filed for record on February 9, 1938, in Book 76 of the Deed Records of said county at pages 550-551.

(21) Letter of permissive right of way from Oregon-Washington Telephone Company extending from the Quarter on the line between Sections 14 and 15 westerly" one fourth of a mile.

(22) Permit from The Spokane, Portland and Seattle Railway Company dated June 22, 1934, covering the right of way and tracks of Railway Company in the Northwest Quarter (NW $\frac{1}{4}$ ) of Section 33 and the Northeast Quarter (NE $\frac{1}{4}$ ) of Section 32, Township 4 North, Range 13 East of the Willamette Meridian, at Pitt, Washington.

(23) Permit from Spokane, Portland and Seattle Railway Company dated June 22, 1934, covering the right of way and tracks of the Railway Company's Goldendale Branch at a point along a westerly extension of the southerly side of Second Street at Klickitat, Washington.

(24) Permit from The Spokane, Portland and Seattle Railway Company dated June 22, 1934, covering the right of way and tracks of the Railway Company's Goldendale Branch at a point where the County Road crosses under Bridge No. G-2-1, about two miles northerly of Lyle, Washington.

(25) Right-of-way easement from Public Utility District No. 1 of Klickitat County dated July 6, 1950, across Lot 1 in Block 6 of the original town-site of Bickleton as shown on the official plat thereof on record in the office of the Auditor of Klickitat County.

(26) Easement from Clara M. Weber dated May 4, 1953, across Tax Lot No. 6, Section 25, Township 3 North, Range 10 East of the Willamette Meridian.

(27) Right-of-way easement from Oregon-Washington Telephone Company dated September 25, 1952, across Lots 7 and 8 in Block 2 in Hopkins Addition to the Town of Goldendale as shown on

the official plat thereof on record in the office of the Auditor of Klickitat County.

(28) Easement from R. D. Mellenand Mid-Columbia Dry Cleaners dated June 15, 1949, across the North end of Lots Nos. 11 and 12, Block No. 1, White Salmon, Washington.

(29) Right of way from Joe Crowe and Robert H. Meresse along the old road west from White Salmon, Washington.

(30) Right-of-way permit from Northwestern Electric Company dated November 14, 1931, across the North Half of the Southwest Quarter ( $N\frac{1}{2}$  SW $\frac{1}{4}$ ), South Half of the Northwest Quarter ( $S\frac{1}{2}$  NW $\frac{1}{4}$ ) and the Southwest Quarter of the Northeast Quarter ( $SW\frac{1}{4}$  NE $\frac{1}{4}$ ) of Section 25, and the Northwest Quarter of the Northeast Quarter ( $NW\frac{1}{4}$  NE $\frac{1}{4}$ ) of Section 35, Township 3 North, Range 12 East of the Willamette Meridian; and also The East Half of the Northwest Quarter ( $E\frac{1}{2}$  NW $\frac{1}{4}$ ) of Section 5, and the South Half of the Northwest Quarter ( $S\frac{1}{2}$  NW $\frac{1}{4}$ ) of Section 17, and the South Half of the Southwest Quarter ( $S\frac{1}{2}$  SW $\frac{1}{4}$ ) of Section 19, Township 3 North, Range 13 East of the Willamette Meridian.

(31) Right of way from Mrs. Wm. Garner dated July 29, 1931, over and across property along the Klickitat River.

(32) Easement from Hester Daffron dated March 17, 1928, across the East Half of the Northwest Quarter ( $E\frac{1}{2}$  NW $\frac{1}{4}$ ) of Section 34, Township 3 North, Range 12 East of the Willamette Meridian, together with right of ingress and egress over the adjacent lands.

(33) Easement from Andrew Swan and Mary M. Swan dated May 28, 1951, across the North Half ( $N\frac{1}{2}$ ) of Section 18 and the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 17, Township 4 North, Range 18 East of the Willamette Meridian.

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(34) Easement from Carl and Mildred Kloker dated May 1, 1951, across the Southeast Quarter of the Northeast Quarter ( $SE\frac{1}{4}NE\frac{1}{4}$ ) of Section 18, Township 4 North, Range 17 East of the Willamette Meridian.

(35) Easement from J. V. Ganguin and Berns Ganguin dated May 25, 1951, across the East Half ( $E\frac{1}{2}$ ) of Section 16 and the West Half ( $W\frac{1}{2}$ ) of Section 15, Township 4 North, Range 18, East of the Willamette Meridian.

(36) Easement Deed from The Federal Land Bank of Spokane dated October 8, 1931, across the North Half of the Northeast Quarter ( $N\frac{1}{2}NE\%$ ) of Section 20, the North Half of the Northwest Quarter ( $N\frac{1}{2}NW\frac{1}{4}$ ), and the South Half of the Northeast Quarter ( $S\%NE\frac{1}{4}$ ) of Section 21, Township 4 North, Range 14 East of the Willamette Meridian, the center line of which right of way is described as beginning at a point on the center line of said Section 20, 705 feet south of the North Quarter corner of said Section, thence North  $80^{\circ}$  East 1000 feet, thence southeasterly to a point on the center line of said Section 21, 1174 feet south of the North Quarter corner of said Section 21; also beginning at the center of the Northeast Quarter of said Section 21, thence southeasterly to a point on the east line of said Section 21, 720 feet south of the Northeast corner of said Section 21, Township 4 North, Range 14 East of the Willamette Meridian.

(37) Easement from C. F. and Alma E. Schuster dated April 30, 1951, across the North Half ( $N\frac{1}{2}$ ) of Sections 13 and 14, Township 4 North, Range 17 East of the Willamette Meridian.

(38) Easement from Cecil Schuster and Nellie E. Schuster across the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 17, Township 4 North, Range 18 East of the Willamette Meridian,

(39) Easement from A. W. Rauscher dated April 30, 1951, across the North Half ( $N\frac{1}{2}$ ) of Section 17, Township 4 North, Range 17 East of the Willamette Meridian.

(40) Easement from Harold Dingmon and Murney A. Dingmon dated April 30, 1951, across the South Half ( $S\frac{1}{2}$ ) of Section 11, Township 4 North, Range 17 East of the Willamette Meridian.

(41) Easement from Gus L. and Edna L. Trumbo dated April 30, 1951, across the North Half ( $N\frac{1}{2}$ ) of Section 16, Township 4 North, Range 17 East of the Willamette Meridian.

(42) Easement from Howard L. and Violet A. Norris dated April 30, 1951, across the Southeast Quarter of the Southeast Quarter ( $SE\frac{1}{4}SE\frac{1}{4}$ ) of Section 15, the Southwest Quarter of the Southwest Quarter ( $SW\frac{1}{4}SW\frac{1}{4}$ ) of Section 14, the Northeast Quarter of the Southeast Quarter ( $NE\frac{1}{4}SE\frac{1}{4}$ ) of Section 14, and the South Half ( $S\frac{1}{2}$ ) of Section 13, all in Township 4 North, Range 16 East of the Willamette Meridian.

(43) Easement from Edward T. J. Abeling and Mabel W. Abeling dated April 30, 1951, across the Northeast Quarter of the Southwest Quarter ( $NE\frac{1}{4}SW\frac{1}{4}$ ) and the Northwest Quarter of the Southeast Quarter ( $NW\frac{1}{4}SE\frac{1}{4}$ ) of Section 14, Township 4 North, Range 16 East of the Willamette Meridian.

(44) Easement from Ernest D. Roe and Nellie R. Roe dated April 30, 1951, across the Northeast Quarter of the Southwest Quarter ( $NE\frac{1}{4}SW\frac{1}{4}$ ) and the Northwest Quarter of the Southeast Quarter ( $NW\frac{1}{4}SE\frac{1}{4}$ ) of Section 18, and the Northeast Quarter of the Northeast Quarter ( $NE\frac{1}{4}NE\frac{1}{4}$ ) of Section 17, all in Township 4 North, Range 17 East of the Willamette Meridian.

(45) Easement from Dorothy Allison and Kathryn Laclerque (Allison Estate) dated May 10, 1951,



across the Southwest Quarter of the Southeast Quarter ( $SW\frac{1}{4} SE\frac{1}{4}$ ) of Section 10, Township 4 North, Range 17 East of the Willamette Meridian.

(46) Easement from H. H. Stump and Mary E. Stump dated April 31, 1951, across the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 15, Township 4 North, Range 17 East of the Willamette Meridian, and the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 10, Township 4 North, Range 17 East of the Willamette Meridian.

(47) Easement from H. S. Shattuck dated May 26, 1952, across that part of the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 14, Township 6 North, Range 20 East of the Willamette Meridian, owned by the Grantor.

(48) Easement from E. A. and Flora M. Copenhaver dated May 17, 1952, across the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 19, the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section 19, the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 30, all in Township 5 North, Range 20 East of the Willamette Meridian.

(49) Easement from Ike and Hazel Bertschi dated May 14, 1952, across that part of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 8, Township 3 North, Range 13 East of the Willamette Meridian, owned by the Grantors.

(50) Easement from J. I. Wherry dated April 28, 1952, across the Northeast Quarter of the Southwest Quarter ( $NE\frac{1}{4} SW\frac{1}{4}$ ) of Section 7, and the South Half of the Southwest Quarter ( $S\frac{1}{2} SW\frac{1}{4}$ ) of Section 7, Township 4 North, Range 20 East of the Willamette Meridian.

(51) Easement from A. L. Powers and Mrs. A. L. Powers dated April 28, 1952, across the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section 30, the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 31, all in Township 5 North, Range 20 East of the Willamette Meridian, and the East Half of the Northwest

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Quarter ( $E\frac{1}{2}NW\frac{1}{4}$ ) of Section 6, the Northeast Quarter of the Southwest Quarter ( $NE\frac{1}{4}SW\frac{1}{4}$ ) of Section 6, the Southwest Quarter of the Southeast Quarter ( $SW\frac{1}{4}SE\frac{1}{4}$ ) of Section 6, the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 7, the Northwest Quarter of the Southeast Quarter ( $NW\frac{1}{4}SE\frac{1}{4}$ ) of Section 7, all in Township 4 North, Range 20 East of the Willamette Meridian.

(52) Easement from Cora Gadeberg dated April 28, 1952, across the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 30, Township 5 North, Range 20 East of the Willamette Meridian.

(53) Easement from L. D. Naught dated April 28, 1952, across the Southwest Quarter of the Southwest Quarter ( $SW\frac{1}{4}SW\frac{1}{4}$ ) of Section 9, the South Half of the Southeast Quarter ( $S\frac{1}{2}SE\frac{1}{4}$ ) of Section 8, the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 17, the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section 17, the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 20, all in Township 5 North, Range 20 East of the Willamette Meridian.

(54) Easement from Isabelle Cooley dated June 23, 1952, across the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 31, Township 5 North, Range 20 East of the Willamette Meridian.

(55) Easement from W. H. Brashers and Claude S. Brashers dated April 24, 1952, across the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section 8, Township 3 North, Range 13 East of the Willamette Meridian.

(56) Easement from Oda Knight dated December 14, 1933, across the South Half of the Northeast Quarter ( $S\frac{1}{2}NE\frac{1}{4}$ ) and East Half of the Southeast Quarter ( $E\frac{1}{2}SE\frac{1}{4}$ ) and the Northwest Quarter of the Southeast Quarter ( $NW\frac{1}{4}SE\frac{1}{4}$ ) and the Northeast Quarter of the Southwest Quarter ( $NE\frac{1}{4}SW\frac{1}{4}$ ), all in Section 19, Township 3 North, Range 13 East of the Willamette Meridian.

(57) Easement from G. W. Needham dated March 28, 1941, across and along the north line of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section 8, Township 3 North, Range 11 East of the Willamette Meridian.

(58) Easement from Gordon C. Baker dated May 9, 1942, along the south line of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section 5, Township 3 North, Range 11 East of the Willamette Meridian.

(59) Easement from Earl J. McCoy and Sadie McCoy dated March 19, 1942, across the Northeast Quarter (NE $\frac{1}{4}$ ) of Section 7, Township 3 North, Range 11 East of the Willamette Meridian.

(60) Easement from W. I. Timms "dated February 16, 1949, across Lot One (1) situate in Block One (1) of Jewetts Home Addition in the Town of White Salmon, Washington.

(61) Easement from Annie Lester and Robert B. Shafer dated June 6, 1951, across the West Half of the Northeast Quarter (W $\frac{1}{2}$ NE $\frac{1}{4}$ ) of Section 17, Township 4 North, Range 18 East of the Willamette Meridian.

(62) Easement from Everett N. Snyder dated May 7, 1958, across Northwest Quarter of the Northeast Quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$ ) of Section 30, Township 3 North, Range 11 East of the Willamette Meridian.

(63) Easement from Charles Harvey Mansfield dated May 7, 1958, across the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$ SE $\frac{1}{4}$ ) of Section 19, Township 3 North, Range 11 East of the Willamette Meridian.

(64) Easement from Charles E. and Mary D. Mansfield dated May 7, 1958, across the Northwest Quarter of the Northeast Quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$ ) of Section 30, Township 3 North, Range 11 East of the Willamette Meridian.

(65) Easement from Thomas A. and Bonnie J. Kimbro dated July 22, 1958, across premises described as beginning at the southeast corner of Block A of the Western Addition to the Town of Bingen, Washington; thence south 62° 00' East 310 feet to a point; thence north 28°00' east to the south right-of-way line of State Highway No. 8-D; thence northwest along said right-of-way line to a point on said right of way which is north 28°00' east 251.5 feet from the point of beginning; thence south 28° 00' west to the point of beginning.

(66) Easement from W. E. Hector dated May 5, 1958, on a southerly course across the East Half ( $E\frac{1}{2}$ ) of Sections 4 and 9, Township 3 North, Range 17 East of the Willamette Meridian.

(67) Easement from Raymond W. Ferguson dated May 7, 1958, over and across the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 15, Township 3 North, Range 17 East of the Willamette Meridian.

(68) Easement from Emma F. Short dated May 7, 1958, over and across the Southwest Quarter of the Southwest Quarter ( $SW\frac{1}{4}SW\frac{1}{4}$ ) of Section 10, the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 15, the South Half ( $S\frac{1}{2}$ ) of Section 16, the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section 21 and the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 21, all in Township 3 North, Range 17 East of the Willamette Meridian.

(69) Easement from W. F. and Bessie Hornbrook dated April 29, 1958, across the north fifteen (15) feet of the south forty (40) feet of that portion of the Southwest Quarter of the Northeast Quarter ( $SW\frac{1}{4}NE\frac{1}{4}$ ) of Section 21, Township 4 North, Range 16 East of the Willamette Meridian lying westerly of the southerly extension of the most easterly line of Hawthorne Addition according to the plat thereof recorded in Volume 3 of Plats at page 38, and easterly of said plat of Hawthorne Addition.

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(70) Easement from Dwight Dingmon and Wanda Dingmon dated April 29, 1958, across the north fifteen (15) feet of the south forty (40) feet of the Southeast Quarter of the Northeast Quarter ( $SE\frac{1}{4} NE\frac{1}{4}$ ) of Section 21, Township 4 North, Range 16 East of the Willamette Meridian.

(71) Easement from Delbert J. Wilkins and Vera I. Wilkins dated April 29, 1958, across the north fifteen (15) feet of the south forty (40) feet of that portion of the Southwest Quarter of the Northeast Quarter ( $SW\frac{1}{4} NE\frac{1}{4}$ ) of Section 21, Township 4 North, Range 16 East of the Willamette Meridian lying easterly of the southerly extension of the most easterly line of Hawthorne Addition according to the plat thereof recorded in Volume 3 of Plats at page 38.

F. Situated in the County of Benton in the State of Washington.

(1) Easement from John H. Berry and Mary M. Berry dated May 3, 1957, across the East Half of the Southeast Quarter of the Northwest Quarter ( $E\frac{1}{2} SE\frac{1}{4} NW\frac{1}{4}$ ) of Section 31, Township 9 North, Range 24 East of the Willamette Meridian.

(2) Easement from Harry Palmer dated October 23, 1956, easterly across the Southeast Quarter of the Northwest Quarter ( $SE\frac{1}{4} NW\frac{1}{4}$ ) South of the P.I.D. canal, and the Northeast Quarter of the Southwest Quarter ( $NE\frac{1}{4} SW\frac{1}{4}$ ) North of the Grandview Irrigation canal, in Section 23, Township 9 North, Range 24 East of the Willamette Meridian.

(3) Easement from Minnie Burnette dated August 8, 1956, along the easterly end of the East Half of the Southwest Quarter ( $E\frac{1}{2} SW\frac{1}{4}$ ) of Section 16, Township 19 North, Range 24 East of the Willamette Meridian.

(4) Easement from A. E. Shawver and Hazel B. Shawver dated October 4, 1955, along the easterly

edge of the west 288.5 feet of Tract 9, Fruitvale Ten Acre Tracts, according to the plat thereof recorded in Volume I of Plats at page 13, records of said county; also the east 872.6 feet of the west 2225 feet of the Southwest Quarter (SW%) of Section 10, Township 8 North, Range 24 East of the Willamette Meridian lying north of the canal right of way, except the right conveyed to the State of Washington by deed recorded under Auditor's File No. 298604, Records of said county.

(5) Easement from W. L. Coheen dated May 6, 1952, across that portion of the South Half of the Southwest Quarter of the Northeast Quarter (S% SW $\frac{1}{4}$  NE $\frac{1}{4}$ ) lying south of the State Highway and west thereof, in Section 34, Township 9 North, Range 24 East of the Willamette Meridian.

(6) Easement from Forrest Olney dated December 1, 1954, across the east side of the west 5425 feet of the East Half of the Southwest Quarter of the Southwest Quarter (E $\frac{1}{2}$  SW $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 35, Township 9 North, Range 24 East of the Willamette Meridian, lying north and east of the State Highway.

(7) Easement from Harry W. Krahn dated August 7, 1954, across the south edge of the west 230 feet of the east 260 feet of the north 100 feet of the south 642 feet of the Southeast Quarter of the Southeast Quarter (SE $\frac{1}{4}$  SE%), except road, in Section 35, Township 9 North, Range 24 East of the Willamette Meridian.

(8) Easement from Gilbert J. Peterson dated July 7, 1954, running along one foot west of the Section line between Sections 32 and 33, Township 9 North, Range 25 East of the Willamette Meridian, as owned by grantor.

(9) Easement from Harold Hyatt dated April 28, 1954, along the south end of the Northwest Quarter of the Northeast Quarter of the Northwest

Quarter (NW $\frac{1}{4}$  NE $\frac{1}{4}$  NW $\frac{1}{4}$ ) southwesterly of the highway in Section 34, Township 9 North, Range 24 East of the Willamette Meridian.

(10) Easement from Harry Schultz and Katherine Schultz dated May 18, 1954, along the section line between Sections 32 and 33, Township 9 North, Range 25 East of the Willamette Meridian, excepting State Highway and Railroad rights of way.

(11) Easement from J. U. Dixon dated April 17, 1954, across Section 6, Township 8 North, Range 24 East of the Willamette Meridian, Lots No. 1 and No. 2 on the South Edge.

(12) Easement from Joe D. Hughes dated March 5, 1954, across the west end of the Southeast Quarter of the Northeast Quarter of the Northwest Quarter (SE $\frac{1}{4}$  NE $\frac{1}{4}$  NW $\frac{1}{4}$ ) lying southwesterly of the State Highway No. 3 situated in Section 34, Township 9 North, Range 24 East of the Willamette Meridian.

(13) Easement from Ralph Fagan and Theora Fagan across Tract 4 of Bennett's Highland Addition Replat of North 322 feet of tract 2, P.F.L.&I. Co.'s Highland Addition to Presser, Washington, according to the plat thereof recorded in Volume 4 of Plats at page 54, Records of said county.

(14) Easement from John C. Bennett and Geneva R. Bennett dated November 17, 1953, across Tract 5 Bennett's Highland Addition Replat of North 322 feet of Tract 2, P. F. L. & I. Co.'s Highland Addition to Presser, Washington, according to the plat thereof recorded in Volume 4 of Plats, at page 65, Records of said county.

(15) Easement from Henry Anderson and Elmer Anderson dated February 20, 1953, from Snipes Road to residence in the South Half (S $\frac{1}{2}$ ) of Section 34, Township 10 North, Range 24 East of the Willamette Meridian.

(16) Easement from F. J. Nickerson and Marie Nickerson dated May 16, 1953, recorded on June 8, 1953, in Volume 125 of Deeds at page 549, in the office of the Auditor of said county.

(17) Easement from John D. Wilkins dated May 15, 1953, across the North Half of the Northwest Quarter ( $N\frac{1}{2}NW\frac{1}{4}$ ) of Section 7, Township 9 North, Range 24 East of the Willamette Meridian.

(18) Easement from Florence V. Wright dated October 8, 1952, across the North Half of the Southeast Quarter of the Southeast Quarter ( $N\frac{1}{2}SE\frac{1}{4}SE\frac{1}{4}$ ) of Section 14, Township 9 North, Range 25 East of the Willamette Meridian.

(19) Easement from Neal H. Evans dated October 7, 1952, across the Northeast Quarter of the Northeast Quarter of the Northeast Quarter ( $NE\frac{1}{4}NE\frac{1}{4}NE\frac{1}{4}$ ) of Section 3, Township 9 North, Range 24 East of the Willamette Meridian.

(20) Easement from Norman Everett Wilson dated October 8, 1952, across the South Half of the Southwest Quarter ( $S\frac{1}{2}SW\frac{1}{4}$ ) of Section 3, Township 9 North, Range 25 East of the Willamette Meridian.

(21) Easement from Max E. Benitz dated June 13, 1952, along a strip of land 20 feet wide along the north line of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section 15, Township 9 North, Range 25 East of the Willamette Meridian.

(22) Easement from Richard L. Smith dated July 10, 1952, along a strip of land 16 feet wide along the west line of the Southwest Quarter ( $SW\%$ ) of Section 15, Township 9 North, Range 25 East of the Willamette Meridian.

(23) Easement from W. H. Evans, Sr. dated January 12, 1952, across the east 652.5 feet of the Southwest Quarter of the Northwest Quarter ( $SW\%NW\frac{1}{4}$ ) of Section 11, Township 8 North, Range 24 East of the Willamette Meridian.



(24) Right-of-way Easement from E. W. R. Taylor, et al., dated October 31, 1922, and filed for record on December 4, 1922, in Volume 53 of the Records of Deeds at page 144 in the Office of the Auditor of said county.

(25) Assignment of right-of-way easement dated February 27, 1929, and recorded on February 27, 1929, in Volume 60 of Deeds at page 626, in the Office of the Auditor of said county.

(26) Assignment of right-of-way easement dated February 27, 1929, and recorded on February 27, 1929, in Volume 60 of Deeds at page 628, in the Office of the Auditor of said county.

G. Situated in the County of Hood River in the State of Oregon:

(1) Wire Line Agreement No. 19568 from Oregon-Washington Railroad & Navigation Company and Union Pacific Railroad Company granting easement over and along the right of way of the Railroad Companies.

(2) Easement from Jessie Williams dated December 7, 1956, located in the Southwest Quarter of the Northeast Quarter of the Southeast Quarter (SW $\frac{1}{4}$  NE $\frac{1}{4}$  SE $\frac{1}{4}$ ) of Section 10, Township 1 North, Range 10 East of the Willamette Meridian.

(3) Easement from Elton R. Muncie dated December 4, 1956, across the Northwest Quarter of the Southeast Quarter of the Southeast Quarter (NW $\frac{1}{4}$  SE $\frac{1}{4}$  SE $\frac{1}{4}$ ) of Section 10, Township 1 North, Range 10 East of the Willamette Meridian.

(4) Easement from Church of Christ dated November 29, 1956, across the Southwest Quarter of the Southeast Quarter ( SW $\frac{1}{4}$  SE $\frac{1}{4}$  ) of Section 10, Township 1 North, Range 10 East of the Willamette Meridian.

(5) Easement from Myrtle H. Travis dated March 13, 1959, over and across the building sit-

uate on the north 50 feet of Lot 20, Block 10, Pleasant View Addition, Hull's Subdivision, City of Hood River, Oregon.

(6) Easement from R. L. Calmettes dated January 7, 1959, across Lots 18 and 19, Block 10, Pleasant View Addition, Hull's Subdivision, City of Hood River, Oregon.

(7) Easement from Ethel and George Borton, Jr. dated September 22, 1958, across that portion of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian as described on page 57 of Deed Book 57 in the Courthouse of said county. The center line of said line to be one foot from the State Highway right-of-way line on the property.

(8) Easement from Marvin O. and Verona B. Borton, dated September 22, 1958, across that portion of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian as described at page 104 of Deed Book 57 in the Courthouse of said county. The center line of said line to be one foot from the State Highway right-of-way line on property side.

(9) Easement from Glen D. and Marilyn Jo Adams dated September 22, 1958, across that portion of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian as described in page 348 of Deed Book 60 in the Courthouse of said county. The center line of said line to be one foot from the State Highway right-of-way line on property side.

(10) Easement from Johnny G. Roberts and Charlotte L. Roberts dated July 24, 1958, across that portion of the Northwest Quarter of the Southeast Quarter (NW $\frac{1}{4}$ SE $\frac{1}{4}$ ) of Section 26, Township 2 North, Range 10 East of the Willamette Meridian as owned by the grantors, The center line of the easement to begin at a point ap-

proximately 30 feet west of the southeast corner of said property, thence northerly on a course bearing slightly west of north to the easterly line of the Duckwall Brothers, Inc. property.

(11) Easement from Elmer J. Day and Marguerite R. Day dated July 27, 1955, across the North Half of the Northwest Quarter of the Southeast Quarter (  $N\frac{1}{2}NW\frac{1}{4}SE\frac{1}{4}$  ) of Section 25, Township 2 North, Range 10 East of the Willamette Meridian.

(12) Easement from J. K. Gray and Norman Severson dated July 22, 1955, 19 feet, more or less, south of and parallel to the north line of Section 5, Township 1 North, Range 10 East of the Willamette Meridian, more particularly described as the Northeast Quarter of the Northwest Quarter ( $NE\frac{1}{4}NW\frac{1}{4}$ ) of said Section.

(13) Easement from Keith V. Vosberg and Dovie Mae Vosberg dated July 7, 1955, to place a line sixteen and one-half feet north and parallel to the south border of property located in the North Half of the Southeast Quarter of the Northwest Quarter ( $N\frac{1}{2}SE\frac{1}{4}NW\frac{1}{4}$ ) of Section 27, Township 2 North, Range 10 East of the Willamette Meridian.

(14) Easement from H. B. and M. L. Webber dated May 1, 1955, along the west side of existing county road lying in the Northwest Quarter of the Northeast Quarter ( $NW\frac{1}{4}NE\frac{1}{4}$ ) of Section 5, Township 1 South, Range 10 East of the Willamette Meridian.

(15) Easement from Walter M. Brock dated February 21, 1955, in a southeasterly direction over and across the Northwest Quarter of the Northeast Quarter of the Northeast Quarter ( $NW\frac{1}{4}NW\frac{1}{4}NE\frac{1}{4}$ ) of Section 35, Township 2 North, Range 10 East of the Willamette Meridian.

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(16) Easement from Verne and Audrey Sharkey dated November 17, 1954, across the Southeast Quarter of the Southeast Quarter ( $SE\frac{1}{4}SE\frac{1}{4}$ ) of Section 11, Township 1 North, Range 10 East of the Willamette Meridian.

(17) Easement from Neighbors of Woodcraft dated October 4, 1954, across the east end of property lying south of New Columbia River Highway at a point of intersection of New and Old Columbia River Highway, lying in the Northwest Quarter of the Southeast Quarter of the Southeast Quarter ( $NW\frac{1}{4}SE\frac{1}{4}SE\frac{1}{4}$ ) of Section 27, Township 3 North, Range 10 East of the Willamette Meridian.

(18) Easement from Frank B. and Gloria W. Arnold dated July 19, 1954, lying in the Northwest Quarter of the Southwest Quarter of the Southwest Quarter ( $NW\frac{1}{4}SW\frac{1}{4}SW\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian.

(19) Easement from Denton and Gladys Poole dated July 19, 1954, across the Southeast Quarter of the Northeast Quarter of the Northwest Quarter ( $SE\frac{1}{4}NE\frac{1}{4}NW\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian, and the Northeast Quarter of the Southeast Quarter of the Northwest Quarter ( $NE\frac{1}{4}SE\frac{1}{4}NW\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian.

(20) Easement from E. C. Leonard and D. F. Leonard dated July 16, 1954, across the Southeast Quarter of the Southeast Quarter of the Northwest Quarter ( $SE\frac{1}{4}SE\frac{1}{4}NW\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian.

(21) Easement from John C. and Nellie K. Wright dated July 16, 1954, across the Southeast Quarter of the Northwest Quarter of the Southwest Quarter ( $SE\frac{1}{4}NW\frac{1}{4}SW\frac{1}{4}$ ) of Section 21,

Township 2 North, Range 10 east of the Willamette Meridian.

(22) Easement from J. E. and Nellie Smith dated July 19, 1954, across the West Half of the Northeast Quarter of the Southwest Quarter ( $W\frac{1}{2} NE\frac{1}{4} SW\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian.

(23) Easement from Harry R. and May Linder dated July 16, 1954, across the Northwest Quarter of the Southwest Quarter of the Southwest Quarter ( $NW\frac{1}{4} SW\frac{1}{4} SW\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian.

(24) Easement from Jim Fulton dated March 18, 1954, across the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section 2, Township 2 North, Range 11 East of the Willamette Meridian.

(25) Easement from Robert W. and Shirley Chamberlain dated July 15, 1954, across the East Half of the Southeast Quarter of the Northwest Quarter ( $S\frac{1}{2} SE\frac{1}{4} NW\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian,

(26) Easement from L. A. E. Clark dated July 15, 1954, across the Northwest Quarter of the Southwest Quarter of the Southwest Quarter ( $NW\frac{1}{4} SW\frac{1}{4} SW\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian.

(27) Easement from Henry Marick dated July 3, 1954, across the Southwest Quarter of the Northwest Quarter ( $SW\frac{1}{4} NW\frac{1}{4}$ ) of Section 29, Township 1 North, Range 10 East of the Willamette Meridian.

(28) Easement from Alvin C. Flory and Hazel Flory dated July 2, 1954, along the property line one foot inside the southwest boundary lying in the Southwest Quarter of the Northeast Quarter

of the Southwest Quarter ( $SW\frac{1}{4} NE\frac{1}{4} SW\frac{1}{4}$ ) of Section 29, Township 1 North, Range 10 East of the Willamette Meridian.

(29) Easement from J. E. Traxtle dated February 20, 1954, across the South Half of the Southeast Quarter of the Southeast Quarter ( $S\frac{1}{2} SE\frac{1}{4} SE\frac{1}{4}$ ) of Section 10, Township 2 North, Range 10 East of the Willamette Meridian.

(30) Easement from M. Shibahara dated June 24, 1954, across the Southeast Quarter of the Southwest Quarter ( $SE\frac{1}{4} SW\frac{1}{4}$ ) of Section 29, Township 1 North, Range 10 East of the Willamette Meridian.

(31) Easement from M. S. Walton and Sylvia S. Walton dated June 23, 1954, across the Southeast Quarter of the Southeast Quarter of the Southeast Quarter ( $SE\frac{1}{4} SE\frac{1}{4} SE\frac{1}{4}$ ) of Section 30, Township 1 North, Range 10 East of the Willamette Meridian.

(32) Easement from Merlin and Martha C. Black dated June 24, 1954, across the Northeast Quarter of the Northwest Quarter of the Southwest Quarter ( $NE\frac{1}{4} NW\frac{1}{4} SW\frac{1}{4}$ ) of Section 29, Township 1 North, Range 10 East of the Willamette Meridian.

(33) Easement from Chester A. and Dorothy Smith dated June 19, 1954, across the Southwest Quarter of the Northwest Quarter of the Southwest Quarter ( $SW\frac{1}{4} NW\frac{1}{4} SW\frac{1}{4}$ ) of Section 21, and the Northwest Quarter of the Southwest Quarter of the Southwest Quarter ( $NW\frac{1}{4} SW\frac{1}{4} SW\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian.

(34) Easement from Hideo Suzuki dated June 23, 1954, across the South Half of the Southeast Quarter of the Southeast Quarter ( $S\frac{1}{2} SE\frac{1}{4}$ )

SE $\frac{1}{4}$ ) of Section 30, Township 1 North, Range 10 East of the Willamette Meridian.

(35) Easement from H. W. and Elizabeth S. Dykstra dated June 23, 1954, across the Southeast Quarter of the Southeast Quarter of the Southeast Quarter ( SE $\frac{1}{4}$  SE $\frac{1}{4}$  SE $\frac{1}{4}$  ) of Section 30, Township 1 North, Range 10 East of the Willamette Meridian.

(36) Easement from Mrs. M. A. Fike dated May 27, 1954, across the Southeast Quarter of the Southeast Quarter of the Southwest Quarter (SE $\frac{1}{4}$  SE $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 13, Township 2 North, Range 10 East of the Willamette Meridian.

(37) Easement from V. F. and Ada I. Hart dated June 15, 1954, across the Northwest Quarter of the Northwest Quarter of the Southwest Quarter (NW $\frac{1}{4}$  NW $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 27, Township 2 North, Range 10 East of the Willamette Meridian.

(38) Easement from E. A. and Clara G. Lippman dated June 15, 1954, across the Southwest Quarter of the Northwest Quarter of the Southwest Quarter ( SW $\frac{1}{4}$  NW $\frac{1}{4}$  SW $\frac{1}{4}$  ) of Section 27, Township 2 North, Range 10 East of the Willamette Meridian.

(39) Easement from A. L. Ditbenner dated June 16, 1954, across the Northwest Quarter of the Southwest Quarter of the Southwest Quarter (NW $\frac{1}{4}$  SW $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian.

(40) Easement from Arne W. and Kathleen C. Annala dated May 27, 1954, across the South Half of the Southeast Quarter of the Southwest Quarter (S $\frac{1}{2}$  SE $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 13, Township 2 North, Range 10 East of the Willamette Meridian.

(41) Easement from Sidney R. MacEwan dated April 6, 1954, across the Northwest Quarter of the Northeast Quarter of the Northeast Quarter

(NW $\frac{1}{4}$  NE $\frac{1}{4}$  NE $\frac{1}{4}$ ) of Section 8, Township 1 South, Range 10 East of the Willamette Meridian.

(42) Easement in form of letter from Standard Stations, Inc. dated March 31, 1954, across Standard Station No. 6302 in Hood River, Oregon.

(43) Easement from Armas E. and Evi Jakku dated May 4, 1953, across the Southwest Quarter of the Southeast Quarter of the Northeast Quarter (SW $\frac{1}{4}$  SE $\frac{1}{4}$  NE $\frac{1}{4}$ ) of Section 23, Township 2 North, Range 10 East of the Willamette Meridian.

(44) Easement from Lurita A. Colson dated April 21, 1953, across the South Half of the Northwest Quarter of the Southeast Quarter (S $\frac{1}{2}$  NW $\frac{1}{4}$  SE $\frac{1}{4}$ ) of Section 27, Township 2 North, Range 10 East of the Willamette Meridian.

(45) Easement from Della Z. Allen dated April 21, 1953, across the "West Half of the Southwest Quarter of the Southeast Quarter (W $\frac{1}{2}$  SW $\frac{1}{4}$  SE $\frac{1}{4}$ ) of Section 27, Township 2 North, Range 10 East of the Willamette Meridian.

(46) Easement dated April 17, 1953, from R. E. Creson, across the East Half of the Southeast Quarter of the Northwest Quarter (E $\frac{1}{2}$  SE $\frac{1}{4}$  NW $\frac{1}{4}$ ) of Section 34, Township 2 North, Range 10 East of the Willamette Meridian.

(47) Easement from E. C. Allegre dated April 22, 1946, along the west line of the property belonging to E. C. Allegre.

(48) Easement dated April 16, 1953, from Newt G. Lineberger across the Southwest Quarter of the Northeast Quarter of the Southwest Quarter (SW $\frac{1}{4}$  NE $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 22, Township 1 North, Range 10 East of the Willamette Meridian.

(49) Easement from A. B. and Mrs. D. B. Rush dated April 2, 1953, along the north line of that property lying in the Northwest Quarter of the Southwest Quarter (NW $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 34,



Township 2 North, Range 10 East of the Willamette Meridian.

(50) Easement from George Akiyama dated March 27, 1953, across the north portion of the Northeast Quarter of the Northwest Quarter ( $NE\frac{1}{4}NW\frac{1}{4}$ ), and the north portion of the Northwest Quarter of the Northeast Quarter ( $NW\frac{1}{4}NE\frac{1}{4}$ ) of Section 19, Township 2 North, Range 10 East of the Willamette Meridian.

(51) Easement from George K. and Beryl A. Oliver dated April 2, 1953, across the Northwest Quarter of the Southwest Quarter ( $NW\frac{1}{4}SW\frac{1}{4}$ ) of Section 34, Township 2 North, Range 10 East of the Willamette Meridian.

(52) Easement from the Port of Hood River dated March 11, 1953, across that part of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section 30, Township 3 North, Range 11 East of the Willamette Meridian as owned by the Port of Hood River.

(53) Easement from Darrel B. and Evelyn W. Stewart dated October 4, 1952, across the Northeast Quarter of the Northeast Quarter of the Northwest Quarter ( $NE\frac{1}{4}NE\frac{1}{4}NW\frac{1}{4}$ ) of Section 19, Township 1 North, Range 10 East of the Willamette Meridian.

(54) Easement from Lola B. Galligan (Mrs. H. S. Galligan) dated September 23, 1952, across the Northwest Quarter of the Northeast Quarter of the Northwest Quarter ( $NW\frac{1}{4}NE\frac{1}{4}NW\frac{1}{4}$ ) of Section 23, Township 2 North, Range 10 East of the Willamette Meridian.

(55) Easement from Hugo and Grace Paasch dated July 11, 1952, along the northern boundary of property lying in the Southeast Quarter of the Northeast Quarter of the Northeast Quarter ( $SE\frac{1}{4}NE\frac{1}{4}NE\frac{1}{4}$ ) of Section 12, Township 2 North, Range 10 East of the Willamette Meridian.

(56) Easement from J. O. Billingsley dated July 10, 1952, along southern boundary of property lying in the Northeast Quarter of the Northeast Quarter of the Northeast Quarter (NE $\frac{1}{4}$  NE $\frac{1}{4}$  NE $\frac{1}{4}$ ) of Section 12, Township 2 North, Range 10 East of the Willamette Meridian.

(57) Easement from Adolph L. Fuchs dated March 22, 1952, across that part located in the Northeast Quarter of the Northwest Quarter of the Northwest Quarter (NE $\frac{1}{4}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$ ) of Section 28, Township 2 North, Range 10 East of the Willamette Meridian.

(58) Easement from Quentin O. Fuchs dated April 9, 1952, across that part located in the Northeast Quarter of the Northwest Quarter of the Northwest Quarter (NE $\frac{1}{4}$  NW $\frac{1}{4}$  NW $\frac{1}{4}$ ) of Section 28, Township 2 North, Range 10 East of the Willamette Meridian.

(59) Easement from Hanel Lumber Co., Inc., dated March 15, 1952, across the northern part of property owned by the grantor lying in Section 10, Township 1 North, Range 10 East of the Willamette Meridian.

(60) Easement from Chester W. and Constance M. Shute dated March 18, 1952, crossing over the Northwest corner of that part of the property lying in the Northwest Quarter of the Southeast Quarter of the Southwest Quarter (NW $\frac{1}{4}$  SE $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 21, Township 2 North, Range 10 East of the Willamette Meridian located between the Mt. Hood Railroad tracks and the County Road.

(61) Easement from Clarence Byers dated March 20, 1952, to house now occupied by Eldon Rippee and located in the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$  SE $\frac{1}{4}$ ) of Section 11, Township 2 North, Range 10 East of the Willamette Meridian.

(62) Easement from Glen Allen Lenz dated February 23, 1952, across the southeast corner of property located in the Northeast Quarter of the Southeast Quarter of the Northeast Quarter ( $NE\frac{1}{4}SE\frac{1}{4}NE\frac{1}{4}$ ) of Section 10, Township 1 North, Range 10 East of the Willamette Meridian.

(63) Easement from Luther and Mary A. Jackson dated February 11, 1952, across the southeast corner along the highway approximately 65 feet from the south boundary of property located in the Northeast Quarter of the Southeast Quarter of the Northeast Quarter ( $NE\frac{1}{4}SE\frac{1}{4}NE\frac{1}{4}$ ) of Section 10, Township 1 North, Range 10 East of the Willamette Meridian.

(64) Easement from Mart Porterfield dated February 6, 1952, across the Southwest Quarter of the Southeast Quarter ( $SW\frac{1}{4}SE\frac{1}{4}$ ) of Section 28, Township 1 North, Range 10 East of the Willamette Meridian.

(65) Easement from Edwin C. Shaw and Louise Ann Shaw dated February 8, 1952, in the southeast corner of property on the north side of the road leading to property owned and occupied by Mart Porterfield and located in the Northwest Quarter of the Southeast Quarter of the Southeast Quarter ( $NW\frac{1}{4}SE\frac{1}{4}SE\frac{1}{4}$ ) of Section 28, Township 1 North, Range 10 East of the Willamette Meridian.

(66) Easement from P. F. and Elsie L. Kline-tobe dated February 9, 1952, across the northwest corner of property owned by P. F. and Elsie Kline-tobe lying in the Southwest Quarter of the Southeast Quarter of the Southeast Quarter ( $SW\frac{1}{4}SE\frac{1}{4}SE\frac{1}{4}$ ) of Section 2S, Township 1 North, Range 10 East of the Willamette Meridian.

(67) Easement from Roland F. Lewis and Mammie Lewis dated May 29, 1951, across that part

of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section 13, Township 1 North, Range 9 East of the Willamette Meridian owned by the grantors.

(68) Easement from Paul T. and Alfa Mohr dated December 27, 1948, across that part of the Northeast Quarter of the Southwest Quarter (NE $\frac{1}{4}$  SW $\frac{1}{4}$ ) of Section 24, Township 2 North, Range 10 East of the Willamette Meridian as owned by the above-named parties.

(69) Easement from Merle and Peggy Tolson dated December 23, 1948, across the Southeast Quarter of the Southwest Quarter of the Northeast Quarter (SE $\frac{1}{4}$  SW $\frac{1}{4}$  NE $\frac{1}{4}$ ) of Section 28, Township 2 North, Range 10 East of the Willamette Meridian.

(70) Easement from Main and Maggie Harms dated December 28, 1948, across the Northeast Quarter of the Southwest Quarter of the Northeast Quarter (NE $\frac{1}{4}$  SW $\frac{1}{4}$  NE $\frac{1}{4}$ ) of Section 28, Township 2 North, Range 10 East of the Willamette Meridian.

(71) Easement from John P. and Hansine Thomsen dated July 17, 1948, across tax lots described in Volume 12 at page 145 and in Volume 24 at page 151 of the Tax Record Volumes of said county.

(72) Easement from Madeline M. Glasgow, Virginia Hoyle and Dixie Lyda dated January 24, 1947, across 10 acres in the East Half of the East Half of the Southwest Quarter (E $\frac{1}{2}$  E $\frac{1}{2}$  SW $\frac{1}{4}$ ) of Section 19, Township 2 North, Range 11 East of the Willamette Meridian, being tax lot 22 described in Volume 31 at pages 457, 458 and 459 of the Deed Volumes of said county.

(73) Permit for a Metal Conduit from the County Court of Hood River County dated August

6, 1930, across the right of way of the county road leading from the Van Horn railway station to Pine Grove School at the following-described points: 21 feet east of the northwest corner of the Pine Grove Cemetery and 150 feet east of the property line running north and south forming the east boundary line of Market Road No. 2 at Van Horn station.

(74) Easement from Rose Thomas dated October 13, 1954, across a portion of the Southeast Quarter of the Northwest Quarter of the Southeast Quarter ( $SE\frac{1}{4}NW\frac{1}{4}SE\frac{1}{4}$ ) of Section 18, Township 1 North, Range 10 East of the Willamette Meridian.

(75) Easement from Crag Rats, Inc., dated October 14, 1954, across a portion of the Northwest Quarter of the Southeast Quarter of the Southeast Quarter ( $NW\frac{1}{4}SE\frac{1}{4}SE\frac{1}{4}$ ) of Section 27, Township 3 North Range 10 East of the Willamette Meridian.

(76) Easement from O. J. Severson and Lottie M. Severson dated October 15, 1954, across a portion in the Northeast Quarter of the Southwest Quarter of the Southeast Quarter ( $NE\frac{1}{4}SW\frac{1}{4}SE\frac{1}{4}$ ) of Section 18, Township 1 North, Range 10 East of the Willamette Meridian.

(77) Waiver and Permit from Ed Thornton dated September 11, 1926, conveying, among other things, an easement across grantor's property.

H. Situated in the County of Skamania in the State of Washington:

(1) Easement from the Secretary of the Army, under and by virtue of the authority vested in him by the act of Congress approved 27 May 1952 (66 Stat. 95) across a parcel of land lying in Section 21, Township 2 North, Range 7 East of the Wil-

lamette Meridian, said parcel being a strip of land 50 feet in width, 25 feet on each side of the following-described center line: beginning at Pole No. 8 of the Bonneville Power Administration's electric transmission line from Bonneville to North Bonneville, from which pole the northeast corner of said Section 21 bears north 49° 29' east a distance of 2,403.6 feet; thence north 34° 14' east 230 feet, more or less, to the southerly boundary of the right of way of the Spokane, Portland and Seattle Railway Company. The side lines of the north end of the above-described strip of land terminate in the south boundary of the Spokane, Portland and Seattle Railway Company's right of way.

*ALSO*, a parcel of land 50 feet in width, being 25 feet on each side of the following-described line: beginning at said pole No. 8 of the Bonneville Power Administration; thence south 34° 14' west 130 feet.

The parcels of land above described contain a total of 0.40 of an acre, more or less.

Subject to a lease dated 2 November 1951, granted to Wilco Lumber Co.

Subject to a permit dated 16 June 1952, granted to the United States Department of the Interior, Bonneville Power Administration to construct, use and maintain an electrical power transmission line.

(2) Easement from Minta McPeck dated June 8, 1942, across that tract of land in the Southwest Quarter of the Southeast Quarter (SW $\frac{1}{4}$  SE $\frac{1}{4}$ ) of Section 23, Township 4 North, Range 7 East of the Willamette Meridian described in deed from J. H. Murphy et ux. to L. D. McPeck et ux. recorded at page 290, Book "Y" of Deeds of said county.

(3) Easement from Rudolph C. Walter dated November 7, 1941, across that portion of the South-

west Quarter of the Southeast Quarter ( SW $\frac{1}{4}$  SE $\frac{1}{4}$  ) of Section 23, Township 4 North, Range 7 East of the Willamette Meridian lying west of the center of Wind River in said county.

(4) Easement from Beacon Lake Corporation dated January 24, 1941, across that portion of the south 400 feet of the Southeast Quarter of the Southeast Quarter (SE% SE%) of Section 26, Township 2 North, Range 6 East of the Willamette Meridian which lies north and west of the road which was designated as the North Bank Highway prior to June 16, 1927.

(5) Easement from Stephen A. Nelson and Eva V. Nelson dated February 7, 1941, across Government Lot 3, Section 35, Township 2 North, Range 6 East of the Willamette Meridian.

(6) Assignment of Easements dated January 24, 1940, and recorded on April 18, 1940, in Book 28 at pages 53 and 54 of the Records of Deeds of said county.

(7) Easement from Ernest Bannister and Hazel Bannister dated October 1, 1936, across the Northeast Quarter of the Southwest Quarter ( NE $\frac{1}{4}$  SW $\frac{1}{4}$  ) of Section 29, Township 3 North, Range 8 East of the Willamette Meridian.

(8) Easement from Ernest Bannister dated August 16, 1937, across the Northeast Quarter of the Southwest Quarter (NE% SW $\frac{1}{4}$  ) of Section 29, Township 3 North, Range 8 East of the Willamette Meridian from the connection with the main telephone line to the J. S. Gwynne Service Station on the south side of State Highway No. 8.

(9) Easement from Preston Ash and Bessie Young dated April 15, 1927, and recorded on May 17, 1927, in Book "V" of Deeds at page 312, records of said county.

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(10) Easement from Hugh B. Smith and Ida Smith dated March 5, 1928, and recorded on March 6, 1928, in Book "V" of Deeds at page 527, records of said county.

(11) Right-of-way Easement from Hugh B. Smith and Ida F. Smith, owners, and Myrtle Attwell, mortgagee, dated September 12, 1928, and recorded on November 16, 1928, in Book "W" at pages 45 and 46 of Deeds, records of said county.

(12) Right-of-way Easement from Frank H. Hapgood and Lena Hapgood dated February 21, 1928, and recorded on March 6, 1928, in Book "V" of Deeds at page 526, records of said county.

(13) Right-of-way Easement from F. H. Hapgood and Lena Hapgood dated September 12, 1928, and recorded November 16, 1928, in Book "W" of Deeds at page 43, records of said county.

(14) Consent to Change in Location from Interlaken Resort Company dated December 27, 1927, and recorded January 10, 1928, in Book "V" of Deeds at page 487, records of said county.

#### I. Miscellaneous:

(1) Wire Line Agreement No. 15094, dated March 14, 1930, between Oregon-Washington Railroad & Navigation Company, an Oregon corporation, hereinafter called "Grantor," and W. H. Reader, of Roosevelt, Washington, doing business under the firm name of "Reader Telephone Co." hereinafter called "Grantee," granting unto Grantee the right to reconstruct, maintain and operate a telephone wire line, consisting of three poles and the necessary wires and appurtenances, over and across the right of way and under the tracks of the Grantor, at or near Arlington, County of Gilliam, State of Oregon.

(2) Easements and rights granted by contract between United States of America, Columbia Utili-



ties Company and California-Oregon Telephone Company over lands and rights of way of the United States in Klamath County, Oregon, as follows :

*Parcel-1* A-Canal in Sections 28, 33, and 34, Township 38 South, Range 9 East, Willamette Meridian, and in Sections 2, 3, and 11, Township 39 South, Range 9 East, Willamette Meridian, substantially located as shown on the print of the United States Department of the Interior, Bureau of Reclamation drawing No. 12-201-637, dated September 10, 1957, marked Exhibit "A" attached hereto and made a part hereof;

*Parcel-2*, C-4 Lateral, in Sections 1 and 2, Township 40 South, Range 9 East, Willamette Meridian,

C- Canal, in Sections 1 and 12, Township 40 South, Range 9 East, Willamette Meridian,

and C-6 Lateral, in Section 12, Township 40 South, Range 9 East, Willamette Meridian,

substantially located as shown on the print of the United States Department of the Interior, Bureau of Reclamation drawing No. 12-201-638, dated September 10, 1957, marked Exhibit " B" attached hereto and made a part hereof;

and over any lands and rights of way not included in such description and maps but which are occupied by any of the telephone system of the United States mentioned in such contract.

#### IV.

The poles, supports, towers, crossarms, conduits, subways, underground pipes, cables, wires, fixtures, apparatus and other equipment constructed or acquired since the de-

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livery of the Third Supplemental Indenture, including the following toll lines:

BETWEEN	AND
Goldendale, Washington	Bickleton, Washington
White Salmon, Washington	Stevenson, Washington
Merrill, Oregon	Malin, Oregon
Merrill, Oregon	State line en route to Tulelake, California
Merrill, Oregon	State line en route to Newell, California
Merrill, Oregon	State line en route to Perez, California
Klamath Falls, Oregon	State line en route to Perez, California
Klamath Falls, Oregon	State line en route to Tulelake, California
Malin, Oregon	A point 5 miles from Malin en route to Klamath Falls, Oregon
Bonanza, Oregon	Lorella, Oregon
Oakridge, Oregon	McCredie Springs, Oregon
White City, Oregon	Medford, Oregon
White City, Oregon	Shady Cove, Oregon
White City, Oregon	Butte Falls, Oregon
White City, Oregon	Prospect, Oregon
White City, Oregon	Crater Lake, Oregon
Prospect, Oregon	Union Creek, Oregon
Prospect, Oregon	Diamond Lake, Oregon
White City, Oregon	Lake O 'The Woods, Oregon, with side lines to Fish Lake, Oregon, and Big Elk, Oregon
White City, Oregon	Howard Prairie, Oregon

The Company's leasehold estate and interest under and pursuant to the following leases:

(1) Lease dated July 25, 1956, between the Company and the United States of America, by the Contracting Officer of the Department of the Interior, Fish and Wildlife Service, executing said agreement, hereinafter referred to as the '( Government."

(2) Lease dated July 1, 1947, between Z. O. Brooks and the Company covering real property described as: The West sixteen and one-half feet more or less of the building now upon Lot 2, Block 13 in Golden's First Addition to the town of Goldendale, Washington; running in term as of July 1st, 1947 for a period of 25 years.

(3) Lease dated June 1, 1949, between Earl R. Dean and Mamie A. Dean, husband and wife, and Company, covering real property described as: The first floor of the building on that portion of Lot 2, Block 1, of the original town of White Salmon, Klickitat County, Washington, described as follows: Beginning at a point on the south line of said Lot 2, which bears S. 71°32' E., a distance of 16 feet from the southwest corner of said Lot 2, thence S. 71° 32' E. along said south line a distance of 26 feet; thence northerly, parallel with the east line of said Lot 2, a distance of 47 feet; thence N. 71°32' W. 16 feet, thence northerly, parallel with the west line of said Lot 2 to the north line of said Lot 2; thence west along said north line to a point that is a parallel distance of 16 feet from the West line extended of said Lot 2; thence southerly parallel with said west line to a point of beginning; running in term as of June 1st, 1949, for a period of 25 years.

(4) Lease dated November 1, 1955, between W. M. Bennett and Gertrude Bennett, husband and wife, and

the Company covering real property described as: the west half of the basement in the Consolidated Building located on Lots 1 and 2, Block 2, original Town of Burns, Harney County, Oregon; running in term from the 1st day of November, 1955, to and including the 1st day of November, 1960.

(5) Lease dated April 6, 1957, between Oregon-Washington Railroad & Navigation Company, an Oregon corporation, and its Lessee, Union Pacific Railroad Company, a corporation of the State of Utah, and the Company, covering real property at Sunnyside, Washington, running in term beginning on the 18th day of March, 1957, and extending to and including the 18th day of February, 1962.

(6) Lease dated October 1, 1956, between the Company and Byron Copenhofer, covering real property described as: A certain space, said space being an area of six (6) feet by eight (8) feet of floor space, in the owner's building located in the town of Centerville, Washington; running in term for a period of five years.

(7) Lease dated June 3, 1950, by Dellman O. Hood and Elizabeth V. Hood, husband and wife, and Ernest R. Hood and Ina Harrison Hood, husband and wife, to Columbia Utilities Company, covering real property described as: the westerly 85.75 feet of Lot Five (5) (excepting that part thereof occupied by small frame building wherein the agency of the Oregon Liquor Control Commission is located) and all of Lot Six (6), excepting the northerly forty (40 ) feet thereof; all in Block Twenty-eight (28) in Merrill in Klamath County, Oregon, together with the buildings on the said premises; running in term from June 1, 1950, through October 31, 1970.

(8) Lease dated February 19, 1959, between White City Realty Co., an Oregon corporation, and Columbia

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Utilities Company covering real property described as: that tract or parcel of land situated in the Southeast Quarter (SE $\frac{1}{4}$ ) of Section 17, Township 36, South, Range 1 West, Willamette Meridian, Jackson County, Oregon, and more fully described as follows: Commencing at the intersection of center lines of Crater Lake Highway (Oregon No. 62) and Avenue " G" (private road) ; thence north 89° 48' 00" west 663.85 feet along center line of said Avenue "G" (private road) ; thence South 0° 12'00" West 40.00 feet to Southerly line of Avenue "G" (private road) and true point of beginning; thence continue South 00 12'00" West 47.00 feet; thence South 36°23'20" West 201.97 feet; thence North 89° 48' 00" West 80.75 feet; thence North 0° 12' 00" East 210.00 feet to Southerly line of Avenue " G" (private road) ; thence South 89°48' 00" East 200.00 feet along said Southerly road line to point of beginning, containing 0.74 acres, more or less; which real property is hereinafter referred to as "Basic Premises"; together with Avenue "G" a private road, adjoining the premises above described on the North thereof, as the same is now laid out and travelled, from a northerly extension of the westerly sideline of the Basic Premises to the westerly sideline of Crater Lake Highway; running in term for a period of 50 years beginning January 1, 1959.

To HAVE AND To HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Inden-

ture, the Second Supplemental Indenture, the Third Supplemental Indenture and this Fourth Supplemental Indenture, it being agreed as follows, to wit:

## ARTICLE ONE

### SERIES E BONDS

Section 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series E" (hereinafter sometimes referred to as "Series E bonds" or "bonds of Series E"). Series E bonds shall be coupon bonds of the denomination of \$1,000 each, registerable as to principal, and fully registered bonds without coupons of the denomination of \$1,000 and multiples thereof. The coupon bonds of Series E shall be dated June 1, 1959, and the registered bonds of Series E without coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series E bonds shall mature June 1, 1989, and shall bear interest at the rate of five and one-eighth per cent ( $5\frac{1}{8}\%$ ) per annum from their respective dates, such interest to be payable semiannually on the first day of June and the first day of December in each year. Both the principal of and interest on bonds of Series E shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series E, the Trustee's certificate with respect to Series E bonds and the coupons appertaining to Series E coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series E shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal

to the then applicable percentage of the principal amount thereof.

If redeemed on or before June 1, 1960	— 5.125%
Thereafter and on or before June 1, 1961	— 5.00%
Thereafter and on or before June 1, 1962	— 4.85%
Thereafter and on or before June 1, 1963	— 4.70%
Thereafter and on or before June 1, 1964	— 4.55%
Thereafter and on or before June 1, 1965	— 4.40%
Thereafter and on or before June 1, 1966	— 4.25%
Thereafter and on or before June 1, 1967	— 4.10%
Thereafter and on or before June 1, 1968	— 3.95%
Thereafter and on or before June 1, 1969	— 3.80%
Thereafter and on or before June 1, 1970	— 3.65%
Thereafter and on or before June 1, 1971	— 3.50%
Thereafter and on or before June 1, 1972	— 3.35%
Thereafter and on or before June 1, 1973	— 3.20%
Thereafter and on or before June 1, 1974	— 3.00%
Thereafter and on or before June 1, 1975	— 2.80%
Thereafter and on or before June 1, 1976	— 2.60%
Thereafter and on or before June 1, 1977	— 2.40%
Thereafter and on or before June 1, 1978	— 2.20%
Thereafter and on or before June 1, 1979	— 2.00%
Thereafter and on or before June 1, 1980	— 1.80%
Thereafter and on or before June 1, 1981	— 1.60%
Thereafter and on or before June 1, 1982	— 1.40%
Thereafter and on or before June 1, 1983	— 1.20%
Thereafter and on or before June 1, 1984	— 1.00%
Thereafter and on or before June 1, 1985	— .80%
Thereafter and on or before June 1, 1986	— .60%
Thereafter and on or before June 1, 1987	— .40%
Thereafter and on or before June 1, 1988	— .20%
Thereafter and prior to maturity, without premium;	

provided, however, that no bond shall be redeemable, in whole or in part, at anytime prior to June 1, 1964, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Cornpan yand provided further that the bonds of Series E shall be subject to redemption in part from time to time through the

operation of the sinking fund as provided in Section 1.03 at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees that so long as any Series E bonds are outstanding hereunder it will, in each of the years 1960-1988, both inclusive, not less than thirty (30) days prior to June 1st of such year, deposit with the Trustee, as and for a sinking fund for Series E bonds, moneys sufficient (when increased by the payment of accrued interest to such June 1st) to redeem on such June 1st, Series E bonds in aggregate principal amount equal to one per cent (170 ) of the total aggregate principal amount of Series E bonds authenticated and delivered to and including such June 1st (exclusive of Series E bonds in exchange or substitution for which other bonds of Series E may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.05 hereof). On each such June 1st, the Trustee shall, insofar as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series E bonds.

Provided, however, that in lieu of depositing all or a part of such moneys the Company may deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series E, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than par.

The redemption price for Series E bonds redeemed for the purposes of the sinking fund created by this Section shall be the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without any premium.

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No bonds of any other series shall be entitled to the benefits of the sinking fund created under this Section.

Section 1.04. Series E bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to Sections 8.11, 8.14, 9.02 and 11.04 of the Original Indenture shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof.

In the event that all or any part of the bonds of Series E shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

Section 1.05. Fully registered bonds of Series E, upon surrender thereof at the main office of the Trustee, may be exchanged for the same aggregate principal amount of fully registered bonds of that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to

be paid by the Company or the Trustee, and in addition a further sum not in excess of the lesser of (1) the actual cost of the preparation of each new bond issued upon such exchange and the charges of the Trustee in connection therewith, and (2) Two Dollars (\$2 ) per bond. The original registered owner of the \$1,000,000 of Series E fully registered bonds, without coupons initially issued under Section 1.07 hereof shall, however, have the privilege of exchanging without charge to it for one or more coupon bonds any such fully registered bond so initially issued to it and any fully registered bond which has become substituted for a portion of such a fully registered bond or for several such fully registered bonds.

Section 1.06. Fully registered bonds of Series E shall be numbered "R-1" and consecutively upwards. Coupon bonds of Series E shall be numbered "M-1" and consecutively upwards.

Section 1.07. Upon the execution of this Fourth Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series E in the form of fully registered bonds without coupons in the aggregate principal amount of One Million Dollars (\$1,000,000).

## ARTICLE TWO

### ADDITIONAL PROVISIONS

Section 2.01. So long as any Series E bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any share of its common stock, nor to the payment of any dividend or other disbursement thereon (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the

sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions made in shares of capital stock) subsequent to December 31, 1958, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to December 31, 1958, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to December 31, 1958, would exceed the Company's net income since said date (treated as one accounting period), plus Two Hundred Thousand Dollars (\$200,000).

Section 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Fourth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.03. All newspaper notices with respect to Series E bonds shall be published in a newspaper published and of general circulation in the Borough of Manhattan, in the City and State of New York, as well as in one so published and of general circulation in the City of Chicago, Illinois.

Section 2.04. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series E, the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

Section 2.05. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture and the Third

Supplemental Indenture are hereby in all respects ratified and confirmed.

Section 2.06. This Fourth Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and E. L. Blaine, Jr. has hereto set his hand and seal, all as of June 1, 1959, but this instrument has been actually executed and delivered the First day of June, 1959.

OREGON-WASHINGTON TELEPHONE  
COMPANY

(CORPORATE SEAL)

By E. R. DEAN

*President*

ATTEST:

Z. O. BROOKS

*Secretary*

Signed, sealed and acknowledged by Oregon-Washington Telephone Company in the presence of:

KAY M. WALTER

O. R. COWIN

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PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE

(CORPORATE SEAL)

By E. R. MACKAY  
*Trust Officer*

ATTEST:

WALTER T. BAGNALL  
*Trust Officer*

Signed, sealed and acknowledged by Peoples National Bank of Washington in Seattle in the presence of:

KAY M. WALTER  
O. R. COWIN

E. L. BLAINE, JR.

.....  
E. L. BLAINE, JR,

Signed, sealed and acknowledged by E. L. Blaine, Jr. in the presence of:

KAY M. WALTER  
O. R. COWIN

STATE OF WASHINGTON }  
COUNTY OF KING } Ss.

On this 1 day of June, 1959, before me, the undersigned officer, appeared E. R. DEAN and Z. O. BROOKS, to me personally known, who, being duly sworn, did acknowledge themselves to be President and Secretary, respectively, of Oregon-Washington Telephone Company, a corporation, and that said instrument was signed and sealed by E. R. DEAN as such President in behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that Z. O. BROOKS as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

(NOTARIAL SEAL)                      EMILY DETTENMAYER  
*Notary Public in and for said  
County and State  
Residing at Seattle.*

My Commission expires: August 30, 1961

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STATE OF WASHINGTON }  
 COUNTY OF KING } Ss.

On this 1 day of June, 1959, before me, the undersigned officer, personally appeared E. R. MACKAY and WALTER T. BAGNALL, to me known to be Trust Officers of Peoples National Bank of Washington in Seattle, the national banking association which executed the within and foregoing instrument, and E. R. MACKAY as Trust Officer acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that he was authorized to execute said instrument, and WALTER T. BAGNALL as Trust Officer on oath, stated that he was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

(NOTARIAL SEAL)                      EMILY DETTENMAYER  
*Notary Public in and for the State  
 of Washington residing at Seattle,  
 Washington*

My commission expires: August 30, 1961

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STATE OF WASHINGTON }  
COUNTY OF KING } Ss.

On this 1 day of June, 1959, before me, the undersigned officer, personally appeared E. L. BLAINE, JR., to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

(NOTARIAL SEAL)                      EMILY DETTENMAYER  
*Notary Public in and for the State  
of Washington residing at ii'cattle,  
Washington,*

My commission expires: August 30, 1961

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STATE OF WASHINGTON }  
COUNTY OF KING } ss.

I, the undersigned, being first duly sworn, depose and say that I am President of Oregon-Washington Telephone Company, a corporation organized and existing under and by virtue of the laws of the State of Oregon; that said corporation has duly authorized me to make this affidavit for it and in its behalf; that the foregoing fourth supplemental indenture is executed in good faith by said corporation and without any design to hinder, delay or defraud creditors, but to secure the payment of an actual advance of money as in said instrument provided,

E. R. DEAN

Subscribed and sworn to before me this 1 day of June, 1959.

(NOTARIAL SEAL)      EMILY DETTENMAYER  
*Notary Public in and for the State  
of Washington, residing at Seattle,  
Washington.*

My commission expires: August 30, 1961

REVENUE STAMPS

United States Revenue stamps in the sum of \$1,100 have been affixed to a counterpart filed with the corporate trustee and properly cancelled.

## RECORDING DATA

Recording data on Fourth Supplemental Indenture, and Additional Recordings on Original Indenture and First, Second and Third Supplemental Indentures.

## STATE OF OREGON

## Fourth Supplemental Indenture

<u>county</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
Deschutes	Mtgs., pp. 55-148	Indexed as C/M	6-3-59
Gilliam	Vol. 2, pp. 173-219	Indexed as C/M	6-4-59
Grant	Book 31, pp. 564-611	Indexed as C/M	6-3-59
Harney	Book A-1, pp. 139-186	Indexed as C/M	6-3-59
Hood River	Book 47, pp. 384-430	Indexed as C/M	6-3-59
Jackson	Book 359, pp. 564-657	Indexed as C/M	6-4-59
Klamath	Book 190, pp. 262-356	Indexed as C/M	6-4-59
Lake	Book 48, pp. 662-709	Indexed as C/M	6-3-59
Lane	R-133-59-M, Inst. # 69658	Indexed as C/M	6-5-59
Malheur	Book 91, pp. 343-436	Indexed as C/M	6-3-59
Wasco	Book 92, pp. 361-407	Indexed as C/M	6-3-59

Concurrently with the above recordings of the Fourth Supplemental Indenture, recordings have also been made of the following documents in the following additional counties in the State of Oregon:

<u>county</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
(a) Original Indenture, dated as of January 1, 1946			
Gilliam	Vol. 2, pp. 68-124	Indexed as C/M	5-21-59
Jackson	Book 359, pp. 366-479	Indexed as C/M	6-4-59
Klamath	Book 190, pp. 440-551	Indexed as C/M	6-4-59
Lane	R-133-59-M, Inst. #69560	Indexed as C/M	6-4-59
(b) First Supplemental Indenture, dated as of April 1, 1948			
Gilliam	Vol. 2, pp. 125-136	Indexed as C/M	5-21-59
Jackson	Book 359, pp. 480-504	Indexed as C/M	6-4-59
Klamath	Book 190, pp. 416-439	Indexed as C/M	6-4-59
Lane	R-133-59-M, Inst. #69561	Indexed as C/M	6-4-59
(c) Second Supplemental Indenture, dated as of January 1, 1951			
Gilliam	vol. 2, pp. 137-153	Indexed as C/M	5-21-59
Jackson	Book 359, pp. 505-537	Indexed as C/M	6-4-59
Klamath	Book 190, pp. 353-415	Indexed as C/M	6-4-59
Lane	R-133-59-M, Inst. #69562	Indexed as C/M	6-4-59
(d) Third Supplemental Indenture, dated as of September 1, 1954			
Gilliam	Vol. 2, pp. 154-166	Indexed as C/M	5-21-59
Jackson	Book 359, pp. 538-563	Indexed as C/M	6-4-59
Klamath	Book 190, pp. 357-382	Indexed as C/M	6-4-59
Lane	R-133-59-M, Inst. #69653	Indexed as C/M	6-4-59

STATE OF WASHINGTON  
Fourth Supplemental Indenture

<u>county</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Filed as a Chattel Mortgage in</u>	<u>Date</u>
Benton	Book 132, pp. 25-72, File No. 417960	File No. 417961	6-4-59
Klickit at	Book 89, Mtgs., File No. 91176	File No. 91175	6- 3-59
Skamania	Book 35, pp. 296-389, File No. 55405	File No. 55406	6- 3-59
Yakima	Book 475, pp. 647-739, File No. 1776545	File No. 57654	6- 3-59

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OREGON-WASHINGTON TELEPHONE COMPANY

To

PEOPLES NATIONAL BANK OF WASHINGTON

AND

E. L. **BLAINE**, JR.  
TRUSTEES

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**Fifth Supplemental  
Indenture**

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DATED AS OF JULY 1, 1960

## **This Fifth Supplemental Indenture,**

dated as of July 1, 1960, by and between OREGON-WASHINGTON TELEPHONE COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said State (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington, and E. L. BLAINE, JR., of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the "Trustee" and the "Individual Trustee" and collectively as the Trustees") :

WHEREAS, the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS, the Company has executed and delivered to the Trustees a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture

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dated as of September 1, 1954 and a Fourth Supplemental Indenture dated as of June 1, 1959, amending and supplementing such Original Indenture pursuant to which Supplemental Indentures the Company has issued its First Mortgage Bonds, Series B, C, D, and E;

WHEREAS, by the terms and provisions of Section 8.08 of the Original Indenture of Mortgage and Deed of Trust as of January 1, 1946, above referred to, it is provided that upon the occasion of acquisition by the Company of any item of "fixed property" costing \$25,000.00 or more, the Company will execute and deliver to the Trustees, above named and referred to, an indenture supplemental to such Original Indenture of Mortgage and Deed of Trust of January 1, 1946, specifically subjecting to the lien of such Indenture of Mortgage and Deed of Trust (now including the liens of the four existing supplements to such Indenture of Mortgage and Deed of Trust, hereinbefore specifically identified) all items of "fixed property" acquired by the Company to and including the date of such instrument (with exceptions not here pertinent); and

WHEREAS, "fixed property" is defined under the terms of Section 4.01 of said Original Indenture of Mortgage and Deed of Trust of January 1, 1946 as being:

"Fixed Property" shall mean all of the Company's physical property, plant and equipment, real, personal and mixed, wherever located, which is of such a nature as to be properly chargeable to capital account and is in fact so charged, and which is used or is to be used as a part of its permanent and fixed investment in its business as a telephone operating company. Such term shall not, however, include (a) any office furniture, furnishings or equipment; (b) any property of the nature of that expressly excluded from the lien of this Indenture by the granting clauses hereof; (c) the cost of any paving or

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other public improvement assessed against the Company by, or paid by the Company to, any taxing authority; or (d) any good will or going concern value or value attributable to any franchise or governmental permit;

and

WHEREAS, the Company is acquiring, coincidentally with execution hereof, certain "fixed property" hereinafter in this Indenture more particularly described, and has recently acquired, additionally, certain "fixed property" described as being:

All the following described real property situate in Klamath County, Oregon:

The West 85.75 feet of Lot 5, Block 28, Original town of Merrill, Oregon, and more particularly described as follows: Beginning at a point on the South line of said Lot 5, Block 28, Original Town of Merrill, Oregon, which point is West a distance of 30.0 feet from the Southeast corner of said Lot; thence West 85.75 feet to the Southwest corner of said Lot 5; thence North 62.5 feet to the Northwest corner of said Lot 5; thence East, along the North line of said Lot 5 to a point which is 30.0 feet West of the Northeast corner of said Lot 5; thence South a distance of 62.5 feet to the point of beginning.

Also the South 22.5 feet of Lot 6, Block 28, Original Town of Merrill, Oregon;

And also:

Lots Five (5) and Six (6), Block Twenty-one (21), SUNNYSIDE, Washington, according to the official plat thereof on file and of record in the office of the Auditor of Yakima County, Washington, recorded in Volume "A" of Plats, Page 59, records of Yakima County, Washington, together with the appurtenances and water rights thereunto belonging.

and desires, pursuant to the covenants and provisions of

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the original Indenture of Mortgage and Deed of Trust of January 1, 1946, to confirm in the Trustees title to such property with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS, all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make these presents, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture (said five instruments at the date hereof constituting the "Indenture" as that term is defined in the original Indenture of Mortgage and Deed of Trust of January 1, 1946 and being herein collectively so called), a valid mortgage to secure the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and rateably in accordance with the terms of said bonds, have been done and performed.

NOW, THEREFORE, THIS **FIFTH SUPPLEMENTAL INDENTURE WITNESSETH:**

That Oregon-Washington Telephone Company, in consideration of the premises, and of the acceptance by the Trustee of the trusts hereby created, and of the sum of ONE DOLLAR in lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, and in performance of its obligations as prescribed in Section 8.08 of the original Indenture of Mortgage and Deed of Trust dated on January 1, 1946 does, in order to secure the payment both of principal and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds,



without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, aliened, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the delivery of the Fourth Supplemental Indenture or not described in the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture and Fourth Supplemental Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following, together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining:

I

The following described real estate, together with all improvements thereon:

(a) Situated in the County of **Klamath** in the State of Oregon, to-wit:

**Parcel 1:** The West 85.75 feet of Lot 5, Block 28, Original town of Merrill, Oregon, and more particularly described as follows: Beginning at a point on

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the South line of said Lot 5, Block 28, Original Town of Merrill, Oregon, which point is West a distance of 30.0 feet from the Southeast corner of said Lot; thence West 85.75 feet to the Southwest corner of said Lot 5; thence North 62.5 feet to the Northwest corner of said Lot 5; thence East, along the North line of said Lot 5 to a point which is 30.0 feet West of the Northeast corner of said Lot 5; thence South a distance of 62.5 feet to the point of beginning.

Also the South 22.5 feet of Lot 6, Block 28, Original Town of Merrill, Oregon.

(b) Situated in the County of Deschutes in the State of Oregon, to-wit:

**Parcel 1:** Redmond Office: Lot #3 in Block #26, in the original townsite of Redmond, according to the duly recorded map and plat thereof on file in the office of the County Clerk of said County and State.

**Parcel 2:** Lot One (1) and Two (2) of Block Twenty-six (26) Original Townsite of Redmond, according to the official map and plat thereof on record in the office of the County Clerk of Deschutes County, Oregon. (Now under contract of purchase).

**Parcel 3:** Redmond Pole Yard: That portion of Northwest quarter of Northeast Quarter ( $NW\frac{1}{4}$   $NE\frac{1}{4}$ ) of Section 21, Township 15 South, Range 13 East of the Willamette Meridian, bounded as follows: Starting at the northeast corner of said Section 21 as the initial point and running thence North 890 18' West 1321.37 feet to the northeast corner of said Northwest Quarter of Northeast Quarter; thence South 60 31' West 26.16 feet to the point of beginning; thence South 10 02' West along the east line of said Northwest Quarter of Northeast Quarter 116.05 feet; thence South 49° 55' West 227.50 feet; thence North 620 50' West 29.68 feet; thence North 270 10' East 266.35 feet; thence north 810 45' East 82.18 feet to the point of beginning, containing 0.545 acres, more or less: subject to reservations as con-

tained in Government patent and State deed to said premises.

**Parcel 4:** Sisters Office: That portion of Lot numbered Seven (7) in Block numbered Two (2) of Davidson's Addition to the town of Sisters, bounded as follows: Commencing at the northwest corner of said Lot; thence southerly along the west line of said Lot a distance of Twenty (20) feet; thence east-  
erly on a line parallel to the north line of said Lot a distance of twenty-eight (28) feet; thence northerly on a line parallel to the west line of said Lot a distance of twenty (20) feet to the North line of said Lot; thence westerly along the north line of said Lot a distance of twenty-eight (28) feet to said northwest corner of said Lot. All according to the official map and plat of said addition now on file in the office of the County Clerk of said County and State.

(c) Situated in the County of Jefferson in the State of Oregon, to-wit:

**Parcel 1:** Culver office: The West 20 feet of Lot 6, Block 18, PLAT OF CULVER, in the County of Jefferson and State of Oregon.

(d) Situated in the County of Yamhill in the State of Oregon, to-wit:

**Parcel 1:** Sheridan office: Part of Lots 1, 2, 7 and 8 in Block 2 of the Original Town of Sheridan in Yamhill County, Oregon, described as follows: Beginning at a point on the West line of Bridge Street 124 feet North  $4\frac{1}{2}^{\circ}$  West from the Southeast corner of said Lot 8, Block 2; thence South  $85\frac{1}{2}^{\circ}$  West 80 feet; thence North  $4\frac{1}{2}^{\circ}$  West 40 feet to the Southeast corner of tract conveyed to Bernard J. Miller and wife by deed recorded March 11, 1954 in Book 172, Page 540, Deed Records; thence North  $85\frac{1}{2}^{\circ}$  East along the South line of said Miller tract 80 feet to the West line of said Bridge Street; thence South  $4\frac{1}{2}^{\circ}$  East along the West line of said Bridge Street 40 feet to the point of beginning.

**Parcel 2:** Sheridan Pole Yard: Lots 1 and 2 in Block 1 of VAN 00 STRAM'S ADDITION to the Town of Sheridan, in Yamhill County, Oregon.

**Parcel 3:** Willamina office: A part of Lot 8, Block 3 of the Original Town of Willamina in Yamhill County, Oregon more particularly described as follows :

Beginning at the most Westerly corner of said Lot 8; thence North 64° 30' East along the Northerly line of said Lot, 25 feet; thence South 24° 30' East, parallel with the Westerly line of said Lot, 104.30 feet to the Southerly line thereof; thence South 64°30' West along said Southerly line 25 feet to the most Southerly corner of said Lot 8; thence North 24° 30' West along the Westerly line of said Lot, 104.30 feet to the place of beginning, together with an easement for ingress and egress to and from said tract described as follows:

Beginning at a point on the Northerly line of said Lot 8 that is North 64° 30' East 25 feet from the most Westerly corner of said Lot; thence continuing North 64° 30' East along the Northerly line of said Lot and continuation thereof 34.13 feet to the Westerly line of D street; thence South 24°30' East along the Westerly line of said Street 7 feet; thence South 64°30' West, parallel with the Northerly line of said Lot 8, 34.13 feet; thence North 24° 30' West 7 feet to the place of beginning.

(e) Situated in the County of Yakima in the State of Washington, to-wit:

Lots Five (5) and Six (6), Block Twenty-one (21), SUNNYSIDE, Washington, according to the official plat thereof on file and of record in the office of the Auditor of Yakima County, Washington, recorded in Volume "A" of Plats, Page 59, records of Yakima County, Washington, together with the appurtenances and water rights thereunto belonging.

II

(a) All improvements and structures, offices, buildings and exchanges which now are or hereafter shall be located, erected or placed upon any of the lands and premises hereinbefore described or hereafter acquired by the Company.

(b) All equipment, switchboards, machinery, tools and appliances of every kind and nature, located in and upon and necessary or used or useful in and about the maintenance or operation of any of the premises hereinbefore described, and now or in the future owned by the Company, or necessary or useful in or about the maintenance or operation of any of the telephone exchanges now and in the future located or conducted there in, including all of the equipment, switchboards, machinery, tools and appliances of every kind and nature located in and upon, and necessary or used or useful in and about the maintenance or operation of any of the telephone exchanges now owned or operated in Redmond and Sisters in Deschutes County, Oregon; Culver and Metolius in Jefferson County, Oregon; Sheridan and Willamina in Yamhill County, Oregon; and Grand Ronde in Polk County, Oregon.

(a) All franchises, grants, permits, easements, licenses, rights and privileges to construct, maintain and operate poles, wires and other necessary equipment with which to transmit, relay and receive messages and images by telephone, telegraph, teletype, telephoto, radio and television, or by any other means whereby messages and images may now or hereafter be transmitted, relayed and/or received in, over, upon, under or through streets, avenues, roads, alleys, lanes and other public and private

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places in Redmond and Sisters and elsewhere in Deschutes County, Oregon; Culver and Metolius and elsewhere in Jefferson County, Oregon; Sheridan and Willamina and elsewhere in Yamhill County, Oregon; and Grand Ronde and elsewhere in Polk County, Oregon; heretofore and hereafter granted to the Company, or to its predecessors in interest, and now or hereafter held and enjoyed by the Company, including:

A. Situated in the County of Crook in the State of Oregon:

(1) Easement from Ernst Bros. by Edwin Ernst, dated July 18, 1958, upon  $NE\frac{1}{4}$  in Sec. 17, Twp. 16 S, Range 14 E, W. M., in Crook County, Oregon.

B. Situated in the County of Deschutes in the State of Oregon:

(1) Easement from Jos. L. Berchtold, dated May 20, 1931, upon  $NE\frac{1}{4}NW\frac{1}{4}$  in Sec. 18, Twp. 15 S, Range 13 E, W.M., in Deschutes County, Oregon.

(2) Easement from H. P. Belknap, dated May 22, 1931, upon  $SE\frac{1}{4}SE\frac{1}{4}$  in Sec. 11, Twp. 15 S, Range 12 E, W.M., in Deschutes County, Oregon.

(3) Easement from Clara B. Farquharson and H. S. Farquharson, dated June 25, 1931, upon  $S\frac{1}{2}SW\frac{1}{4}$  in Sec. 12, Twp. 15 S, Range 12 E, W. M., in Deschutes County, Oregon.

(4) Easement from Laura E. Kuhn and C. M. Kuhn, dated June 29, 1931, upon  $NW\frac{1}{4}NE\frac{1}{4}$  in Sec. 13, Twp. 15 S, Range 12 E, W. M., in Deschutes County, Oregon.

(5) Easement from Central Oregon Irrigation District, dated February 3, 1960, upon: A strip of land (12') feet in width, along the West 12 feet of the Southwest Quarter Southeast Quarter ( $SW\frac{1}{4}SE\frac{1}{4}$ ) Section Eleven (11), and the West 12 feet

of the Northwest Quarter Northeast Quarter ( $NW\frac{1}{4}$   $NE\frac{1}{4}$ ) Section Fourteen (14), all in Township Fifteen (15) South, Range Twelve (12) E.W.M., Deschutes County, Oregon.

(6) Easement from Art Foss, dated July 19, 1958, upon  $S\frac{1}{2}$  in Sec. 3, Twp. 14 S, Range 13 E, W. M., in Deschutes County, Oregon.

(7) Special Use Permit, dated May 10, 1932, from the U.S. Forest Service to use existing Forest Service telephone line from Sisters, Oregon, to the Lantz Ranch, a distance of six miles, and to construct a new line from Lantz Ranch to the Hanson Resort, a distance of 10 miles along the old Santiam Road to Remain Road, thence along Remain Road to Sisters-Metolius Road and along west side of road to Hanson Resort, in Deschutes County, Oregon.

C. Situated in the County of Jefferson in the State of Oregon:

(1) Easement from State Fish Commission of the State of Oregon, dated April 13, 1954, recorded in Book 6 of Miscellaneous Records of Jefferson County, Oregon, at Page 400.

D. Situated in the County of Yamhill in the State of Oregon:

(1) Easement from B. G. Churchman, dated May 1, 1929, recorded at Page 272 of Volume 101 of the Records of Deeds for Yamhill County, Oregon.

(2) Easement from E. L. DeLashmutt and Florence M. DeLashmutt, dated March 6, 1952, recorded at Page 277 of Volume 165 of the Records of Deeds for Yamhill County, Oregon.

(3) Easement from J. H. Hamilton and Mary Hamilton, dated March 20, 1941, across the property lying in the north half of Section 36, Township 5 South, Range 6 West, W.M., in Yamhill County, Oregon.

(4) Easement from Wm. Harty and Jessie Harty, dated March 20, 1941, across the property lying in the north half of Section 36, Township 5 South, Range 6 West, W. M., Yamhill County, Oregon.

(5) Easement from Niilo Koivu and Roberta Koivu, dated April 15, 1952, recorded at Page 279 of Volume 165 of the Records of Deeds for Yamhill County, Oregon.

(6) Easement from Milo H. Elliott and Clara M. Elliott, dated April 15, 1952, recorded at Page 276 of Volume 165, of the Records of Deeds for Yamhill County, Oregon.

And as well the poles, supports, towers, cross arms, conduits, subways, underground pipes, cables, wires, fixtures, apparatus and other equipment comprising the systems of the Company now or hereafter constructed, erected, maintained and operated thereunder, and including, in addition to the exchanges herein named, the following toll lines:

Between Grand Ronde, Oregon and McMinnville, Oregon and connecting Grand Ronde, Willamina, Sheridan and McMinnville, Oregon.

Between Camp Sherman, Oregon and Redmond, Oregon, and connecting Camp Sherman, Sisters and Redmond, Oregon.

Between Redmond, Oregon and Culver, Oregon.

Between Redmond Oregon and Prineville, Oregon.

Between Redmond, Oregon and Bend, Oregon.

(b) All interconnection, toll, joint facilities, facility license and other contracts to which the Company is or may hereafter become, party and all rights of the Company thereunder other than such as may be classed as current assets.

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**Iv**

The interest of the Lessee under leases as follows:

(1) Lease dated March 5, 1951, by and between THE LONG-BELL LUMBER COMPANY, a Missouri corporation duly authorized to transact business in the State of Oregon, as Lessor, and NORTHWEST TELEPHONE COMPANY, an Oregon corporation as Lessee, the leased premises whereunder are described as being:

That certain parcel of land in the Town of Grand Ronde, State of Oregon, upon which the Lessee has constructed and now operates a telephone exchange, which said parcel of land measures ten (10) feet by twelve (12) feet and is situated immediately South of the railroad right-of-way on the West side of the main street leading into said town in Polk County, Oregon.

(2) Lease dated on January 1, 1959, between STROMBERG-CARLSON, a division of General Dynamics corporation, as Lessor, and NORTHWEST TELEPHONE COMPANY, as Lessee, providing for the lease of central office equipment at Redmond, Oregon, Culver, Oregon and Sisters, Oregon, with the accompanying rights of Northwest Telephone Company under equipment agreement incidental to such lease.

The rights of the Lessee under both of the above leases and accompanying equipment agreement being now held and owned by Oregon-Washington Telephone Company.

To HAVE AND TO HOLD all said franchises and property, real, personal, and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes with the powers and subject to the agreements, covenants and

conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture.

The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Fifth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever, excepting that all of the property and property rights, real, personal and mixed, as described in the granting clauses of this Fifth Supplemental Indenture, excepting parcels of real property described as items (a) and (e) of the granting clauses situated, respectively, in Klamath County, Oregon, and Yakima County, Washington, are subject to the prior lien of an underlying mortgage, dated on December 30, 1948, and the two Supplements thereto, dated, respectively, on September 29, 1950 and December 7, 1953, and all now of record, running from Northwest Telephone Co., an Oregon corporation, as mortgagor, to American United Life Insurance Company, as mortgagee; and as to the property and property rights so covered by the lien of such underlying mortgage, the lien of this mortgage is subordinate and inferior. For any default by the Company in the covenants, stipulations, promises and agreements contained in and provided by the terms of the Indenture, the Trustee and the bond holders shall have the same rights and remedies subject to the same limitations, as are provided in the Indenture.

Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second

Supplemental Indenture, the Third Supplemental Indenture and the Fourth Supplemental Indenture are hereby in all respects ratified and confirmed.

This Fifth Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and E. L. Blaine, Jr. has hereto set his hand and seal, all as of July 1, 1960, but this instrument has been actually executed and delivered the 1 day of July, 1960.

(CORPORATE  
SEAL)

OREGON-WASHINGTON TELEPHONE  
COMPANY

By E. R. DEAN  
President

ATTEST:

J. S. MIDDLETON  
Secretary

Signed, sealed and acknowledged  
by Oregon-Washington Telephone  
Company in the presence of:

C. A. SCUPIN

P. H. HENSON

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(CORPORATE  
SEAL)

PEOPLES NATIONAL BANK OF  
WASHINGTON IN SEATTLE

By E. S. Cox, JR.  
Trust Officer

ATTEST:

E. R. MACKAY  
Trust Officer

Signed, sealed and acknowledged  
by Peoples National Bank of  
Washington in Seattle in  
the presence of:

K. C. HELPHINGSTINE

ROBERT L. HILDRETH

E. L. BLAINE, JR.

E. L. Blaine, Jr.

Signed, sealed and acknowledged  
by E. L. Blaine, Jr. in the presence of:

V. A. HAVILAND

JOSHUA GREEN III

STATE OF OREGON                    )  
  ) ss.  
County of Multnomah )

On this 1 day of July, 1960, before me appeared E. R. DEAN and J. S. MIDDLETON, both to me personally known who being duly sworn, did say that he, the said E. R. DEAN is the President, and he, the said J. S. MIDDLETON is the Secretary of OREGON-WASHINGTON TELEPHONE COMPANY, the within named corporation, and that the seal afixed to said instrument is the corporate seal of said corporation, and that the said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors and E. R. DEAN and J. S. MIDDLETON acknowledged said instrument to be the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

(Notarial  
Seal)

DONALD H. GREENE  
Notary Public for Oregon  
My commission expires:  
My Commission Expires Oct. 22, 1963





STATE OF OREGON                    )  
  ) Ss.  
County of Multnomah )

I, the undersigned, being first duly sworn, depose and say that I am President of Oregon-Washington Telephone Company, a corporation organized and existing under and by virtue of the laws of the State of Oregon; that said corporation has duly authorized me to make this affidavit for it and in its behalf; that the foregoing fifth supplemental indenture is executed in good faith by said corporation and without any design to hinder, delay or defraud creditors, but to secure the payment of an actual advance of money as in said instrument provided.

E. R. DEAN

Subscribed and sworn to before me this 1 day of July, 1960.

DONALD H. GREENE  
Notary Public for Oregon  
My commission expires:

(Notarial  
seal)

My commission expires:  
My Commission Expires Oct. 22, 1963



## RECORDING DATA

Recording data on Fifth Supplemental Indenture, and additional recordings on Original Indenture and First, Second, Third and Fourth Supplemental Indentures.

### STATE OF OREGON

#### Fifth Supplemental Indenture

<u>county</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
Crook	Book 61, pp. 584-604	Indexed as C/M	7-15-60
Deschutes	Book 116, pp. 453-473	Indexed as C/M	7-15-60
Gilliam	Book 3, pp. 71-82	Indexed as C/M	7-15-60
Grant	Book 32, pp. 398-408	Indexed as C/M	7-15-60
Harney	Book A-2, pp. 5-16	Indexed as C/M	7-15-60
Hood River	Book 48, pp. 602-612	Indexed as C/M	7-15-60
Jackson	Book 376, pp. 229-249	Indexed as C/M	7-15-60
Jefferson	Book 24, pp. <del>578-589</del>	Indexed as C/M	7-15-60
Klamath	Book 197, pp. 151-171	Indexed as C/M	7-15-60
Lake	Book 50, pp. 74-86	Indexed as C/M	7-18-60
Lane	R-155-60-M, Reception *4612	Indexed as C/M	7-15-60
Malheur	Book 97, pp. 461-481	Indexed as C/M	<del>7-22-60</del>
Polk	Book 119, pp. <del>429-440</del>	<b>Indexed as C/M</b>	7-15-60
Tillamook	Book 74, pp. 461-471	Indexed as C/M	7-15-60
Wasco	Book 95, pp. 429-439	Indexed as C/M	7-22-60
Yamhill	Film 11, pp. 988-999	Indexed as C/M	7-19-60

### STATE OF WASHINGTON

#### Fifth Supplemental Indenture

<u>county</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
Benton	Vol. 141 of Mtgs., pp. 334-346 File No. 439915	File No. 439914	<b>7-13-60</b>
Klickitat	Book 91, pp. 327-40 File No. 96217	File No. 96218	<b>7-13-60</b>
Skamania	Book 37, pp. 431-451 File No. 57281	File No. 57282	<b>7-14-60</b>
Yakima	Book 488, pp. 272-292 File No. 1830054	File No. 70863	<b>7-13-60</b>

Concurrently with the foregoing recordings of the Fifth Supplemental Indenture, recordings have also been made of the following documents in the following additional counties in the State of Oregon:

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
<b>(a) Original Indenture, dated as of January 1, 1946</b>			
<b>Crook</b>	Book 61, pp. 323-436	Indexed as C/M	i- 8-60
Jefferson	Book 24, pp. 401-460	Indexed as C/M	7- 6-60
Polk	Book 119, pp. 235-292	Indexed as C/M	7- 8-60
Tillamook	Book 74, pp. 217-330	Indexed as C/M	7-15-60
Yamhill	Film 11, pp. 582-639	Indexed as C/M	7- 5-60

**(b) First Supplemental Indenture, dated as of April 1, 1948**

Crook	Book 61, pp. 437-461	Indexed as C/M	7-8-60
Jefferson	Book 24, pp. 461-474	Indexed as C/M	7-6-60
Polk	Book 119, pp. 293-307	Indexed as C/M	7-8-60
Tillamook	Book 74, pp. 331-354	Indexed as C/M	7-15-60
Yamhill	Film 11, pp. 640-652	Indexed as C/M	7- 5-60

**(c) Second Supplemental Indenture, dated as of January 1, 1951**

Crook	Book 61, pp. 462-495	Indexed as C/M	7-8-60
Jefferson	Book 24, pp. 475-494	Indexed as C/M	7- 6-60
Polk	Book 119, pp. 308-325	Indexed as C/M	7- 8-60
Tillamook	Book 74, pp. 355-387	Indexed as C/M	7-15-60
Yamhill	Film 11, pp. 653-670	Indexed as C/M	7-5-60

**(d) Third Supplemental Indenture, dated as of September 1, 1954**

Crook	Book 61, pp. 496-521	Indexed as C/M	7-8-60
Jefferson	Book 24, pp. 495-511	Indexed as C/M	7- 6-60
Polk	Book 119, pp. 326-351	Indexed as C/M	7- 8-60
Tillamook	Book 74, pp. 388-413	Indexed as C/M	7-15-60
Yamhill	Film 11, pp. 671-684	Indexed as C/M	7-5-60

**(e) Fourth Supplemental Indenture, dated as of June 1, 1959**

Crook	Book 61, pp. 522-569	Indexed as C/M	7- 8-60
Jefferson	Book 24, pp. 512-560	Indexed as C/M	7-6-60
Polk	Book 119, pp. 352-399	Indexed as C/M	7-8-60
Tillamook	Book 74, pp. 414-460	Indexed as C/M	7-15-60
Yamhill	Film 11, pp. 685-732	Indexed as C/M	7- 5-60

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OREGON-WASHINGTON TELEPHONE COMPANY

TO

PEOPLES NATIONAL BANK OF WASHINGTON  
IN SEATTLE

AND

E. L. **BLAINE**, JR.  
TRUSTEES

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**Sixth Supplemental Indenture**

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DATED AS OF DECEMBER 1, 1960

## **This Sixth Supplemental Indenture,**

dated as of December 1, 1960, by and between OREGON-WASHINGTON TELEPHONE COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said State (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington, and E. L. BLAINE, JR., of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the "Trustee" and the "Individual Trustee" and collectively as the "Trustees"):

WHEREAS the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has executed and delivered to the Trustees a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental

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Indenture dated as of June 1, 1959, and a Fifth Supplemental Indenture dated as of July 1, 1960, amending and supplementing such Original Indenture pursuant to which Supplemental Indentures the Company has issued its First Mortgage Bonds, Series B, C, D and E; and

WHEREAS the Company has determined by due corporate action to provide for the immediate issuance, execution, authentication and delivery of One Million Five Hundred Thousand Dollars (\$1,500,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series F, the said Series F bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture; and

WHEREAS the fully registered bonds without coupons and the coupon bonds of Series F to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to-wit:

Form of Series F Fully Registered Bond Without Coupons

No. \$

OREGON-WASHINGTON TELEPHONE COMPANY

First Mortgage Bond, Series F

Due December 1, 1990

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to . . . . ., or registered assigns, on the first day of December, 1990, the principal sum of . . . . . Dollars (\$ . . . . .) and to pay interest thereon from the

date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of five per cent (5%) per annum, payable semiannually on the first day of June and the first day of December in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said Bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series F, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, and a Sixth Supplemental Indenture dated as of December 1, 1960 (said seven instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Wash-

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ington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned, and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before December 1, 1961-5.0090  
 Thereafter and on or before December 1, 1962 - 4.80%  
 Thereafter and on or before December 1, 1963 - 4.60%  
 Thereafter and on or before December 1, 1964 - 4.40%  
 Thereafter and on or before December 1, 1965 - 4.20%  
 Thereafter and on or before December 1, 1966 - 4.00%  
 Thereafter and on or before December 1, 1967- 3.80%  
 Thereafter and on or before December 1, 1968-3.60%  
 Thereafter and on or before December 1, 1969-3.40%  
 Thereafter and on or before December 1, 1970- 3.20%  
 Thereafter and on or before December 1, 1971 - 3.00%  
 Thereafter and on or before December 1, 1972-2.80%  
 Thereafter and on or before December 1, 1973 - 2.60%  
 Thereafter and on or before December 1, 1974- 2.40%  
 Thereafter and on or before December 1, 1975- 2.25%  
 Thereafter and on or before December 1, 1976 - 2.10%  
 Thereafter and on or before December 1, 1977-1.95%  
 Thereafter and on or before December 1, 1978- 1.80%  
 Thereafter and on or before December 1, 1979 - 1.65%  
 Thereafter and on or before December 1, 1980-1.50%

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Thereafter and on or before December 1, 1981- 1.35%  
 Thereafter and on or before December 1, 1982- 1.20%  
 Thereafter and on or before December 1, 1983- 1.05%  
 Thereafter and on or before December 1, 1984- .90%  
 Thereafter and on or before December 1, 1985- .75%  
 Thereafter and on or before December 1, 1986- .60%  
 Thereafter and on or before December 1, 1987 - .45%  
 Thereafter and on or before December 1, 1988- .30%  
 Thereafter and on or before December 1, 1989- .15%  
 Thereafter and prior to maturity, without premium;

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to December 1, 1965, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series F shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series F bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series F bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.



Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on December 1st of any year, subsequent to the year 1960, in whole or in part for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if in case of redemption of less than all of the bonds of this series and all such bonds then outstanding are fully registered in the names of holders, being not more than 10, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee pro-rata as nearly as practicable among such holders in the manner provided by section 1.05 of the Sixth Supplemental Indenture. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$100 shall be retained by the Trustee and applied as a part of the next distribution and apportionment in redemption. In all other cases in which less than all bonds of this series are to be called for redemption, bonds to be so called shall be selected by lot, each fully registered bond of a denomination of a multiple (greater than one) of \$1000 to be represented by a separate number for each \$1000 of its principal amount. If notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has

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been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date. Whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will, at the option of the owner and holder thereof, issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

Pursuant to the provisions of section 2.09 of the original Indenture, this bond is transferable by the registered owner hereof, in person or by duly authorized attorney, only upon the books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a

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written instrument of transfer duly executed, and, thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the aggregate unpaid balance. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series or another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that

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no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

Payments on account of principal of this bond may be made without surrender, cancellation, or reissue hereof in the manner and to the extent provided by the terms of Section 1.06 of the Sixth Supplemental Indenture, as reflected by the records of the Trustee.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON - WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated the first day of December, 1960.

OREGON-WASHINGTON TELEPHONE COMPANY

By.....

ATTEST:

**President**

.....  
**Secretary**



## Form of Series F Coupon Bond

No. \$1,000OREGON-WASHINGTON TELEPHONE  
COMPANY

## First Mortgage Bond, Series F

Due December 1, 1990

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of December, 1990, the principal sum of One Thousand Dollars (\$1,000) and to pay interest thereon from the date hereof at the rate of five per cent (5%) per annum, payable semi-annually on the first day of June and on the first day of December in each year until said principal sum is paid, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series F, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous funds, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and

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modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, and a Sixth Supplemental Indenture dated as of December 1, 1960 (said seven instruments being herein collectively called the Indenture) all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before December 1, 1961- 5.00%  
Thereafter and on or before December 1, 1962- 4.80%  
Thereafter and on or before December 1, 1963-4.60910  
Thereafter and on or before December 1, 1964- 4.40%  
Thereafter and on or before December 1, 1965- 4.20%  
Thereafter and on or before December 1, 1966-4.0070  
Thereafter and on or before December 1, 1967- 3.80%  
Thereafter and on or before December 1, 1968- 3.60%  
Thereafter and on or before December 1, 1969- 3.40%

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Thereafter and on or before December 1, 1970- 3.20%  
 Thereafter and on or before December 1, 1971 - 3.00%  
 Thereafter and on or before December 1, 1972-2.80%  
 Thereafter and on or before December 1, 1973-2.60%  
 Thereafter and on or before December 1, 1974- 2.40%  
 Thereafter and on or before December 1, 1975-2.25%  
 Thereafter and on or before December 1, 1976-2.10%  
 Thereafter and on or before December 1, 1977- 1.95%  
 Thereafter and on or before December 1, 1978 -1.80%  
 Thereafter and on or before December 1, 1979- 1.65%  
 Thereafter and on or before December 1, 1980 - 1.50%  
 Thereafter and on or before December 1, 1981- 1.35%  
 Thereafter and on or before December 1, 1982- 1.20%  
 Thereafter and on or before December 1, 1983 - 1.05%  
 Thereafter and on or before December 1, 1984- .90%  
 Thereafter and on or before December 1, 1985 - .75%  
 Thereafter and on or before December 1, 1986- .60%  
 Thereafter and on or before December 1, 1987- .45%  
 Thereafter and on or before December 1, 1988 - .30%  
 Thereafter and on or before December 1, 1989- .15%  
 Thereafter and prior to maturity, without premium;

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to December 1, 1965, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series F shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series F bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under the

power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series F bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on December 1st of any year, subsequent to the year 1960, in whole or in part, for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund, shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the City of Chicago, Illinois, and one such newspaper published and of general circulation in the Borough of Manhattan in the City and State of New York, the first such publication in each such newspaper to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemption shall be published once in each such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as

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to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case, an event of default, as defined in the Indenture, occurs, the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless reg-

istered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of this bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or

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bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON - WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated the first day of December, 1960.

OREGON-WASHINGTON TELEPHONE  
COMPANY

By. . . . .  
**President**

ATTEST:

**Secretary**

FORM OF INTEREST COUPON

INTEREST COUPON

No. \_\_\_\_\_ §

On the first day of December, 19\_\_\_\_, upon surrender of this coupon, unless the bond hereinafter mentioned shall have been previously called for redemption and payment duly provided therefor, Oregon-Washington Telephone Company will pay to bearer at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in lawful money of the United States of America, being six (6) months' interest then due on its First Mortgage Bond, Series F, dated December 1, 1960, No.

OREGON-WASHINGTON TELEPHONE COMPANY

By.....  
TREASURER

FORM OF TRUSTEE'S CERTIFICATE FOR BONDS OF SERIES F

This is one of the first Mortgage Bonds, Series F, referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, Trustee

By.....  
**Authorized Officer**

WHEREAS, the Company, subsequent to the execution and delivery of the Fifth Supplemental Indenture to which reference is hereinafter made, has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and



WHEREAS all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional One Million Five Hundred Thousand Dollars (\$1 ,500,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Sixth Supplemental Indenture provided, the valid and binding obligations of the Company, and to make these presents, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture (said seven instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed;

Now, THEREFORE, THIS SIXTH SUPPLEMENTAL INDENTURE WITNESSETH:

That Oregon-Washington Telephone Company, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in

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the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, aliened, assigned, confirmed transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights, and powers of every kind and description, real and personal, of the Company constructed or acquired since the delivery of the Fifth Supplemental Indenture or not described in the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture or Fifth Supplemental Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following, together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining:

#### I.

The following-described real property, together with all improvements thereon:

(a) Situated in the County of Grant in the State of Oregon, real property described as being:

Beginning at a  $\frac{3}{4}$ -inch round Iron Rod at the Northwest Corner of said property which point bears North 29° 36' West a distance of 2653.1

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feet and South  $89^{\circ} 50'$  West a distance of 13.23 feet and North a distance 30.0 feet from the East quarter corner of Section 22, Township 13 South, Range 31 East of the Willamette Meridian; running thence North  $89^{\circ} 50'$  East a distance of 100.0 feet to a 1/2-inch Iron Pipe; thence South a distance of 100.0 feet to a 5/8-inch round Iron Rod set in a Rock Mound; thence South  $89^{\circ} 50'$  West a distance of 100.0 feet to a 1/2-inch round Iron Rod set in a Rock Mound; thence North a distance of 100.0 feet to the true point of beginning; all being and situate in Grant County, Oregon.

(b) Rights and privileges to keep clear all trees, brush, man-made structures and any other obstructions arising above the elevation set forth in the following described zones which might interfere with radio beams that may be projected over lands situated in said zones from a radio-reflector structure located on real property described as item (a) above:

**Zone 1.** All area above an elevation of 3,511.0 feet and between lines extending from twelve feet six inches ( 12'-6") on either side of the center of the said radio-reflector structure and which bear South  $160^{\circ} 43'$  West and South  $26^{\circ} 43'$  West.

**Zone 2.** All area above an elevation of 3,511.0 feet and between lines extending from twelve feet six inches ( 12'- 6") on either side of the center of said radio-reflector structure and which bear South  $310^{\circ} 20'$  East and South  $410^{\circ} 20'$  East.

The center of said radio-station-reflector structure is at a point which is on a line which bears North  $28^{\circ} 15'$  West 2,612.0 feet from the east quarter corner of Section 22, Township 13 South, Range 31 East of the Willamette Meridian,

as granted by The Pacific Telephone and Telegraph

Company, a California corporation, by instrument of grant dated August 12, 1960 and of record at Pages 427 and 428, Book 83, Grant County, Oregon Deed Records.

(c) Right of way easement, together with the right to construct, use, maintain and repair a road, cuts, fills, drainage ditches, culverts, paving or other surfacing and appurtenances, all upon and across a strip of land along or near the following described center line:

Beginning at a point which bears North 29° 36' West a distance of 2653.1 feet and North 110 15' East a distance of 30.61 feet from the East quarter corner of Section 22, Township 13 South, Range 31 East of the Willamette Meridian, running thence North 110 15' East a distance of 707.59 feet; thence North 790 14' East a distance of 72.9 feet to a point in the center line of the County Road leading from John Day, Oregon to Magone Lake; all being and situate in Grant County, Oregon.

as such easement and other rights were acquired by The Pacific Telephone and Telegraph Company, a California corporation, from W. A. Patterson and Blanche E. Patterson, husband and wife, by instrument dated September 8, 1958, recorded in Volume 63, Page 257, Deed Records of Grant County, Oregon, and subject to all of the terms and conditions of such instrument of September 8, 1958.

(d) Right-of-Entry to Burns Air Force Station of the United States Air Force, in Grant County, Oregon, as granted by the United States Air Force on July 18, 1960, together with all buildings, structures and equipment installed and to be installed by the Company upon such Burns Air Force Station premises.

(e) Special Use Permit granted to the Company on August 12, 1960 by the United States Forest Service, applying to one (1) acre of land situated

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in the Southwest Quarter ( $SW\frac{1}{4}$ ), Section 6, Township 15 South, Range 31 East, Willamette Meridian, in Grant County, Oregon, together with all structures, buildings, improvements and equipment installed and to be installed by the Company upon the lands to which the Permit relates.

(f) Special Use Permit granted to the Company on June 6, 1960 by the United States Forest Service, applying to 0.01 acres of land situated in the Southeast quarter ( $SE\frac{1}{4}$ ) Section 35, Township 20 South, Range 31 East, Willamette Meridian, in Grant County, Oregon, together with all structures, buildings, improvements and equipment installed and to be installed by the Company upon the lands to which the Permit relates.

(g) Situate in the County of Skamania and State of Washington:

Lots Twenty-one (21 ) and Twenty-two (22) in Block Five (5), in the Town of Stevenson, Skamania County, Washington.

To HAVE AND To HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and this Sixth Supplemental Indenture, it being agreed as follows, to wit:

## ARTICLE ONE

## SERIES F BONDS

Section 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, 'Series F" (hereinafter sometimes referred to as "Series F bonds" or "bonds of Series F"). Series F "bonds shall be coupon bonds of the denomination of \$1,000 each, registerable as to principal, and fully registered bonds without coupons of the denomination of \$500.00 and multiples thereof. The coupon bonds of Series F shall be dated December 1, 1960, and the registered bonds of Series F without coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series F bonds shall mature December 1, 1990, and shall bear interest at the rate of five per cent (5%) per annum from their respective dates, such interest to be payable semiannually on the first day of June and the first day of December in each year. Both the principal of and interest on bonds of Series F shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series F, the Trustee's certificate with respect to Series F bonds and the coupons appertaining to Series F coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series F shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof.

If redeemed on or before December 1, 1961 -5.00%  
Thereafter and on or before December 1, 1962- 4.80%

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Thereafter and on or before December 1, 1963- 4.60%  
 Thereafter and on or before December 1, 1964-4.40%  
 Thereafter and on or before December 1, 1965-4.20%  
 Thereafter and on or before December 1, 1966- 4.00%  
 Thereafter and on or before December 1, 1967- 3.80%  
 Thereafter and on or before December 1, 1968-3.60%  
 Thereafter and on or before December 1, 1969- 3.40%  
 Thereafter and on or before December 1, 1970-3.20%  
 Thereafter and on or before December 1, 1971- 3.00%  
 Thereafter and on or before December 1, 1972-2.80%  
 Thereafter and on or before December 1, 1973- 2.60%  
 Thereafter and on or before December 1, 1974-2.40%  
 Thereafter and on or before December 1, 1975- 2.25%  
 Thereafter and on or before December 1, 1976-2.10%  
 Thereafter and on or before December 1, 1977- 1.95%  
 Thereafter and on or before December 1, 1978- 1.80%  
 Thereafter and on or before December 1, 1979- 1.65%  
 Thereafter and on or before December 1, 1980- 1.50%  
 Thereafter and on or before December 1, 1981- 1.35%  
 Thereafter and on or before December 1, 1982- 1.20%  
 Thereafter and on or before December 1, 1983- 1.05%  
 Thereafter and on or before December 1, 1984- .90%  
 Thereafter and on or before December 1, 1985- .75%  
 Thereafter and on or before December 1, 1986- .60%  
 Thereafter and on or before December 1, 1987- .45%  
 Thereafter and on or before December 1, 1988- .30%  
 Thereafter and on or before December 1, 1989- .15%

Thereafter and prior to maturity, without premium;  
 provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to December 1, 1965, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series F shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in Section 1.03 at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees

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that so long as any Series F bonds are outstanding hereunder it will, in each of the years 1961 through 1989, both inclusive, not less than thirty (30) days prior to December 1st of such year, deposit with the Trustee, as and for a sinking fund for Series F bonds, moneys sufficient (when increased by the payment of accrued interest to such December 1st) to redeem on such December 1st, Series F bonds in aggregate principal amount equal to one per cent (1%) of the total aggregate principal amount of Series F bonds authenticated and delivered to and including such December 1st (exclusive of Series F bonds in exchange or substitution for which other bonds of Series F may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.07 hereof). On each such December 1st, the Trustee shall, insofar as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series F bonds.

Provided, however, that in lieu of depositing all or a part of such moneys the Company may deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series F, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than par.

The redemption price for Series F bonds redeemed for the purposes of the sinking fund created by this Section shall be the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without any premium.

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this Section.

Section 1.04. Series F bonds redeemed pursuant to the provisions of Article Twelve of the Original

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Indenture with money paid to or deposited with the Trustee pursuant to Sections 8.11, 8.14, 9.02 and 11.04 of the Original Indenture as amended shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof.

In the event that all or any part of the bonds of Series F shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

Section 1.05. If in case of redemption of less than all of the Series F bonds outstanding, all of the Series F bonds then outstanding are in fully registered form in the names of holders numbering not more than ten ( 1 0), the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee pro-rata as nearly as practicable in amounts of \$100 or any integral multiple thereof between each of such fully registered holders of bonds of such series in the proportion that the aggregate principal amount of registered bonds of such series then held by each such holder concerned bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall, within ten (10) days after such apportionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment prove impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$100, shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.06. In the event of redemption for sink-

ing fund purposes of a portion of the principal amount of any fully registered Series F bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bond holder without surrender to the Trustee of the bond on which partial redemption only is being made if there shall be on file with the Trustee (and not theretofore rescinded by written notice from any such registered bond holder to the Trustee) an agreement between the Company and such purchaser to the effect that: (i) Payments will be made as aforesaid; (ii) Such holder promptly will make notations on such bond, or on a paper attached thereto, of the portions thereof so redeemed; (iii) Such holder will not sell, assign, encumber, pledge, or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of the bond surrendered. In case any payment is made as provided in this sub-paragraph, the Trustee shall make an appropriate notation of such payment on its records, and such payment made by the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.07. Fully registered bonds of Series F, upon surrender thereof at the main office of the Trustee, may be exchanged for the aggregate unpaid principal balance of fully registered bonds of that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the

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Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee, and in addition a further sum not in excess of the lesser of (1) the actual cost of the preparation of each new bond issued upon such exchange and the charges of the Trustee in connection therewith, and (2) Two Dollars (\$2) per bond. The original registered owners of the \$1,500,000 of Series F fully registered bonds, without coupons initially issued under Section 1.09 hereof shall, however, have the privilege of exchanging without charge for one or more coupon bonds or for one or more fully registered bonds or for a combination of the same any such fully registered bond so initially issued and any fully registered bond which has become substituted for a portion of such a fully registered bond or for several such fully registered bonds.

Section 1.08. Fully registered bonds of Series F shall be numbered "R- 1" and consecutively upwards. Coupon bonds of Series F shall be numbered "M- 1" and consecutively upwards.

Section 1.09. Upon the execution of this Sixth Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series F in the form of fully registered bonds without coupons in the aggregate principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000).

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## ARTICLE TWO

## ADDITIONAL PROVISIONS

Section 2.01. So long as any Series F bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any share of its common stock, nor to the payment of any dividend or other disbursement thereon (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions made in shares of capital stock) subsequent to June 30, 1960, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series F bonds shall be authenticated by the Trustee, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series F bonds shall be authenticated by the Trustee would exceed the Company's net income since June 30, 1960 (treated as one accounting period), plus Three Hundred Thousand Dollars (\$300,000). The foregoing shall not be construed to prohibit the payment of dividends on preferred stock or the purchase of preferred stock to satisfy sinking fund requirements.

Section 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Sixth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever,

Section 2.03. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted

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standards and the requirements of the Washington Public Service Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request of the holder or holders of at least 25 per cent in principal amount of Series F bonds then outstanding during any three year period beginning January 1, 1961, the Company will have its properties inspected by an independent engineer who shall be an engineer satisfactory to the Trustee who is not in the employ of the Company. Such engineer will, at Company expense, file with the Trustee an independent engineer's certificate as such term is defined in Section 1.01 of the original Indenture, which shall contain a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each bondholder who has requested such inspection.

Section 2.04. At such time as all bonds of Series A through Series E issued pursuant to the Indenture have been retired, the Company will be relieved from further compliance with the provisions of Section 9.02 of the original Indenture.

Section 2.05. All newspaper notices with respect to Series F bonds shall be published in a newspaper published and of general circulation in the Borough of Manhattan, in the City and State of New York, as well as in one so published and of general circulation in the City of Chicago, State of Illinois.

Section 2.06. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series F, the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

Section 2.07. Except as herein specifically changed, the Original Indenture, the First Supple-

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mental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture and the Fifth Supplemental Indenture are hereby in all respects ratified and confirmed.

Section 2.08. This Sixth Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE *has caused* these presents to be signed in its name and behalf by one of its Vice Presidents or Trust officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and E. L. Blaine, Jr. has hereto set his hand and seal, all as of December 1, 1960, but this instrument has been actually executed and delivered the first day of December, 1960.

OREGON-WASHINGTON TELEPHONE  
COMPANY

By E. R. DEAN

ATTEST:

*President*

J. S. MIDDLETON

*Secretary*

Signed, sealed and acknowledged by Oregon-Washington Telephone Company in the presence of:

( S E A L )

WARD L. SAX

DONALD H. GREENE

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( S E A L )

PEOPLES NATIONAL BANK OF WASH-  
INGTON IN SEATTLE

By E. R. MACKAY  
*Trust Officer*

By HAROLD A. ROGERS  
*Trust Officer*

ATTEST:

WALTER T. BAGNALL  
*Trust Officer*

Signed, sealed and acknowl-  
edged by Peoples National  
Bank of Washington in Seat-  
tle in the presence of:

WARD L. SAX

DONALD H. GREENE

E. L. BLAINE, JR.

E. L. Blaine, Jr.

Signed, sealed and acknowl-  
edged by E. L. Blaine, Jr. in  
the presence of:

WARD L. SAX

DONALD H. GREENE









## RECORDING DATA

Recording data on Sixth Supplemental Indenture of Mortgage and  
Deed of Trust.

### STATE OF OREGON Sixth Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
Crook	Book 62, pp. 331-367	Indexed as C/M	12/5/60
Deschutes	Book 117, pp. 616-635	Indexed as C/M	12/5/60
Gilliam	Book 3, pp. 291-310	Indexed as C/M	12/5/60
Grant	Book 32, pp. 597-632	Indexed as C/M	12/5/60
Harney	Book A-2, pp. 209-228	Indexed as C/M	12/5/60
Hood River	Book 49, pp. 127-146	Indexed as C/M	12/21/60
Jackson	Vol. 381, pp. 486-520	Indexed as C/M	12/2/60
Jefferson	Book 25, pp. 195-214	Indexed as C/M	12/5/60
Klamath	Vol. 199, pp. 350-387	Indexed as C/M	12/5/60
Lake	Book 50, pp. 330-349	Indexed as C/M	12/5/60
Lane	R-163-60-M, Reception #16903	Indexed as C/M	12/2/60
Malheur	Book 98, pp. 464-500	Indexed as C/M	12/5/60
Polk	Book 120, pp. 370-389	Indexed as C/M	12/2/60
Tillamook	Book 75, pp. 335-353	Indexed as C/M	12/2/60
Wasco	Book 96, pp. 57-75	Indexed as C/M	12/2/60
Yamhill	Film 14, pp. 80-99	Indexed as C/M	12/2/60

### STATE OF WASHINGTON Sixth Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
Benton	Vol. 145 of Mtgs., pp. 288-B -308 File No. 447079	File No. 447080	12/2/60
Klickitat	Book 91, pp. 720-742 File No. 97922	File No. 97921	12/2/60
Skamania	Book 38, pp. 161-197 File No. 57841	File No. 57842	12/2/60
Yakima	Vol. 492, pp. 361-397 File No. 1845331	File No. 74417	12/2/60



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OREGON-WASHINGTON TELEPHONE COMPANY

TO

PEOPLES NATIONAL BANK OF WASHINGTON  
IN SEATTLE

AND

E. L. **BLAINE**, JR.  
TRUSTEES

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**Seventh Supplemental  
Indenture**

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DATED AS OF JUNE 1, 1962

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**This Seventh Supplemental Indenture,** dated as of June 1, 1962, by and between OREGON-WASHINGTON TELEPHONE COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said State (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington, and E. L. BLAINE, JR., of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the "Trustee" and the "Individual Trustee" and collectively as the "Trustees"):

WHEREAS the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has executed and delivered to the Trustees a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, and a Sixth Supplemental Indenture dated as of December 1, 1960, amending and supplementing such Original Indenture pursuant to which Supplemental Indentures the Company has issued its First Mortgage Bonds, Series B, C, D, E and F; and

WHEREAS the Company has determined by due corporate action to provide for the immediate issuance, execution, authentication and delivery of One Million Dollars (\$1,000,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series G, the said Series G bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture; and

WHEREAS the fully registered bonds without coupons and the coupon bonds of Series G to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:

Form of Series G Fully  
Registered Bond Without Coupon

\$.....	\$.....
First Mortgage Bond Series G	Due June 1, 1992

OREGON-WASHINGTON TELEPHONE  
COMPANY

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to or registered assigns, on the first day of June, 1992, the principal sum of and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of four and one-half per cent ( $4\frac{1}{2}\%$ ) per annum, payable semiannually on the first day of December and the first day of June in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said Bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series G, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other

analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, and a Seventh Supplemental Indenture dated June 1, 1962 (said eight instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee), and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before May 31, 1963 — 4.50%  
 Thereafter and on or before May 31, 1964 — 4.375%  
 Thereafter and on or before May 31, 1965 — 4.25%  
 Thereafter and on or before May 31, 1966 — 4.125%  
 Thereafter and on or before May 31, 1967 — 4.00%  
 Thereafter and on or before May 31, 1968 — 3.875%  
 Thereafter and on or before May 31, 1969 — 3.75%  
 Thereafter and on or before May 31, 1970 — 3.625%  
 Thereafter and on or before May 31, 1971 — 3.50%  
 Thereafter and on or before May 31, 1972 — 3.375%  
 Thereafter and on or before May 31, 1973 — 3.25%  
 Thereafter and on or before May 31, 1974 — 3.125%  
 Thereafter and on or before May 31, 1975 — 3.00%  
 Thereafter and on or before May 31, 1976 — 2.875%  
 Thereafter and on or before May 31, 1977 — 2.75%  
 Thereafter and on or before May 31, 1978 — 2.625%  
 Thereafter and on or before May 31, 1979 — 2.50%  
 Thereafter and on or before May 31, 1980 — 2.375%  
 Thereafter and on or before May 31, 1981 — 2.25%  
 Thereafter and on or before May 31, 1982 — 2.125%  
 Thereafter and on or before May 31, 1983 — 2.00%  
 Thereafter and on or before May 31, 1984 — 1.875%  
 Thereafter and on or before May 31, 1985 — 1.75%  
 Thereafter and on or before May 31, 1986 — 1.50%  
 Thereafter and on or before May 31, 1987 — 1.25%  
 Thereafter and on or before May 31, 1988 — 1.00%  
 Thereafter and on or before May 31, 1989 — .75%  
 Thereafter and on or before May 31, 1990 — .50%  
 Thereafter and on or before May 31, 1991 — .25%  
 Thereafter and prior to maturity, without premium;

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to June 1, 1967, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of an indebtedness by the Company and provided further that the bonds of Series G shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any

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case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series G bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series G bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on June 1st of any year, subsequent to the year 1962, in whole or in part for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if in case of redemption of less than all of the bonds of this series and all such bonds then outstanding are fully registered in the

names of holders, being not more than 10, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable among such holders in the manner provided by section 1.05 of the Seventh Supplemental Indenture. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500 shall be retained by the Trustee and applied as a part of the next distribution and apportionment in redemption. In all other cases in which less than all bonds of this series are to be called for redemption, bonds to be so called shall be selected by lot, each fully registered bond of a denomination of a multiple (greater than one) of \$1,000 to be represented by a separate number for each \$1,000 of its principal amount. If notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date. Whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will, at the option of the owner and holder thereof, issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental

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commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

Pursuant to the provisions of section 2.09 of the original Indenture, this bond is transferable by the registered owner hereof, in person or by duly authorized attorney, only upon the books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the aggregate unpaid balance. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series or another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the

registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

Payments on account of principal of this bond may be made without surrender, cancellation or reissue hereof in the manner and to the extent

provided by the terms of section 1.06 of the Seventh Supplemental Indenture, as reflected by the records of the Trustee.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated the 1st day of June, 1962.

OREGON-WASHINGTON TELEPHONE COMPANY

*President*

ATTEST:

By.....

*Secretary*

Form of Series G Coupon Bond

No.

**\$1,000**

OREGON-WASHINGTON TELEPHONE COMPANY

First Mortgage Bond, Series G

Due June 1, 1992

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of June, 1992, the principal sum of One Thousand Dollars (\$1,000) and to pay interest thereon from the date hereof at the rate of

four and one-half per cent ( $4\frac{1}{2}\%$ ) per annum, payable semiannually on the first day of December and on the first day of June in each year until said principal sum is paid, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series G, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous funds, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, and a Seventh Supplemental Indenture dated as of June 1, 1962 (said eight instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee), and E. L. Blaine, Jr., of Seattle, Washington (herein called

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the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before May 31, 1963 — 4.50%  
 Thereafter and on or before May 31, 1964 — 4.375%  
 Thereafter and on or before May 31, 1965 — 4.25%  
 Thereafter and on or before May 31, 1966 — 4.125%  
 Thereafter and on or before May 31, 1967 — 4.00%  
 Thereafter and on or before May 31, 1968 — 3.875%  
 Thereafter and on or before May 31, 1969 — 3.75%  
 Thereafter and on or before May 31, 1970 — 3.625%  
 Thereafter and on or before May 31, 1971 — 3.50%  
 Thereafter and on or before May 31, 1972 — 3.375%  
 Thereafter and on or before May 31, 1973 — 3.25%  
 Thereafter and on or before May 31, 1974 — 3.125%  
 Thereafter and on or before May 31, 1975 — 3.00%  
 Thereafter and on or before May 31, 1976 — 2.875%  
 Thereafter and on or before May 31, 1977 — 2.75%  
 Thereafter and on or before May 31, 1978 — 2.625%  
 Thereafter and on or before May 31, 1979 — 2.50%  
 Thereafter and on or before May 31, 1980 — 2.375%  
 Thereafter and on or before May 31, 1981 — 2.25%  
 Thereafter and on or before May 31, 1982 — 2.125%  
 Thereafter and on or before May 31, 1983 — 2.00%

Thereafter and on or before May 31, 1984—1.875%  
 Thereafter and on or before May 31, 1985—1.75%  
 Thereafter and on or before May 31, 1986—1.50%  
 Thereafter and on or before May 31, 1987—1.25%  
 Thereafter and on or before May 31, 1988—1.00%  
 Thereafter and on or before May 31, 1989— .75%  
 Thereafter and on or before May 31, 1990— .50%  
 Thereafter and on or before May 31, 1991— .25%  
 Thereafter and prior to maturity, without premium;

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to June 1, 1967, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series G shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series G bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under the power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series G bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

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Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on June 1st of any year, subsequent to the year 1963, in whole or in part, for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund, shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the City of Chicago, Illinois, and one such newspaper published and of general circulation in the Borough of Manhattan in the City and State of New York, the first such publication in each newspaper to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemption shall be published once in each such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this

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bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond

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may again and from time to time be registered or retransferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of his bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof and the terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any

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claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

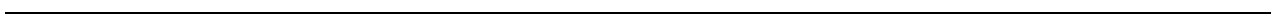
IN WITNESS WHEREOF, OREGON - WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated the 1st day of June, 1962.

OREGON-WASHINGTON TELEPHONE  
COMPANY

By.....  
**President**

ATTEST:

**Secretary**



FORM OF INTEREST COUPON  
INTEREST COUPON

*No.* \_\_\_\_\_ \$

On *the* 1st day of \_\_\_\_\_, 19\_\_\_\_, upon  
surrender of this coupon, unless the bond hereinafter  
mentioned shall have been previously called for  
redemption and payment duly provided therefor,  
Oregon-Was'ington Telephone Company will pay  
to bearer at the main office of Peoples National  
Bank of Washington in Seattle, in Seattle, Wash-  
ington \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ )  
in lawful money of the United States of America,  
being six (6) months' interest then due on its First  
Mortgage Bond, Series G, dated June 1, 1962, No.

OREGON-WASHINGTON TELEPHONE  
COMPANY

By.....

***Treasurer***

FORM OF TRUSTEE'S CERTIFICATE  
FOR BONDS OF SERIES G

This is one of the first Mortgage Bonds, Series  
G, referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON  
IN SEATTLE, Trustee

By E. R. MACKAY

***Trust Officer***                      ***Authorized Officer***

WHEREAS, the Company, subsequent to the execution  
and delivery of the Sixth Supplemental Indenture to  
which reference is hereinafter made, has acquired and  
now owns additional properties and desires, pursuant to  
the covenants and provisions of the Original Indenture,  
to confirm in the Trustees title to such properties with

the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS, all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional One Million Dollars (\$1, - 000,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Seventh Supplemental Indenture provided, the valid and binding obligations of the Company, and to make these presents, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture and the Seventh Supplemental Indenture (said eight instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed;

Now, THEREFORE, THIS SEVENTH SUPPLEMENTAL INDENTURE WITNESSETH:

That Oregon-Washington Telephone Company, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee,

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the receipt whereof is hereby acknowledge, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, aliened, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

**All** and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the delivery of the Sixth Supplemental Indenture or not described in the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture or Sixth Supplemental Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following, together with the tene-

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ments, hereditaments and appurtenances thereunto belonging or appertaining:

The following-described real property together with all improvements thereon:

(a) Situated in the County of Klickitat, in the State of Washington: Lot 11, Block 15, John J. Golden's Second Addition to the Town of Golden-dale, according to the plat thereof recorded in Volume B of the Records of Deeds of such County at page 211, and in Volume B of the Records of Deeds of such county at page 348, and resurvey in Volume E of the Records of Deeds of such County at pages 628 through 640.

(b) Situated in the County of Lane, in the State of Oregon: The East 26 feet of the North half of Lot 3, Block 12, Oakridge, as platted and recorded at page 29 of Volume 4 of Lane County, Oregon, Plat Records.

(c) Situated in the County of Yamhill, in the State of Oregon: All that portion of Lots 11 and 12, East Sheridan Subdivision, lying South of the State Highway.

To HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture, the Second Supplemental Inden-

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ture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture and the Seventh Supplemental Indenture, it being agreed as follows, to wit:

## ARTICLE ONE

### SERIES G BONDS

Section 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series G" (hereinafter sometimes referred to as "Series G bonds" or "bonds of Series G"), Series G bonds shall be coupon bonds of the denomination of \$1,000 each, registerable as to principal, and fully registered bonds without coupons of the denomination of \$500 and multiples thereof. The coupon bonds of Series G shall be dated June 1, 1962, and the registered bonds of Series G without coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series G bonds shall mature June 1, 1992, and shall bear interest at the rate of four and one-half per cent ( $4\frac{1}{2}\%$ ) per annum from their respective dates, such interest to be payable semiannually on the 1st day of December and the 1st day of June in each year. Both the principal of and interest on bonds of Series G shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series G, the Trustee's certificate with respect to Series G bonds and the coupons appertaining to Series G coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of

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the Original Indenture, the bonds of Series G shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof.

If redeemed on or before May 31, 1963 — 4.50910  
 Thereafter and on or before May 31, 1964 — 4.375%  
 Thereafter and on or before May 31, 1965 — 4.25%  
 Thereafter and on or before May 31, 1966 — 4.125%  
 Thereafter and on or before May 31, 1967 — 4.00770  
 Thereafter and on or before May 31, 1968 — 3.875%  
 Thereafter and on or before May 31, 1969 — 3.759'0  
 Thereafter and on or before May 31, 1970 — 3.625%  
 Thereafter and on or before May 31, 1971 — 3.50970  
 Thereafter and on or before May 31, 1972 — 3.375%  
 Thereafter and on or before May 31, 1973 — 3.25%  
 Thereafter and on or before May 31, 1974 — 3.125%  
 Thereafter and on or before May 31, 1975 — 3.00%  
 Thereafter and on or before May 31, 1976 — 2.8759'0  
 Thereafter and on or before May 31, 1977 — 2.75%  
 Thereafter and on or before May 31, 1978 — 2.625%  
 Thereafter and on or before May 31, 1979 — 2.50%  
 Thereafter and on or before May 31, 1980 — 2.375910  
 Thereafter and on or before May 31, 1981 — 2.25%  
 Thereafter and on or before May 31, 1982 — 2.125%  
 Thereafter and on or before May 31, 1983 — 2.00%  
 Thereafter and on or before May 31, 1984 — 1.875%  
 Thereafter and on or before May 31, 1985 — 1.75%  
 Thereafter and on or before May 31, 1986 — 1.50%  
 Thereafter and on or before May 31, 1987 — 1.25%  
 Thereafter and on or before May 31, 1988 — 1.00%  
 Thereafter and on or before May 31, 1989 — .75%  
 Thereafter and on or before May 31, 1990 — .50%  
 Thereafter and on or before May 31, 1991 — .25%  
 Thereafter and prior to maturity, without premium;

provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to June 1, 1967, directly or indirectly as a part of, or in anticipation of, any refunding operations involving



the incurring of any indebtedness by the Company and provided further that the bonds of Series G shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in Section 1.03 at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees that so long as any Series G bonds are outstanding hereunder it will, in each of the years 1963 through 1991, both inclusive, not less than thirty (30) days prior to June 1st of such year, deposit with the Trustee, as and for a sinking fund for Series G bonds, moneys sufficient (when increased by the payment of accrued interest to such June 1st) to redeem on such June 1st, Series G bonds in aggregate principal amount equal to one per cent (1%) of the total aggregate principal amount of Series G bonds authenticated and delivered to and including such June 1st (exclusive of Series G bonds in exchange or substitution for which other bonds of Series G may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.07 hereof). On each such June 1st, the Trustee shall, insofar as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series G bonds.

Provided, however, that in lieu of depositing all or a part of such moneys the Company may deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series G, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than par.

The redemption price for Series G bonds redeemed for the purposes of the sinking fund created by this Section shall be the principal amount there-

of, plus interest accrued thereon to the date fixed for such redemption, without any premium.

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this Section.

Section 1.04. Series G bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to Sections 8.11, 8.14, 9.02 and 11.04 of the Original Indenture as amended shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof.

In the event that all or any part of the bonds of Series G shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

Section 1.05. If in case of redemption of less than all of the Series G bonds outstanding, all of the Series G bonds then outstanding are in fully registered form in the names of holders numbering not more than ten (10), the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable in amounts of \$500 or any integral multiple thereof between each of such fully registered holders of bonds of such series in the proportion that the aggregate principal amount of registered bonds of such series then held by each such holder concerned bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall, within ten (10) days after such apportionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in

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whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.06. In the event of redemption for sinking fund purposes of a portion of the principal amount of any fully registered Series G bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bond holder without surrender to the Trustee of the bond on which partial redemption only is being made if there shall be on file with the Trustee (and not theretofore rescinded by written notice from any such registered bond holder to the Trustee) an agreement between the Company and such purchaser to the effect that: (i) Payments will be made as aforesaid; (ii) such holder promptly will make notations on such bond, or on a paper attached thereto, of the portions thereof so redeemed; (iii) such holder will not sell, assign, encumber, pledge or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of the bond surrendered. In case any payment is made as provided in this subparagraph, the Trustee shall make an appropriate notation of such payment on its records, and such payment made by the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.07. Fully registered bonds of Series G, upon surrender thereof at the main office of the Trustee, may be exchanged for the aggregate unpaid principal balance of fully registered bonds of that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have cou-

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pens attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as herein-after stated, for any exchange of fully registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee, and in addition a further sum not in excess of the lesser of (1) the actual cost of the preparation of each new bond issued upon such exchange and the charges of the Trustee in connection therewith, and (2) Two Dollars (\$2 ) per bond. The original registered owners of the \$1,000,000 of Series G fully registered bonds, without coupons initially issued under Section 1.09 hereof shall, however, have the privilege of exchanging without charge for one or more coupon bonds or for one or more fully registered bonds or for a combination of the same any such fully registered bond so initially issued and any fully registered bond which has become substituted for a portion of such a fully registered bond or for several such fully registered bonds.

Section 1.08. Fully registered bonds of Series G shall be numbered "R- 1" and consecutively upwards. Coupon bonds of Series G shall be numbered "M- 1" and consecutively upwards.

Section 1.09. Upon the execution of this Seventh Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of

the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series G in the form of fully registered bonds without coupons in the aggregate principal amount of One Million Dollars (\$1,000,000).

## ARTICLE TWO

### ADDITIONAL PROVISIONS

Section 2.01. So long as any Series G bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any shares of its common stock nor to the payment of any dividend or other disbursement thereon (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions made in shares of capital stock) subsequent to January 1, 1962, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series G bonds shall be authenticated by the Trustee, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series G bonds shall be authenticated by the Trustee would exceed the Company's net income since January 1, 1962 (treated as one accounting period), plus Three Hundred Thousand Dollars (\$300,000). The foregoing shall not be construed to prohibit the payment of dividends on preferred stock or the purchase of preferred stock to satisfy sinking fund requirements.

Section 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Seventh Sup-

plemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal prorata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.03. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request of the holder or holders of at least 25 per cent in principal amount of Series G bonds then outstanding during any three-year period beginning June 1, 1962, the Company will have its properties inspected by an independent engineer who shall be an engineer satisfactory to the Trustee who is not in the employ of the Company. Such engineer will, at Company expense, file with the Trustee an independent engineer's certificate as such term is defined in Section 1.01 of the Original Indenture, which shall contain a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each bondholder who has requested such inspection.

Section **2.04.** All newspaper notices with respect to Series G bonds shall be published in a newspaper published and of general circulation in the Borough of Manhattan, in the City and State of New York, as well as in one so published and of general circulation in the City of Chicago, State of Illinois.

Section 2.05. For any default by the Company in the covenants, stipulations, promises and agreements herein contained *or* contained in the bonds of Series G the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

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Section 2.06. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture are hereby in all respects ratified and confirmed.

Section 2.07. This Seventh Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and E. L. Blaine, Jr., has hereto set his hand and seal, all as of June 1, 1962, but this instrument has been actually executed and delivered the 1 lth day of July, 1962.

OREGON-WASHINGTON TELEPHONE  
COMPANY

(Corporate Seal)

By E. R. DEAN

*President*

ATTEST:

J. S. MIDDLETON

*Secretary*

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Signed, sealed and acknowledged by Oregon-Washington Telephone Company in the presence of:

EARL M. BIVINS

K. C. HELPHINGSTINE

PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE

By E. R. MACKAY  
*Trust Officer*

By HAROLD ROGERS  
*Vice President & Trust Officer*

ATTEST:

VICTOR R. GRAVES (Corporate Seal)  
*Vice President & Trust Officer*

Signed, sealed and acknowledged by Peoples National Bank of Washington in Seattle in the presence of:

EARL M. BIVINS

K. C. HELPHINGSTINE

E. L. BLAINE, JR.  
E. L. BLAINE, JR.

Signed, sealed and acknowledged by E. L. Blaine, Jr. in the presence of:

EARL M. BIVINS

K. C. HELPHINGSTINE





STATE OF WASHINGTON )  
 ) Ss.  
County of King )

On this 11 day of July, 1962, before me, the undersigned officer, personally appeared E. R. MACKAY and HAROLD ROGERS, to me known to be Trust Officers of Peoples National Bank of Washington in Seattle, the national banking association which executed the within and foregoing instrument, and E. R. MACKAY and HAROLD ROGERS as Trust Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instrument, and VICTOR R. GRAVES as Trust Officer on oath, stated that he was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

**W. F. BREITEN**  
***Notary Public in and for the State***  
***of Washington, residing at Seattle,***  
***Washington.***

My commission expires: 7-22-62

(Notarial Seal)





## RECORDING DATA

Recording data on Seventh Supplemental Indenture of Mortgage and Deed of Trust.

### STATE OF OREGON

#### Seventh Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
Crook	Book 64, pp. 441-447	Indexed as C/M	7/13/62
Deschutes	Book 125, pp. 241-262	Indexed as C/M	7/13/62
Gilliam	Book 4, pp. 412-429	Indexed as C/M	7/13/62
Grant	Book 34, pp. 182-199	Indexed as C/M	7/13/62
Harney	Book A-3, pp. 572-590	Indexed as C/M	7/13/62
Hood River	Book 50, pp. 784-802	indexed as C/M	7/12/62
Jackson	Vol. 414, pp. 138-173	Indexed as C/M	7/12/62
Jefferson	Book 28, pp. 1-20	Indexed as C/M	7/13/62
Klamath	Vol. 211, pp. 481-517	Indexed as C/M	7/12/62
Lake	Book 53, pp. 106-124	Indexed as C/M	7/13/62
Lane	Reel 203-M, Reception #76028	Indexed as C/M	7/12/62
Malheur	Book 104, pp. 562-597	Indexed as C/M	7/16/62
Polk	Book 125, pp. 543-578	Indexed as C/M	7/12/62
Tillamook	Book 80, pp. 28-46	Indexed as C/M	7/12/62
Wasco	Book 99, pp. 341-377	indexed as C/M	7/12/62
Yamhill	Film 23, pp. 914-949	Indexed as C/M	7/12/62

### STATE OF WASHINGTON

#### Seventh Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
Benton	Vol. 159 of Mtgs., pp. 649-683, File No. 479920	File No. 479921	7/12/62
Klickitat	Book 93, pp. 500-523 File No. 104871	File No. 104870	7/12/62
Skamania	Book 39, pp. 403-438 File No. 60207	File No. 60208	7/12/62
Yakima	Book 511, pp. 504-522 File No. 1914308	File No. 7851	7/12/62

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OREGON-WASHINGTON TELEPHONE COMPANY

TO

PEOPLES NATIONAL BANK OF WASHINGTON  
IN **SEATTLE**

AND

E. L. **BLAINE, JR.**  
TRUSTEES

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**Eighth Supplemental  
Indenture**

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DATED AS OF SEPTEMBER 1, 1964

## **This Eighth Supplemental Indenture,**

dated as of September 1, 1964, by and between OREGON-WASHINGTON TELEPHONE COMPANY, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said State (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington, and E. L. BLAINE, JR., of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the "Trustee" and the "Individual Trustee" and collectively as the "Trustees"):

WHEREAS the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has executed and delivered to the Trustees a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, and a Seventh Supplemental Indenture dated as of June 1, 1962, amending and supplementing such Original Indenture pursuant to which Supplemental Indentures the Company has issued its First Mortgage Bonds, Series B, C, D, E, F and G; and

WHEREAS the Company has determined by due corporate action to provide for the immediate issuance, execution, authentication and delivery of One Million Two Hundred Thousand Dollars (\$1,200,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series H, the said Series H bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture; and

WHEREAS the fully registered bonds without coupons and the coupon bonds of Series H to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:



Form of Series H Fully  
Registered Bond Without Coupon

§----- No. R  
 First Mortgage Bond Due September 1,  
 Series H 1994

OREGON-WASHINGTON TELEPHONE  
COMPANY

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of September, 1994, the principal sum of \_\_\_\_\_ and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of four and seventy hundredths per cent (4.70%) per annum, payable semiannually on the first day of March and the first day of September in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said Bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series H, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other

analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, and an Eighth Supplemental Indenture dated as of September 1, 1964 (said nine instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee), and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before August 31, 1965-4.70%  
Thereafter andonor before August 31, 1966-4.55%  
Thereafter and on or before August 31, 1967 -4.40%  
Thereafter andonor before August 31, 1968-4.25%  
Thereafter andonor before August 31, 1969 -4.10%  
Thereafter andonor before August 31, 1970 - 3.95%  
Thereafter andonor before August 31, 1971 -3.80%  
Thereafter andonor before August 31, 1972-3.65%  
Thereafter andonor before August 31, 1973-3.5090  
Thereafter andonor before August 31, 1974 - 3.35%  
Thereafter andonor before August 31, 1975 - 3.20%  
Thereafter andonor before August 31, 1976 - 3.05%  
Thereafter andonor before August 31, 1977 - 2.90%  
Thereafter andonor before August 31, 1978-2.75%  
Thereafter andonor before August 31, 1979 -2.60%  
Thereafter andonor before August 31, 1980 - 2.45%  
Thereafter andonor before August 31, 1981 - 2.30%  
Thereafter andonor before August 31, 1982 - 2.10%  
Thereafter andonor before August 31, 1983 -1.95%  
Thereafter and on or before August 31, 1984 - 1.80%  
Thereafter and on or before August31, 1985- 1.65%  
Thereafter and on or before August 31, 1986- 1.50%  
Thereafter and on or before August 31, 1987- 1.35%  
Thereafter andonor before August 31, 1988 - 1.20%  
Thereafter andonor before August 31, 1989 - 1.00%  
Thereafter andonor before August 31, 1990 - .80%  
Thereafter andonor before August 31, 1991- .60%  
Thereafter andonor before August 31, 1992 - .40%  
Thereafter andonor before August 31, 1993- .20%  
Thereafter and prior to maturity, without premium;

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to September 1, 1969, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of an indebtedness by the Company and provided further that the bonds of Series H shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal

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amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series H bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series H bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on September 1st of any year, subsequent to the year 1964, in whole or in part for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if in case of redemption of

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less than all of the bonds of this series and all such bonds then outstanding are fully registered in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable among such holders in the manner provided by section 1.05 of the Eighth Supplemental Indenture. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500 shall be retained by the Trustee and applied as a part of the next distribution and apportionment in redemption. If notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date. Whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will, at the option of the owner and holder thereof, issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount

equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

Pursuant to the provisions of section 2.09 of the original Indenture, this bond is transferable by the registered owner hereof, in person or by duly authorized attorney, only upon the books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the aggregate unpaid balance. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series of another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

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With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

Payments on account of principal of this bond may be made without surrender, cancellation or reissue hereof in the manner and to the extent provided by the terms of section 1.06 of the Eighth Supplemental Indenture, as reflected by the records of the Trustee.

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This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

In WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated as of the 1st day of September, 1964.

OREGON-WASHINGTON TELEPHONE  
COMPANY

***President***

ATTEST:

By.....  
***Secretary***

Form of Series H Coupon Bond

**No.** **\$1,000**

OREGON-WASHINGTON TELEPHONE  
COMPANY

First Mortgage Bond, Series H  
Due September 1, 1994

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of September, 1994, the principal sum of One Thousand Dollars (\$1,000) and to pay interest thereon from the date hereof at the rate of four and seventy hundredths per cent (4.70%) per annum, payable semiannually on the first day of March and on the first day of Septem-



ber in each year until said principal sum is paid, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series H, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous funds, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, and an Eighth Supplemental Indenture dated as of September 1, 1964 (said nine instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee), and E. L. Blaine, Jr., of Seattle, Washington (herein called the Individual Trustee), as trus-

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tees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before August 31, 1965- 4.70%  
 Thereafter and on or before August 31, 1966- 4.55%  
 Thereafter and on or before August 31, 1967- 4.40%  
 Thereafter and on or before August 31, 1968 - 4.25%  
 Thereafter and on or before August 31, 1969 - 4.10%  
 Thereafter and on or before August 31, 1970- 3.95%  
 Thereafter and on or before August 31, 1971 - 3.80%  
 Thereafter and on or before August 31, 1972 - 3.65%  
 Thereafter and on or before August 31, 1973 - 3.50%  
 Thereafter and on or before August 31, 1974- 3.35%  
 Thereafter and on or before August 31, 1975- 3.20%  
 Thereafter and on or before August 31, 1976- 3.05%  
 Thereafter and on or before August 31, 1977- 2.90%  
 Thereafter and on or before August 31, 1978- 2.75%  
 Thereafter and on or before August 31, 1979- 2.60%  
 Thereafter and on or before August 31, 1980 - 2.45%  
 Thereafter and on or before August 31, 1981- 2.30%  
 Thereafter and on or before August 31, 1982 - 2.10%  
 Thereafter and on or before August 31, 1983 - 1.95%  
 Thereafter and on or before August 31, 1984- 1.80%  
 Thereafter and on or before August 31, 1985- 1.65%  
 Thereafter and on or before August 31, 1986- 1.50%

Thereafter andonor before August 31, 1987 - 1.35%  
Thereafter andonor before August 31, 1988 - 1.20%  
Thereafter andonor before August 31, 1989 - 1.00%  
Thereafter andonor before August 31, 1990- .80%  
Thereafter and on or before August 31,1991- .60%  
Thereafter andonor before August 31, 1992- .40%  
Thereafter and on or before August 31,1993- .20%  
Thereafter and prior to maturity, without premium;

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to September 1, 1969, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series H shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series H bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under the power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series H bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

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Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on September 1st of any year, subsequent to the year 1964, in whole or in part, for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund, shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the City of Detroit, Michigan, and one such newspaper published and of general circulation in the City of Chicago, Illinois, the first such publication in each newspaper to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemption shall be published once in each such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this

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bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transfer

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ability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of his bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

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No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, OREGON - WASHINGTON TELEPHONE COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated as of the 1st day of September, 1964.

OREGON-WASHINGTON TELEPHONE  
COMPANY

By.....  
**President**

ATTEST:

.....  
**Secretary**

FORM OF INTEREST COUPON  
INTEREST COUPON

No. \_\_\_\_\_ \$

On the 1st day of \_\_\_\_\_, 19\_\_\_\_, upon  
surrender of this coupon, unless the bond hereinafter  
mentioned shall have been previously called for

redemption and payment duly provided therefor, Oregon-Washington Telephone Company will pay to bearer at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ ) in lawful money of the United States of America, being six (6) months' interest then due on its First Mortgage Bond, Series H, dated as of September 1, 1964, No.

OREGON-WASHINGTON TELEPHONE  
COMPANY

By .....  
**Treasurer**

FORM OF TRUSTEE'S CERTIFICATE  
FOR BONDS OF SERIES H

This is one of the first Mortgage Bonds, Series H, referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON  
IN SEATTLE, Trustee

By .....  
**Trust Officer**                      **Authorized Officer**

WHEREAS, the Company, subsequent to the execution and delivery of the Seventh Supplemental Indenture to which reference is hereinafter made, has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS, all acts, proceedings and things necessary to authorize the execution and delivery of these pres-



ents and to make the additional One Million Two Hundred Thousand Dollars (\$1 ,200,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Eighth Supplemental Indenture provided, the valid and binding obligations of the Company, and to make these presents, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, and the Eighth Supplemental Indenture (said nine instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed;

Now, THEREFORE, THIS EIGHTH SUPPLEMENTAL INDENTURE WITNESSETH:

That Oregon-Washington Telephone Company, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest

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on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, aliened, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the delivery of the Seventh Supplemental Indenture or not described in the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture, Sixth Supplemental Indenture, or Seventh Supplemental Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following, together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining:

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The following-described real property together with all improvements thereon:

(a) Lots 1 and 2 except the North 100 feet thereof, Block 21, HOOD RIVER PROPER, in the City of Hood River, County of Hood River and State of Oregon;

(b) Lot 18, Block 6, Gilbert's Addition to Toppenish, according to the plat thereof recorded in volume "B" of Plats, page 29, in Yakima County, Washington;

(c) Right of way grant, Bureau of Land Management for the Department of Interior of the United States to Oregon - Washington Telephone Company, granted as of July 27, 1964 for a period of 50 years, and covering on real property described as:

SE $\frac{1}{4}$ SW $\frac{1}{4}$ , Section 1, Township 33 South, Range 2 East, Willamette Meridian, in Jackson County, Oregon:

EXCEPTING, HOWEVER, parcels of real property and easements which have been released from the lien of the Original Indenture and the Seven existing Supplements thereto, described as:

(a) The W.  $\frac{1}{2}$  of Lots 4 and 5, Block B, First Addition to Town of Mosier, Wasco County, Oregon.

(b) N.  $\frac{1}{2}$  of Lots 2 and 7, Block 3, Original Town of Burns, Harney County, Oregon, according to the recorded plat thereof.

(c) Lot 1; the E.  $\frac{1}{2}$  and S. 10 feet of the W.  $\frac{1}{2}$  of Lot 2, Block 6, in Townsite of Parkdale, Hood River County, Oregon.

(d) The following described real property situate in Hood River County, Oregon, to-wit:

Beginning at a point which is 446.8 feet North of the SE corner of Lot 7, Adams Paradise Acreage, a duly dedicated tract in the City of Hood River, thence North 201.3 feet; thence Westerly parallel to the South line of said Lot 7, 150 feet; thence South 191.3 feet; thence Westerly parallel to the South line of said Lot 7, 412.32 feet, more or less to the center of the road; thence South along the center line of said road 10 feet; thence Easterly parallel to the South line of said Lot 7, 562.32 feet, more or less, to the place of beginning.

(e) Lot 1, in Block 6, in Town of Bickleton, Klickitat County, Washington, according to the duly recorded plat thereof.

(f) West Half ( $W\frac{1}{2}$ ) of Lot Four (4), Block Three (3), Original Town (now City) of Burns, Harney County, Oregon.

(g) The West 24 feet of the South Half of Lot 3 in Block 12 in OAKRIDGE as platted and recorded at Page 29 of Volume 4 Lane County, Oregon Plat Records in Lane County, Oregon;

(h) The Northeast Quarter of the Southeast Quarter and Government Lot 1 of Section 17; the Southwest Quarter of the Northwest Quarter and the West Half of the Southwest Quarter, all in Section 16; and Government Lots 1 and 3 in Section 20, all in Township 3 North, Range 21 East of the Willamette Meridian, Klickitat County, Washington,

together with rights of way and all related telephone plant upon such property;

(i) Government Lot 4, Section 21, Township 3 North, Range 21 East of the Willamette Meridian, Gilliam County, Oregon,

together with rights of way and all related telephone plant upon such property;

(j) Lots 1 and 2 in Block 1 of VAN OOSTRAM'S ADDITION to the Town of Sheridan, in Yamhill County, Oregon;

The following-described real property together with all improvements thereon:

(a) Lots 1 and 2 except the North 100 feet thereof, Block 21, HOOD RIVER PROPER, in the City of Hood River, County of Hood River and State of Oregon;

(b) Lot 18, Block 6, Gilbert's Addition to Toppenish, according to the plat thereof recorded in volume "B" of Plats, page 29, in Yakima County, Washington;

(c) Right of way grant, Bureau of Land Management for the Department of Interior of the United States to Oregon - Washington Telephone Company, granted as of July 27, 1964 for a period of 50 years, and covering on real property described as:

SE<sup>1</sup>/<sub>4</sub> SW<sup>1</sup>/<sub>4</sub>, Section 1, Township 33 South, Range 2 East, Willamette Meridian, in Jackson County, Oregon:

EXCEPTING, HOWEVER, parcels of real property and easements which have been released from the lien of the Original Indenture and the Seven existing Supplements thereto, described as:

(a) The W. <sup>1</sup>/<sub>2</sub> of Lots 4 and 5, Block B, First Addition to Town of Mosier, Wasco County, Oregon.

(b) N. <sup>1</sup>/<sub>2</sub> of Lots 2 and 7, Block 3, Original Town of Burns, Harney County, Oregon, according to the recorded plat thereof.

(c) Lot 1; the E. <sup>1</sup>/<sub>2</sub> and S. 10 feet of the W. <sup>1</sup>/<sub>2</sub> of Lot 2, Block 6, in Townsite of Parkdale, Hood River County, Oregon.

(d) The following described real property situate in Hood River County, Oregon, to-wit:

Beginning at a point which is 446.8 feet North of the SE corner of Lot 7, Adams Paradise Acreage, a duly dedicated tract in the City of Hood River, thence North 201.3 feet; thence Westerly parallel to the South line of said Lot 7, 150 feet; thence South 191.3 feet; thence Westerly parallel to the South line of said Lot 7, 412.32 feet, more or less to the center of the road; thence South along the center line of said road 10 feet; thence Easterly parallel to the South line of said Lot 7, 562.32 feet, more or less, to the place of beginning.

(e) Lot 1, in Block 6, in Town of Bickleton, Klickitat County, Washington, according to the duly recorded plat thereof.

(f) West Half ( $W\frac{1}{2}$ ) of Lot Four (4), Block Three (3), Original Town (now City) of Bums, Harney County, Oregon.

(g) The West 24 feet of the South Half of Lot 3 in Block 12 in OAKRIDGE as platted and recorded at Page 29 of Volume 4 Lane County, Oregon Plat Records in Lane County, Oregon;

(h) The Northeast Quarter of the Southeast Quarter and Government Lot 1 of Section 17; the Southwest Quarter of the Northwest Quarter and the West Half of the Southwest Quarter, all in Section 16; and Government Lots 1 and 3 in Section 20, all in Township 3 North, Range 21 East of the Willamette Meridian, Klickitat County, Washington,

together with rights of way and all related telephone plant upon such property;

(i) Government Lot 4, Section 21, Township 3 North, Range 21 East of the Willamette Meridian, Gilliam County, Oregon,

together with rights of way and all related telephone plant upon such property;

(j) Lots 1 and 2 in Block 1 of VAN OOSTRAM'S ADDITION to the Town of Sheridan, in Yamhill County, Oregon;

(k) A tract of land 10 feet by 20 feet in size off the southeasterly y corner of Lot 1, Block 43, City of Malin, being 10 feet frontage on 4th Street by 20 feet on the alley through said Block 43, being further described as beginning at the southeast corner of said Lot 1; thence north along 4th Street 10 feet; thence West 20 feet; thence South 10 feet; thence East 20 feet, in Klamath County, Oregon;

(1) Beginning at a point on the westerly line of Russell Street in the town of Stevenson which is North 34° 30' West 31.2 feet from the northeast corner of Lot 1, Block 8 of the town of Stevenson according to the plat thereof on file and of record in the office of the County Auditor of Skamania County, Washington; thence South 34° 30' East a distance of 33 feet; thence South 55° 30' West 4½ feet to the southeasterly corner of the brick and tile building known as "Skamania County Abstract & Title Co. Building"; thence on the same course along the southerly wall of said building a distance of 25 feet to the angle corner of the brick annex of said building; thence North 34° 30' West along the Westerly wall of the brick annex a distance of 3.5 feet; thence South 55° 30' West a distance of 77.0 feet; thence North 34° 30' West 29.5 feet; thence North 55° 30' East a distance of 106.5 feet to the point of beginning;

ALSO easement for road purposes 10 feet in width and 100 feet in depth along the northerly line of the said tract as more particularly described in deed dated May 16, 1932, and recorded at page 86 of Book Y of Deeds, Records of Skamania County, Washington.

(m) Lot 17, Block 22, GRANGER, according to the official plat thereof on file and of record in Volume A of Plats, page 140, records of Yakima County, Washington.

(n) Easement rights upon so much of the following described property situate in the County of Hood River and State of Oregon:

Commencing at a piece of railroad rail set in the ground for the most westerly of the southwest-erly corners of the Nathan L. Benson Donation Land Claim No. 40, Section 25, Township 3 North, Range 10 East of the Willamette Meridian, which piece of railroad iron is 10.11 chains north and 13.35 chains west from the corner to Sections 25 and 36 in Town-ship 3 North, Range 10 East of the Willamette Meridian, and Sections 30 and 31 of Township 3 North, Range 11 East of the Willamette Meridian, and is also on the eastern terminus of the depot grounds of the Oregon-Washington Railroad & Nav-igation Company; thence along the northerly line of the right of way of said Oregon-Washington Rail-road & Navigation Company in a general easterly direction 5.65 chains measured in a straight line; thence north parallel to the west boundary of said Benson Donation Land Claim, 7.79 chains to the center of a certain slough; thence following the meanders of that certain slough along the center line thereof, the following courses and distances; South  $78^{\circ} 23'$  east 3.54 chains to an iron bar; thence east 5.30 chains to an iron bar; thence north 580 east 3.80 chains to an iron bar; thence north 630 30' east 3.80 chains to an iron bar; thence north 820 30' east 5.72 chains to an iron bar under the center of the bridge of said railroad company's spur from which a nail driven in a cross tie of said spur is vertically above about 20 feet; thence from said nail in said tie and leaving said slough running up the center of said spur south 450 50' east 6.81 chains to an iron spike driven at the intersection of the center line of said spur with the center line of the County Road; thence leaving said spur and running north 790 30' east 11.20 chains, more or less, to the line of ordinary high water on the left bank of the Columbia River; thence downstream along the said line of ordinary high water on the left bank of the Columbia River to an intersection with the section line between Section 25, Township 3 North, Range 10 East of the Willamette Meridian

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(k) A tract of land 10 feet by 20 feet in size off the southeasterly corner of Lot 1, Block 43, City of Malin, being 10 feet frontage on 4th Street by 20 feet on the alley through said Block 43, being further described as beginning at the southeast corner of said Lot 1; thence north along 4th Street 10 feet; thence West 20 feet; thence South 10 feet; thence East 20 feet, in Klamath County, Oregon;

(l) Beginning at a point on the westerly line of Russell Street in the town of Stevenson which is North 34° 30' West 31.2 feet from the northeast corner of Lot 1, Block 8 of the town of Stevenson according to the plat thereof on file and of record in the office of the County Auditor of Skamania County, Washington; thence South 34° 30' East a distance of 33 feet; thence South 55° 30' West 4½ feet to the southeasterly corner of the brick and tile building known as "Skamania County Abstract & Title Co. Building"; thence on the same course along the southerly wall of said building a distance of 25 feet to the angle corner of the brick annex of said building; thence North 34° 30' West along the Westerly wall of the brick annex a distance of 3.5 feet; thence South 55° 30' West a distance of 77.0 feet; thence North 34° 30' West 29.5 feet; thence North 55° 30' East a distance of 106.5 feet to the point of beginning;

ALSO easement for road purposes 10 feet in width and 100 feet in depth along the northerly line of the said tract as more particularly described in deed dated May 16, 1932, and recorded at page 86 of Book Y of Deeds, Records of Skamania County, Washington.

(m) Lot 17, Block 22, GRANGER, according to the official plat thereof on file and of record in Volume A of Plats, page 140, records of Yakima County, Washington.

(n) Easement rights upon so much of the following described property situate in the County of Hood River and State of Oregon:

Commencing at a piece of railroad rail set in the ground for the most westerly of the southwest-erly corners of the Nathan L. Benson Donation Land Claim No. 40, Section 25, Township 3 North, Range 10 East of the Willamette Meridian, which piece of railroad iron is 10.11 chains north and 13.35 chains west from the corner to Sections 25 and 36 in Town-ship 3 North, Range 10 East of the Willamette Meridian, and Sections 30 and 31 of Township 3 North, Range 11 East of the Willamette Meridian, and is also on the eastern terminus of the depot grounds of the Oregon-Washington Railroad & Nav-igation Company; thence along the northerly line of the right of way of said Oregon-Washing-ton Railroad & Navigation Company in a general easterly direction 5.65 chains measured in a straight line; thence north parallel to the west boundary of said Benson Donation Land Claim, 7.79 chains to the center of a certain slough; thence following the meanders of that certain slough along the center line thereof, the following courses and distances; South  $78^{\circ} 23'$  east 3.54 chains to an iron bar; thence east 5.30 chains to an iron bar; thence north  $58^{\circ}$  east 3.80 chains to an iron bar; thence north  $63^{\circ} 30'$  east 3.80 chains to an iron bar; thence north  $82^{\circ} 30'$  east 5.72 chains to an iron bar under the center of the bridge of said railroad company's spur from which a nail driven in a cross tie of said spur is vertically above about 20 feet; thence from said nail in said tie and leaving said slough running up the center of said spur south  $45^{\circ} 50'$  east 6.81 chains to an iron spike driven at the intersection of the center line of said spur with the center line of the County Road; thence leaving said spur and running north  $79^{\circ} 30'$  east 11.20 chains, more or less, to the line of ordinary high water on the left bank of the Columbia River; thence downstream along the said line of ordinary high water on the left bank of the Columbia River to an intersection with the section line between Section 25, Township 3 North, Range 10 East of the Willamette Meridian

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and Section 30, Township 3 North, Range 11 East of the Willamette Meridian, being also the range line between Range 10 East of the Willamette Meridian and Range 11 East of the Willamette Meridian in Township 3 North; thence south along said range line to the angular corner of the Nathan L. Benson Donation Claim No. 40 in Section 25, Township 3 North, Range 10 East of the Willamette Meridian; thence west along the north line of the Nathan L. Benson Donation Land Claim No. 40, 13.32 chains to the northwest corner of said claim; thence south along the west line of said claim No. 40, 16 chains to said piece of railroad rail and place of beginning, containing 36.12 acres, more or less, and being the northerly part of Claims No. 40 and No. 37 in Township 3 North, Range 10 East of the Willamette Meridian and Township 3 North, Range 11 East of the Willamette Meridian and being also a part of Sections 25 and 30 aforesaid; together with a strip of land  $16\frac{1}{2}$  feet in width over and across that parcel of land hereinafter described as Exception 2, for a right of way for ingress and egress to and from the lands of the Oregon Lumber Company to the east and west of the lands hereinafter described as Exception 2, all of said lands being situate in Hood River County, Oregon; Excepting therefrom:

1. A parcel of land granted W. H. Taft and L. E. Taft described as follows: Beginning at the most westerly of the southwesterly corners of the Nathan L. Benson Donation Land Claim No. 40, said corner being marked by a railroad rail set on end in the ground and marked with a cross; thence in an easterly direction along the right of way of the Oregon-Washington Railroad & Navigation Company a distance of 372.9 feet; thence north 231.7 feet to a point in the southerly line of that certain 20-foot strip of land known as Columbia Avenue; thence in a southwesterly direction along said southerly line of Columbia Avenue *to* the place of beginning.

2. A parcel of land conveyed to the Oregon-

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Washington Bridge Company, more particularly described as follows: Commencing 196.3 feet north and 501 feet east of the northeast corner of the Benson Donation Land Claim No. 40 in Section 25, Township 3 North, Range 10 East of the Willamette Meridian; thence south 130 west 403 feet to the north boundary of the County Road; thence south  $84^{\circ} 35'$  east for 60 feet along said north boundary; thence north 130 east 106 feet; thence north  $360 40'$  east 607 feet to the shore line of the Columbia River; thence along the shore line north  $530 32'$  west 81 feet; thence north  $28^{\circ} 16'$  west 132 feet; thence leaving the shore line south  $360 40'$  west 363 feet; thence south  $13^{\circ}$  west 71.5 feet to the place of beginning, containing 2.6 acres;

as lies easterly of the Hood River-White Salmon Bridge Road and northerly of Oregon State Interstate Highway No. 80.

## II

(a) All improvements and structures, offices, buildings and exchanges which now are or hereafter shall be located, erected or placed upon any of the lands and premises hereinbefore described or described in the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture or the Seventh Supplemental Indenture, (excepting those parcels heretofore released from the lien of the Original Indenture and any Supplements thereto) or hereafter acquired by the Company.

(b) All equipment, switchboards, machinery, tools and appliances of every kind and nature, located in and upon and necessary or used or useful in and about the mainte-

nance or operation of any of the premises hereinbefore described or described in the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture or the Seventh Supplemental Indenture, and now or in the future owned by the Company, or necessary or used or useful in or about the maintenance or operation of any of the telephone exchanges now and in the future located or conducted therein, including all of the equipment, switchboards, machinery, tools and appliances of every kind and nature located in and upon, and necessary or used or useful in and about the maintenance or operation of any of the telephone exchanges now owned or operated by the Company in Crook County; Redmond and Sisters in Deschutes County; in Gilliam County; Seneca in Grant County; Burns and Crane in Harney County; Dee, Hood River, Odell and Parkdale in Hood River County; in Butte Falls, Crater Lake, Eagle Point, Prospect, Shady Cove and White City in Jackson County; Culver in Jefferson County; Bonanza, Lorella, Malin and Merrill in Klamath County; in Lake County; Oakridge in Lane County, Harper in Malheur County; Grand Ronde in Polk County; in Tillamook County; Mosier in Wasco County; and in Sheridan and Willamina in Yamhill County; all in the State of Oregon; and in Presser in Benton County; Bickleton, Glenwood, Goldendale, Klickitat, Lyle, Roosevelt, Trout Lake and White Salmon in Klickitat County; Stevenson and Willard in Skamania County; and Grandview, Granger, Harrah, Mabton, Sunnyside, Toppenish, Wapato,

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White Swan and Zillah, in Yakima County; all in the State of Washington.

To HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, and the Eighth Supplemental Indenture, it being agreed as follows, to wit:

ARTICLE ONE  
SERIES H BONDS

Section 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series H" (hereinafter sometimes referred to as "Series H bonds" or "bonds of Series H") limited in principal amount to \$1,200,000.00. Series H bonds shall be coupon bonds of the denomination of \$1,000 each, registrable as to principal, and fully registered bonds without coupons of the denomination of \$500 and multiples thereof. The coupon bonds of Series H shall be dated September 1, 1964, and the registered bonds of Series H without

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coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series H bonds shall mature September 1, 1994, and shall bear interest at the rate of four and seventy-hundredths per cent (4.70%) per annum from their respective dates, such interest to be payable semiannually on the 1st day of March and the 1st day of September in each year. Both the principal of and interest on bonds of Series H shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series H, the Trustee's certificate with respect to Series H bonds and the coupons appertaining to Series H coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series H shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof.

If redeemed on or before August 31, 1965-4.7070  
 Thereafter and on or before August 31, 1966- 4.55%  
 Thereafter and on or before August 31, 1967 -4.40%  
 Thereafter and on or before August 31, 1968- 4.25%  
 Thereafter and on or before August 31, 1969-4. 10%  
 Thereafter and on or before August 31, 1970- 3.95%  
 Thereafter and on or before August31, 1971-3.8090  
 Thereafter and on or before August 31, 1972- 3.65%  
 Thereafter and on or before August31, 1973-3.5090  
 Thereafter and on or before August 31, 1974- 3.35%  
 Thereafter and on or before August 31, 1975 -3.20%  
 Thereafter and on or before August 31, 1976 – 3.05%  
 Thereafter and on or before August 31, 1977- 2.90%  
 Thereafter and on or before August31, 1978- 2.75%

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Thereafter andonor before August 31, 1979 -2.60%  
 Thereafter andonor before August 31, 1980 - 2.45%  
 Thereafter andonor before August 31, 1981-2.3090  
 Thereafter andonor before August 31, 1982 - 2.10%  
 Thereafter andonor before August 31, 1983 - 1.95%  
 Thereafter andonor before August 31, 1984 - 1.80%  
 Thereafter andonor before August 31, 1985 - 1.65%  
 Thereafter andonor before August 31, 1986 - 1.50%  
 Thereafter andonor before August 31, 1987 - 1.35%  
 Thereafter andonor before August 31, 1988 - 1.20%  
 Thereafter andonor before August 31, 1989 - 1.00%  
 Thereafter andonor before August 31, 1990 - .80%  
 Thereafter andonor before August 31, 1991 - .60%  
 Thereafter andonor before August 31, 1992 - .40%  
 Thereafter and on or before August 31,1993- .20970  
 Thereafter and prior to maturity, without premium;

provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to September 1, 1969, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series H shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in Section 1.03 at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees that so long as any Series H bonds are outstanding hereunder it will, in each of the years 1965 through 1994, both inclusive, not less than thirty (30) days prior to September 1st of such year, deposit with the Trustee, as and for a sinking fund for Series H bonds, moneys sufficient (when increased by the payment of accrued interest to such September 1st) to redeem on such September 1st, Series H bonds in aggregate principal amount equal to one per cent (1%) of the total aggregate principal amount of Series H bonds authenticated and delivered to and including such September 1st (exclusive of Series H

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bonds in exchange or substitution for which other bonds of Series H may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.07 hereof ). On each such September 1st, the Trustee shall, insofar as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series H bonds.

Provided, however, that in lieu of depositing all or a part of such moneys the Company may deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series H, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than par.

The redemption price for Series H bonds redeemed for the purposes of the sinking fund created by this Section shall be the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without any premium.

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this Section.

Section 1.04. Series H bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to Sections 8.11, 8.14, 9.02 and 11.04 of the Original Indenture as amended shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof.

In the event that all or any part of the bonds of Series H shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to

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be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

Section 1.05. If in case of redemption of less than all of the Series H bonds outstanding, all of the Series H bonds then outstanding are in fully registered form in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable in amounts of \$500 or any integral multiple thereof between each of such fully registered holders of bonds of such series in the proportion that the aggregate principal amount of registered bonds of such series then held by each such holder concerned bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall, within ten (10) days after such apportionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.06. In the event of redemption for sinking fund purposes of a portion of the principal amount of any fully registered Series H bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bond holder without surrender to the Trustee of the bond on which partial redemption only is being made if there shall be on file with the Trustee (and not theretofore rescinded by written notice from any such registered bond holder to the Trustee) an agreement between the Company and such purchaser to the effect that: (i) Payments will be made as aforesaid; (ii) such

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holder promptly will make notations on such bond, or on a paper attached thereto, of the portions thereof so redeemed; (iii) such holder will not sell, assign, encumber, pledge or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of the bond surrendered. In case any payment is made as provided in this subparagraph, the Trustee shall make an appropriate notation of such payment on its records, and such payment made by the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.07. Fully registered bonds of Series H, upon surrender thereof at the main office of the Trustee, may be exchanged for the aggregate unpaid principal balance of fully registered bonds of that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee. The original registered owners of the \$1,200,000 of Series H fully registered bonds, without coupons initially issued under Section 1.09

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hereof shall, however, have the privilege of exchanging without charge for one or more coupon bonds or for one or more fully registered bonds or for a combination of the same any such fully registered bond so initially issued and any fully registered bond which has become substituted for a portion of such a fully registered bond or for several such fully registered bonds.

Section 1.08. Fully registered bonds of Series H shall be numbered "R- 1" and consecutively upwards. Coupon bonds of Series H shall be numbered "M- 1" and consecutively upwards.

Section 1.09. Upon the execution of this Eighth Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series H in the form of fully registered bonds without coupons in the aggregate principal amount of One Million Two Hundred Thousand Dollars (\$1,200,000).

## ARTICLE TWO

### ADDITIONAL PROVISIONS

Section **2.01**. So long as any Series H bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any shares of its common stock nor to the payment of any dividend or other disbursement thereon (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions made in shares of capital stock) subsequent to January 1, 1964, plus (b) the excess, if any, of the amount applied to or

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set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series H bonds shall be authenticated by the Trustee, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series H bonds shall be authenticated by the Trustee would exceed the Company's net income since January 1, 1964 (treated as one accounting period), plus Three Hundred Thousand Dollars (\$300,000). The foregoing shall not be construed to prohibit the payment of dividends on preferred stock or the purchase of preferred stock to satisfy sinking fund requirements.

Section 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Eighth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal prorata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.03. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request of the holder or holders of at least 25 per cent in principal amount of Series H bonds then outstanding during any three-year period beginning September 1, 1964, the Company will have its properties inspected by an independent engineer who shall be an engineer satisfactory to the Trustee who is not in the employ of the Company. Such engineer will, at Company expense, file with the Trustee an independent engineer's certificate as such term is defined in Section 1.01 of the Original

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Indenture, which shall contain a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each bondholder who has requested such inspection.

Section 2.04. All newspaper notices with respect to Series H bonds shall be published in a newspaper published and of general circulation in the City of Chicago, State of Illinois, as well as in one so published and of general circulation in the City of Detroit, State of Michigan.

Section 2.05. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series H the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

Section 2.06. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture and the Seventh Supplemental Indenture are hereby in all respects ratified and confirmed.

Sec. 2.07. This Eighth Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, OREGON-WASHINGTON TELEPHONE COMPANY has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence

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their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and E. L. Blaine, Jr., has hereto set his hand and seal, all as of September 1, 1964, but this instrument has been actually executed and delivered the 7th day of October, 1964.

OREGON-WASHINGTON TELEPHONE  
COMPANY

(Corporate Seal)

By E. R. DEAN

***President***

ATTEST:

J. S. MIDDLETON

Secretary

Signed, sealed and acknowledged by Oregon-Washington Telephone Company in the presence of:

R. A. NEILSON

E. M. BIVENS

PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE

By E. R. MACKAY  
*Trust Officer*

By HAROLD A. ROGERS  
*Vice President & Trust Officer*

ATTEST:

WALTER T. BAGNALL (Corporate Seal)  
*Trust Officer*

Signed, sealed and acknowledged by Peoples National Bank of Washington in Seattle in the presence of:

R. A. NEILSON

E. M. BIVINS

E. L. BLAINE, JR.  
E. L. BLAINE, JR.

Signed, sealed and acknowledged by E. L. Blaine, Jr. in the presence of:

R. A. NEILSON

E. M. BIVINS

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## RECORDING DATA

Recording data on Eighth Supplemental Indenture of Mortgage  
and Deed of Trust.

### STATE OF OREGON Eighth Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Date</u>
Crook	Book 69, pp. 248-290	10/ 8/64
Deschutes	Book 138, pp. 177-201	10/ 8/64
Gilliam	Book 6, pp. 86-107	10/ 8/64
Grant	Book 36, pp. 278-299	10/ 8/64
Harney	Book A-6, pp. 255-277	10/12/64
Hood River	Book 55, pp. 165-207	10/ 8/64
Jackson	Book 467, pp. 154-196	10/ 9/64
Jefferson	Book 31, pp. 632-654	10/ 8/64
Klamath	Book 226, pp. 213-255	10/ 8/64
Lake	Book 55, pp. 446-468	10/ 9/64
Lane	Reel 262-M, Instrument # 77246	10/ 8/64
Malheur	Book 113, pp. 196-238	10/ 9/64
Polk	Book 134, pp. 131-173	10/ 8/64
Tillamook	Book 85, pp. 553-575	10/ 8/64
Wasco	Book 64, p. 2066	10/ 8/64
Yamhill	Film 40, pp. 676-718	10/ 9/64
Filed with the Secretary of State of the State of Oregon		10/ 8/64
Financing Statement filed with the Secretary of State of the State of Oregon		10/ 8/64

### STATE OF WASHINGTON Eighth Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
Benton	Book 179, pp. 145-186 File No. 528766	File No. 528767	10/ 8/64
Klickitat	Book 96, pp. 259-81 File No. 115078	File No. 115079	10/ 8/64
Skamania	Book 42, pp. 193-235 File No. 64022	File No. 64023	10/ 8/64
Yakima	Book 543, Receiving File No. 2013395	File No. 37888	10/ 8/64
Filed with the Secretary of State of the State of Washington			10/ 8/64

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UNITED TELEPHONE COMPANY OF THE NORTHWEST

TO

PEOPLES NATIONAL BANK OF WASHINGTON  
IN SEATTLE

AND

E. L. **BLAINE**, JR.  
TRUSTEES

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**Ninth Supplemental  
Indenture**

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DATED AS OF APRIL 1, 1966

FILED IN 1966  
I F 008 8

## **This Ninth Supplemental Indenture**

dated as of April 1, 1966, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington, and E. L. BLAINE, JR., of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the "Trustee" and the "Individual Trustee" and collectively as the "Trustees"):

WHEREAS until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on November 1, 1965 to United Telephone Company of the Northwest; and

WHEREAS the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage

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Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has executed and delivered to the Trustees a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, and an Eighth Supplemental Indenture dated as of September 1, 1964, amending and supplementing such Original Indenture pursuant to which Supplemental Indentures the Company has issued its First Mortgage Bonds, Series B, C, D, E, F, G and H; and

WHEREAS the Company has determined by due corporate action to provide for the immediate issuance, execution, authentication and delivery of Two Million Five Hundred Thousand Dollars (\$2,500,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series I, the said Series I bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture; and

WHEREAS the fully registered bonds without coupons

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and the coupon bonds of Series I to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:

Form of Series I Fully  
Registered Bond Without Coupon

\$.....	No. R
First Mortgage Bond Series I	Due February 1, 1996

UNITED TELEPHONE COMPANY OF THE  
NORTHWEST

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to

or registered assigns, on the first day of February, 1996, the principal sum of

and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of five and twenty-five hundredths per cent (5.25%) per annum, payable semiannually on the first day of August and the first day of February in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said Bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series I, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, and a Ninth Supplemental Indenture dated as of April 1, 1966 (said ten instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee), and E. L. Blaine, Jr. of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary

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as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before January 31, 1967- 5.25%  
 Thereafter and on or before January 31, 1968-5.05%  
 Thereafter and on or before January 31, 1969-4.85%  
 Thereafter and on or before January 31, 1970 -4.65%  
 Thereafter and on or before January 31, 1971-4.45%  
 Thereafter and on or before January 31, 1972-4.25%  
 Thereafter and on or before January 31, 1973-4.05%  
 Thereafter and on or before January 31, 1974 -3.85%  
 Thereafter and on or before January 31, 1975 -3.65%  
 Thereafter and on or before January 31, 1976-3.45%  
 Thereafter and on or before January 31, 1977-3.25%  
 Thereafter and on or before January 31, 1978-3.05%  
 Thereafter and on or before January 31, 1979-2.85%  
 Thereafter and on or before January 31, 1980-2.65%  
 Thereafter and on or before January 31, 1981-2.45%  
 Thereafter and on or before January 31, 1982 -2.25%  
 Thereafter and on or before January 31, 1983 -2.05%  
 Thereafter and on or before January 31, 1984-1.85%  
 Thereafter and on or before January 31, 1985- 1.65%  
 Thereafter and on or before January 31, 1986- 1.50%  
 Thereafter and on or before January 31, 1987- 1.35%  
 Thereafter and on or before January 31, 1988- 1.20%  
 Thereafter and on or before January 31, 1989- 1.05%  
 Thereafter and on or before January 31, 1990- .90%  
 Thereafter and on or before January 31, 1991- .75%  
 Thereafter and on or before January 31, 1992- .60%  
 Thereafter and on or before January 31, 1993- .45%  
 Thereafter and on or before January 31, 1994- .30%  
 Thereafter and on or before January 31, 1995- .15%  
 Thereafter and prior to maturity, without premium;  
 all on the conditions and in the manner provided in

the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to February 1, 1971, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of an indebtedness by the Company and provided further that the bonds of Series I shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series I bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series I bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on February 1st of any year, subsequent to the year 1966, in whole or in part for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner

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hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if in case of redemption of less than all of the bonds of this series and all such bonds then outstanding are fully registered in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable among such holders in the manner provided by section 1.05 of the Ninth Supplemental Indenture. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500 shall be retained by the Trustee and applied as a part of the next distribution and apportionment in redemption. If notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date. Whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will, at the option of the owner and holder thereof, issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds

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of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

Pursuant to the provisions of section 2.09 of the original Indenture, this bond is transferable by the registered owner hereof, in person or by duly authorized attorney, only upon the books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the aggregate unpaid balance. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series of another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon

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payment of charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

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Payments on account of principal of this bond may be made without surrender, cancellation or reissue hereof in the manner and to the extent provided by the terms of section 1.06 of the Ninth Supplemental Indenture, as reflected by the records of the Trustee.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated as of the 1st day of February, 1966.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....  
**President**

ATTEST:

By.....  
**Secretary**

Form of Series I Coupon Bond

No. \$1,000

UNITED TELEPHONE COMPANY OF THE  
NORTHWEST

First Mortgage Bond, Series I

Due February 1, 1996

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be



registered as to principal, then to the registered owner hereof, on the first day of February, 1996 the principal sum of One Thousand Dollars (\$1,000) and to pay interest thereon from the date hereof at the rate of five and twenty-five hundredths per cent (5.25%) per annum, payable semiannually on the first day of August and on the first day of February in each year until said principal sum is paid, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series I, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous funds, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964 and a Ninth Supplemental In-

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denture dated as of April 1, 1966 (said ten instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee), and E. L. Blaine, Jr. of Seattle, Washington (herein called the Individual Trustee), as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before January 31, 1967 -5.25%  
 Thereafter and on or before January 31, 1968 -5.05%  
 Thereafter and on or before January 31, 1969 -4.85%  
 Thereafter and on or before January 31, 1970 -4.65%  
 Thereafter and on or before January 31, 1971 -4.45%  
 Thereafter and on or before January 31, 1972 -4.25%  
 Thereafter and on or before January 31, 1973 -4.05%  
 Thereafter and on or before January 31, 1974 -3.85%  
 Thereafter and on or before January 31, 1975 -3.65%  
 Thereafter and on or before January 31, 1976 -3.45%  
 Thereafter and on or before January 31, 1977 -3.25%  
 Thereafter and on or before January 31, 1978 -3.05%  
 Thereafter and on or before January 31, 1979 -2.85%  
 Thereafter and on or before January 31, 1980 -2.65%  
 Thereafter and on or before January 31, 1981 -2.45%

Thereafter and on or before January 31, 1982 -2.25%  
 Thereafter and on or before January 31, 1983 -2.05%  
 Thereafter and on or before January 31, 1984-1.85%  
 Thereafter and on or before January 31, 1985- 1.65%  
 Thereafter and on or before January 31, 1986- 1.50%  
 Thereafter and on or before January 31, 1987- 1.35%  
 Thereafter and on or before January 31, 1988- 1.20%  
 Thereafter and on or before January 31, 1989- 1.05%  
 Thereafter and on or before January 31, 1990- .90%  
 Thereafter and on or before January 31, 1991- .75%  
 Thereafter and on or before January 31, 1992- .60%  
 Thereafter and on or before January 31, 1993- .45%  
 Thereafter and on or before January 31, 1994- .30%  
 Thereafter and on or before January 31, 1995- .15%

Thereafter and prior to maturity, without premium; all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to February 1, 1971, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series I shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium together in any case with interest accrued thereon to the date of redemption.

On the conditions and in the manner provided in the Indenture, Series I bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under the power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain re-

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quirements of the Indenture respecting the replacement of property. Series I bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Bonds of this series are entitled to the benefit of a sinking fund provided for in the Indenture and, prior to maturity, are subject to redemption on February 1st of any year, subsequent to the year 1966, in whole or in part, for the purpose of said sinking fund at the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without premium, all on the conditions and in the manner provided in the Indenture.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan in the City and State of New York and one such newspaper published and of general circulation in the City of Chicago, Illinois, the first such publication in each newspaper to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemption shall be published once in each such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice

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by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture,

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such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of his bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and pro-

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viald further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

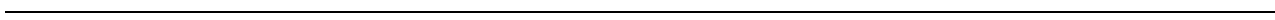
IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated as of the 1st day of February, 1966.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....  
**President**

ATTEST:

**Secretary**



FORM OF INTEREST COUPON

No. \_\_\_\_\_ \$ \_\_\_\_\_

On the 1st day of \_\_\_\_\_, 19\_\_\_\_, upon surrender of this coupon, unless the bond hereinafter mentioned shall have been previously called for redemption and payment duly provided therefor, UNITED TELEPHONE COMPANY OF THE NORTHWEST will pay to bearer at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington Dollars (\$ \_\_\_\_\_) in lawful money of the United States of America, being six (6) months' interest then due on its First Mortgage Bond, Series I, dated as of February 1, 1966, No. \_\_\_\_\_

UNITED TELEPHONE COMPANY OF THE NORTHWEST

By.....

**Treasurer**

FORM OF TRUSTEE'S CERTIFICATE FOR BONDS OF SERIES I

This is one of the First Mortgage Bonds, Series I, referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE, TRUSTEE

By.....

**Trust Officer**

**Authorized Officer**

WHEREAS, the Company, subsequent to the execution and delivery of the Eighth Supplemental Indenture to which reference is hereinafter made, has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with





the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS, all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional Two Million Five Hundred Thousand Dollars (\$2,500,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Ninth Supplemental Indenture provided, the valid and binding obligations of the Company, and to make these presents, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture and the Ninth Supplemental Indenture (said ten instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed.

Now, THEREFORE, THIS NINTH SUPPLEMENTAL INDENTURE WITNESSETH:

That United Telephone Company of the Northwest, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners there-

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of and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, aliened, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents, give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington in Seattle and E. L. Blaine, Jr., Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the delivery of the Eighth Supplemental Indenture or not described in the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture, Sixth Supplemental Indenture, Seventh Supplemental Indenture, or Eighth Supplemental Indenture, other than personal property

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of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following, together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining:

I

The following described real property, together with all improvements thereon:

A. Situated in the County of Jackson in the State of Oregon:

PARCEL I :

Commencing at a point 102.0 feet North and 430.0 feet West of the South quarter corner of Section 29, Township 32 South, Range 3 East, Willamette Meridian, Jackson County, Oregon; thence South 102.0 feet; thence West, 50.0 feet; thence North 102.0 feet; thence East, 50.0 feet to the point of beginning.

Subject to the rights of the public in and to that portion of the herein described premises lying within the limits of public roads.

PARCEL II:

Commencing at a point 102 feet North and 405 feet West of the South quarter corner of Section 29, Township 32 South, Range 3 East, Willamette Meridian; thence South 25 feet to the true point of beginning; thence west 25 feet along a line parallel with the South line of the section; thence South 33 feet; thence East 25 feet; thence North 33 feet to the true point of beginning, situated in Jackson County, Oregon.

PARCEL III :

Commencing at the point of intersection of the Easterly right of way line of the Crater Lake Highway and the South line of Government Lot 5 in Section 15, Township 34 South, Range 1 West of

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the Willamette Meridian in Jackson County, Oregon, and running thence North 190 38' East 81.0 feet along said highway line to the true point of beginning; thence continuing along said highway line North 19° 38' East 80.0 feet; thence North 850 57' East 100.0 feet; thence South 19°38' West 80.0 feet; thence South 85057' West 100.0 feet to the true point of beginning, situated in the County of Jackson and State of Oregon.

B. Situated in the County of Hood River, State of Oregon:

Beginning at the Northeast corner of Lot 1, Block 21, HOOD RIVER PROPER; thence Southerly along the East property line of said Lot 1 for a distance of 150 feet to the true point of beginning; thence Southerly along same line for a distance of 1.42 feet; thence Westerly for a distance of 30 feet to the point of intersection with the Southerly property line of said Lot 1; thence Easterly to the true point of beginning; said area containing 21.3 square feet, in the City of Hood River, County of Hood River, State of Oregon.

C. Situated in the County of Deschutes, State of Oregon:

Right of way grant, Bureau of Land Management for the Department of Interior of the United States to Oregon Washington Telephone Company, granted as of February 5, 1964 for a period of 50 years and covering on real property described as:

A right-of-way 40 feet in width, the center line of which is described as follows:

Beginning at a point distant North 76° 37' East 1,013 feet from the section corner common to Sections 5, 6, 7 and 8 in Township 15 South, Range 12 East, Willamette Meridian, in Deschutes County, Oregon, located on the southerly side of the Old Redmond-Sisters Highway and bearing, for the pur-

poses of this description, designation as Station O + 00; running thence North 18° 01' West 1,646 feet to Station 16 + 46; running thence North 12° 19' East 3,533.7 feet to a point on the section line between Section 5 in Township 15 South, Range 12 East, Willamette Meridian, and Section 32 in Township 14 South, Range 12 East, Willamette Meridian, which point is distant North 89° 52' East 1,269.9 feet from the section corner common to Sections 31 and 32 in Township 14 South, Range 12 East, Willamette Meridian, and Sections 5 and 6 in Township 15 South, Range 12 East, Willamette Meridian; running thence North 120 19' East 1,309.1 feet to Station 64 + 88.8; running thence North 90 40' East 41.6 feet to the Southerly line of the North half of the Southwest quarter of Section 32, Township 14 South, Range 12 East, Willamette Meridian; beginning again, after following a course and distance North 90 40' East 1,339 feet from the last point of reference at a point on the North line of the North half of the Southwest quarter of Section 32, Township 14 South, Range 12 East, Willamette Meridian, designated as Station 78 + 69.4, and continuing North 9° 40' East 1,129 feet to a station designated as 89 + 98.4; continuing thence North 210 49' East 178.8 feet to the South line of the North half of the Northwest quarter of Section 32, Township 14 South, Range 12 East, Willamette Meridian, designated as Station 91 + 77.2; commencing again, after following a course North 210 49' East a total of 2,843.6 feet at a point on the North line of the Southwest quarter of the Southeast quarter of Section 29, Township 14 South, Range 12 East, Willamette Meridian, designated as Station 120 + 20.8; and continuing North 210 49' East 1,221.8 feet to a station designated as 132 + 42.6; continuing North 390 08' East 450 feet to a station designated as 136 + 92.6; continuing thence North 310 36' East 2,956.4 feet to a station designated as 166 + 49, being on the section line between Sections 20 and 29, Township 14

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South, Range 12 East, Willamette Meridian, and being distant North 89° 43' West 22.3 feet from the section corner common to Sections 20, 21, 28 and 29 in Township 14 South, Range 12 East, Willamette Meridian; all in Deschutes County, Oregon.

D. Situated in the County of Lincoln in the State of Oregon:

PARCEL I:

Lots 22, 23, 24 and 25, Block 1, DELAKE, Lincoln County, Oregon.

Subject to the rights of the public in and to that portion of the above described tract of land lying within the boundaries of public roads and highways, said portion being that tract of land lying within the boundaries of Park Road lying Northerly of an Easterly extension of Block 1.

PARCEL II:

Beginning at a point on the North line of Government Lot 2, Section 15, Township 7 South, Range 11 West of the Willamette Meridian, Lincoln County, Oregon, that is 100 feet Westerly from the Northeast corner thereof, said point being the Northwest corner of the J. W. Mead tract, and the true place of beginning of the tract herein described, to-wit: thence South 247.5 feet, more or less, along the West line of the said J. W. Mead tract, to a point on the Northerly line of the Salyer tract; thence North 810 23' West, 146.94 feet along said Northerly line of the Salyer tract, to the Southeast corner of Lot 22, in Block 1, Delake; thence North 150 25' East, 233.15 feet along the Easterly line of said Block 1, in Delake, to the North line of Government Lot 2; thence North 890 17' East, 82.8 feet along the North line of Government Lot 2 to the place of beginning.

Subject to the rights of the public in and to that portion of the above described tract of land lying within the boundaries of public roads and highways,

said portion being that tract of land lying within the boundaries of Park Road lying Northerly of an Easterly extension of Block 1.

PARCEL III :

Lots 1, 2 and 3, Block 1, Delake, in Lincoln County, Oregon.

Subject to the rights of the public in roads, streets and highways.

PARCEL IV:

That part of Section 27 T. 7 S. R 11 W. WM., in Lincoln County, Oregon, described as follows: Beginning at a point that is north 50° 28' west 740 feet from the most southerly corner of Lot 1, Block 1, First Addition to Taft; thence north 50° 28' west along Oregon Coast Highway No. 101 a distance of 50 feet; thence north 39° 32' east 150 feet; thence south 50° 28' east 50 feet; thence south 39° 32' west 150 feet to the point of beginning in Lincoln County, Oregon.

Subject to easement granted to the City of Taft upon the Northwesterly Ten (10) feet measured at right angles of the northwesterly line of said above described tract.

Subject further to the rights of the public in roads, streets and highways; and subject further to the grant of the full and free right to lay a water main in the ground across said premises, with the right of maintenance, use, occupation and repair, subject to refilling of all excavations made in laying said pipe and removal of all debris caused by said laying and with further agreement that no merchantable timber will be destroyed from F. C. Robison and wife to Taft, Nelscott, Delake Water District, recorded March 18, 1937, Book 75, page 59, Deed Records.

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## PARCEL V:

That part of Section 27 T. 7 S. R. 11 W. WM., in Lincoln County, described as follows: Beginning at a point that is north 50° 28' west 790 feet from the most southerly corner of Lot 1, Block 1, First Addition to Taft; thence north 50° 28' west along the Oregon Coast Highway No. 101 a distance of 50 feet; thence north 39° 32' east 150 feet; thence south 50° 28' east 50 feet; thence south 39° 32' west 150 feet to the point of beginning in Lincoln County, Oregon.

Subject to the rights of the public in roads, streets and highways; and subject further to grant of the full and free right to lay a water main in the ground across said premises, with the right of maintenance, use occupation and repair, subject to re-filling of all excavations made in laying said pipe and removal of all debris caused by said laying and with further agreement that no merchantable timber will be destroyed from F. C. Robison and wife to Taft, Nelscott, Delake Water District, recorded March 18, 1937, Book 75, page 59, Deed Records.

E. Situated in the County of Tillamook in the State of Oregon:

## PARCEL I:

Beginning at the Southwest corner of the Northwest quarter of the Southwest quarter of Section 29, Township 3 South, Range 9 West of the Willamette Meridian, said point being a spike in the center line of the County Road No. M-18; thence North 0° 29' West 100 feet to the place of true beginning; thence North 89° 33' East a distance of 10 feet; thence North 00° 29' West a distance of 10 feet; thence South 89° 33' West Ten (10) feet; thence South 0° 29' East a distance of ten (10) feet to the true place of beginning, all in Section 29, Township 3 South, Range 9 West of the Willamette Meridian, in Tillamook County, Oregon.



TOGETHER, with a perpetual easement, but not exclusive, over a strip of land 5 feet in width beginning at the intersection of the East line of the Ellsworth G. Chaffee Tract (as described in Book 111, page 185, Deed Records of Tillamook County, Oregon) with the North line of said County Road No. M-18, and running North and West, over the land of the grantor under whose conveyance the foregoing described real property was conveyed to Lincoln-Tillamook Telephone Company around the said Chaffee Tract so as to provide access to the tract described above.

Subject to the rights of the public in and to that portion of said premises lying in streets, roads and highways.

PARCEL II:

Beginning at a point on the West line of Lot 2, Block 2, BEAVER, 35 feet North of the Southwest corner of said Lot 2, and running thence North along said West line a distance of 15 feet to a point, running thence East, and parallel with the South line of said Lot 2, a distance of 35 feet to a point; running thence South 10 20' West a distance of 15 feet; thence West, parallel with the South line of said Lot 2, to the place of beginning.

Subject to the rights of the public in and to that portion of said premises lying in streets, roads and highways.

PARCEL 111:

Commencing 113.5 feet South of the Northwest corner of Lot 2, Block 2, BEAVER; then East 35 feet; thence South 35 feet to the South line of said Lot 2; thence West 35 feet to the Southwest corner of said Lot 2; thence North 35 feet to the point of beginning.

Subject to the rights of the public in and to that portion of said premises lying in streets, roads and highways.

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## PARCEL IV:

Beginning on the Southerly line of Lot 7 Block 2, CLOVERDALE, North 78° East 105 feet from the Southwest corner of Lot 8 in said Block 2, said beginning point being the Southeast corner of a tract conveyed to the Cloverdale Telephone Company by deed recorded August 22, 1934, in Book 69, page 261, Deed Records; thence North 78° East 65 feet along the Southerly line of said Lot 7; thence North 120 West 50 feet more or less to a set one-half inch iron pipe on the Northerly line of said Lot 7; thence South 78° West 65 feet along the Northerly line of said Lot 7 to a set one-half inch iron pipe; thence South 120 East 50 feet to the point of beginning.

Subject to rights of the public in and to that portion of said premises lying in streets, roads and highways; and subject further to Pacific Telephone and Telegraph Company Easement, including the terms and provisions thereof, recorded October 4, 1928, in Book 59, page 556, Deed Records.

## PARCEL V:

Beginning at a point on the Southerly boundary of Lot 7, Block 2, CLOVERDALE, which is North 78° East 60.35 feet from the Southwest corner of said Lot 7, said beginning point also being 24.65 feet South 78° West from a two-inch iron axle on the Southerly boundary of said Lot 7; thence North 120 West 50 feet parallel with the Westerly line of said Lot 7 to the Northerly line of said Lot Seven (7); thence North 78° East 24.65 feet along the Northerly line of said Lot 7; thence South 120 East 50 feet parallel with the Westerly line of said Lot 7 to the Southerly line of said Lot 7; thence South 78° West 24.65 feet to the point of beginning.

Subject to rights of the public in and to that portion of said premises lying in streets, roads and

highways; and subject further to Pacific Telephone and Telegraph Company Easement, including the terms and provisions thereof, recorded October 4, 1928, in Book 59, page 556, Deed Records.

PARCEL VI:

Beginning at a point North 810 44' West 330 feet and South 8° 16' West 56 feet from the initial point of FISHER'S SUBDIVISION AT PACIFIC CITY which initial point is 536.30 feet South and 1596.55 feet East of the Northwest corner of Section 30, Township 4 South, Range 10 West of the Willamette Meridian; thence North 8° 16' East 10 feet; thence North 8° 16' East 91 feet to the true point of beginning of the tract herein to be described; thence North 80 16' East 135 feet to the intersection of the Southerly right of way line of Pacific Avenue and the Westerly right of way line of Fourth Street in said FISHER'S SUBDIVISION; thence North 810 44' West 75 feet along the Southerly right of way line of said Pacific Avenue; thence South 8° 16' West 135 feet; thence South 810 44' East 75 feet to the true point of beginning.

Subject to rights of the public in and to that portion of said premises lying in streets, roads and highways; subject further to the rights of the Pacific City Water and Light Company, its successors, grantees and assigns, to maintain water pipe for the purpose of perpetuating its water system; and subject further to the rights of the Mountain States Power Company, a corporation, to have its poles remain upon said premises, but that Mountain States Power Company shall remove said poles at any time that the building of roads, structures, or other improvements may so require the same, or upon request of the owners of the property upon ten days notice to such Mountain States Power Company.

F. Situated in the County of **Malheur**, State of Oregon:

A portion of Lot 4, Block 19, Town of Juntura, Malheur County, Oregon, described as follows:

Beginning at the most Northerly corner of said Lot 4; thence Southwesterly along the Northwest Lot line of said Lot 4, a distance of 100 feet to a point; thence Southwesterly on a line parallel to the Southwest line of 3rd Street, a distance of 35 feet to a point; thence Northeasterly on a line parallel to the Northwest lot line of said Lot 4, a distance of 100 feet to a point on the Southwest line of 3rd Street; thence Northwesterly along the Southwest line of 3rd Street, a distance of 35 feet to the point of beginning.

G. Situated in the County of Grant in the State of Washington:

PARCEL I:

Lots 10 and 11, Block 2, Beverly, County of Grant, Washington.

PARCEL II:

Lots 6, 7 and 8 in Block Eight (8) Mattawa, County of Grant, Washington.

H. Situated in the County of Skamania, in the State of Washington:

A tract of land located in the Southwest Quarter of the Northwest Quarter ( $SW\frac{1}{4}NW\frac{1}{4}$ ) of Section 12, Township 3 North, Range 9 E.W.M., more particularly described as follows:

Beginning at the quarter corner on the west line of the said Section 12; thence north 090 02' east along said section line 958.27 feet, more or less, to the southerly right of way line of the existing county road; thence easterly following the southerly right of way line of said road 25 feet to the initial point of the tract of land hereby described; thence east-

erly following the southerly right of way line of said county road 35 feet; thence south 090 02' west parallel to the west line of said Section 12 a distance of 50 feet; thence westerly parallel to the southerly right of way line of said county road 35 feet; thence north 090 02' east parallel to said section line 50 feet to the initial point; situated in Skamania County, State of Washington.

TOGETHER WITH a non-exclusive easement for road access to the above described real property over and across the 25 foot strip of land lying between said tract and the west line of the said Section 12.

I. Situated in the County of Yakima in the State of Washington:

PARCEL I:

The East half of the North West quarter of the North East quarter and the South West quarter of the North East quarter of the North East quarter of Section 11, Township 11 North, Range 23 East, W. M., Yakima County, Washington.

EXCEPT rights of way for roads and reserving, however to seller all mineral rights and also reserving to the seller all grazing rights until such time as property is fenced.

PARCEL II:

Lots 8, 9 and 10, Block 32, THE CITY OF WAPATO, according to the official plat thereof recorded in Volume "A" of Plats, page 123, records of Yakima County, Washington.

SUBJECT TO: Water, water rights and matters relating thereto. Unpaid Local Improvement District Assessments, if any, levied by the Town of Wapato, Washington. Rights of way and easements for drains, pipe lines and other servitudes over and across said premises, if in fact any portion thereof is burdened thereby.

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## PARCEL III :

The North 30 feet of Lot Six (6), Block Twenty (20), REPLAT OF TOWN OF ZILLAH, according to the plat thereof recorded in Volume "E" of Plats, page 17, records of Yakima County, Washington.

SUBJECT to rights of way, easements and other servitudes over and across the said premises if in fact any portion thereof is burdened thereby, and to future assessments by reason of inclusion of the said premises within the boundaries of Zillah Irrigation District.

## PARCEL IV:

Lots 1, 2, 3 and 4, Block 6, Gilbert's Addition to Toppenish, according to the plat thereof recorded in Volume "B" of Plats, page 29, records of said County of Yakima and State of Washington.

Subject to such easements, restrictions, reservations, conditions, covenants and rights of way, if any, as are of record.

## PARCEL V:

Lots One (1), Two (2), Three (3) and Four (4), Block Twenty-one (21), SUNNYSIDE, WASHINGTON, according to the official plat thereof recorded in Volume "A" of Plats, page 59, records of Yakima County, Washington, together with appurtenances and water rights thereunto belonging.

Subject to exceptions and reservations in former conveyances, and easement and rights of way over and along said premises for road, irrigation, drainage and public utility purposes.

, (a) All improvements and structures, offices, buildings and exchanges which now are or hereafter shall be

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located, erected or placed upon any of the lands and premises hereinbefore described or hereafter acquired the Company.

(b) All equipment, switchboards, machinery, tools and appliances of every kind and nature, located in and upon and necessary or used or useful in and about the maintenance or operation of any of the premises hereinbefore described, and now or in the future owned by the Company, or necessary or used or useful in or about the maintenance or operation of any of the telephone exchanges now and in the future located or conducted therein, including all of the equipment, switchboards, machinery, tools and appliances of every kind and nature located in and upon, and necessary or used or useful in and about the maintenance or operation of any of the telephone exchanges now owned or operated in Hood River, Dee, Odell and Parkdale, in Hood River County, Oregon; Burns and Crane, in Harney County, Oregon; Harper, Malheur County, Oregon; Butte Falls, Eagle Point, Prospect, Shady Cove and White City, in Jackson County, Oregon; Seneca, Grant County, Oregon; Mosier, Wasco County, Oregon; Crater Lake, Loretta, Bonanza, Malin and Merrill, in Klamath County, Oregon; Oakridge, Lane County, Oregon; Grande Ronde, Polk County, Oregon; Culver, Jefferson County, Oregon; Diamond Lake, Douglas County, Oregon; Redmond and Sisters, in Deschutes County, Oregon; Sheridan and Willamina, in Yamhill County, Oregon; Stevenson and Willard, in Skamania County, Washington; Presser, Benton County, Washington; Bickelton, Glenwood, Goldendale, Klickitat, Lyle, Roosevelt, Trout Lake and White

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Salmon, in Klickitat County, Washington; Grandview, Granger, Harrah, Mabton, Sunnyside, Toppenish, Wapato, White Swan and Zillah, in Yakima County, Washington.

All franchises, grants, permits, easements, licenses, rights and privileges to construct, maintain and operate poles, wires and other necessary equipment with which to transmit, relay and receive messages and images by telephone, telegraph, teletype, telephoto, radio and television or by any other means by which messages or images may now or hereafter be transmitted, relayed or received heretofore or hereafter granted to the Company or to its predecessors in interest, and now or hereafter held and enjoyed by the Company, including without limitation:

A. Easements and rights-of-way situated in the County of Lincoln in the State of Oregon:

(1) Easement from Arthur E. Long and Patricia M. Long dated October 20, 1959, recorded on October 30, 1959, in Book 11 of Miscellaneous Records of such county at page 62.

(2) Easement from Carroll B. Moss and June E. Moss dated October 16, 1964, recorded on December 16, 1964, in Book 250 of the Deed Records of such county at page 562.

(3) Easement from Joseph A. Hyer and Josefa Hyer dated September 15, 1964, recorded on December 16, 1964, in Book 250 of the Deed Records of such county at page 565.

(4) Easement from William L. Smith and Hazel L. Smith dated January 18, 1963, recorded February 7, 1963, in Book 231 of the Deed Records of such County at page 591.



(5) Easement from John McDermott and Doris McDermott, dated September 12, 1964, recorded on December 16, 1964, in Book 250 of the Deed Records of such county at page 564.

(6) Easement from Longview Fibre Company, a corporation, dated in 1960, recorded in Book 212 of the Deed Records of such county at page 395.

B. Easements and rights-of-way situated in Jackson County, Oregon:

(1) Easement from Olson-Lawyer Lumber, Inc., an Oregon corporation, dated July 20, 1964, recorded on July 23, 1964, as Instrument 603647, Deed Records of Jackson County, Oregon.

(2) Radio Station Construction Permit, dated August 8, 1963, from Federal Communications Commission to construct passive reflector at Nugget Butte (Jackson County), Oregon, Lat. 422653 N.—Long. 1230320 W.

(3) ACCESS ROAD EASEMENT, dated April 29, 1965, Vol. 586, Page 164 & 165, Easement Frances I. Pearson to Oregon Washington Telephone Co., on land situate in Jackson County, State of Oregon.

(4) PIPELINE OR UTILITY CROSSING PERMIT, dated October 28, 1965, between Jackson County Road Department and Oregon Washington Telephone Company, granting Telephone Company permission to bury telephone cable along Table Rock Road—White City area.

C. Easements and rights-of-way situated in the County of Hood River, State of Oregon:

(1) PERMISSION from Willard Johnson of the Hood River Coop Electric to Oregon Washington Telephone Company, to use Hood River Coop Elec. poles for O-W lines to their plant

To run new telephone lines up to new Band D Paving site on old Columbia River Highway 30 East of the Y Inn.

(2) EASEMENT dated Oct. 21, 1964, Don Baumer to Oregon Washington Telephone Co. upon premises located in Hood River County, described as:

WEST half of Lot 1, Block 6, in the Townsite of Parkdale, Oregon.

(3) EASEMENT dated March 5, 1965, Arvi O. Annala and Fanny H. Annala to Oregon Washington Telephone Co., upon premises located in Hood River County, described as:

Described in Deed Book 54, Page 479, in Hood River County Court House. (To place anchor and down guy on the Northeast corner of said property).

(4) EASEMENT dated April 1, 1965, Hood River Memorial Hospital, Hood River, upon premises located in Hood River County, described as:

To place one down guy and one anchor in the southeast corner of the property owned by the Hood River Memorial Hospital. Said property described in Deed Book 55, Page 345, in Hood River County Courthouse.

D. Easements and rights-of-way situated in the County of Wasco, State of Oregon:

(1) EASEMENT dated March 21, 1965, Paul L. Russell and Mary K. Russell, Owner, to Oregon Washington Telephone Company, upon premises situate in Wasco County, Oregon, described as:

Section 8, Township 2 North, Range 12 East of the Willamette Meridian. The description of said portion of land to be found in the Wasco County Court House Deed Book 139, page 585. To place wires from junction of Valley View Road and Oak Drive Road to Wasco Electric Cooperative Inc. pole number 8A8-4 and other Wasco Electric Cooperative Inc. poles on that portion of described property as owned by Paul Russell.

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(2) EASEMENT dated April 12, 1965, James R. Schlichting and Agnes B. Schlichting, owners, to Oregon Washington Telephone Company upon premises situate in Wasco County, Oregon, described as:

Cameron Tracts—Lots 27 and 28. The description of said property to be found in Wasco County Court House Deed Book 136, page 739. To place wires on Wasco Electric Cooperative Inc, poles on that portion of described property as owned by James R. and Agnes B. Schlichting.

(3) EASEMENT dated March 21, 1965, Paul Bobisud and Margaret G. Bobisud, owners to Oregon Washington Telephone Company, upon premises situate in Wasco County, Oregon, described as:

Cameron Tracts—Lots 21 and 22 (20 acres). The description of said property to be found in Wasco County Court House Deed Book 123, page 429.

To place wires on Wasco Electric Cooperative Inc. poles, on that portion of described property as owned by Paul Bobisud.

(4) EASEMENT dated March 21, 1965, John C. Kasmer and Doris F. Kasmer, owners to Oregon Washington Telephone Company, upon premises situate in Wasco County, Oregon, described as:

Section 8 Township 2 North, Range 12 East of the Willamette Meridian. The description of said portion of land to be found in the Wasco County Court House Deed Book 85, page 267. To place wires on Wasco Electric Cooperative Inc. poles on that portion of described property as owned by John Kasmer.

(5) EASEMENT dated March 23, 1965, Amos Root, and Doris Root, Owners to Oregon Washington Telephone Company, upon premises situate in Wasco County, Oregon, described as:

Section 17, Township 2 North Range 12 East of the Willamette Meridian. The description of

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said portion of land to be found in the Wasco County Court House Deed Book 120, page 260. To place wires on Wasco Electric Cooperative Inc. poles on that portion of described property as owned by Amos Root and Doris Root.

E. Easements and rights-of-way situated in the County of Benton, State of Washington:

(1) RIGHT OF WAY EASEMENT, dated March 12, 1965, Prior Land Company, to Oregon Washington Telephone Company, upon premises situate in Benton County, Washington, described as:  
15 ft. easement bordering the west boundary of Section 32, T6N, R26E W.M.

F.. Easements and rights-of-way situated in the County of Klickitat, State of Washington:

(1) EASEMENT dated Sept. 25, 1964, Ethel M. King to Oregon Washington Telephone Company, upon premises situate in Klickitat County, described as:

T3N, R13E, S 14 W. M., Klickitat County—To install facilities along the property line and county road including access to said residence. (To maintain a proper line, occasional poles and anchors will be placed inside the property line along the county road.)

(2) EASEMENT dated Aug. 20, 1964, W. H. Brashers to Oregon Washington Telephone Company, upon premises situate in Klickitat County, described as:

T3N, R13E, S15, S22, S23 W.M.—Klickitat County, Wash.—To install facilities along the property line and county road including access to said residence. (To maintain a proper line, occasional poles and anchors will be placed inside the property line along the county road. )

(3) EASEMENT dated Aug. 20, 1964, Ben H.

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Taylor to Oregon Washington Telephone Company, upon premises situate in Klickitat County, described as:

T3N, R13E, S 23 W.M. — Klickitat County, Wash.—To install facilities along the property line and county road including access to said residence. (To maintain a proper line, occasional poles and anchors will be placed inside the property line along the county road.

(4) EASEMENT dated Aug. 20, 1964, S. R. Beattie to Oregon Washington Telephone Company, upon premises situate in Klickitat County, described as:

T3N, R13E, S15 & S14 W. M .—Klickitat County, Wash—To install facilities along the property line and county road including access to said residence. (To maintain a proper line, occasional poles and anchors will be placed inside the property line along the county road.)

(5) EASEMENT dated Aug. 20, 1964, Edith A. Sorenson to Oregon Washington Telephone Company, upon premises situate in Klickitat County, described as:

T3N, R13E, S13, S24 W. M.; T3N, R14E, S18 W. M.—Klickitat Co., Wash. To install facilities along the property line and county road including access to said residence. (To maintain a proper line, occasional poles and anchors will be placed inside the property line along the county road. )

(Easements 1-5 line build near Lyle) (High Prairie)

(6) PERMIT dated 6/4/62 (No. 6462-2) from Klickitat County Road Department to construct telephone line on right of way of Matsen Road from H. J. Coleman Lane (end of present telephone line) to corner of East Road, all located in

Section 1, Township 5 North, Range 20 East, W.M. and Section 36, Township 6 North,

Range 20 East, W.M. Pole line to be located as near as possible to right of way line on west side of road.

## IV

All of the Company's interest in that certain lease dated April 1, 1965, between Florence DeLashmutt, a single woman, and Oregon Washington Telephone Company, an Oregon corporation, for a term of ninety-nine (99) years beginning April 1, 1965, covering that certain real property situate in Yamhill County, Oregon, being 50' x 50' in dimension, and more particularly described as being:

That parcel of land situate in the Northwest Quarter of Section 36, Township 5 South, Range 6 West of the Willamette Meridian, Yamhill County, Oregon, which is more particularly described as follows:

Beginning at a one-half inch iron pipe which bears East 1335.76 feet and North 1136.90 feet from the Southeast Corner of the A. B. Faulconer Donation Land Claim, Township 5 South, Range 6 West of the Willamette Meridian, Yamhill County, Oregon, and running thence from the true point of beginning:

North 4° 24' East 50.00 feet to a three-quarter inch iron pipe;

thence South 85° 36' East 50.00 feet to a one-half inch iron pipe;

thence South 4° 24' West 50.00 feet to a one-half inch iron pipe;

thence North 85° 36' West 50.00 feet to the point of beginning and containing 0.06 acres of land, more or less.

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The above described parcel being a portion of that tract described in Film Volume 30, Page 919, Yamhill County Record of Deeds.

To HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture and the Ninth Supplemental Indenture, it being agreed as follows, to wit:

## ARTICLE ONE

### SERIES I BONDS

Section 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series I" (hereinafter sometimes referred to as "Series I bonds" or "bonds of Series I") limited in principal amount to \$2,500,000.00. Series I bonds shall be coupon bonds of the denomination of \$1,000 each, registrable as to principal, and fully registered bonds without coupons of the denomination of \$500 and multiples thereof. The coupon bonds of

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Series I shall be dated February 1, 1966, and the registered bonds of Series I without coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series I bonds shall mature February 1, 1996, and shall bear interest at the rate of five and twenty-five hundredths per cent (5.25%) per annum from their respective dates, such interest to be payable semiannually on the 1st day of August and the 1st day of February in each year. Both the principal of and interest on bonds of Series I shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series I, the Trustee's certificate with respect to Series I bonds and the coupons appertaining to Series I coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series I shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof.

If redeemed on or before January 31, 1967-5.25%  
 Thereafter and on or before January 31, 1968-5.05%  
 Thereafter and on or before January 31, 1969-4.85%  
 Thereafter and on or before January 31, 1970-4.65%  
 Thereafter and on or before January 31, 1971-4.45%  
 Thereafter and on or before January 31, 1972-4.25%  
 Thereafter and on or before January 31, 1973-4.05%  
 Thereafter and on or before January 31, 1974-3.85%  
 Thereafter and on or before January 31, 1975-3.65%  
 Thereafter and on or before January 31, 1976-3.45%  
 Thereafter and on or before January 31, 1977-3.25%  
 Thereafter and on or before January 31, 1978-3.05%

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Thereafter and on or before January 31, 1979-2.85%  
 Thereafter and on or before January 31, 1980-2.65%  
 Thereafter and on or before January 31, 1981-2.45%  
 Thereafter and on or before January 31, 1982-2.25%  
 Thereafter and on or before January 31, 1983-2.05%  
 Thereafter and on or before January 31, 1984-1.85%  
 Thereafter and on or before January 31, 1985-1.65%  
 Thereafter and on or before January 31, 1986-1.50%  
 Thereafter and on or before January 31, 1987-1.35%  
 Thereafter and on or before January 31, 1988-1.20%  
 Thereafter and on or before January 31, 1989-1.05%  
 Thereafter and on or before January 31, 1990-.90%  
 Thereafter and on or before January 31, 1991-.75%  
 Thereafter and on or before January 31, 1992-.60%  
 Thereafter and on or before January 31, 1993-.45%  
 Thereafter and on or before January 31, 1994-.30%  
 Thereafter and on or before January 31, 1995-.15%  
 Thereafter and prior to maturity, without premium;

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to February 1, 1971, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company and provided further that the bonds of Series I shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in Section 1.03 at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees that so long as any Series I bonds are outstanding hereunder it will, in each of the years 1967 through 1995, both inclusive, not less than thirty (30) days prior to February 1st of such year, deposit with the Trustee, as and for a sinking fund for Series I bonds, moneys sufficient (when increased by the payment of accrued interest to such February 1st) to redeem on such February 1st, Series I bonds in

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aggregate principal amount equal to one per cent (1%) of the total aggregate principal amount of Series I bonds authenticated and delivered to and including such February 1st (exclusive of Series I bonds in exchange or substitution for which other bonds of Series I may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.07 hereof ). On each such February 1st, the Trustee shall, insofar as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series I bonds.

Provided, however, that in lieu of depositing all or part of such moneys the Company may deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series I, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than par.

The redemption price for Series I bonds redeemed for the purposes of the sinking fund created by this Section shall be the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without any premium.

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this Section.

Section 1.04. Series I bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to Sections 8.11, 8.14, 9.02 and 11.04 of the Original Indenture as amended shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof.

In the event that all or any part of the bonds of Series I shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or

regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

Section 1.05. If in case of redemption of less than all of the Series I bonds outstanding, all of the Series I bonds then outstanding are in fully registered form in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable in amounts of \$500 or any integral multiple thereof between each of such fully registered holders of bonds of such series in the proportion that the aggregate principal amount of registered bonds of such series then held by each such holder concerned bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after such apportionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.06. In the event of redemption for sinking fund purposes of a portion of the principal amount of any fully registered Series I bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bond holder without surrender to the Trustee of the bond on which partial redemption only is being made if there shall be on file with the Trustee (and not theretofore rescinded by written notice from any such registered

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bond holder to the Trustee) an agreement between the Company and such purchaser to the effect that: (i) Payments will be made as aforesaid; (ii) such holder promptly will make notations on such bond, or on a paper attached thereto, of the portions thereof so redeemed; (iii) such holder will not sell, assign, encumber, pledge or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of the bond surrendered. In case any payment is made as provided in this subparagraph, the Trustee shall make an appropriate notation of such payment on its records, and such payment made by the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.07. Fully registered bonds of Series I., upon surrender thereof at the main office of the Trustee, may be exchanged for the aggregate unpaid principal balance of fully registered bonds of that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds,

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Com-

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pany or the Trustee. The original registered owners of the \$2,500,000 of Series I fully registered bonds, without coupons initially issued under Section 1.09 hereof shall, however, have the privilege of exchanging without charge for one or more coupon bonds or for one or more fully registered bonds or for a combination of the same any such fully registered bond so initially issued and any fully registered bond which has become substituted for a portion of such a fully registered bond, or for several such fully registered bonds.

Section 1.08. Fully registered bonds of Series I shall be numbered "R- 1" and consecutively upwards. Coupon bonds of Series 1 shall be numbered "M- 1" and consecutively upwards.

Section 1.09. Upon the execution of this Ninth Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series I in the form of fully registered bonds without coupons in the aggregate principal amount of Two Million Five Hundred Thousand Dollars (\$2,500,000).

## ARTICLE TWO

### ADDITIONAL PROVISIONS

Section 2.01. So long as any Series I bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any shares of its capital stock nor to the payment of any dividend or other disbursement thereon (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other

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than dividends and distributions made in shares of capital stock) subsequent to January 1, 1966, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series I bonds shall be authenticated by the Trustee, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series I bonds shall be authenticated by the Trustee would exceed the Company's net income since January 1, 1966 (treated as one accounting period), plus Five Hundred Thousand Dollars (\$500,000). The foregoing shall not be construed to prohibit the payment of dividends on preferred stock or the purchase of preferred stock to satisfy sinking fund requirements.

Section 2.02 The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Ninth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal prorata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.03. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request of the holder or holders of at least 25 per cent in principal amount of Series I bonds then outstanding during any three-year period beginning February 1, 1966, the Company will have its properties inspected by an independent engineer who shall be an engineer satisfactory to the Trustee who is not in the employ of the Company. Such

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engineer will, at Company expense, file with the Trustee an independent engineer's certificate as such term is defined in Section 1.01 of the Original Indenture, which shall contain a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each bondholder who has requested such inspection.

Section 2.04. All newspaper notices with respect to Series I bonds shall be published in a newspaper published and of general circulation in the City of Chicago, State of Illinois, as well as in one so published and of general circulation in the Borough of Manhattan, City and State of New York.

Section 2.05. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series I the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

Section 2.06. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture and the Eighth Supplemental Indenture are hereby in all respects ratified and confirmed.

Sec. 2.07. This Ninth Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to

be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and E. L. Blaine, Jr., has hereto set his hand and seal, all as of April 1, 1966, but this instrument has been actually executed and delivered the 2nd day of May, 1966.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

(Corporate Seal)

By E. R. DEAN  
***President***

ATTEST:

J. S. MIDDLETON  
***Secretary***

Signed, sealed and acknowledged by United Telephone Company of the Northwest in the presence of:

D. L. HENWOOD

DAVID K. ELIE

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PEOPLES NATIONAL BANK OF WASHINGTON IN SEATTLE

By E. GENE TRENEER  
*Trust Officer*

By E. R. MACKAY  
*Vice President & Trust Officer*

ATTEST:

HAROLD A. ROGERS (Corporate Seal)  
*Vice President & Trust Officer*

Signed, sealed and acknowledged by Peoples National Bank of Washington in Seattle in the presence of:

D. L. HENWOOD

DAVID K. ELIE

E. L. BLAINE, JR.  
E. L. BLAINE, JR.

Signed, sealed and acknowledged by E. L. Blaine, Jr. in the presence of:

D. L. HENWOOD

DAVID K. ELIE

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## RECORDING DATA

Recording data on Ninth Supplemental Indenture of Mortgage  
and Deed of Trust.

### STATE OF OREGON Ninth Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Date</u>
Crook	Book 73, pp. 588-643	5/5/66
Deschutes	Book 148, pp. 9-38	5/4/66
Gilliam	Book 7, pp. 36-63	5/5/66
Grant	Book 37, pp. 500-554	5/4/66
Harney	Book A-8, pp. 276-331	5/4/66
Hood River	Micro-film No. 660807 record of Mortgages	5/4/66
Jackson	Instrument #66-05285 Official Records	5/3/66
Jefferson	Book 34, pp. 213-242	5/4/66
Klamath	Book M-66, pp. 3936-3991	5/3/66
Lake	Book 57, pp. 568-596	5/4/66
Lane	Reel 317 M, Reception No. 45892	5/3/66
Lincoln	Book 134, pp. 180-235	5/3/66
Malheur	Book 118, pp. 518-573	5/5/66
Polk	Book 140, pp. 338-393	5/3/66
Tillamook	Book 90, pp. 67-96	5/3/66
Wasco	Microfilm Image Number 66-0868	5/4/66
Yamhill	Film #52, pp. 456-511	5/3/66
Filed with the Secretary of State of the State of Oregon		5/3/66
Financing Statement filed with the Secretary of State of the State of Oregon as Document No. A80075		5/3/66

### STATE OF WASHINGTON Ninth Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage In</u>	<u>Indexed as a Chattel Mortgage in</u>	<u>Date</u>
Benton	Book 225, pp. 486-540 File No. 560796	File No. 560795	5/3/66
Grant	Book 7, pp. 307-362 File No. 499267	File No. 188831	5/3/66
Klickitat	Book 98, pp. 555-610 File No. 122504	C/Mtg 9 Index 122503	5/4/66
Skamania	Book 45, pp. 23-79 File No. 66811	File No. 66812	5/5/66
Yakima	Book 567, pp. 404-432 File No. 2085006	File No. 59929	5/6/66
Filed with the Secretary of State of the State of Washington			5/5/66

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UNITED TELEPHONE COMPANY OF THE NORTHWEST

TO

PEOPLES NATIONAL BANK OF WASHINGTON

AND

ROBERT G. PERRY  
TRUSTEES

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**Tenth Supplemental  
Indenture**

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DATED AS OF DECEMBER 1, 1967

## **This Tenth Supplemental Indenture**

dated as of December 1, 1967, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington (hereinafter sometimes referred to as the "Trustee") and ROBERT G. PERRY of said City of Seattle (hereinafter sometimes referred to as the "Individual Trustee"), as Trustees, the Trustee and the Individual Trustee being sometimes hereinafter referred to collectively as the "Trustees",

### **W I T N E S S E T H:**

WHEREAS until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on November 1, 1965 to United Telephone Company of the Northwest; and

WHEREAS the Company executed and delivered to the Trustee and to E. L. Blaine, Jr. an Indenture of Mortgage and Deed of Trust dated as of January 1,



1946 (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has executed and delivered to the Trustee and to E. L. Blaine, Jr. a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, and a Ninth Supplemental Indenture dated as of April 1, 1966, amending and supplementing such Original Indenture pursuant to which Supplemental Indentures the Company has issued its First Mortgage Bonds, Series B, C, D, E, F, G, H and I; and

WHEREAS at the time the Original Indenture was executed the corporate name of the Trustee was Peoples National Bank of Washington in Seattle and such corporate name has since been changed to Peoples National Bank of Washington; and

WHEREAS until May 22, 1967 E. L. Blaine, Jr.

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served as Individual Trustee under terms of the Original Indenture as supplemented by the nine Supplemental Indentures, and upon his resignation on such date the Individual Trustee was duly appointed as successor to E. L. Blaine, Jr. as Individual Trustee pursuant to the provisions of Section 16.10 of the Original Indenture; and

WHEREAS the Company has taken due corporate action to provide for the immediate issuance, execution, authentication and delivery of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series J, the said Series J Bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture; and

WHEREAS the fully registered bonds without coupons and the coupon bonds of Series J to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:

**Form of Series J Fully**

**Registered Bond Without Coupon**

§----- First Mortgage Bond Series J	No. R Due December 1, 1997
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UNITED TELEPHONE COMPANY OF THE  
NORTHWEST

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to

or registered assigns, on the first day of December, 1997, the principal sum of

and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of six and one half per cent (6.5%) per annum, payable semiannually on the first day of June and the first day of December in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said Bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series J, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supple-

mental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966 and a Tenth Supplemental Indenture dated as of December 1, 1967 (said eleven instruments being collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington, of Seattle, Washington (herein called the Trustee), and to either Robert G. Perry of Seattle, Washington (herein called the Individual Trustee), or to Robert G. Perry's predecessor in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before November 30, 1968—6.50%  
 Thereafter and on or before November 30, 1969—6.30%  
 Thereafter and on or before November 30, 1970—6.10%

Thereafter and on or before November 30, 1971—5.90%  
 Thereafter and on or before November 30, 1972—5.70%  
 Thereafter and on or before November 30, 1973—5.507%  
 Thereafter and on or before November 30, 1974—5.30%  
 Thereafter and on or before November 30, 1975—5.10SZO  
 Thereafter and on or before November 30, 1976—4.90%  
 Thereafter and on or before November 30, 1977—4.70 %  
 Thereafter and on or before November 30, 1978—4.50%  
 Thereafter and on or before November 30, 1979—4.30%  
 Thereafter and on or before November 30, 1980—4.10%  
 Thereafter and on or before November 30, 1981—3.90%  
 Thereafter and on or before November 30, 1982—3.70 %  
 Thereafter and on or before November 30, 1983—3.50%  
 Thereafter and on or before November 30, 1984—3.30%  
 Thereafter and on or before November 30, 1985—3.10%  
 Thereafter and on or before November 30, 1986—2.90S%0  
 Thereafter and on or before November 30, 1987—2.70%  
 Thereafter and on or before November 30, 1988—2.50%  
 Thereafter and on or before November 30, 1989—2.25 %  
 Thereafter and on or before November 30, 1990—2.00%  
 Thereafter and on or before November 30, 1991 —1.75%  
 Thereafter and on or before November 30, 1992—1.50%  
 Thereafter and on or before November 30, 1993—1.25 %  
 Thereafter and on or before November 30, 1994—1.00%  
 Thereafter and on or before November 30, 1995— .75%  
 Thereafter and on or before November 30, 1996— .50%  
 Thereafter and on or before November 30, 1997— .25 %

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to December 1, 1977, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of an indebtedness by the Company at an interest cost of less than six and one half per cent (6.5%) per annum and provided further that the bonds of Series J shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption, all on the conditions and in the manner provided in the indenture.

On the conditions and in the manner provided in the Indenture, Series J bonds may become sub-

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ject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series J Bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture, The Indenture provides that if in case of redemption of less than all of the bonds of this series and all such bonds then outstanding are fully registered in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable among such holders in the manner provided by section 1.05 of the Tenth Supplemental Indenture. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500 shall be retained by the Trustee and applied as a part of the next distribution and apportionment in redemption. If notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof

shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date. Whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will, at the option of the owner and holder thereof, issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

Pursuant to the provisions of section 2.09 of the Original Indenture, this bond is transferable by the registered owner hereof, in person or by duly authorized attorney, only upon the books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon

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presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the aggregate unpaid balance. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series of another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided fur-



ther, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

Payments on account of principal of this bond may be made without surrender, cancellation or reissue hereof in the manner and to the extent provided by the terms of section 1.06 of the Tenth Supplemental Indenture, as reflected by the records of the Trustee.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated as of the 1st day of December, 1967.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST  
By.....  
*President*

**ATTEST :**

By.....

***Secretary***

Form of Series J Coupon Bond

No. \$1,000

UNITED TELEPHONE COMPANY OF THE  
NORTHWEST

First Mortgage Bond, Series J

Due December 1, 1997

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of December, 1997 the principal sum of One Thousand Dollars (\$1,000) and to pay interest thereon from the date hereof at the rate of six and one half per cent (6.5%) per annum, payable semiannually on the first day of June and on the first day of December in each year until said principal sum is paid, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series J, all bonds of all series being issued and to be issued under and pursuant to and all

equally secured (except as any sinking or other analogous funds, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, and a Tenth Supplemental Indenture dated as of December 1, 1967, (said eleven instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington, of Seattle, Washington (herein called the Trustee), and to either Robert G. Perry of Seattle, Washington (herein called the Individual Trustee), or to Robert G. Perry's predecessor in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

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130nds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before November 30, 1968—6.50%  
 Thereafter and on or before November 30, 1969—6.30 %  
 Thereafter and on or before November 30, 1970—6.10%  
 Thereafter and on or before November 30, 1971—5.90%  
 Thereafter and on or before November 30, 1972—5.70%  
 Thereafter and on or before November 30, 1973—5.50%  
 Thereafter and on or before November 30, 1974—5.30%  
 Thereafter and on or before November 30, 1975—5.10%  
 Thereafter and on or before November 30, 1976—4.90%  
 Thereafter and on or before November 30, 1977—4.70%  
 Thereafter and on or before November 30, 1978—4.50%  
 Thereafter and on or before November 30, 1979—4.30%  
 Thereafter and on or before November 30, 1980—4.10 %  
 Thereafter and on or before November 30, 1981—3.90%  
 Thereafter and on or before November 30, 1982—3.70 %  
 Thereafter and on or before November 30, 1983—3.50%  
 Thereafter and on or before November 30, 1984—3.30 %  
 Thereafter and on or before November 30, 1985—3.10%  
 Thereafter and on or before November 30, 1986—2.90 %  
 Thereafter and on or before November 30, 1987—2.70%  
 Thereafter and on or before November 30, 1988—2.50%  
 Thereafter and on or before November 30, 1989—2.25 %  
 Thereafter and on or before November 30, 1990—2.00%  
 Thereafter and on or before November 30, 1991—1.75 %  
 Thereafter and on or before November 30, 1992—1.50%  
 Thereafter and on or before November 30, 1993—1.25 %  
 Thereafter and on or before November 30, 1994—1.00 %  
 Thereafter and on or before November 30, 1995— .75%  
 Thereafter and on or before November 30, 1996— .50%  
 Thereafter and on or before November 30, 1997— .25%

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to December 1, 1977, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company at an interest cost of less than six and one half per cent (6.5%) per annum and provided further that the bonds of

Series J shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium together in any case with interest accrued thereon to the date of redemption, all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture, Series J bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under the power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series J bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan in the City and State of New York and one such newspaper published and of general circulation in the City of Chicago, Illinois, the first such publication in each newspaper to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemption shall be published once in each such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the condi-

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tions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the

Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of his bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided,

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however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or of interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated as of the 1st day of December, 1967.



UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....  
**President**

AT-TEST :

.....  
**Secretary**

FORM OF INTEREST COUPON

**No.** \_\_\_\_\_ **\$** \_\_\_\_\_

On the 1st day of \_\_\_\_\_, 19\_\_\_\_ upon  
surrender of this coupon, unless the bond hereinafter  
mentioned shall have been previously called for  
redemption and payment duly provided therefor,  
UNITED TELEPHONE COMPANY OF THE  
NORTHWEST will pay to bearer at the main of-  
fice of Peoples National Bank of Washington, in  
Seattle, Washington  
Dollars (\$ \_\_\_\_\_) in lawful money of the United  
States of America, being six (6) months' interest  
then due on its First Mortgage Bond, Series J, dated  
as of December 1, 1967, No. \_\_\_\_\_

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....  
**Treasurer**

**FORM OF TRUSTEE'S CERTIFICATE  
FOR BONDS OF SERIES J**

This is one of the First Mortgage Bonds, Series J,  
referred to in the within mentioned Indenture.

**PEOPLES NATIONAL BANK OF WASHINGTON  
TRUSTEE**

By.....  
**Trust Officer**                      **Authorized Officer**

WHEREAS, the Company, subsequent to the execution and delivery of the Ninth Supplemental Indenture to which reference is hereinafter made, has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS, all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Tenth Supplemental Indenture provided, the valid and binding obligations of the Company, and to make these presents, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture and the Tenth Supplemental Indenture (said eleven instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed.

Now, THEREFORE, THIS TENTH SUPPLEMENTAL INDENTURE WITNESSETH:

That United Telephone Company of the Northwest, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents, give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington and Robert G. Perry, Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the

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delivery of the Ninth Supplemental Indenture or not described in the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture, Sixth Supplemental Indenture, Seventh Supplemental Indenture, Eighth Supplemental Indenture, or Ninth Supplemental Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following, together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining:

## I

The following-described real property, together with all improvements thereon:

A. Situated in the County of Deschutes in the State of Oregon:

Lots 23 and 24 in Block 26 of Townsite of Redmond.

B. Situated in the County of Harney in the State of Oregon:

Lot 3, Block 2, Original town of Burns.

C. Situated in the County of Hood River in the State of Oregon:

The Company's interest as purchaser under contract for the purchase of real property described as:

Lots 1, 2, 27 and 28, in Block 1 in Waucoma Addition to Hood River,

which contract is dated on September 9, 1966 and is executed by and between Phoebe Koberg, a sin-

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gle woman, as seller, and the Company as purchaser.

D. Situated in the County of Jackson in the State of Oregon:

PARCEL I:

Beginning at the northwest corner of Block One (1) of the Town of Butte Falls, according to the official plat thereof, now of record; thence East, along the north line of said Block, a distance of 140.0 feet to the northeast corner thereof; thence South, along the east line of said Block, a distance of 60.0 feet; thence Northwesterly to intersect the west line of said Block, 10.0 feet South of the northwest corner thereof; thence North, along said west line, 10.0 feet to the point of beginning.

PARCEL II:

Commencing at the corner common to Sections 17, 18, 19 and 20, Township 36 South, Range 1 West, Willamette Meridian, thence North, 1427.2 feet; thence East, 3190.7 feet to a  $\frac{5}{8}$ " iron pin located on the South boundary of Avenue "G" for the true point of beginning; thence along the South boundary of Avenue "G", being 40.0 feet South-erly at right angles from the monumented center-line thereof, South 89° 48' East, 400.00 feet; thence South 0° 12' West, 47.00 feet; thence South 36° 23' 20" West, 201.97 feet; thence North 89° 48' West, 280.75 feet; thence North 0° 12' East, 210.00 feet to the true point of beginning.

Parcel III, Lot Three (3), Block Eighteen (18) Town of Butte Falls.

RESERVING THEREFROM a drainage easement across the North 10 feet of the hereinabove described tract.

E. Situated in the County of Jefferson in the State of Oregon:

Lot 7, Block 18, Plat of Culver.

F. Situated in the County of **Klamath** in the State of Oregon:

Lots 1, 2, 3, 4, in Block 60 of Grandview Addition to Bonanza.

G. Situated in the County of Lincoln in the State of Oregon:

PARCEL I:

Part of the Northeast quarter of the southeast quarter of Section 15, T 7 S, R 11 W, W.M., described as follows:

BEGINNING AT A POINT which is 240 feet easterly of the east line of Femwood Way and on the easterly prolongation of the north line of Lot 19, Block 1, LAKEWOOD; thence easterly, along the prolongation of the north line of said Lot 19, 40 feet, to the east line of the west half of said northeast quarter of the southeast quarter; thence southerly, along said east line, 100 feet, to the easterly prolongation of the south line of Lot 20, Block 1, LAKEWOOD; thence westerly, along the prolongation of the south line of said Lot 20, 40 feet; thence northerly, 100 feet, to the point of beginning.

PARCEL H:

Part of the northeast quarter of the southeast quarter of Section 15, T 7 S, R 11 W, W.M., described as follows:

BEGINNING AT A POINT which is 240 feet easterly of the east line of Femwood Way and on the easterly prolongation of the north line of Lot 17, Block 1, LAKEWOOD; thence easterly, along the prolongation of the north line of said Lot 17, 40 feet to the east line of the west half of said northeast quarter of the southeast quarter; thence

southerly, along said east line, 100 feet, to the easterly prolongation of the south line of Lot 18, Block 1, LAKEWOOD; thence westerly, along the prolongation of the south line of said Lot 18, 40 feet; thence northerly, 100 feet to the point of beginning.

H. Situated in the County of Polk in the State of Oregon:

Beginning at a point on the East boundary of the Grand Ronde Agency County Road No. 681, said point being North 821.0 feet and East 685.7 feet from the quarter corner common to Sections 12 and 13, Township 6 South, Range 8 West of the Willamette Meridian; thence East 160.0 feet; thence North 50.0 feet; thence West 160.0 feet to the East boundary of said County Road No. 681; thence South 50.0 feet along said road boundary to the place of beginning.

I. Situated in the County of Yamhill in the State of Oregon:

PARCEL I:

A tract of land in the Charles B. Graves Donation Land Claim No. 57 in Township 5 South, Range 6 West of the Willamette Meridian more particularly described as follows:

Beginning at a point 264 feet South 89° East and North 10 East 115½ feet from the Southeast corner of Block 2 of South Sheridan; thence North 1° East 97½ feet; thence North 78° West 128½ feet; thence South 10 West 118.86 feet; thence South 89° East 127 feet to the place of beginning.

PARCEL II:

Part of the Charles B. Graves Donation Land Claim #57 in Township 5 South, Range 6 West of the Willamette Meridian, said part being situated in Section 35 in said Township and Range and being more particularly described as follows:

Beginning at point 50 feet South 89° East and 115.5 feet North 10 East from the Southeast corner of Block 2 in South Sheridan, said place of beginning being the Northwest corner of that certain tract of land conveyed to Helen Tharp by deed recorded May 12, 1951 in Book 161, page 430, Deed Records, thence South 89° East along the North line of said Tharp tract and the Easterly extension thereof, 87 feet to the Southwest corner of a certain tract of land conveyed to H. N. Burchell by deed recorded December 12, 1958 in Film Volume 2, page 676, Deed and Mortgage Records; thence North 10 East along the Westerly line of said Burchell tract, 118.86 feet to the most Northernly corner of said Burchell tract; thence North 78° West 88 feet to a point; thence South 10 West, 133.5 feet to the place of beginning.

J. Situated in the County of Yakima, State of Washington:

Lots 27 and 28, Block 30, of The Mabton Townsite Company's Second Addition and Mabton Garden Tracts, according to the official plat thereof recorded in Volume "A" of Plats, page 101, records of Yakima County, Washington.

## II

The following-described easements, rights of way and permits:

A. Situated in the County of Deschutes in the State of Oregon:

(1) Right of Way Grant from the Bureau of Land Management of the Department of Interior of the United States to the Company dated as of November 30, 1966 and expiring as of November 29, 2016, over real property described as:

The N $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$ , Sec. 24, T 19 S., R. 14 E., W.M.

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(2) Easement from Redmond School District No. 2J, Deschutes County, Oregon, to the Company and to KEY T V, Inc., a corporation, dated April 20, 1967 and recorded in Volume 153 at pages 41 and 42, Deschutes County Records, Oregon.

B. Situated in the County of Hood River in the State of Oregon:

(1) Easement from Halstead Robison and El-louise Robison, husband and wife, to the Company dated April 3, 1967, recorded on April 13, 1967 as Microfilm No. 670463 in filmed records of Deeds of Hood River County, Oregon.

(2) Easement from the County of Hood River, Oregon, to the Company dated March 6, 1967, recorded March 16, 1967 as Microfilm No. 670334 in filmed records of Deeds of Hood River County, Oregon.

C. Situated in the County of Klamath in the State of Oregon:

Right of Way Grant from the Bureau of Land Management of the Department of Interior of the United States to the Company dated as of October 19, 1966 and expiring as of October 18, 2016 over real property described as:

Section 20, T. 41 S., R. 13 E., Willamette Meridian.

D. Situated in the County of Lincoln in the State of Oregon:

Revocable Permit, revocable on 30 days' written notice, from the County Court of Lincoln County, Oregon, for maintenance and operation upon the right of way of County Road No. 2 of such County of a building 8 feet by 8 feet in dimensions as provided by exchange of letters between W. T. Hollen, attorney for the County Court

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of Lincoln County, Oregon, directed to the Company under date of April 6, 1967, and response thereto from J. S. Middleton, as Secretary of the Company, to Mr. W. T. Hollen, under date April 13, 1967, as the location of the building mentioned is particularly identified in Indemnity Agreement given by the Company, as Obliger, to Lincoln County, a municipal division of the State of Oregon, and the County Court of such County, including the individual members thereof, and the County Roadmaster of such County, under date of March 31, 1967, indemnifying the Obligees against loss or damage by reason of the maintenance of such building in the road right of way.

E. Situated in the County of Jackson in the State of Oregon:

(1) Easement from Leland L. Dysinger and Jessie Geneva Dysinger, husband and wife, to the Company, dated March 13, 1967, recorded March 16, 1967 as Microfilm No. 67-02089 in filmed Official Records of Jackson County, Oregon.

(2) Easement from Bruce Hansen and Joyce Hansen, husband and wife, to the Company, dated March 9, 1967, recorded on March 16, 1967 as Microfilm No. 67-02090 in filmed Official Records of Jackson County, Oregon.

(3) Easement from Roy A. Wies and Betty R. Wies, husband and wife, to the Company, dated March 9, 1967, recorded on March 16, 1967 as Microfilm No. 67-02091 in filmed Official Records of Jackson County, Oregon.

(4) Easement from Harold Kay Payne and Erma J. Payne, husband and wife, to the Company, dated March 13, 1967, recorded March 16, 1967 as Microfilm No. 67-02092 in filmed Official Records of Jackson County, Oregon.

(5) Easement from Dale R. Bott and Margo J. Bott, husband and wife, and Myrtle Marsters, a

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widow woman, to the Company, dated April 11, 1967, recorded April 12, 1967 as Microfilm No. 67-03293 in filmed Official Records of Jackson County, Oregon.

(6) Easement from C. S. Marsters and Carolyn Marsters, husband and wife, to the Company dated April 11, 1967, recorded April 12, 1967 as Microfilm No. 67-03294 in filmed Official Records of Jackson County, Oregon.

(7) Easement from Louis R. Walch and Vera L. Walch, husband and wife, to the Company, dated April 3, 1967, recorded April 12, 1967 as Microfilm No. 67-03295 in filmed Official Records of Jackson County, Oregon.

(8) Easement from Gerald W. Hansen and Margaret J. Hansen, husband and wife, to the Company, dated April 3, 1967, recorded April 12, 1967 as Microfilm No. 67-03296 in Filmed Official Records of Jackson County, Oregon.

(9) Easement from Kenneth Bob Owen and Connie Owen, husband and wife, to the Company, dated April 17, 1967, recorded April 27, 1967 as Microfilm No. 67-03944 in filmed Official Records of Jackson County, Oregon.

(10) Easement from Merton Bradshaw Co. to the Company dated May 1, 1967, recorded May 1, 1967 as Microfilm No. 67-04067 in filmed Official Records of Jackson County, Oregon.

(11) Easement from Helen A. Woolfolk, wife of Ira V. Woolfolk, to the Company, dated May 1, 1967, recorded May 4, 1967 as Microfilm No. 67-04229 in filmed Official Records of Jackson County, Oregon.

(12) Easement from Ira V. Woolfolk, husband of Helen Woolfolk, to the Company, dated April 26, 1967, recorded May 4, 1967 as Microfilm No. 67-04230 in filmed Official Records of Jackson County, Oregon.

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(13) Right of Way Grant from the Bureau of Land Management of the Department of Interior of the United States to the Company, dated as of October 19, 1966 and expiring as of October 18, 2016, over real property described as:

The SW<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub>SE<sup>1</sup>/<sub>4</sub> of Section 9, T. 36 S., R. 3 W., W.M.

F. Situated in the County of Wasco in the State of Oregon:

Easement from Frank Herman and Maggie Herman, husband and wife, to the Company, dated January 19, 1965, to install an overhead Guy and Down Guy on existing power poles on property described in Deed Book 134, page 446, Records of Wasco County.

G. Situated in the County of Yakima in the State of Washington:

Easement from Philip Pauley, a single man, to the Company dated February 2, 1967, recorded on February 24, 1967 in Volume 687 at pages 368 and 369, Records of Yakima County.

### III

The following-described leases:

(1) All of the Company's interest in that certain lease dated October . . . . 1966, between the Company, as lessor, and Clay Green and Adah Green, husband and wife, as lessees, for a term of three (3) years beginning November 1, 1966 to and including October 31, 1969, covering that certain real property situate in Yamhill County, Oregon, described as:

The buildings, excepting old garage located upon real property described as: Beginning at a point 264 feet South 89° East and North 1° East 115½ feet

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from the Southeast corner of Block 2 of South Sheridan, Yamhill County, Oregon; thence North 10 East  $97\frac{1}{2}$  feet; thence North 780 West  $128\frac{1}{2}$  feet; thence South 10 West 118.86 feet; thence South  $89^\circ$  East 127 feet to the place of beginning.

(2) All of the Company's interest in that certain lease dated July 7, 1967, between John E. Hurliman and Mildred R. Hurliman, husband and wife, as lessors, and the Company, as lessee, for a term of twenty-five (25) years, beginning on July 1, 1967, covering certain real property situate in Tillamook County, Oregon, described as:

That parcel of land situate in the Northeast quarter of Section 21 in Township 4 South, Range 10 West of the Willamette Meridian more particularly described as:

Beginning at a  $\frac{3}{4}$ " iron pipe which is North 548.04 feet and West 460.06 feet from the East quarter section corner of Section 21 in Township 4 South, Range 10 West of Willamette Meridian; thence North  $43^\circ 40'$  East 100 feet to a  $\frac{3}{4}$ " iron pipe; thence North 460 20' West, 100 feet to a  $\frac{3}{4}$ " iron pipe; thence South 430 40' West, 100 feet to a  $\frac{3}{4}$ " iron pipe; thence South 460 20' East, 100 feet to the point of beginning.

(3) All of the Company's interest in that certain lease dated April 13, 1966, between Harry C. Walters and Carrie I. Walters, husband and wife, as lessors, and the Company, as lessee, for a term beginning April 15, 1966 and expiring on April 14, 1971, covering that certain real property situate in Yakima County, Washington, described as:

Lots One (1), Two (2), Three (3), Four (4) and Five (5), Block Thirty (30), SUNNYSIDE, Wash-

ington, according to the official plat thereof recorded in Volume "A" of Plats, page 59, Records of Yakima County, Washington; together with the water rights and appurtenances thereunto belonging.

TO HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture and the Tenth Supplemental Indenture, it being agreed as follows, to wit:

## ARTICLE ONE

### SERIES J BONDS

Section 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series J" (hereinafter sometimes referred to as "Series J bonds" or "bonds of Series J") limited in principal amount to \$2,750,000. Series J bonds

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shall be coupon bonds of the denomination of \$1,000 each, registrable as to principal, and fully registered bonds without coupons of the denomination of \$500 and multiples thereof. The coupon bonds of Series J shall be dated December 1, 1967, and the registered bonds of Series J without coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series J bonds shall mature December 1, 1997, and shall bear interest at the rate of six and one half per cent (6.5%) per annum from their respective dates, such interest to be payable semiannually on the 1st day of June and the 1st day of December in each year. Both the principal of and interest on bonds of Series J shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series J, the Trustee's certificate with respect to Series J bonds and the coupons appertaining to Series J coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth,

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series J shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof.

If redeemed on or before November 30, 1968-6.50 %  
 Thereafter and on or before November 30, 1969-6.30 %  
 Thereafter and on or before November 30, 1970-6.10%  
 Thereafter and on or before November 30, 1971-5.90%  
 Thereafter and on or before November 30, 1972-5.70 %  
 Thereafter and on or before November 30, 1973-5.50%  
 Thereafter and on or before November 30, 1974-5.30%  
 Thereafter and on or before November 30, 1975-5.10%  
 Thereafter and on or before November 30, 1976-4.90 %

Thereafter and on or before November 30, 1977—4.70%  
 Thereafter and on or before November 30, 1978—4.50%  
 Thereafter and on or before November 30, 1979—4.30%  
 Thereafter and on or before November 30, 1980—4.10%  
 Thereafter and on or before November 30, 1981—3.90%  
 Thereafter and on or before November 30, 1982—3.70%  
 Thereafter and on or before November 30, 1983—3.50%  
 Thereafter and on or before November 30, 1984—3.30%  
 Thereafter and on or before November 30, 1985—3.10 %  
 Thereafter and on or before November 30, 1986—2.90%  
 Thereafter and on or before November 30, 1987—2.70%  
 Thereafter and on or before November 30, 1988—2.50@  
 Thereafter and on or before November 30, 1989—2.25%  
 Thereafter and on or before November 30, 1990—2.00%  
 Thereafter and on or before November 30, 1991—1.75 %  
 Thereafter and on or before November 30, 1992—1.50 %  
 Thereafter and on or before November 30, 1993—1.25%  
 Thereafter and on or before November 30, 1994—1.00%  
 Thereafter and on or before November 30, 1995— .75%  
 Thereafter and on or before November 30, 1996— .50 %  
 Thereafter and on or before November 30, 1997— .25 %

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to December 1, 1977, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company at an interest cost of less than six and one half per cent (6.5%) per annum and provided further that the bonds of Series J shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in Section 1.03 at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees that so long as any Series J bonds are outstanding hereunder it will, in each of the years 1968 through 1996, both inclusive, not less than thirty (30) days prior to December 1st of such year, deposit with the Trustee, as and for a sinking fund for Series J bonds, moneys sufficient (when increased by the

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payment of accrued interest to such December 1st) to redeem on such December 1st, Series J bonds in aggregate principal amount equal to one per cent (1%) of the total aggregate principal amount of Series J bonds authenticated and delivered to and including such December 1st (exclusive of Series J bonds in exchange or substitution for which other bonds of Series J may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.07 hereof). On each such December 1st, the Trustee shall, insofar as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series J bonds.

Provided, however, that in lieu of depositing all or part of such moneys the Company may deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series J, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than par.

The redemption price for Series J bonds redeemed for the purposes of the sinking fund created by this Section shall be the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without any premium.

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this Section.

Section 1.04. Series J bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to Section 8.11, 8.14, 9.02 and 11.04 of the Original Indenture as amended shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof.

In the event that all or any part of the bonds of

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Series J shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

Section 1.05. If in case of redemption of less than all of the Series J bonds outstanding, all of the Series J bonds then outstanding are in fully registered form in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable in amounts of \$500 or any integral multiple thereof between each of such fully registered holders of bonds of such series in the proportion that the aggregate principal amount of registered bonds of such series then held by each such holder concerned bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after such apportionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.06. In the event of redemption or prepayment for sinking fund purposes of a portion of the principal amount of any fully registered Series J bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bond holder without surrender to the Trustee of the bond on which par-

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tial redemption or prepayment only is being made if there shall be on file with the Trustee (and not theretofore rescinded by written notice from any such registered bond holder to the Trustee) an agreement between the Company and such purchaser to the effect that: (i) Payments will be made as aforesaid; (ii) such holder promptly will make notations on such bond, or on a paper attached thereto, of the portions thereof so redeemed or prepaid; (iii) such holder will not sell, assign, encumber, pledge or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of the bond surrendered. In case any payment is made as provided in this subparagraph, the Trustee shall make an appropriate notation of such payment on its records, and such payment made by the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.07. Fully registered bonds of Series J, upon surrender thereof at the main office of the Trustee, may be exchanged for the aggregate unpaid principal balance of fully registered bonds of that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully registered

bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee. The original registered owners of the \$2,750,000 of Series J fully registered bonds, without coupons initially issued under Section 1.09 hereof shall, however, have the privilege of exchanging without charge for one or more coupon bonds or for one or more fully registered bonds or for a combination of the same any such fully registered bond so initially issued and any fully registered bond which has become substituted for a portion of such a fully registered bond, or for several such fully registered bonds.

Section 1.08. Fully registered bonds of Series J shall be numbered "R- 1" and consecutively upwards. Coupon bonds of Series J shall be numbered "M- 1" and consecutively upwards.

Section 1.09. Upon the execution of this Tenth Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series J in the form of fully registered bonds without coupons in the aggregate principal amount of Two Million Seven Hundred Fifty Thousand Dollars (\$2,750,000).

## ARTICLE TWO

### ADDITIONAL PROVISIONS

Section 2.01. So long as any Series J bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any shares of its capital stock of any class nor to the payment of any dividend or other disbursements on its common stock (exclusive of dividends payable in

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its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions made in shares of capital stock) subsequent to January 1, 1967, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series J bonds shall be authenticated by the Trustee, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series J bonds shall be authenticated by the Trustee would exceed the Company's net income since January 1, 1967 (treated as one accounting period), plus Six Hundred Thousand Dollars (\$600,000).

Section 2.02 The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Tenth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal prorata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.03. The property of the company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request of the holder or holders of at least 25 per cent in principal amount of Series J bonds then outstanding during any three-year period beginning December 1, 1967, the Company will have its properties inspected by an independent engineer who shall be an engineer satisfactory to the Trustee

who is not in the employ of the Company. Such engineer will, at Company expense, file with the Trustee an independent engineer's certificate as such term is defined in Section 1.01 of the Original Indenture, which shall contain a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each bondholder who has requested such inspection.

Section 2.04. All newspaper notices with respect to Series J bonds shall be published in a newspaper published and of general circulation in the City of Chicago, State of Illinois, as well as in one so published and of general circulation in the Borough of Manhattan, City and State of New York.

Section 2.05. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series J the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

Section 2.06. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture and the Ninth Supplemental Indenture are hereby in all respects ratified and confirmed.

Sec. 2.07. This Tenth Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

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**IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST** has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, **PEOPLES NATIONAL BANK OF WASHINGTON** has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and Robert G. Perry has hereto set his hand and seal, all as of December 1, 1967, but this instrument has been actually executed and delivered the 1st day of December, 1967

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

(Corporate Seal)

By R. M. CROCKETT  
President

Attest:

J. S. MIDDLETON

*Secretary*

Signed, sealed and acknowledged by United Telephone Company of the Northwest in the presence of:

D. L. HENWOOD

DAVID K. ELIE

*Trust Officer*

PEOPLES NATIONAL BANK OF WASHINGTON

By E. GENE TRENEER

By E. R. MACKAY  
*Vice President & Trust Officer*

**ATTEST:**

WALTER T. BAGNALL (Corporate Seal)  
*Vice President & Trust Officer*

Signed, sealed and acknowl-  
edged by Peoples National  
Bank of Washington in the  
presence of:

D. L. HENWOOD  
DAVID K. **ELIE**

**ROBERT G. PERRY**

Signed, sealed and acknowl-  
edged by Robert G. Perry in  
the presence of:

D. L. HENWOOD

.....  
DAVID K. **ELIE**

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STATE OF WASHINGTON )  
 ) ss.  
 county of King )

On this 1st day of December, 1967, before me, the undersigned officer, appeared R. M. CROCKETT and J. S. MIDDLETON, to me personally known, who, being duly sworn, did acknowledge themselves to be President and Secretary, respectively of United Telephone Company of the Northwest, a corporation, and that said instrument was signed and sealed by R. M. CROCKETT as such President on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that J. S. MIDDLETON as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written.

KAY M. WALTER

***Notary Public in and for the State  
of Washington, residing at Seattle,  
Washington.***

(Notarial Seal)

My commission expires Oct. 5, 1970

STATE OF WASHINGTON )  
 ) Ss.  
 County of King )

On this 1st day of December, 1967, before me, the undersigned officer, personally appeared E. R. MACKAY and E. GENE TRENEER, to me known to be Trust Officers of Peoples National Bank of Washington, the national banking association which executed the within and foregoing instrument, and E. R. MACKAY and E. GENE TRENEER as Trust Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instruments and WALTER T. BAGNALL as trust officer on oath stated that he was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

(Notarial Seal) **KAY M. WALTER**  
***Notary Public in and for the State of Washington, residing at Seattle, Washington.***  
 My commission expires Oct. 5, 1970



## RECORDING DATA

Recording data on Tenth Supplemental Indenture of Mortgage and Deed of Trust.

### STATE OF OREGON Tenth Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Date</u>
Crook	Book 77, pp. 384-428	12/ 4/67
Deschutes	Book 156, pp. 499-524	12/ 4/67
Gilliam	Book 7, pp. 448-492	12/ 4/67
Grant	Book 39, pp. 141-163	12/ 4/67
Harney	Book A-10, pp. 332-376	12/ 4/67
Hood River	Microfilm No. 671768, Mortgage Records	12/ 4/67
Jackson	Instrument #67-11437, Official Records	12/ 4/67
Jefferson	Book 37, pp. 178-201	12/ 4/67
Klamath	Vol. M-67, pp. 9368-9412	12/ 4/67
Lake	Book 59, pp. 147-170	12/ 4/67
Lane	Reel 371-R, Reception #6745	12/ 4/67
Lincoln	Book 142, pp. 75-119	12/ 4/67
Malheur	Book 123, pp. 203-245	12/ 4/67
Polk	Book 145, pp. 546-590	12/ 4/67
Tillamook	Book 93, pp. 329-373	12/ 4/67
Wasco	Microfilm No. 671776	12/ 5/67
Yamhill	Film No. 64, pp. 487-531	12/ 4/67
	Filed with the Secretary of State of the State of Oregon	12/ 7/67
	Financing Statement filed with the Secretary of State of the State of Oregon as Document No. B18693	12/ 7/67

### STATE OF WASHINGTON Tenth Supplemental Indenture

<u>County</u>	<u>Recorded as a Real Estate Mortgage in</u>	<u>Date</u>
Benton	Book 236, pp. 601-645	12/ 4/67
Grant	Book 33, pp. 73-117	12/ 4/67
Klickitat	Book 100, pp. 294-338	12/ 4/67
Skamania	Book 46, pp. 221-265	12/ 4/67
Yakima	Book 586, pp. 722-745	12/ 4/67
	Filed with the Secretary of State of the State of Washington	12/ 4/67
	Financing Statement filed with the Secretary of State of the State of Washington as Document No. 19329	12/ 4/67

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UNITED TELEPHONE COMPANY OF THE NORTHWEST

TO

PEOPLES NATIONAL BANK OF WASHINGTON

AND

ROBERT G. PERRY  
TRUSTEES

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**Eleventh Supplemental  
Indenture**

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DATED AS OF MARCH 1, 1969

## **This Eleventh Supplemental Indenture**

dated as of March 1, 1969, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington (hereinafter sometimes referred to as the "Trustee") and ROBERT G. PERRY of said City of Seattle (hereinafter sometimes referred to as the "Individual Trustee"), as Trustees, the Trustee and the Individual Trustee being sometimes hereinafter referred to collectively as the "Trustees,"

### **W I T N E S S E T H:**

WHEREAS until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on November 1, 1965 to United Telephone Company of the Northwest; and

WHEREAS the Company executed and delivered to the Trustee and to E. L. Blaine, Jr. an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original

Indenture”), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has executed and delivered to the Trustee and to E. L. Blaine, Jr. a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, and a Tenth Supplemental Indenture dated as of December 1, 1967, amending and supplementing such Original Indenture pursuant to which supplemental indentures the Company has issued its First Mortgage Bonds, Series B, C, D, E, F, G, H, I and J; and

WHEREAS at the time the Original Indenture was executed the corporate name of the Trustee was Peoples National Bank of Washington in Seattle and such corporate name has since been changed to Peoples National Bank of Washington; and

WHEREAS until May 22, 1967 E. L. Blaine, Jr.

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served as Individual Trustee under terms of the Original Indenture as supplemented, and upon his resignation on such date the Individual Trustee was duly appointed as successor to E. L. Blaine, Jr. as Individual Trustee pursuant to the provisions of Section 16.10 of the Original Indenture; and

WHEREAS the Company has taken due corporate action to provide for the immediate issuance, execution, authentication and delivery of Three Million Five Hundred Thousand Dollars (\$3,500,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series K, the said Series K Bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture; and

WHEREAS the fully registered bonds without coupons and the coupon bonds of Series K to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:

Form of Series K Fully  
Registered Bond Without Coupon

\$.....

No. R

First Mortgage Bond  
Series K

Due March 1,  
1999



UNITED TELEPHONE COMPANY OF THE  
NORTHWEST

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to

or registered assigns, on the first day of March, 1999, the principal sum of

and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of seven and one half per cent (7.5%) per annum, payable semiannually on the first day of March and the first day of September in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said Bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of first mortgage bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series K, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental In-

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denture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, and an Eleventh Supplemental Indenture dated as of March 1, 1969 (said twelve instruments being collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington, of Seattle, Washington (herein called the Trustee), and to either Robert G. Perry of Seattle, Washington (herein called the Individual Trustee), or to Robert G. Perry's predecessor in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before February 28, 1970—7.50%  
 Thereafter and on or before February 28, 1971—7.20%  
 Thereafter and on or before February 29, 1972—6.90%  
 Thereafter and on or before February 28, 1973—6.60%  
 Thereafter and on or before February 28, 1974—6.30%  
 Thereafter and on or before February 28, 1975—6.00%  
 Thereafter and on or before February 29, 1976—5.75%  
 Thereafter and on or before February 28, 1977—5.50%  
 Thereafter and on or before February 28, 1978—5.25%  
 Thereafter and on or before February 28, 1979—5.00%  
 Thereafter and on or before February 29, 1980—4.75%  
 Thereafter and on or before February 28, 1981—4.50%  
 Thereafter and on or before February 28, 1982—4.25%  
 Thereafter and on or before February 28, 1983—4.00%  
 Thereafter and on or before February 29, 1984—3.75%  
 Thereafter and on or before February 28, 1985—3.50%  
 Thereafter and on or before February 28, 1986—3.25%  
 Thereafter and on or before February 28, 1987—3.00%  
 Thereafter and on or before February 29, 1988—2.75%  
 Thereafter and on or before February 28, 1989—2.50%  
 Thereafter and on or before February 28, 1990—2.25%  
 Thereafter and on or before February 28, 1991—2.00%  
 Thereafter and on or before February 29, 1992—1.75%  
 Thereafter and on or before February 28, 1993—1.50%  
 Thereafter and on or before February 28, 1994—1.25%  
 Thereafter and on or before February 28, 1995—1.00%  
 Thereafter and on or before February 29, 1996—.75%  
 Thereafter and on or before February 28, 1997—.50%  
 Thereafter and on or before February 28, 1998—.25%  
 Thereafter and on or before February 28, 1999—.00%

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to March 1, 1979, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of an indebtedness by the Company at an interest cost of less than seven and one half per cent (7.5 % per annum and provided further that the bonds of Series K shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption, all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture, Series K bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series K Bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if in case of redemption of less than all of the bonds of this series and all such bonds then outstanding are fully registered in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable among such holders in the manner provided by section 1.05 of the Eleventh Supplemental Indenture. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next distribution and apportionment in redemption. If notice of the redemption of any fully registered

bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date. Whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will, at the option of the owner and holder thereof, issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

Pursuant to the provisions of section 2.09 of the Original Indenture, this bond is transferable by the registered owner hereof, in person or by duly au-

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thorized attorney, only upon the books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or "transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the aggregate unpaid balance, Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series of another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent of authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien

of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

Payments on account of principal of this bond may be made without surrender, cancellation or reissue hereof in the manner and to the extent provided by the terms of section 1.06 of the Eleventh Supplemental Indenture, as reflected by the records of the Trustee.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated as of the 1st day of March, 1969.

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UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....  
President

ATTEST:

By.....  
Secretary

No. Form of Series K Coupon Bond \$1,000

UNITED TELEPHONE COMPANY OF THE  
NORTHWEST

First Mortgage Bond, Series K

Due March 1, 1999

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of March, 1999 the principal sum of One Thousand Dollars (\$1,000) and to pay interest thereon from the date hereof at the rate of seven and one half per cent (7.5 % per annum, payable semiannually on the first day of March and on the first day of September in each year until said principal sum is paid, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America,

This bond is one of a duly authorized issue of first mortgage bonds of the Company, limited as



to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series K, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous funds, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, and an Eleventh Supplemental Indenture dated as of March 1, 1969 (said twelve instruments being herein collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington, of Seattle, Washington (herein called the Trustee), and to either Robert G. Perry of Seattle, Washington (herein called the Individual Trustee), or to Robert G. Perry's predecessor in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said

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bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before February 28, 1970—7.50%  
 Thereafter and on or before February 28, 1971—7.20%  
 Thereafter and on or before February 29, 1972—6.90%  
 Thereafter and on or before February 28, 1973—6.60%  
 Thereafter and on or before February 28, 1974—6.30%  
 Thereafter and on or before February 28, 1975—6.00%  
 Thereafter and on or before February 29, 1976—5.75%  
 Thereafter and on or before February 28, 1977—5.50%  
 Thereafter and on or before February 28, 1978—5.25%  
 Thereafter and on or before February 28, 1979—5.00%  
 Thereafter and on or before February 29, 1980—4.75%  
 Thereafter and on or before February 28, 1981—4.50%  
 Thereafter and on or before February 28, 1982—4.25%  
 Thereafter and on or before February 28, 1983—4.00%  
 Thereafter and on or before February 29, 1984—3.75%  
 Thereafter and on or before February 28, 1985—3.50%  
 Thereafter and on or before February 28, 1986—3.25%  
 Thereafter and on or before February 28, 1987—3.00%  
 Thereafter and on or before February 29, 1988—2.75%  
 Thereafter and on or before February 28, 1989—2.50%  
 Thereafter and on or before February 28, 1990—2.25%  
 Thereafter and on or before February 28, 1991—2.00%  
 Thereafter and on or before February 29, 1992—1.75%  
 Thereafter and on or before February 28, 1993—1.50%  
 Thereafter and on or before February 28, 1994—1.25%  
 Thereafter and on or before February 28, 1995—1.00%  
 Thereafter and on or before February 29, 1996— .75%  
 Thereafter and on or before February 28, 1997— .50%  
 Thereafter and on or before February 28, 1998— .25%  
 Thereafter and on or before February 28, 1999— .00%

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any

time prior to March 1, 1979, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company at an interest cost of less than seven and one half per cent (7.5 %) per annum and provided further that the bonds of Series K shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption, all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture, Series K bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under the power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series K bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund, shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan in the City and State of New York and one such newspaper published and of general circulation in the City of Chicago, Illinois, the first such publication in each newspaper

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to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemption shall be published once in each such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Com-

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pany, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of this bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the

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extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent or authority of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused

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this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated as of the 1st day of March, 1969.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....  
President

ATTEST:

Secretary

FORM OF INTEREST COUPON

No. \$

On the 1st day of , 19 , upon surrender of this coupon, unless the bond hereinafter mentioned shall have been previously called for redemption and payment duly provided therefor, UNITED TELEPHONE COMPANY OF THE NORTHWEST will pay to bearer at the main office of Peoples National Bank of Washington, in Seattle, Washington Dollars (\$ ) in lawful money of the United States of America, being six (6) months' interest then due on its First Mortgage Bond, Series K, dated as of March 1, 1969, No.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....  
Treasurer

FORM OF TRUSTEE'S CERTIFICATE  
FOR BONDS OF SERIES K

This is one of the First Mortgage Bonds, Series K, referred to in the within mentioned Indenture.

**PEOPLES NATIONAL BANK OF WASHINGTON  
TRUSTEE**

By.....  
Trust Officer                      Authorized *Officer*

WHEREAS, the Company, subsequent to the execution and delivery of the Tenth Supplemental Indenture, has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS, all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional Three Million Five Hundred Thousand Dollars (\$3,500,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Eleventh Supplemental Indenture provided, the valid and binding obligations of the Company, and to make these presents, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture and the Eleventh Supplemental Indenture (said twelve instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being

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herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed.

Now, THEREFORE, THIS ELEVENTH SUPPLEMENTAL INDENTURE WITNESSETH:

That United Telephone Company of the Northwest, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents, give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington and Robert G. Perry, Trustees, and to their successors in the trusts hereby and in said

Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the delivery of the Tenth Supplemental Indenture or not described in the Original Indenture, First Supplemental Indenture, Second Supplemental Indenture, Third Supplemental Indenture, Fourth Supplemental Indenture, Fifth Supplemental Indenture, Sixth Supplemental Indenture, Seventh Supplemental Indenture, Eighth Supplemental Indenture, Ninth Supplemental Indenture, or Tenth Supplemental Indenture, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following, together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining:

I

The following-described real property, together with all improvements thereon:

A. Situated in the County of Yakima in the State of Washington:

That part of the East Half of the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 23, Township 9 North, Range 23, E.W.M., described as follows:

The South 115 feet of the North 140 feet of the West 100 feet.

B. Situated in the County of Hood River in the State of Oregon:

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Beginning at a point in the South line of Section 22, Township 2 North, Range 10 East of the Willamette Meridian, in the County of Hood River and State of Oregon, which point is the Southwest corner of that tract of land conveyed to W. P. Kemp et al, Trustees of the Union Church, by deed recorded October 2, 1911, in Book 6, page 341, Deed Records, Hood River County, which said corner of said Church tract of land is 603 feet West of the Southeast corner of said Section 22; thence North along the West line of said Church tract of land and the Northerly extension of said West line a distance of 150 feet; thence Westerly parallel with the South line of said Section 22 a distance of 90 feet; thence South and parallel with the West line of said Church tract of land as extended Northerly a distance of 150 feet to a point in the South line of said Section 22 that is 90 feet West of the place of beginning; thence East along the South line of said Section 22 a distance of 90 feet to the place of beginning.

## II

The following described easements:

A. Situated in the County of Benton in the State of Washington:

(1) Easement from W. H. **Mercer** and Gemma N. **Mercer**, husband and wife, and Dale W. **Mercer** and Edna **Mercer**, husband and wife, to the Company, dated September 29, 1966, recorded July 18, 1968 as Document No. 592778 in Volume 241, pages 571-2, Records of Benton County, Washington.

(2) Easement from W. H. **Mercer** and Gemma N. **Mercer**, husband and wife, and Dale W. **Mercer** and Edna **Mercer**, husband and wife, to the Company, dated September 29, 1966, recorded July 18, 1968 as Document No. 592779 in Volume 241, pages 573-4, Records of Benton County, Washington.

(3) Easement from Loren C. Barber and Ida

Barber, husband and wife, to the Company, dated February 20, 1968, recorded July 18, 1968 as Document No. 592769 in Volume 241, pages 553-4, Records of Benton County, Washington.

(4) Easement from C. G. Vollmer and Marylee M. Vollmer, husband and wife, and Glen L. Bayne and Henrietta Bayne, husband and wife, to the Company, dated September 30, 1966, recorded July 18, 1968 as Document No. 592770 in Volume 241, pages 555-6, Records of Benton County, Washington.

(5) Easement from Warren J. Beightol and Eva L. Beightol, husband and wife, to the Company, dated September 30, 1966, recorded July 18, 1968 as Document No. 592771 in Volume 241, pages 557-8, Records of Benton County, Washington.

(6) Easement from C. M. & E. Co., a Washington corporation, to the Company, dated January 3, 1967, recorded July 18, 1968 as Document No. 592772 in Volume 241, pages 559-60, Records of Benton County, Washington.

(7) Easement from W. L. Davis and Patricia K. Davis, husband and wife, to the Company, dated September 30, 1966, recorded July 18, 1968 as Document No. 592773 in Volume 241, pages 561-2, Records of Benton County, Washington.

(8) Easement from Donald V. Donaldson and Sally Donaldson, husband and wife, to the Company, dated September 28, 1966, recorded July 18, 1968 as Document No. 592774 in Volume 241, pages 563-4, Records of Benton County, Washington.

(9) Easement from Henry W. Dowd and Bernice F. Dowd, husband and wife, to the Company, dated September 28, 1966, recorded July 18, 1968 as Document No. 592775 in Volume 241, pages 565-6, Records of Benton County, Washington.

(10) Easement from Joseph E. Horrigan as

Trustee under the Estate of Daniel S. Horrigan, Deceased, and Michael Horrigan, Kathleen Marie Horrigan and Patricia Horrigan Richardson, to the Company, dated September 30, 1966, recorded July 18, 1968 as Document No. 592776 in Volume 241, pages 567-8, Records of Benton County, Washington.

(11) Easement from Forrest G. Johnson and Linnea A. Johnson, husband and wife, to the Company, dated September 16, 1966, recorded July 18, 1968 as Document No. 592777 in Volume 241, pages 569-70, Records of Benton County, Washington.

(12) Easement from Richard L. Miller and Shir-lene L. Miller, husband and wife, to the Company, dated February 20, 1968, recorded July 18, 1968 as Document No. 592780 in Volume 241, pages 575-6, Records of Benton County, Washington.

(13) Easement from John R. Wooden to the Company, dated September 28, 1966, recorded July 18, 1968 as Document No. 592781 in Volume 241, pages 577-8, Records of Benton County, Washington.

B. Situated in the County of Klickitat in the State of Washington:

The following easements are subject to such rights as were conveyed to the State of Washington by quitclaim deed by Pacific Northwest Bell Telephone Company dated on July 21, 1967, the specific details of which are shown of record in Volume "A" of Highway Plats, pages 94, 95, 98, 99, 100, 101 and 102, Records of Klickitat County, Washington. Such easements were originally granted by the grantors listed to Pacific Northwest Bell Telephone Company, a Washington corporation, and/or its predecessor in name and interest, The Pacific Telephone and Telegraph Company, a California corporation, and the dates and books and pages of

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record of each of such instruments are set opposite the names of the respective grantors. All of such easements, subject to the rights conveyed to the State of Washington, above referred to, were conveyed by Pacific Northwest Bell Telephone Company to the Company by deed dated September 26, 1968, of record at pages 466-467 of Volume 147 of Records of Deeds of Klickitat County, Washington:

<b>Grantor</b>	<b>Date Recorded</b>	<b>Book of Deeds</b>	<b>On Page</b>
Charles W. Peffers	11-5-42	84	395
Frank Ingraham, et ux	11-5-42	84	387
Bert H. Knox, et ux	11-5-42	84	389
R. L. Bewley, et al	2-24-43	85	245- 246
Earl Wade, et al	11-5-42	84	403
Maude Martain	11-5-42	84	382
John Cahill, et ux	11-5-42	84	378
James Stultz, et ux	11-5-42	84	401
Eastern and Western Lumber Company	11-5-42	84	381
Birdie K. Longaker	11-5-42	84	391
P. S. Miller, et ux	11-5-42	84	394
Richard Sellers, et al	11-5-42	84	400
R. C. Lefever, et ux	11-5-42	84	390
J. H. Coffield, et ux	11-5-42	84	380
H. D. Roberts, et ux	11-5-42	84	398
J. W. Tallman, et ux	11-5-42	84	402
Lorena G. Norris	1-30-43	85	172- 173
A. F. Bergeron, et ux	11-5-42	84	377
Virgil E. Webb, et ux	11-30-42	84	460
Laura G. Laughary, et al	1-30-43	85	170- 171
Glenn McClaskey, et ux	1-30-43	85	168- 169
J. W. Tallman, et ux	2-24-43	85	249- 250
Klickitat County	3-11-43	85	322

<i>Grantor</i>	<i>Recorded</i>	<i>Deeds</i>	<i>Book of</i>	<i>On</i>
Richard A. Cuff, et ux	3-31-43	85	396	
Washington State	11-6-43	87	259-	
			260	
Washington State	11-6-43	87	263-	
			264	

C. Situated in the County of Yakima in the State of Washington:

(1) Easement from Yakima Chief Ranches, Inc., to the Company, dated December 31, 1962, recorded January 29, 1963 as Document No. 1937238 in Volume 636, pages 105-6-7, Records of Yakima County, Washington.

(2) Easement from A. E. Hobbs and Velda Hobbs to the Company, dated October 25, 1962, recorded January 29, 1963 as Document No. 1937-239 in Volume 636, page 108, Records of Yakima County, Washington.

(3) Easement from Sig Carlson Inc. to Company, dated March 7, 1966, recorded April 14, 1966 as Document No. 2082711 in Volume 677, pages 63-4, Records of Yakima County, Washington.

(4) Easement from W. E. Fitzsimonds and Shirley E. Fitzsimonds to the Company, dated November 1, 1965, recorded April 14, 1966 as Document No. 2082712 in Volume 677, pages 65-6-7, Records of Yakima County, Washington.

(5) Easement from Chester E. Anderson and Rachel L. Anderson, husband and wife, and John E. Forndran and Blanche M. Forndran, husband and wife, to the Company, dated November 29, 1965, recorded April 14, 1966 as Document No. 2082713 in Volume 677, pages 68-69-70, Records of Yakima County, Washington.

(6) Easement from L. D. Kriner, a widower, Charles H. Langford and Marjorie Langford, hus-

band and wife, to the Company, dated July 10, 1946, recorded September 24, 1946 as Document No. 1141097 in Volume 426, pages 274-5, Records of Yakima County, Washington.

(7) Easement from Merle G. Kracht and Irene G. Kracht to the Company, dated July 8, 1963, recorded August 12, 1963 as Document No. 1961950 in Volume 643, page 128, Records of Yakima County, Washington.

(8) Easement from Phillip Mirosh to the Company, dated August 12, 1963, recorded August 12, 1963 as Document No. 1961951 in Volume 643, page 130, Records of Yakima County, Washington.

(9) Easement from Clarence Hibler and Edna C. Hibler to the Company, dated February 27, 1963, recorded March 4, 1963 as Document No. 1941452 in Volume 637, page 265, Records of Yakima County, Washington.

(10) Easement from Fred C. Olsen and Coline H. Olsen, husband and wife, and F. Paul Olsen and Ann Olsen, husband and wife, to the Company, dated July 27, 1967, recorded August 7, 1967 as Document No. 2140170 in Volume 693, pages 469-70, Records of Yakima County, Washington.

(11) Easement from Forrest Rowley and Ethel Rowley, husband and wife, and Ray Patterson and Josephine Patterson, husband and wife, to the Company, dated July 28, 1967, recorded August 29, 1967 as Document No. 2142373 in Volume 694, pages 332-33, Records of Yakima County, Washington.

(12) Easement from Ray Patterson and Josephine Patterson to the Company, dated July 28, 1967, recorded August 29, 1967 as Document No. 2142374 in Volume 694, pages 334-5, Records of Yakima County, Washington.

(13) Easement from Louis D. Kriner, a wid-

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ower, to the Company, dated August 26, 1946, recorded September 24, 1946 as Document No. 1141-098 in Volume 426, pages 276-7, Records of Yakima County, Washington.

D. Situated in the County of Hood River in the State of Oregon:

(1) Easement from Allen Orchards, Inc. to the Company, dated June 7, 1967, recorded on June 9, 1967 as Microfilm No. 670758 in the filmed records of Deeds of Hood River County, Oregon.

(2) Easement from John J. Perkins and Lillie F. Perkins to the Company, dated July 7, 1967, recorded on July 10, 1967 as Microfilm No. 670915 in the filmed records of Deeds of Hood River County, Oregon.

(3) Easement from Dorothy Bibb and Arthur M. Bibb to the Company, dated August 15, 1967, recorded on August 28, 1967 as Microfilm No. 671-228 in the filmed records of Deeds of Hood River County, Oregon.

(4) Easement from Mardis E. Goss and Beatrice Goss to the Company, dated October 17, 1969, recorded on October 24, 1969 as Microfilm No. 671-540 in the filmed records of Deeds of Hood River County, Oregon.

(5) Easement from Lula F. Acree, a single woman, to the Company, dated January 12, 1968, recorded on January 25, 1968 as Microfilm No. 680-096 in the filmed records of Deeds of Hood River County, Oregon.

(6) Easement from K. E. Wandling and Virginia Wandling, husband and wife, dated January 22, 1968, recorded on January 25, 1968 as Microfilm No. 680097 in the filmed records of Deeds of Hood River County, Oregon.

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E. Situated in the County of Jackson in the State of Oregon:

(1) Easement from C. W. Waddell and Mrs. C. W. Waddell, dated April 15, 1953, recorded April 16, 1953 as Document No. 346039 in Volume 379, pages 322-3, Deed Records for Jackson County, Oregon.

(2) Easement from Claude R. Snead and Josephine M. Snead, dated April 30, 1953, recorded June 30, 1953 as Document No. 350131 in Volume 382, pages 274-5, Deed Records for Jackson County, Oregon.

(3) Easement from F. G. Haworth and Margaret Haworth, dated February 24, 1955, recorded April 18, 1955 as Document No. 384266 in Volume 50, page 305, Miscellaneous Records for Jackson County, Oregon.

(4) Easement from Louis R. Walch, dated March 1, 1955, recorded April 18, 1955 as Document No. 384267 in Volume 50, page 306, Miscellaneous Records for Jackson County, Oregon.

(5) Easement from E. E. Meyer and Dorothy Ragsdale, dated March 3, 1955, recorded April 18, 1955 as Document No. 384268 in Volume 50, page 307, Miscellaneous Records for Jackson County, Oregon.

(6) Easement from Audley A. Meyer and Henry C. Meyer recorded April 18, 1955 as Document No. 384269 in Volume 50, page 308, Miscellaneous Records for Jackson County, Oregon.

(7) Easement from Milo K. Hanks and Frances Jean Hanks, dated July 21, 1958, recorded November 17, 1958 as Document No. 456650 in Volume 464, page 28, Deed Records for Jackson County, Oregon.

(8) Easement from Lloyd E. Cooper and D. M. Pritchett, dated April 26, 1965, recorded April 28,

1965 as Document No. 624196 in Volume 586, page 118, Deed Records for Jackson County, Oregon.

(9) Easement from White City Corporation dated September 17, 1965, recorded September 17, 1965 as Document No. 635284 in Volume 595, pages 430-1, Deed Records for Jackson County, Oregon.

(10) Easement from Olson-Lawyer Lumber, Inc. and White City Corporation, dated June 29, 1966, recorded July 22, 1966 as Document No. 66-08268, Official Records for Jackson County, Oregon.

(11) Easement from Victor W. Hay and E. Marie Hay, husband and wife, dated November 21, 1966, recorded November 22, 1966 as Document No. 66-12185, Official Records of Jackson County, Oregon.

(12) Easement from Richard A. Osterman, son of Vera M. Osterman (Life Est. ) and Josette J. Osterman, husband and wife, dated March 18, 1967, recorded May 15, 1967 as Document No. 67-04585, Official Records of Jackson County, Oregon.

(13) Easement from Val A. Bubb and Salley E. Bubb, husband and wife, dated May 10, 1967, recorded May 15, 1967 as Document No. 67-04584, Official Records of Jackson County, Oregon.

(14) Easement from Vera M. Osterman, mother of Richard A. Osterman (Life Est.), dated March 13, 1967, recorded May 15, 1967 as Document No. 67-04586, Official Records of Jackson County, Oregon.

(15) Easement from Edward T. Harrison, Jr. and Laura R. Harrison, dated May 8, 1967, recorded May 15, 1967 as Document No. 67-04587, Official Records of Jackson County, Oregon.

(16) Easement from Charles Stanley, Leon Gordon Stanley and Mrs. Dorothy M. Perry, Brothers and Sister, dated May 23, 1967, recorded May

23, 1967 as Document No. 67-04900, Official Records of Jackson County, Oregon.

(17) Easement from Kent E. Stover and Arlene M. Stover, husband and wife, dated May 23, 1967, recorded May 23, 1967 as Document No. 67-04901, Official Records of Jackson County, Oregon.

(18) Easement from Ray Ragsdale and Gladys Ragsdale, husband and wife, dated June 20, 1966, recorded July 18, 1966 as Document No. 66-08077, Official Records of Jackson County, Oregon.

(19) Easement from Frances I. Pearson, a single woman, dated November 3, 1966, recorded November 22, 1966 as Document No. 66-12184, Official Records of Jackson County, Oregon.

F. Situated in the County of Wasco in the State of Oregon:

(1) Easement from M. M. Schmidt to the Company, dated June 29, 1967, recorded September 10, 1968 as Microfilm No. 681597 in the filmed Miscellaneous Records of Wasco County, Oregon.

To HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth

Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture and the Eleventh Supplemental Indenture, it being agreed as follows, to wit:

ARTICLE ONE

SERIES K BONDS

Section 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series K" (hereinafter sometimes referred to as "Series K bonds" or "bonds of Series K") limited in principal amount to \$3,500,000. Series K bonds shall be coupon bonds of the denomination of \$1,000 each, registrable as to principal, and fully registered bonds without coupons of the denomination of \$500 and multiples thereof. The coupon bonds of Series K shall be dated March 1, 1969, and the registered bonds of Series K without coupons shall be dated as provided in Section 2.04 of the Original Indenture. All Series K bonds shall mature March 1, 1999, and shall bear interest at the rate of seven and one half per cent (7.5%) per annum from their respective dates, such interest to be payable semiannually on the 1st day of March and the 1st day of September in each year. Both the principal of and interest on bonds of Series K shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series K, the Trustee's certificate with respect to Series K bonds and the coupons appertaining to Series K coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

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Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series K shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof.

If redeemed on or before February 28, 1970—7.50%  
 Thereafter and on or before February 28, 1971—7.20%  
 Thereafter and on or before February 29, 1972—6.90%  
 Thereafter and on or before February 28, 1973—6.60%  
 Thereafter and on or before February 28, 1974—6.30%  
 Thereafter and on or before February 28, 1975—6.00%  
 Thereafter and on or before February 29, 1976—5.75%  
 Thereafter and on or before February 28, 1977—5.50%  
 Thereafter and on or before February 28, 1978—5.25%  
 Thereafter and on or before February 28, 1979—5.00%  
 Thereafter and on or before February 29, 1980—4.75%  
 Thereafter and on or before February 28, 1981—4.50%  
 Thereafter and on or before February 28, 1982—4.25%  
 Thereafter and on or before February 28, 1983—4.00%  
 Thereafter and on or before February 29, 1984—3.75%  
 Thereafter and on or before February 28, 1985—3.50%  
 Thereafter and on or before February 28, 1986—3.25%  
 Thereafter and on or before February 28, 1987—3.00%  
 Thereafter and on or before February 29, 1988—2.75%  
 Thereafter and on or before February 28, 1989—2.50%  
 Thereafter and on or before February 28, 1990—2.25%  
 Thereafter and on or before February 28, 1991—2.00%  
 Thereafter and on or before February 29, 1992—1.75%  
 Thereafter and on or before February 28, 1993—1.50%  
 Thereafter and on or before February 28, 1994—1.25%  
 Thereafter and on or before February 28, 1995—1.00%  
 Thereafter and on or before February 29, 1996—.75%  
 Thereafter and on or before February 28, 1997—.50%  
 Thereafter and on or before February 28, 1998—.25%  
 Thereafter and on or before February 28, 1999—.00%

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to March 1, 1979, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebt-

edness by the Company at an interest cost of less than seven and one half per cent (7.5 %) per annum and provided further that the bonds of Series K shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in Section 1.03 at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees that so long as any Series K bonds are outstanding hereunder, it will, in each of the years 1970 through 1998, both inclusive, not less than thirty (30) days prior to March 1st of such year, deposit with the Trustee, as and for a sinking fund for Series K bonds, moneys sufficient (when increased by the payment of accrued interest to such March 1st) to redeem on such March 1st, Series K bonds in aggregate principal amount equal to one per cent (1 %) of the total aggregate principal amount of Series K bonds authenticated and delivered to and including such March 1st (exclusive of Series K bonds in exchange or substitution for which other bonds of Series K may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.07 hereof ). On each such March 1st, the Trustee shall, insofar as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series K bonds.

The foregoing is subject to the provision, however, that in lieu of depositing all or part of such moneys the Company may deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series K, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than par.

The redemption price for Series K bonds redeemed for the purposes of the sinking fund created by this section shall be the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without any premium.

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this section.

Section 1.04. Series K bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to Section 8.11, 8.14, 9.02 and 11.04 of the Original Indenture as amended shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof.

In the event that all or any part of the bonds of Series K shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

Section 1.05. If in case of redemption of less than all of the Series K bonds outstanding, all of the Series K bonds then outstanding are in fully registered form in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable in amounts of \$500 or any integral multiple thereof between each of such fully registered holders of bonds of such series in the proportion that the aggregate principal amount of registered bonds of such series then held by each such holder concerned bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after such appor-



tionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.06. In the event of redemption or prepayment for sinking fund purposes of a portion of the principal amount of any fully registered Series K bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bond holder without surrender to the Trustee of the bond on which partial redemption or prepayment only is being made if there shall be on file with the Trustee (and not theretofore rescinded by written notice from any such registered bond holder to the Trustee) an agreement between the Company and such purchaser to the effect that: (i) Payments will be made as aforesaid; (ii) such holder promptly will make notations on such bond, or on a paper attached thereto, of the portions thereof so redeemed or prepaid; (iii) such holder will not sell, assign, encumber, pledge or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of the bond surrendered. In case any payment is made as provided in this subparagraph, the Trustee shall make an appropriate notation of such payment on its records, and such payment made by the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.07. Fully registered bonds of Series K, upon surrender thereof at the main office of the

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Trustee, may be exchanged for the aggregate unpaid principal balance of fully registered bonds of that series and/or for coupon bonds of that series; coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee. The original registered owners of the \$3,500,000 of Series K fully registered bonds, without coupons initially issued under Section 1.09 hereof shall, however, have the privilege of exchanging without charge for one or more coupon bonds or for one or more fully registered bonds or for a combination of the same any such fully registered bond so initially issued and any fully registered bond which has become substituted for a portion of such a fully registered bond, or for several such fully registered bonds.

Section 1.08. Fully registered bonds of Series K shall be numbered "R-1" and consecutively upwards. Coupon bonds of Series K shall be numbered "M-1" and consecutively upwards.

Section 1.09. Upon the execution of this Eleventh Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the

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Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series K in the form of fully registered bonds without coupons in the aggregate principal amount of Three Million Five Hundred Thousand Dollars (\$3,500,000).

## ARTICLE TWO

### ADDITIONAL PROVISIONS

Section 2.01. So long as any Series K bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any shares of its capital stock of any class nor to the payment of any dividend or other disbursements on its common stock (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions made in shares of capital stock) subsequent to January 1, 1968, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series K bonds shall be authenticated by the Trustee, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series K bonds shall be authenticated by the Trustee would exceed the Company's net income since January 1, 1968 (treated as one accounting period), plus Six Hundred Thousand Dollars (\$600,000).

Section 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Eleventh Supplemental Indenture and that it will warrant and

defend the title to said property to the Trustees for the equal prorata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.03. The property of the company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request of the holder or holders of at least 25 per cent in principal amount of Series K bonds then outstanding during any three-year period beginning December 1, 1968, the Company will have its properties inspected by an independent engineer who shall be an engineer satisfactory to the Trustee who is not in the employ of the Company. Such engineer will, at Company expense, file with the Trustee an independent engineer's certificate as such term is defined in Section 1.01 of the Original Indenture, which shall contain a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each bondholder who has requested such inspection.

Section 2.04. All newspaper notices with respect to Series K bonds shall be published in a newspaper published and of general circulation in the City of Chicago, State of Illinois, as well as in one so published and of general circulation in the Borough of Manhattan, City and State of New York.

Section 2.05. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series K the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

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Section 2.06. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture and the Tenth Supplemental Indenture are hereby in all respects ratified and confirmed.

Section 2.07. This Eleventh Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created; PEOPLES NATIONAL BANK OF WASHINGTON has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and Robert G. Perry has hereto set his hand and seal, all as of March 1, 1969, but this instrument has been actually executed and delivered the 21 day of March, 1969.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By R. M. CROCKETT  
President

(Corporate Seal)

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Attest:  
J. H. WHITING  
*Secretary*

Signed, sealed and acknowl-  
edged by United Telephone  
Company of the Northwest  
in the presence of:

S. M. DAVIS  
E. B. HECK

PEOPLES NATIONAL BANK OF WASH-  
INGTON

By D. L. HENWOOD  
*Trust Officer*

By E. R. MACKAY  
*Vice President & Trust Officer*

ATTEST:  
E. GENE TRENEER  
*Trust Officer*

(Corporate Seal)

Signed, sealed and acknowl-  
edged by Peoples National  
Bank of Washington in the  
presence of:

FRED N. WADE  
E. B. HECK

ROBERT G. PERRY

Signed, sealed and acknowl-  
edged by Robert G. Perry in  
the presence of:

FRED N. WADE  
E. B. HECK

STATE OF WASHINGTON )  
County of King ) Ss.

On this 21 day of March, 1969, before me, the undersigned officer, appeared R. M. CROCKETT and J. H. WHITING, to me personally known, who, being duly sworn, did acknowledge themselves to be President and Secretary, respectively, of United Telephone Company of the Northwest, a corporation, and that said instrument was signed and sealed by R. M. CROCKETT as such President on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that J. H. WHITING as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written.

DENNIS L. HOLMA  
*Notary Public in and for the State of Washington, residing at Seattle, Washington.*

(Notarial Seal)

STATE OF WASHINGTON )  
 ) *Ss.*  
 County of King )

On this 21 day of March, 1969, before me, the undersigned officer, personally appeared D. L. HENWOOD and E. R. MACKAY, to me known to be Trust Officers of Peoples National Bank of Washington, the national banking association which executed the within and foregoing instrument, and D. L. HENWOOD and E. R. MACKAY as Trust Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instrument and E. GENE TRENEER as trust officer on oath stated that he was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

(Notarial Seal) DENNIS L. HOLMA  
*Notary Public in and for the State of Washington, residing at Seattle, Washington.*



STATE OF IDAHO     )  
                                  )ss.  
County of Ada     )

On this 22 day of March, 1969, before me, the undersigned officer, personally appeared ROBERT G. PERRY, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

(Notarial Seal)                     FRANKLIN JONES  
  *Notary Public in and for the State of  
Idaho, residing at Boise, Idaho.*

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UNITED TELEPHONE COMPANY OF THE NORTHWEST

TO

PEOPLES NATIONAL BANK OF WASHINGTON

AND

ROBERT G. PERRY  
TRUSTEES

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**Twelfth Supplemental  
Indenture**

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DATED AS OF JULY 1, 1971

**This Twelfth Supplemental Indenture** dated as of July 1, 1971, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington (hereinafter sometimes referred to as the "Trustee") and ROBERT G. PERRY of said City of Seattle (hereinafter sometimes referred to as the "Individual Trustee"), as Trustees, the Trustee and the Individual Trustee being sometimes hereinafter referred to collectively as the "Trustees,"

W I T N E S S E T H:

WHEREAS until November 1, 1965 the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on November 1, 1965 to United Telephone Company of the Northwest; and

WHEREAS the Company executed and delivered to the Trustee and to E. L. Blaine, Jr. an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original

Indenture”) to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has executed and delivered to the Trustee and to E. L. Blaine, Jr. a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967 and an Eleventh Supplemental Indenture dated as of March 1, 1969, amending and supplementing such Original Indenture pursuant to which supplemental indentures the Company has issued its First Mortgage Bonds, Series B, C, D, E, F, G, H, I, J and K; and

WHEREAS at the time the Original Indenture was executed the corporate name of the Trustee was Peoples National Bank of Washington in Seattle and such corporate name has since been changed to Peoples National Bank of Washington; and

WHEREAS until May 22, 1967 E. L. Blaine, Jr. served as Individual Trustee under terms of the Original Indenture as supplemented, and upon his resignation on such date the Individual Trustee was duly appointed as successor to E. L. Blaine, Jr. as Individual Trustee pursuant to the provisions of Section 16.10 of the Original Indenture; and

WHEREAS the Company has taken due corporate action to provide for the immediate issuance, execution, authentication and delivery of \$250,000 in aggregate principal amount of said First Mortgage Bonds, to be issued only in fully registered form and to be known as the Company's First Mortgage Bonds, Series L, the said Series L bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture; and

WHEREAS the bonds of Series L to be issued hereunder and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms, to wit:

Form of Series L Bond

\$.....	No. R
First Mortgage Bond Series L	Due July 1, 1978

UNITED TELEPHONE COMPANY OF THE NORTHWEST

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to

or registered assigns, on the 1st day of July, 1978 the principal sum of

and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of 5.5 percent per annum, payable semiannually on the first day of January and the first day of July in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose said Bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of first mortgage bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series L, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962,

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an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969 and a Twelfth Supplemental Indenture dated as of July 1, 1971 (said thirteen instruments being collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington, in Seattle, Washington (herein called the Trustee), and to either Robert G. Perry of Seattle, Washington (herein called the Individual Trustee) or to Robert G. Perry's predecessor in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before June 30, 1972	—2.50%
Thereafter and on or before June 30, 1973	—2.08%
Thereafter and on or before June 30, 1974	—1.66%
Thereafter and on or before June 30, 1975	—1.24%
Thereafter and on or before June 30, 1976	— .82%
Thereafter and on or before June 30, 1977	— .41%
Thereafter and on or before June 30, 1978	— .00%

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all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture, Series L Bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series L Bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus one-half of the then applicable premium set forth in the preceding paragraph in the case of a voluntary redemption.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least 60 days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. The Indenture provides that if in case of redemption of less than all of the bonds of this series and all such bonds then outstanding are fully registered in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable among such holders in the manner provided by section 1.04 of the Twelfth Supplemental Indenture. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next distribution and apportionment in redemption. If notice of the redemption of any bond or of any portion of its princi-

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pal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date. Whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption the Company will, at the option of the owner and holder thereof, issue a new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

Pursuant to the provisions of section 2.09 of the Original Indenture, this bond is transferable by the registered owner hereof, in person or by duly authorized attorney, only upon the books of the Company to be kept for that purpose at the office

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of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the aggregate unpaid balance. Fully registered bonds without coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount of fully registered bonds of this series of another authorized denomination or other authorized denominations upon payment of charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered by the assent of the holders of at least 80 percent in amount of the bonds then outstanding thereunder, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or interest on the bonds outstanding thereunder or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby and provided further that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective un-

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less assented to by the holders of at least 80 percent in amount of the bonds of such particular series.

No recourse shall be had for the payment of the principal of or the interest on this bond or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

Payments on account of principal of this bond may be made without surrender, cancellation or re-issue hereof in the manner and to the extent provided by the terms of section 1.05 of the Twelfth Supplemental Indenture, as reflected by the records of the Trustee.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated as of the 1st day of July, 1971.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....  
**President**

ATTEST :

By.....  
**Secretary**

FORM OF TRUSTEE'S CERTIFICATE FOR  
BONDS OF SERIES L

This is one of the First Mortgage Bonds, Series L, referred to in the within-mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON  
TRUSTEE

By.....  
*Trust Officer*                      *Authorized Officer*

WHEREAS the Company, subsequent to the execution and delivery of the Eleventh Supplemental Indenture, has acquired and now owns additional properties and desires pursuant to the covenants and provisions of the Original Indenture to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional \$250,000 of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Twelfth Supplemental Indenture provided, the valid and binding obligations of the Company and to make this Twelfth Supplemental Indenture, the Original Indenture and the prior eleven supplemental indentures (said thirteen instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance

with the terms of said bonds, have been done and performed.

Now, THEREFORE, THIS TWELFTH SUPPLEMENTAL INDENTURE WITNESSETH:

That United Telephone Company of the Northwest, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alienate, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington and Robert G. Perry, Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights

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and powers of every kind and description, real and personal, of the Company constructed or acquired since the delivery of the Eleventh Supplemental Indenture or not described in the Original Indenture and the present eleven supplements thereto other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining:

I

The following described real property, together with all improvements thereon:

A. Situated in the County of Harney in the State of Oregon:

Lots One (1), Two (2), and Three (3), in Block Six (6), VOEGTLY'S FIRST ADDITION TO THE CITY OF BURNS, OREGON.

EXCEPTING AND RESERVING THEREFROM all oil and gas underlying said premises.

B. Situated in the County of Hood River in the State of Oregon:

PARCEL I:

The East 6 feet of Lots 3 and 26, Block 1, WAUCOMA, in the City of Hood River, County of Hood River, and State of Oregon.

PARCEL II:

Lots 1, 2, 27 and 28, in Block 1 in Waucoma Addition to Hood River, in the County of Hood River and State of Oregon (mentioned in Tenth Supplemental Indenture as being under contract of purchase).

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C. Situated in the County of **Klickitat** in the State of Washington:

Beginning at a point 199 feet east and 1971.12 feet north of the southwest corner of Section 19, Township 3 north, Range 11 east, W.M.; thence west 139 feet; thence south 110 feet; thence east 139 feet; thence north 110 feet to the point of beginning, all being in the town of White Salmon, Washington.

D. Situated in the County of **Yakima** in the State of Washington:

All that portion of Lot 6, Block "B" of GEORGE E. SHAW'S ACRE TRACT ADDITION TO SUNNYSIDE, Washington, according to the official Plat thereof recorded in Volume "A" of Plats, page 74, records of Yakima County, Washington, lying Northerly of the right of way of the O. W. R. & N. Railway.

E. Situated in the County of **Kitsap** in the State of Washington:

PARCEL I:

Beginning at a point 635 feet south and 517 feet west of the northeast corner of Lot four (4), Section twenty-three (23), Township twenty-six (26) North, Range one (1) east, W.M.; thence north 50 feet; thence west 118 feet; thence south 50 feet; thence east 118 feet to point of beginning;

The above tract is otherwise described as Lot Seven (7), Block One (1) of Bjermeland's Addition to the Town of Poulsbo;

PARCEL II:

Lot Fifteen (15) in Block Four (4) of M. H. Young's Addition to Suquamish, according to the plat on file in the office of the auditor of Kitsap County, Washington;

PARCEL III :

That portion of Section 3, Township 26 North, Range 1 East, W.M., described as follows:

Beginning at the Northeast corner of the Southeast quarter of the Southeast quarter of said Section 3, thence West to the West boundary of State Highway 21; thence South along said West boundary to a point 60 feet South of the North line of said Southeast quarter of the Southeast quarter; that being the true point of beginning; thence South along said West boundary of State Highway 200 feet; thence West 217 feet; thence North parallel to the highway's West boundary 200 feet; thence East 217 feet to the true point of beginning.

F. Situated in the County of Deschutes, State of Oregon:

A tract of land located in the Southwest one-quarter of the Northeast one-quarter ( $SW\frac{1}{4}NE\frac{1}{4}$ ) of Section Ten (10), Township Fourteen (14) South, Range Nine (9), East of the Willamette Meridian, and more particularly described as follows :

Beginning at a point on the East line of the Southwest one-quarter of the Northeast one-quarter ( $SW\frac{1}{4}NE\frac{1}{4}$ ) of aforesaid Section Ten (10), said point being 1337.78 feet West and 1784.71 feet South from the Northeast corner of said Section 10; thence South  $00^{\circ} 03' 50''$  West along the East line of the Southwest one-quarter of the Northeast one-quarter ( $SW\frac{1}{4}NE\frac{1}{4}$ ) of said Section, 104.51 feet; thence leaving said line at right angles North  $89^{\circ} 56' 10''$  West 50.37 feet; thence at right angles North  $00^{\circ} 03' 50''$  East 118.47 feet; thence South  $74^{\circ} 26' 41''$  East 52.27 feet to the point of beginning and terminus of this description.

## II

The following-described easements:



A. Situated in the County of Grant in the State of Oregon:

(1) Easement from Joseph C. Oliver and Arlene Oliver, husband and wife, to the Company, dated August 28, 1969, recorded September 4, 1969 as Document No. 62229 in Book 101, pages 596-7, Records of Grant County, Oregon.

(2) Easement from Irving Rand and Helen Biggs Rand, husband and wife, to the Company, dated August 28, 1969, recorded September 4, 1969 as Document No. 62230 in Book 101, pages 597-8, Records of Grant County, Oregon.

B. Situated in the County of Harney in the State of Oregon:

(1) Easement from Bells-A Grazing Cooperative to the Company, dated July 10, 1969, recorded July 14, 1969 as Document No. 134146 in Book 86, pages 537-8, Records of Harney County, Oregon.

(2) Easement from Ted Graves and Mildred Graves, husband and wife, to the Company, dated August 13, 1969, recorded August 13, 1969 as Document No. 134321 in Book 87, pages 5-6, Records of Harney County, Oregon.

(3) Easement from Ted Graves and Mildred Graves, husband and wife, to the Company, dated August 13, 1969, recorded October 8, 1969 as Document No. 134686 in Book 87, pages 146-7, Records of Harney County, Oregon.

(4) Easement from Culp Cattle Co. to the Company, dated September 5, 1969, recorded September 8, 1969 as Document No. 134487 in Book 87, pages 58-9, Records of Harney County, Oregon.

(5) Easement from Rose Ethel Mace, a single woman, to the Company, dated September 4, 1969, recorded September 8, 1969 as Document No. 134488 in Book 87, pages 60-1, Records of Harney County, Oregon.

(6) Easement from Leland A. Morris, a single

man, to the Company, dated November 25, 1970, recorded November 25, 1970 as Document No. 138198 in Book 90, pages 16-7, Records of Harney County, Oregon.

(7) Easement from William L. Springston and Norma Springston, husband and wife, to the Company, dated November 23, 1970, recorded November 25, 1970 as Document No. 138199 in Book 90, pages 18-9, Records of Harney County, Oregon.

(8) Easement from Leland F. Morris and L. Joyce Morris, husband and wife, to the Company, dated November 23, 1970, recorded November 25, 1970 as Document No. 138200 in Book 90, pages 20-1, Records of Harney County, Oregon.

(9) Easement from John McRae and Marge McRae, husband and wife, to the Company, dated March 11, 1971, recorded March 11, 1971 as Document No. 139017 in Book 90, pages 334-5, Records of Harney County, Oregon.

(10) Easement from Loris Smyth and Judy Smyth, husband and wife, to the Company, dated March 11, 1971, recorded March 11, 1971 as Document No. 139018 in Book 90, pages 336-7, Records of Harney County, Oregon.

C. Situated in the County of Hood River in the State of Oregon:

(1) Easement from Leroy K. Webster to the Company, dated March 31, 1969, recorded July 2, 1969 as Microfilm No. 690918, in the filmed records of Deeds of Hood River County, Oregon.

(2) Easement from Wesley J. Hinkley and Lillian A. Hinkley, husband and wife, to the Company, dated April 10, 1969, recorded July 2, 1969 as Microfilm No. 690919 in the filmed records of Deeds of Hood River County, Oregon.

(3) Easement from Francis M. Smith, a single woman, to the Company, dated April 10, 1969, recorded July 2, 1969 as Microfilm No. 690920 in

filmed records of Deeds of Hood River County, Oregon.

(4) Easement from Robert A. Frank, Jr. and Marlene A. Frank, husband and wife, to the Company, dated April 10, 1969, recorded July 2, 1969 as Microfilm No. 690921 in filmed records of Deeds of Hood River County, Oregon.

(5) Easement from Joseph A. Braun and Wilma Braun, husband and wife, to the Company, dated April 10, 1969, recorded July 2, 1969 as Microfilm No. 690922 in filmed records of Deeds of Hood River County, Oregon.

(6) Easement from Peter J. Nogowski and Ruby Nogowski, husband and wife, to the Company, dated April 10, 1969, recorded July 2, 1969 as Microfilm No. 690923 in filmed records of Deeds of Hood River County, Oregon.

(7) Easement from Peter J. Nogowski and Ruby Nogowski, husband and wife, to the Company, dated April 10, 1969, recorded July 2, 1969 as Microfilm No. 690924 in filmed records of Deeds of Hood River County, Oregon.

(8) Easement from Renus O. Mollgaard and Eneal R. Mollgaard, husband and wife, to the Company, dated April 10, 1969, recorded July 2, 1969 as Microfilm No. 690925 in filmed records of Deeds of Hood River County, Oregon.

(9) Easement from Harold Schull and Adeline M. Schull, husband and wife, to the Company, dated April 10, 1969, recorded July 2, 1969 as Microfilm No. 690926 in filmed records of Deeds of Hood River County, Oregon.

(10) Easement from Leo E. Sullivan and Mary Ann Sullivan, husband and wife, to the Company, dated November 14, 1969, recorded December 10, 1969 as Microfilm No. 691761 in filmed records of Deeds of Hood River County, Oregon.

(11) Easement from Harold C. Fletcher and Ann R. Fletcher, husband and wife, to the Com-

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pany, dated on March 26, 1970, recorded March 26, 1970 as Microfilm No. 700341 in filmed records of Deeds of Hood River County, Oregon.

(12) Easement from Delmer F. Patterson and Alma J. Patterson, husband and wife, to the Company, dated February 6, 1970, recorded March 26, 1970 as Microfilm No. 700342 in filmed records of Deeds of Hood River County, Oregon.

(13) Easement from Loren W. Fletcher and Marianne L. Fletcher, husband and wife, to the Company, dated February 2, 1970, recorded April 2, 1970 as Microfilm No. 700379 in filmed records of Deeds of Hood River County, Oregon.

(14) Easement from James Lynn Douglas and Elvina B. Douglas, husband and wife, to the Company, dated February 3, 1970, recorded April 2, 1970 as Microfilm No. 700380 in filmed records of Deeds of Hood River County, Oregon.

(15) Easement from Taylor Tomita to the Company, February 2, 1970, recorded April 2, 1970 as Microfilm No. 700381 in filmed records of Deeds of Hood River County, Oregon.

(16) Easement from Arthur W. Fletcher and Olive V. Fletcher, husband and wife, to the Company, dated February 2, 1970, recorded April 2, 1970 as Microfilm No. 700382 in filmed records of Deeds of Hood River County, Oregon.

(17) Easement from Leslie Packer and Charlotte Packer, and Kenneth C. Packer and Wilma Packer, to the Company, dated February 3, 1970, recorded April 2, 1970 as Microfilm No. 700383 in filmed records of Deeds of Hood River County, Oregon.

(18) Easement from Leslie Packer and Charlotte Packer, husband and wife, to the Company, dated February 3, 1970, recorded April 2, 1970 as Microfilm No. 700384 in filmed records of Deeds of Hood River County, Oregon.

(19) Easement from George W. Beitler and Irma Beitler, husband and wife, to the Company, dated

February 3, 1970, recorded April 2, 1970 as Microfilm No. 700385 in filmed records of Deeds of Hood River County, Oregon.

(20) Easement from Joseph H. Allers and Lois M. Allers, husband and wife, to the Company, dated February 5, 1970, recorded April 2, 1970 as Microfilm No. 700386 in filmed records of Deeds of Hood River County, Oregon.

(21) Easement from Sho Endow and Tei Endow, husband and wife, to the Company, dated February 2, 1970, recorded April 2, 1970 as Microfilm No. 700387 in filmed records of Deeds of Hood River County, Oregon.

(22) Easement from Frances G. Horn, a single woman, to the Company dated February 6, 1970, recorded April 2, 1970 as Microfilm No. 700388 in filmed records of Deeds of Hood River County, Oregon.

(23) Easement from Ethel Cutler to the Company, dated February 3, 1970, recorded April 2, 1970 as Microfilm No. 700389 in filmed records of Deeds of Hood River County, Oregon.

(24) Easement from L. Sterling Hanel and Kathleen M. Hanel, husband and wife, to the Company, dated February 3, 1970, recorded April 2, 1970 as Microfilm No. 700390 in filmed records of Deeds of Hood River County, Oregon.

(25) Easement from Lee A. McClain to the Company, dated February 3, 1970, recorded April 2, 1970 as Microfilm No. 700391 in filmed records of Deeds of Hood River County, Oregon.

(26) Easement from Edmund J. Gehrig and Irma D. Gehrig, husband and wife, to the Company, dated February 6, 1970, recorded April 2, 1970 as Microfilm No. 700392 in filmed records of Deeds of Hood River County, Oregon.

(27) Easement from Hood River County to the Company, dated November 19, 1969, covering on property described as: That parcel of land in T 1 S,

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R 10 E., Section 5, W. M., Lot 100 owned by the County of Hood River, Oregon.

D. Situated in the County of Wasco in the State of Oregon:

(1) Easement from Etta May Proctor, a widow, to the Company, dated February 17, 1969, recorded March 24, 1969 as Document No. 690404, Records of Wasco County, Oregon.

(2) Easement from Gary W. Blanchard and Marlene J. Blanchard, husband and wife, to the Company, dated March 4, 1969, recorded March 24, 1969 as Document No. 690406, Records of Wasco County, Oregon.

(3) Easement from Dwaine D. Blanchard and C. Jo Blanchard, husband and wife, to the Company, dated March 7, 1969, recorded March 24, 1969 as Document No. 690407, Records of Wasco County, Oregon.

(4) Easement from Dwaine D. Blanchard and C. Jo Blanchard, husband and wife, to the Company, dated March 7, 1969, recorded March 24, 1969 as Document No. 690408, Records of Wasco County, Oregon.

(5) Easement from Jesse P. Bailey and Leta E. Bailey to the Company, dated February 13, 1969, recorded March 24, 1969 as Document No. 690405, Records of Wasco County, Oregon.

(6) Easement from M. M. Schmidt to the Company, dated June 18, 1967, recorded September 10, 1968 in Miscellaneous Records of Wasco County, Oregon under Micro Film No. 681597.

(7) Easement from Emmet H. Maine and Charline V. Maine, husband and wife, to the Company, dated April 22, 1970, recorded in the Deed Records of Wasco County, Oregon, under Micro Film No. 70623.

(8) Easement from Joseph Gerard Verschingel and Elvira M. Verschingel, husband and wife, to

the Company, dated May 15, 1970, recorded as Document No. 70751, Records of Wasco County, Oregon.

E. Situated in the County of Benton in the State of Washington:

(1) Easement from Forrest G. Johnson and Linnea A. Johnson, husband and wife, to the Company, dated September 16, 1966, recorded July 3, 1969 as Document No. 603030 in Volume 248, page 89, Records of Benton County, Washington.

(2) Easement from Donald D. Heier and Nora E. Heier, husband and wife, to the Company, dated July 3, 1968, recorded July 3, 1969 as Document No. 603031 in Volume 248, page 90, Records of Benton County, Washington.

(3) Easement from Columbia Limited Partnership, by Dean W. Loney, to the Company, dated July 3, 1968, recorded July 3, 1969 as Document No. 603032 in Volume 248, page 91, Records of Benton County, Washington.

(4) Easement from Nora E. Heier to the Company, dated July 3, 1968, recorded July 10, 1969 as Document No. 603033 in Volume 248, page 92, Records of Benton County, Washington.

F. Situated in the County of Klickitat in the State of Washington:

(1) Easement from Jack H. Davenport and Ruth Davenport to the Company, dated August 13, 1969, recorded October 2, 1969 in Volume 149, pages 594-96, Records of Deeds of Klickitat County, Washington.

(2) Easement from George Gunkel and Georgiana Gunkel, husband and wife, to the Company, dated August 13, 1969, recorded October 2, 1969 in Volume 149D, pages 597-99, Records of Deeds of Klickitat County, Washington.

(3) Easement from Leland S. Huot and Mag-

**nolia B. Huot**, husband and wife, to the Company, dated August 27, 1969, recorded October 2, 1969 in Volume 149D, pages 600-2, Records of Deeds of **Klickitat County**, Washington.

(4) Easement from **Robert G. Imrie** and **Dorothy M. Imrie** to the Company, dated August 13, 1969, recorded October 2, 1969 in Volume 149D, pages 603-5, Records of Deeds of **Klickitat County**, Washington.

(5) Easement from **Robert G. Imrie** and **Dorothy M. Imrie** to the Company, dated August 13, 1969, recorded October 2, 1969 in Volume 149D, pages 606-8, Records of Deeds of **Klickitat County**, Washington.

(6) Easement from **Robert G. Imrie** and **Dorothy M. Imrie** to the Company, dated August 13, 1969, recorded October 2, 1969 in Volume 149D, pages 609-11, Records of Deeds of **Klickitat County**, Washington.

(7) Easement from **Robert G. Imrie** and **Dorothy M. Imrie** to the Company, dated August 13, 1969, recorded October 2, 1969, in Volume 149D, pages 612-14, Records of Deeds of **Klickitat County**, Washington.

(8) Easement from **Robert G. Imrie** and **Dorothy M. Imrie** to the Company, dated August 13, 1969, recorded October 2, 1969 in Volume 149D, pages 615-17, Records of Deeds of **Klickitat County**, Washington.

(9) Easement from **W. G. Irene** and **Margaret B. Imrie** to the Company, dated August 13, 1969, recorded October 2, 1969 in Volume 149D, pages 618-20, Records of Deeds of **Klickitat County**, Washington.

(10) Easement from **Robert F. Lee**, a single man, to the Company, dated August 13, 1969, recorded October 2, 1969 in Volume 149D, pages 621-23, Records of Deeds of **Klickitat County**, Washington.

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(11) Easement from Alice L. Wesley to the Company, dated August 1, 1969, recorded October 2, 1969 in Volume 149D, pages 624-26, Records of Deeds of Klickitat County, Washington.

(12) Easement from Alice L. Wesley, a single woman, to the Company, dated August 1, 1969, recorded October 2, 1969 in Volume 149D, pages 627-29, Records of Deeds of Klickitat County, Washington.

(13) Easement from Mercer Ranches, Inc., by Milton Mercer, President, to the Company, dated April 8, 1970, and covering on property located within T-6-N, R-23 -EWM, NE $\frac{1}{4}$  Sec. 34, in Klickitat County, Washington.

(14) Easement from the State of Washington, acting by and through the Department of Natural Resources, to the Company, Agreement No. 34176, dated April 9, 1970, and covering on property located within Sections 8 and 9, T6N, R13E, W.M., in Klickitat County, Washington.

(15) Easement from the State of Washington, acting by and through the Department of Natural Resources, to the Company, Agreement No. 35441, dated July 1, 1971 and covering on property in Klickitat County, Washington, as shown by Exhibit A thereto.

(16) Easement from A. E. Cox and Vada B. Cox, husband and wife, to the Company, dated September 1st and 7th, 1971, recorded October 12, 1971 at Pages 482-3, Vol. 156 of Deed Records of Klickitat County, Washington.

(17) Easement from T. L. Enyeart and Rosalle Enyeart, husband and wife, to the Company, dated February 10, 1971, recorded on October 12, 1971 at Pages 480-1, Vol. 156, Deed Records of Klickitat County, Washington.

(18) Easement from Harvey Aluminum of Washington, Inc., a corporation, to the Company dated May 5, 1971, recorded October 12, 1971 at

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Pages 476-7, Vol. 156 of Deed Records of Klickitat County, Washington.

(19) Easement from Maryhill Museum of Fine Arts by Harold Wolverton, President, to the Company, dated December 8, 1970, recorded October 12, 1971 at Pages 472-3, Vol. 156 of Deed Records of Klickitat County, Washington.

(20) Easement from Frank Linden and Velma G. Linden, husband and wife, to the Company, dated October 22, 1970, recorded October 12, 1971 at Pages 474-5, Vol. 156 of Deed Records of Klickitat County, Washington.

(21) Easement from Frank Linden and Velma G. Linden, husband and wife, to the Company, dated October 22, 1970, recorded October 12, 1971 at Pages 470-1, Vol. 156 of Deed Records of Klickitat County, Washington.

(22) Easement from Klickitat Valley Grain Growers, Inc. to the Company, dated April 15, 1971, recorded October 12, 1971 at Page 468, Vol. 156 of Deed Records of Klickitat County, Washington.

G. Situated in the County of Yakima in the State of Washington:

(1) Easement from Oscar F. Liebert and Mildred Liebert, husband and wife, to the Company, dated March 21, 1969, recorded July 3, 1969 as Document No. 2197605 in Volume 742, pages 686-8, Records of Yakima County, Washington.

(2) Easement from James J. Herold and Pearle Herold, husband and wife, to the Company, dated April 12, 1968, recorded July 3, 1969 as Document No. 2197606 in Volume 742, pages 689-90, Records of Yakima County, Washington.

(3) Easement from R. W. Ingham and Mrs. R. W. Ingham, husband and wife, to the Company, dated December 14, 1967, recorded July 3, 1969 as Document No. 2197607 in Volume 742, pages 691-2, Records of Yakima County, Washington.

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(4) Easement from Emma Goldie Kirlin to the Company, dated May 8, 1969, recorded July 3, 1969 as Document No. 2197608 in Volume 742, pages 693-4, Records of Yakima County, Washington.

(5) Easement from Harry P. Fuerst and Mrs. H. P. Feurst, husband and wife, to the Company, dated May 8, 1969, recorded July 3, 1969 as Document No. 2197609 in Volume 742, pages 695-6, Records of Yakima County, Washington.

(6) Easement from Anna Emerson to the Company, dated May 8, 1969, recorded July 3, 1969 as Document No. 2197610 in Volume 742, pages 697-8, Records of Yakima County, Washington.

(7) Easement from Charles E. Faulk and Dorothy Faulk, husband and wife, to the Company, dated May 8, 1969, recorded July 3, 1969 as Document No. 2197611 in Volume 742, pages 699-700, Records of Yakima County, Washington.

(8) Easement from Sophia E. Burnham to the Company, dated May 8, 1969, recorded July 3, 1969 as Document No. 2197612 in Volume 742, pages 701-2, Records of Yakima County, Washington.

(9) Easement from Verna G. Beckham to the Company, dated May 8, 1969, recorded July 3, 1969 as Document No. 2197613 in Volume 742, pages 703-4, Records of Yakima County, Washington.

(10) Easement from Luis Aguilar to the Company, dated May 8, 1969, recorded July 3, 1969 as Document No. 2197614 in Volume 742, pages 705-6, Records of Yakima County, Washington.

(11) Easement from E. P. Knaub and Bertha Knaub, husband and wife, to the Company, dated May 20, 1969, recorded July 3, 1969 as document No. 2197615 in Volume 742, pages 707-8, Records of Yakima County, Washington.

H. Situated in the County of Kitsap in the State of Washington:

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(1) Easement from William I. Baker and Alice E. Peterson Baker to Poulsbo Rural Telephone Association dated June 30, 1965, recorded on July 6, 1965 as document No. 852262 in Volume 836, page 513, Records of Kitsap County, Washington.

(2) Easement from James P. Sisley and Carolyn M. Sisley to Poulsbo Rural Telephone Association dated November 5, 1963, recorded on February 26, 1965 as document No. 53969 in Volume 825, page 550, Records of Kitsap County, Washington.

(3) Easement from William A. Duncan, Maryanne M. Duncan, Benny George, Martha George, Angela Anderson, Manuel Ventoza and LaVerne Ventoza, recorded on Reel 1 FR 439, Records of Kitsap County, Washington.

(4) Easement from Clayton F. Steward and Mary L. Steward dated November 24, 1969, over the following-described land located in Kitsap County, Washington:

Lot 21, Block 4, Chief Seattle Park, Suquamish,

and

Plats 15 and 16, Section 29, Township 26 North, Range 2 East, W. M., The N $\frac{1}{2}$  and the S $\frac{1}{2}$  of the SE $\frac{1}{4}$  of the NE $\frac{1}{4}$  of the NE $\frac{1}{4}$  of the Agate Pass Acre Tracts (unrecorded).

(5) Easement from Ethel Armstrong dated January 6, 1962, over the following-described land located in Kitsap County, Washington:

The south 530 feet of the north 620 feet of Lot 7, Section 9, Township 26 North, Range 2 East, W.M.

(6) Easement from Poulsbo Investment Company dated March 8, 1966, recorded on April 5, 1966 as document No. 873551 in Volume 859, page 444, Records of Kitsap County, Washington.

(7) Easement from Alexander Myers Investors, Inc., Orville M. Fisk, Barbara A. Fisk, A. J. Ravetti, Bessie Ravetti dated November 12, 1965 over the fol-

lowing-described land located in Kitsap County, Washington:

The exterior 5 feet of the front and rear boundary lines and under and upon the exterior 2.5 feet of side boundary lines of all lots within the plat of Cedar Park, recorded in Volume 12 of plats, pages 19-20, records of Kitsap County.

(8) Easement from Leroy Meek and Jean Meek dated September 1, 1956 over the following-described land located in Kitsap County, Washington:

The South 100 feet of the North half of Government Lot 3; all in Section 9, Township 26 North, Range 2 East, W. M., together with second class tide lands adjoining.

(9) Easement from Frank L. Fugit and Verna Elizabeth Fugit dated August 25, 1956 over the following-described land located in Kitsap County, Washington:

All that portion of Government Lot 5 in the Northwest quarter and of the Northwest quarter of the Northeast quarter, Section 9, Township 26 North, Range 2 East, W. M., lying westerly of the Millers Bay- Indianola Beach Highway, except the north 160 feet of said Government Lot 5, together with second class tide lands adjoining.

(10) Easement from Sidney R. Price and Edna I. Price dated August 25, 1956, over the following-described land located in Kitsap County, Washington:

The north half of the southwest quarter of the northwest quarter, except the west 10 acres thereof; also except road; also the north half of Government Lot 3; all in Section 9, Township 26 North, Range 2 East, W. M.; together with second class tide lands adjoining.

(11) (a) Easement granted by United States of America acting by and through its Atomic Energy Commission on January 5, 1970, under Contract No. AT(45-1) -1362, to General Telephone Company of

the Northwest, Inc., and United Telephone Company of the Northwest as such easement relates to lands within Benton County, Washington, lying north and west of a line described as being:

Beginning at a point where the center line of the west channel of the Columbia River intersects the South line of Section 35, Township 11 North, Range 28 East, Willamette Meridian, thence west to the southwest corner of Section 33, Township 11 North, Range 26 East, W.M., thence northwesterly on a straight line to the northwest corner of Section 30, Township 11 North, Range 26 East W.M., thence south to the southwest corner of the Northwest  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 31, Township 11 North, Range 26 East W.M.

(b) Rights of the lessee under lease of telephone room in Building 1720-K as assigned by the United States of America acting by and through its Atomic Energy Commission on January 5, 1970, under Contract No. AT (45-1)-1368, to General Telephone Company of the Northwest, Inc., and United Telephone Company of the Northwest, the leased premises lying and being north and west of the boundary line described in (a) foregoing.

(c) Rights of the "companies" being General Telephone Company of the Northwest, Inc., and United Telephone Company of the Northwest to install, operate, maintain, alter and remove pole contacts upon the poles of the Atomic Energy Commission in Benton County, Washington with related rights and obligations as provided under Contract No. AT(45- 1) -1367 between the United States of America acting by and through its Atomic Energy Commission and General Telephone Company of the Northwest, Inc., and United Telephone Company of the Northwest dated on January 5, 1970, as such contract and related rights relate to lands within Benton County, Washington, lying north and west of the boundary line described in (a) foregoing.

(d) All personal property lying north of the boundary line described in (a) foregoing as assigned by United States of America acting by and through its Atomic Energy Commission on January 5, 1970, under bill of sale attached to Contract No. AT(45-1)-1362 whereunder United States of America by its Atomic Energy Commission and General Telephone Company of the Northwest, Inc., and United Telephone Company of the Northwest were parties.

### III

The Company's rights as lessee under the following leases:

(1) Lease dated June 1, 1969, between Helen Woodcock as lessor and the Company as lessee, providing for the letting of real property described as being:

Beginning at the SW corner of Lot 10, Block 14, in Neskowin, thence South 7° 50' West 40 feet, thence South 820 10' East 242.16 feet, thence North 7050' East 14.35 feet, thence South 820 10' East 89.37 feet to the place of beginning of the following described tract:

Thence South 70 50' West 12.0 feet, thence North 820 10' West 12 feet, thence North 7° 50' East 12 feet, thence South 820 10' East to the place of beginning. Located in Section 25, Township 5 South R11W of the Willamette Meridian, Tillamook County, Oregon.

Edmund E. Hass has succeeded to the interest of the lessor. The term of this lease expires on March 31, 1972.

(2) Lease dated November 1, 1965, between William H. Gee as landlord and Poulsbo Rural Telephone Association as lessee providing for the letting of real property located in Kitsap County, Washington, described as follows:

Bays 4 through 18, inclusive, except the east 25 feet of Bay 11, and corridors adjacent to

Bays 5 through 14 of the building situated on Lots 1, 2, 3 and 4, Iverson Addition to Poulsbo, Washington, in Section 23, Township 25 North, Range 1 E.W.M., as shown on the plans of the building drawn by the Nettleship Building Company, containing approximately 15,380 square feet;

The term of the lease expires on October 31, 1985. Such lease has been modified by letter agreement between the parties dated March 18, 1968 and August 11, 1970.

To HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Indenture, it being agreed as follows, to wit:

#### ARTICLE ONE

##### SERIES L BONDS

Section 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series L" (hereinafter sometimes referred to as "Series L Bonds" or "bonds of Series L") limited in principal amount to \$250,000. Series L bonds shall be fully registered bonds without coupons of the denomination of \$500 and multiples thereof. The registered bonds of Series L shall be dated as provided in section 2.04 of the Original Indenture. All Series L bonds shall mature July 1, 1978 and shall bear interest at the rate of 5½ percent per annum from their respective dates, such interest to be pay-



able semiannually on the 1st day of January and the 1st day of July in each year. Both the principal of and interest on bonds of Series L shall be payable at the main office of Peoples National Bank of Washington in Seattle, Washington or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the fully registered bonds of Series L and the Trustee's certificate with respect to Series L bonds shall be substantially of the tenor and purport hereinbefore set forth.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series L shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed on or before June 30, 1972	—2.50%
Thereafter and on or before June 30, 1973	—2.08%
Thereafter and on or before June 30, 1974	—1.66%
Thereafter and on or before June 30, 1975	—1.24%
Thereafter and on or before June 30, 1976	— .82%
Thereafter and on or before June 30, 1977	— .41%
Thereafter and on or before June 30, 1978	— .00%

all on the conditions and in the manner provided in the Indenture.

Section 1.03. Series L Bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to sections 8.11, 8.14, 9.02 and 11.04 of the Original Indenture as amended shall be redeemed at the principal amount thereof, plus interest accrued to the date of redemption, plus a premium equal to one half of the premium specified in Section 1.02 hereof, payable in the case of a voluntary redemption.

In the event that all or any part of the bonds of Series L shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accord-

ante with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the registered owners of such bonds shall be entitled to be paid therefor an amount equal to the then applicable redemption price specified in section 1.02 hereof.

Section 1.04. In case of redemption of less than all of the Series L Bonds outstanding, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee prorata as nearly as practicable in amounts of \$500 or any integral multiple thereof between each of the holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder concerned bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten days after such apportionment notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500 shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.05. In the event of redemption of a portion of the principal amount of any Series L Bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bondholder without surrender to the Trustee of the bond on which partial redemption or prepayment only is being made if there shall be on file with the Trustee (and not theretofore rescinded by written notice from any such registered bondholder to the Trustee) an agreement between the Company and such purchaser to the effect that: (i) payments will be made as afore-

said; (ii) such holder promptly will make notations on such bond or on a paper attached thereto of the portions thereof so redeemed or prepaid; (iii) such holder will not sell, assign, encumber, pledge or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of a bond surrendered. In case any payment is made as provided in this subparagraph the Trustee shall make an appropriate notation of such payment on its records and such payment made by the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.06. Bonds of Series L upon surrender thereof at the main office of the Trustee may be exchanged for the aggregate unpaid principal balance of other bonds of that series in different denominations.

Within a reasonable time after the receipt of a request for such an exchange the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraph.

In any exchange the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee. The original registered owners of the \$250,000 of Series L bonds initially issued under section 1.08 hereof shall, however, have the privilege of exchanging without charge for one or more other bonds any such bond so initially issued.

Section 1.07. Bonds of Series L shall be numbered "R-1" and consecutively upwards.

Section 1.08. Upon the execution of this Twelfth Supplemental Indenture the Company shall execute and deliver to the Trustee and the Trustee (the

Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series L in the aggregate principal amount of \$250,000.

## ARTICLE TWO

### ADDITIONAL PROVISIONS

Section 2.01. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Twelfth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal prorata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.02. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request of the holder or holders of at least 25 percent in principal amount of Series L Bonds then outstanding during any three-year period beginning January 1, 1971, the Company will have its properties inspected by an engineer or firm of engineers who shall be an engineer satisfactory to the Trustee and who, if requested by the bondholders asking for the inspection, will be an independent engineer who is not in the employ of the Company. Such engineer will, at Company expense, file with the Trustee an engineer's certificate or, if the engineer is an independent engineer, an independent engineer's certificate in the form required in the definitions of "engineer's certificate" and "independent engineer's certificate" in section 1.01 of the Original Indenture. Such certificate shall contain a written report stating the extent to which the property of

the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each bondholder who has requested such inspection.

Section 2.03. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series L the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

Section 2.04. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture and the Eleventh Supplemental Indenture are hereby in all respects ratified and confirmed.

Section 2.05. This Twelfth Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instruments.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust

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Officers, and Robert G. Perry has hereto set his hand and seal, all as of July 1, 1971, but this instrument has been actually executed and delivered the 21 day of January, 1972.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By R. M. CROCKETT  
*President*

Attest:

N. L. PAUL  
*Assistant Secretary*

Signed, sealed and acknowledged by Peoples National Bank of Washington in the presence of:

J. S. MIDDLETON  
GRATIA LOWE

PEOPLES NATIONAL BANK  
OF WASHINGTON

By D. L. HENWOOD  
*Trust Officer*

By E. R. MACKAY  
*Vice President & Trust Officer*

Attest:

DAVID K. ELIE  
*Assistant Trust Officer*

Signed, sealed and acknowledged by United Telephone Company of the Northwest in the presence of:

J. S. MIDDLETON  
GRATIA LOWE

ROBERT G. PERRY  
*Robert G. Perry*

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Signed, sealed and acknowledged by Robert G. Perry in the presence of:

J. S. MIDDLETON

GRATIA LOWE

STATE OF WASHINGTON )  
County of King )ss.

On this 21 day of January, 1972 before me, the undersigned officer, appeared R. M. CROCKETT and N. L. PAUL, to me personally known, who, being sworn, did acknowledge themselves to be President and Secretary, respectively, of United Telephone Company of the Northwest, a corporation, and that said instrument was signed and sealed by R. M. CROCKETT as such President on behalf of said corporation and as the free act and deed of said corporation by authority of its board of directors and that N. L. PAUL as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written.

GRATIA LOWE  
Notary Public in and for the  
State of Washington, residing  
at Seattle, Washington.





STATE OF WASHINGTON )  
  )ss.  
County of King       )

On this 21 day of January, 1972 before me, the undersigned officer, personally appeared ROBERT G. PERRY, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

GRATIA LOWE  
Notary Public in and for the  
State of Washington, residing  
at Seattle, Washington.

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UNITED TELEPHONE COMPANY OF THE NORTHWEST

To

PEOPLES NATIONAL BANK OF WASHINGTON

AND

ROBERT G. PERRY

TRUSTEES

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**Thirteenth Supplemental  
Indenture**

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DATED **AS** OF FEBRUARY 1, 1972

**This Thirteenth Supplemental Indenture**

dated as of February 1, 1972, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington (hereinafter sometimes referred to as the "Trustee") and ROBERT G. PERRY of said City of Seattle (hereinafter sometimes referred to as the "Individual Trustee"), as Trustees, the Trustee and the Individual Trustee being sometimes hereinafter referred to collectively as the "Trustees,"

W I T N E S S E T H:

WHEREAS until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on November 1, 1965 to United Telephone Company of the Northwest; and

WHEREAS the Company has executed and delivered to E. L. Blaine, Jr. an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original

Indenture”), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has executed and delivered to the Trustee and to E. L. Blaine, Jr. a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, and a Twelfth Supplemental Indenture dated as of July 1, 1971, amending and supplementing such Original Indenture pursuant to which supplemental indentures the Company has issued its First Mortgage Bonds, Series B, C, D, E, F, G, H, I, J, K and L; and

WHEREAS at the time the Original Indenture was executed the corporate name of the Trustee was Peoples National Bank of Washington in Seattle and such cor-

porate name has since been changed to Peoples National Bank of Washington; and

WHEREAS until May 22, 1967 E. L. Blaine, Jr. served as Individual Trustee under terms of the Original Indenture as supplemented, and upon his resignation on such date the Individual Trustee was duly appointed as successor to E. L. Blaine, Jr. as Individual Trustee pursuant to the provisions of Section 16.10 of the Original Indenture; and

WHEREAS the Company has taken due corporate action to provide for the immediate issuance, execution, authentication and delivery of Six Million Dollars (\$6,000,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series M, the said Series M Bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture; and

WHEREAS the fully registered bonds without coupons and the coupon bonds of Series M to be issued hereunder, the coupons to be attached thereto and the certificate of the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:

Form of Series M Fully  
Registered Bond Without Coupon

\$.....

No. R

First Mortgage Bond  
Series M

Due February 1,  
2002

UNITED TELEPHONE COMPANY OF THE  
NORTHWEST

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to

or registered assigns, on the first day of February, 2002, the principal sum of

and to pay interest thereon from the date hereof (unless this bond shall have been called for previous redemption and payment duly provided therefor) at the rate of seven and five eighths per cent ( $7\frac{5}{8}\%$ ) per annum, payable semiannually on the first day of February and the first day of August in each year until said principal sum is paid. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America. When funds have been made available for the purpose, said Bank, or its successor corporate trustee, shall mail its check for said interest to the registered owner hereof at his registered address.

This bond is one of a duly authorized issue of first mortgage bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series M, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned,

may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, a Twelfth Supplemental Indenture dated as of July 1, 1971, and a Thirteenth Supplemental Indenture dated as of February 1, 1972 (said fourteen instruments being collectively called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington, of Seattle, Washington (herein called the Trustee), and to either Robert G. Perry of Seattle, Washington (herein called the Individual Trustee) or to Robert G. Perry's predecessor in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees

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and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed before January 31, 1973—7.625%  
 If redeemed thereafter, but before January 31, 1974—7.375%  
 If redeemed thereafter, but before January 31, 1975—7.125%  
 If redeemed thereafter, but before January 31, 1976—6.875%  
 If redeemed thereafter, but before January 31, 1977—6.625%  
 If redeemed thereafter, but before January 31, 1978—6.375%  
 If redeemed thereafter, but before January 31, 1979—6.125%  
 If redeemed thereafter, but before January 31, 1980—5.875%  
 If redeemed thereafter, but before January 31, 1981—5.625%  
 If redeemed thereafter, but before January 31, 1982—5.375%  
 If redeemed thereafter, but before January 31, 1983—5.125%  
 If redeemed thereafter, but before January 31, 1984—4.875%  
 If redeemed thereafter, but before January 31, 1985—4.625%  
 If redeemed thereafter, but before January 31, 1986—4.375%  
 If redeemed thereafter, but before January 31, 1987—4.125%  
 If redeemed thereafter, but before January 31, 1988—3.875%  
 If redeemed thereafter, but before January 31, 1989—3.625%  
 If redeemed thereafter, but before January 31, 1990—3.375%  
 If redeemed thereafter, but before January 31, 1991—3.125%  
 If redeemed thereafter, but before January 31, 1992—2.875%  
 If redeemed thereafter, but before January 31, 1993—2.625%  
 If redeemed thereafter, but before January 31, 1994—2.375%  
 If redeemed thereafter, but before January 31, 1995—2.125%  
 If redeemed thereafter, but before January 31, 1996—1.875%  
 If redeemed thereafter, but before January 31, 1997—1.625%  
 If redeemed thereafter, but before January 31, 1998—1.375%  
 If redeemed thereafter, but before January 31, 1999—1.000%  
 If redeemed thereafter, but before January 31, 2000—.625%  
 If redeemed thereafter, but before January 31, 2001—.250%  
 If redeemed thereafter, but before January 31, 2002—.000%

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time



prior to February 1, 1982, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of an indebtedness by the Company at an interest cost of less than seven and five eighths per cent ( $7\frac{5}{8}\%$ ) per annum and provided further that the bonds of Series M shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption, all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture, Series M bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series M Bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of re-

demption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture. The Indenture provides that if in case of redemption of less than all of the bonds of this series and all such bonds then outstanding are fully registered in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee pro rata as nearly as practicable among such holders in the manner provided by Section 1.05 of the Thirteenth Supplemental Indenture. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next distribution and apportionment in redemption. If notice of the redemption of any fully registered bond without coupons or of any portion of its principal amount so selected as aforesaid has been duly given, then such bond or such portion thereof shall become due and payable on the redemption date and if the redemption price shall have been duly deposited with the Trustee, interest on such bond or on such portion thereof shall cease to accrue from and after the redemption date. Whenever the redemption price thereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, such bond or such portion thereof shall no longer be entitled to any lien or benefit of the Indenture. In the event that a portion only of this bond shall be so called for redemption, the Company will, at the option of the owner and holder thereof, issue a

new fully registered bond without coupons in like form for the unredeemed portion thereof.

In the event that all or any part of the bonds of this series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

Pursuant to the provisions of Section 2.09 of the Original Indenture, this bond is transferable by the registered owner hereof, in person *or* by duly authorized attorney, only upon the books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, upon surrender thereof at said office for cancellation and upon presentation of a written instrument of transfer duly executed, and thereupon the Company shall issue in the name of the transferee or transferees, and the Trustee shall authenticate and deliver, a new registered bond or bonds, of like form and in an authorized denomination or in authorized denominations and of the same series, for the aggregate unpaid balance. Fully registered bonds without

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coupons of this series upon surrender thereof at said office may be exchanged for the same aggregate principal amount either of fully registered bonds of this series of another authorized denomination or other authorized denominations, or of coupon bonds of this series of the denomination of \$1,000 with coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds or of both; all upon payment of charges, if any, and subject to the terms and conditions specified in the Indenture.

The Company and the Trustee may treat the registered owner of this bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of any instrument supplemental thereto may be modified or altered upon the assent and authorization of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder until all Series A through L bonds have been retired and thereafter upon the assent and authorization of at least sixty six and two thirds per cent ( $66\frac{2}{3}\%$ ) of such holders, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or decrease interest on the bonds outstanding thereunder, or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured

thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series until all Series A through L bonds have been retired and thereafter upon the assent and authorization of at least sixty six and two thirds per cent (66-2/3%) of such holders.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

Payments on account of principal of this bond may be made without surrender, cancellation or reissue hereof in the manner and to the extent provided by the terms of Section 1.06 of the Thirteenth Supplemental Indenture, as reflected by the records of the Trustee.

This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

**IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be**

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hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and this bond to be dated as of the 1st day of February, 1972.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....

**President**

**ATTEST:**

By.....

**Secretary**

**Form of Series M Coupon Bond**

**No.** \$1,000

UNITED TELEPHONE COMPANY OF THE  
NORTHWEST

First Mortgage Bond, Series M  
Due February 1, 2002

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of February, 2002 the principal sum of One Thousand Dollars (\$1,000) and to pay interest thereon from the date hereof at the rate of seven and five eighths per cent ( $7\frac{5}{8}\%$ ) per annum, payable semiannually on the first day of February and on the first day of August in each year until said principal sum is paid, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both the principal of and the interest on this bond shall be payable at the main office of Peoples National

Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of first mortgage bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series M, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous funds, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, a Twelfth Supplemental Indenture dated as of July 1, 1971, and a Thirteenth Supplemental Indenture dated as of February 1, 1972 (said fourteen instruments being herein collectively

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called the Indenture), all duly executed and delivered by the Company to Peoples National Bank of Washington, in Seattle, Washington (herein called the Trustee), and to either Robert G. Perry of Seattle, Washington (herein called the Individual Trustee), or to Robert G. Perry's predecessor in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and of the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this series are redeemable in whole or in part at the option of the Company at any time, at the principal amount thereof plus interest accrued to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof:

If redeemed before January 31, 1973—7.625%  
 If redeemed thereafter, but before January 31, 1974—7.375%  
 If redeemed thereafter, but before January 31, 1975—7.125%  
 If redeemed thereafter, but before January 31, 1976—6.875%  
 If redeemed thereafter, but before January 31, 1977—6.625%  
 If redeemed thereafter, but before January 31, 1978—6.375%  
 If redeemed thereafter, but before January 31, 1979—6.125%  
 If redeemed thereafter, but before January 31, 1980—5.875%  
 If redeemed thereafter, but before January 31, 1981—5.625%  
 If redeemed thereafter, but before January 31, 1982—5.375%  
 If redeemed thereafter, but before January 31, 1983—5.125%  
 If redeemed thereafter, but before January 31, 1984—4.875%

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If redeemed thereafter, but before January 31, 1985—4.625%  
 If redeemed thereafter, but before January 31, 1986—4.375%  
 If redeemed thereafter, but before January 31, 1987—4.125%  
 If redeemed thereafter, but before January 31, 1988—3.875%  
 If redeemed thereafter, but before January 31, 1989—3.625%  
 If redeemed thereafter, but before January 31, 1990—3.375%  
 If redeemed thereafter, but before January 31, 1991—3.125%  
 If redeemed thereafter, but before January 31, 1992—2.875%  
 If redeemed thereafter, but before January 31, 1993—2.625%  
 If redeemed thereafter, but before January 31, 1994—2.375%  
 If redeemed thereafter, but before January 31, 1995—2.125%  
 If redeemed thereafter, but before January 31, 1996—1.875%  
 If redeemed thereafter, but before January 31, 1997—1.625%  
 If redeemed thereafter, but before January 31, 1998—1.375%  
 If redeemed thereafter, but before January 31, 1999—1.000%  
 If redeemed thereafter, but before January 31, 2000— .625%  
 If redeemed thereafter, but before January 31, 2001— .250%  
 If redeemed thereafter, but before January 31, 2002— .000%

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to February 1, 1982, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company at an interest cost of less than seven and five eighths per cent ( $7\frac{5}{8}\%$ ) per annum and provided further that the bonds of Series M shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption, all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture, Series M bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under the

power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property or out of moneys deposited with or paid to the Trustee by the Company because of a failure on the part of the Company to meet certain requirements of the Indenture respecting the replacement of property. Series M bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption plus the then applicable premium set forth in the preceding paragraph.

Notice of any of the aforesaid redemptions, except redemptions for the sinking fund, shall be published once a week for two successive weeks in one daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan in the City and State of New York and one such newspaper published and of general circulation in the City of Chicago, Illinois, the first such publication in each newspaper to be not more than seventy (70) nor less than sixty (60) days prior to the date fixed for redemption. Notice of sinking fund redemptions shall be published once in each such newspaper not more than twenty (20) nor less than ten (10) days prior to the date fixed for redemption, all on the conditions and in the manner provided in the Indenture. If any of the bonds to be redeemed at the time of any redemption of bonds are fully registered bonds without coupons or are coupon bonds registered as to principal, notice of any such redemption shall be mailed to the registered owner of each such bond by registered mail, addressed to him at his registered address, not later than the last date on

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which the first notice by publication (or in the case of redemptions for the sinking fund, the notice by publication) is required to be given, provided, however, that if the bonds to be redeemed include none except fully registered bonds without coupons and coupon bonds registered as to principal, published notice of such redemption need not be given. The Indenture provides, among other things, that notice of redemption having been duly given, this bond shall become due and payable upon the redemption date and, if the redemption price shall have been duly deposited with the Trustee, interest hereon shall cease to accrue from and after the date fixed for redemption and that whenever the redemption price hereof shall have been duly deposited with the Trustee and notice of redemption shall have been duly given or provision therefor made as provided in the Indenture, this bond shall no longer be entitled to any lien or benefit of the Indenture.

In the event that all or any part of the bonds of this Series shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefor an amount equal to the redemption price then applicable in the case of a redemption at the option of the Company.

In case an event of default, as defined in the Indenture, occurs the principal of this bond may become or may be declared due and payable prior

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to the stated maturity hereof in the manner and with the effect and subject to the conditions provided in the Indenture.

This bond is transferable by delivery unless registered as to principal in the owner's name upon books of the Company to be kept for that purpose at the office of the Trustee under the Indenture, such registration being noted hereon. After such registration no transfer of this bond shall be valid unless made on said books by the registered owner hereof in person, or by attorney duly authorized therefor, and similarly noted hereon; but this bond may be discharged from registry by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored and this bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the annexed coupons, which shall always be transferable by delivery and be payable to bearer, and payment to the bearer thereof shall fully discharge the Company in respect of the interest therein mentioned, whether or not this bond be registered as to principal and whether or not any such coupons be overdue.

The Company and the Trustee may treat the bearer of this bond or, if registered as to principal, the registered owner, as the absolute owner hereof for the purpose of receiving payment hereof or on account hereof and for all other purposes.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, property may be released from the lien thereof. The terms and provisions of the Indenture or of

any instrument supplemental thereto may be modified or altered upon the assent and authorization of the holders of at least eighty per cent (80%) in amount of the bonds then outstanding thereunder until all Series A through L bonds have been retired and thereafter upon the assent and authorization of at least sixty six and two thirds per cent (66-2/3%) of such holders, provided, however, that no such modification or alteration shall be made which will (a) affect the terms of payment of the principal of or decrease interest on the bonds outstanding thereunder or (b) authorize the creation of any lien prior or equal to the lien of the Indenture upon any of the mortgaged and pledged property, or (c) give to any bond or bonds secured thereby any preference over any other bond or bonds secured thereby, and provided further, that no modification of any right which shall have been specifically provided in respect to any particular series of bonds shall be effective unless assented to by the holders of at least eighty per cent (80%) in amount of the bonds of such particular series until all Series A through L bonds have been retired and thereafter upon the assent and authorization of at least sixty six and two thirds per cent (66-2/3%) of such holders.

No recourse shall be had for the payment of the principal of or the interest on this bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

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This bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and interest coupons bearing the facsimile signature of its Treasurer to be attached hereto, and this bond to be dated as of February 1, 1972, No. ....

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....

**President**

ATTEST:

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**Secretary**

FORM OF INTEREST COUPON

No. \_\_\_\_\_ \$ \_\_\_\_\_

On the 1st day of \_\_\_\_\_, 19\_\_\_\_, upon surrender of this coupon, unless the bond hereinafter mentioned shall have been previously called for redemption and payment duly provided therefor, UNITED TELEPHONE COMPANY OF THE NORTHWEST will pay to bearer at the main office of Peoples National Bank of Washington, in Seattle, Washington

Dollars (\$ \_\_\_\_\_) in lawful money of the United States of America, being six (6) months' interest then due on its First Mortgage Bond, Series M, dated as of February 1, 1972, No. ....

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By.....  
**Treasurer**

FORM OF TRUSTEE'S CERTIFICATE  
FOR BONDS OF SERIES M

This is one of the First Mortgage Bonds, Series M,  
referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON  
**TRUSTEE**

By.....  
**Trust Officer                      Authorized Officer**

WHEREAS, the Company, subsequent to the execution and delivery of the Twelfth Supplemental Indenture, has acquired and now owns additional properties and desires, pursuant to the covenants and provisions of the Original Indenture, to confirm in the Trustees title to such properties with the same force and effect as though expressly included in the granting clauses of the Original Indenture; and

WHEREAS, all acts, proceedings and things necessary to authorize the execution and delivery of these presents and to make the additional Six Million Dollars (\$6,000,000) of First Mortgage Bonds, when executed by the Company and authenticated by the Trustee and issued as in this Thirteenth Supplemental Indenture provided, the valid and binding obligations of the Company, and to make this Thirteenth Supplemental Indenture, the Original Indenture, and the twelve prior

Supplemental Indentures referred to above (said fourteen instruments at the date hereof constituting the "Indenture" as that term is defined in the Original Indenture, and being herein collectively so called), a valid mortgage to secure the payment of the principal of and interest on all bonds at any time issued and outstanding under the Indenture, equally and ratably in accordance with the terms of said bonds, have been done and performed.

Now, THEREFORE, THIS THIRTEENTH SUPPLEMENTAL INDENTURE WITNESSETH:

That United Telephone Company of the Northwest, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of said bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents, give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National

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Bank of Washington and Robert G. Perry, Trustees, and to their successors in the trusts hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the delivery of the Twelfth Supplemental Indenture or not described in the Original Indenture, or the first twelve supplemental indentures, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the following, together with the tenements, hereditaments and appurtenances thereunto belonging or appertaining:

I

The following described real property, together with all improvements thereon:

Situated in the County of Benton in the State of Washington:

Lots Four (4), Five (5), Six (6), Seven (7) and Eight (8), Block One Hundred Five (105), First Subdivision of Presser, according to plat thereof recorded in Volume 1 of Plats, page 11.

II

The following-described easements:

1. Easement granted by William I. Baker and Alice E. Peterson Baker dated June 30, 1965, recorded under Auditor's File No. 852262 on July 6,

1965, in **volume 836**, page 513, records of **Kitsap County**, State of Washington, as to the real property described as follows:

The south six feet of Lot 2, Block 4, Lemolo Acres, according to plat thereof recorded in the office of the Kitsap County Auditor.

2. Easement granted by James R. Sisley and Carolyn M. Sisley dated November 5, 1963, recorded under Auditor's File No. 842128 on February 26, 1965, in volume 825, page 550, records of Kitsap County, State of Washington, as to the real property described as follows:

The West two feet of Lot 3, Block 3, Original Town of Keyport, according to plat thereof recorded in volume 4 of Plats on page 74, records of Kitsap County.

3. Easement granted by Ernest L. Anderson and Ruth V. Anderson dated February 8, 1965, recorded under Auditor's File No. 841623 on February 18, 1965, in volume 825, page 337, records of Kitsap County, State of Washington, as to the real property described as follows:

A strip six (6) feet wide across the northwest corner of Lot 1 in Lemolo Acres, Section 25, Township 26, Range 1 East, W.M.

4. Easement granted by John McNulty and Ella McNulty dated February 17, 1965, recorded under Auditor's File No. 842121 on February 26, 1965, in volume 825, page 548, records of Kitsap County, State of Washington, as to the real property described as follows:

The east three feet of that portion of Section 35, Township 26 North, range 1 East, W.M., described as follows:

Beginning at a point 1250.59 feet north of the quarter corner between sections 35 and 36; thence north 215.41 feet to the meander line; thence north 810 west 74 feet; thence south 215.41 feet; thence south 810 east 74 feet to the point of beginning.

**5.** Easement granted by Leroy Meek and Jean Meek dated September 1, 1956, recorded under Auditor's File No. 651332 on November 30, 1956, in volume 642, page 515, records of Kitsap County, State of Washington, as to the real property described as follows:

The South 100 feet of the north half of Government Lot 3; all in Section 9, Township 26 North, range 2 East, W.M.; TOGETHER with second class tide lands adjoining.

**6.** Easement granted by Frank L. Fugit and Verna Elizabeth Fugit dated August 25, 1956, recorded under Auditor's File No. 651334 on November 30, 1956, in volume 642, page 519, records of Kitsap County, State of Washington, as to the real property described as follows:

All that portion of Government Lot 5 in the northwest quarter, and of the northwest quarter of the northeast quarter, section 9, township 26 north, range 2 east, W. M., lying westerly of the Millers Bay- Indianola Beach Highway, EXCEPT the north 160 feet of said Government Lot 5, TOGETHER with second class tide lands adjoining.

**7.** Easement granted by Sidney R. Price and Edna I. Price dated August 25, 1956, recorded under Auditor's File No. 651333 on November 30, 1956, in volume 642, page 517, records of Kitsap County, State of Washington, as to the real prop-

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erty described as follows:

The north half of the southwest quarter of the northwest quarter, EXCEPT the west 10 acres thereof, also EXCEPT road; also the north half of Government Lot 3; all in Section 9, Township 26 north, range 2 east, W.M.; TOGETHER with second class tide lands adjoining.

**8.** Easement granted by William A. Duncan and Maryanne M. Duncan, Angela M. Anderson, Manuel Ventoza and Laverne Ventoza, Benny George and Martha George, not dated, recorded under Auditor's File No. 971329 on March 25, 1970, on Reel 1 Frame 439, records of Kitsap County, State of Washington, as to the real property described as follows :

That certain 20 feet; the center line of which is situated at the location of existing electric transmission lines, placed by Puget Sound Power & Light Company, lying within that portion of the South 300 feet, as measured parallel to the meander line, of the East 300 feet of Government Lot 7, Section 31, Township 26 North, Range 2 East, W. M., and lying within that portion of the South 300 feet, as measured parallel to the meander line of the West one-half of Government Lot 2, Section 31, Township 26 North, Range 2 East, W.M.

**9.** Easement granted by Poulsbo Investment Company dated March 8, 1966, recorded under Auditor's File No. 873551 on April 5, 1966, in volume 859, page 444, records of Kitsap County, State of Washington, as to the real property described as follows :

The exterior 5 feet of the front and rear bound-

ary lines and under and upon the exterior 2.5 feet of side boundary lines of all lots within the plat of VIKING HEIGHTS, recorded in volume 12 of Plats, pages 16, 17, & 18, records of Kitsap County, Washington.

10. Easement granted by Alexander Myers Investors, Inc., Orville M. Fisk and Barbara A. Fisk, A. J. Ravetti and Bessie Ravetti dated November 12, 1965, recorded under Auditor's File No. 894877 on January 5, 1967, in volume 880, page 551, records of Kitsap County, State of Washington, as to the real property described as follows:

The exterior 5 feet of the front and rear boundary lines and under and upon the exterior 2.5 feet of side boundary lines of all lots within the plat of CEDAR PARK, recorded in Volume 12, of Plats, page 19-20, records of Kitsap County, Washington.

11. Unrecorded easement granted by Ethel Armstrong dated January 6, 1962, as to the real property described as follows:

The south 530 feet of the north 620 feet of lot seven, section nine, township twenty-six north, range two east, W .M.

12. Unrecorded easement granted by Clayton F. Steward and Mary L. Steward dated November 24, 1969, as to the real property described as follows :

Lot 21, Block 4, Chief Seattle Park, Suquamish,  
and

Plats 15 and 16, Section 29, Township 26, Range 2 East, W. M., the N  $\frac{1}{2}$  and the S  $\frac{1}{2}$  of the SE  $\frac{1}{4}$  of the NE  $\frac{1}{4}$  of the NE  $\frac{1}{4}$  of Agate Pass Acre Tracts (unrecorded).

To HAVE AND TO HOLD all said franchises and property, real, personal and mixed, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, and the Twelfth Supplemental Indenture, it being agreed as follows, to wit:

ARTICLE ONE  
SERIES M BONDS

Section 1.01. There shall be and is hereby created a series of bonds entitled "First Mortgage Bonds, Series M" (hereinafter sometimes referred to as "Series M bonds" or "bonds of Series M") limited in principal amount to \$6,000,000. Series M bonds shall be coupon bonds of the denomination of \$1,000 each, registrable as to principal, and fully registered bonds without coupons of the denomination of \$500 and multiples thereof. The coupon bonds of Series M shall be dated February 1, 1972, and the registered bonds of Series M without cou-

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pens shall be dated as provided in Section 2.04 of the Original Indenture. All Series M bonds shall mature February 1, 2002, and shall bear interest at the rate of seven and five eighths per cent ( $7\frac{5}{8}\%$ ) per annum from their respective dates, such interest to be payable semiannually on the 1st day of February and the 1st day of August in each year. Both the principal of and interest on bonds of Series M shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The texts of the coupon and fully registered bonds of Series M, the Trustee's certificate with respect to Series M bonds and the coupons appertaining to Series M coupon bonds shall be respectively substantially of the tenor and purport hereinbefore set forth.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the bonds of Series M shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof.

If redeemed before January 31, 1973—7.625%  
 If redeemed thereafter, but before January 31, 1974—7.375%  
 If redeemed thereafter, but before January 31, 1975—7.125%  
 If redeemed thereafter, but before January 31, 1976—6.875%  
 If redeemed thereafter, but before January 31, 1977—6.625%  
 If redeemed thereafter, but before January 31, 1978—6.375%  
 If redeemed thereafter, but before January 31, 1979—6.125%  
 If redeemed thereafter, but before January 31, 1980—5.875%  
 If redeemed thereafter, but before January 31, 1981—5.625%  
 If redeemed thereafter, but before January 31, 1982—5.375%  
 If redeemed thereafter, but before January 31, 1983—5.125%  
 If redeemed thereafter, but before January 31, 1984—4.875%  
 If redeemed thereafter, but before January 31, 1985—4.625%

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If redeemed thereafter, but before January 31, 1986—4.375%  
 If redeemed thereafter, but before January 31, 1987—4.125%  
 If redeemed thereafter, but before January 31, 1988—3.875%  
 If redeemed thereafter, but before January 31, 1989—3.625%  
 If redeemed thereafter, but before January 31, 1990—3.375%  
 If redeemed thereafter, but before January 31, 1991—3.125%  
 If redeemed thereafter, but before January 31, 1992—2.875%  
 If redeemed thereafter, but before January 31, 1993—2.625%  
 If redeemed thereafter, but before January 31, 1994—2.375%  
 If redeemed thereafter, but before January 31, 1995—2.125%  
 If redeemed thereafter, but before January 31, 1996—1.875%  
 If redeemed thereafter, but before January 31, 1997—1.625%  
 If redeemed thereafter, but before January 31, 1998—1.375%  
 If redeemed thereafter, but before January 31, 1999—1.000%  
 If redeemed thereafter, but before January 31, 2000— .625%  
 If redeemed thereafter, but before January 31, 2001— .250%  
 If redeemed thereafter, but before January 31, 2002— .000%

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to February 1, 1982, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company at an interest cost of less than seven and five eighths per cent ( $7\frac{5}{8}\%$ ) per annum and provided further that the bonds of Series M shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in Section 1.03 at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees that so long as any Series M bonds are outstanding hereunder, it will, not less than thirty (30) days prior to February 1st of each of the years 1973 through 2001, both inclusive, deposit with the Trustee, as and for a sinking fund for Series M bonds, moneys sufficient (when increased by the payment



of accrued interest to such February 1st) to redeem on such February 1st, Series M bonds in aggregate principal amount equal to one per cent (1%) of the total aggregate principal amount of Series M bonds authenticated and delivered to and including such February 1st (exclusive of Series M bonds in exchange or substitution for which other bonds of Series M may have been authenticated and delivered under the provisions of Sections 2.09, 2.11, 2.12 and 7.06 of the Original Indenture and Section 1.07 hereof). On each such February 1st, the Trustee shall, insofar as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series M bonds

The foregoing is subject to the provision, however, that in lieu of depositing all or part of such moneys the Company may deliver to the Trustee for cancellation, on or before the date required for such deposit, available bonds of Series M, such bonds to be credited against such sinking fund payment at the price (exclusive of accrued interest) paid by the Company for such bonds, which price (exclusive of accrued interest) shall in no event be greater than par.

In the event that any available bonds be delivered to the Trustee as aforesaid there shall also be filed with the Trustee a certificate signed and verified by the Treasurer or an Assistant Treasurer of the Company stating the amount or amounts paid by it for such bonds.

The redemption price for Series M bonds redeemed for the purposes of the sinking fund created by this section shall be the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without any premium.

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No bonds of any other series shall be entitled to the benefits of the sinking fund created under this section.

Section 1.04. Series M bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to Section 8.11, 8.14, 9.02 and 11.04 of the Original Indenture as amended shall be redeemed at the then applicable redemption price specified in Section 1.02 hereof.

In the event that all or any part of the bonds of Series M shall be redeemed or otherwise discharged prior to their maturity pursuant to or in accordance with the order of any governmental commission or regulatory authority upon the reorganization, dissolution or liquidation of the Company, the holders or registered owners of such bonds shall be entitled to be paid therefore an amount equal to the then applicable redemption price specified in Section 1.02 hereof.

Section 1.05. If in case of redemption of less than all of the Series M bonds outstanding, all of the Series M bonds then outstanding are in fully registered form in the names of holders, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of \$500 or any integral multiple thereof between each of such fully registered holders of bonds of such series in the proportion that the aggregate principal amount of registered bonds of such series then held by each such holder concerned bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after such appor-

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tionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$500, shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.06. In the event of redemption or prepayment for sinking fund purposes of a portion of the principal amount of any fully registered Series M bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bond holder without surrender to the Trustee of the bond on which partial redemption or prepayment only is being made if there shall be on file with the Trustee (and not theretofore rescinded by written notice from any such registered bond holder to the Trustee) an agreement between the Company and such purchaser to the effect that: (i) Payments will be made as aforesaid; (ii) such holder promptly will make notations on such bond, or on a paper attached thereto, of the portions thereof so redeemed or prepaid; (iii) such holder will not sell, assign, encumber, pledge or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of the bond surrendered. In case any payment is made as provided in this subparagraph, the Trustee shall make an appropriate notation of such payment on its records, and such payment made by

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the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.07. Fully registered bonds of Series M, upon surrender thereof at the main office of the Trustee, may be exchanged for the aggregate unpaid principal balance of fully registered bonds of that series and/or for coupon bonds of that series coupon bonds so received in exchange to have coupons attached representing interest from the date to which interest shall have been paid on the surrendered bonds.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

For any exchange of fully registered bonds for other fully registered bonds, and except as hereinafter stated, for any exchange of fully registered bonds for coupon bonds, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee. The original registered owners of the \$6,000,000 of Series M fully registered bonds, without coupons initially issued under Section 1.09 hereof shall, however, have the privilege of exchanging without charge for one or more coupon bonds or for one or more fully registered bonds or for a combination of the same any such fully registered bond so initially issued and any fully registered bond

which has become substituted for a portion of such a fully registered bond, or for several such fully registered bonds.

Section 1.08. Fully registered bonds of Series M shall be numbered "R- 1" and consecutively upwards. Coupon bonds of Series M shall be numbered "M- 1" and consecutively upwards.

Section 1.09. Upon the execution of this Thirteenth Supplemental Indenture the Company shall execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series M in the form of fully registered bonds without coupons in the aggregate principal amount of Six Million Dollars (\$6,000,000).

## ARTICLE TWO ADDITIONAL PROVISIONS

Section 2.01. So long as any Series M bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any shares of its capital stock of any class (other than preferred stock purchased to satisfy sinking fund requirements relating to such preferred stock) nor to the payment of any dividend or other disbursements on its common stock (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions made in shares of capital stock) sub-

sequent to January 1, 1971, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series M bonds shall be authenticated by the Trustee, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series M bonds shall be authenticated by the Trustee would exceed the Company's net income since January 1, 1971 (treated as one accounting period), plus One Million Dollars (\$1,000,000).

Section 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Thirteenth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.03. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request for the holder or holders of at least 25 per cent in principal amount of Series M bonds then outstanding during each three-year period beginning February 1, 1972, the Company will have its properties inspected by an engineer or firm of engineers who shall be appointed by the board of directors of the Company and satisfactory to the

Trustee. Such engineer or firm of engineers will, at Company expense, file with the Trustee a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each bondholder who has requested such inspection.

Section 2.04. All newspaper notices with respect to Series M bonds shall be published in a newspaper published and of general circulation in the City of Chicago, State of Illinois, as well as in one so published and of general circulation in the Borough of Manhattan, City and State of New York.

Section 2.05. For any default by the Company in the covenants, stipulations, promises and agreements herein contained or contained in the bonds of Series M the Trustees and the bondholders shall have the same rights and remedies, subject to the same limitations, as are provided in the Original Indenture.

Section 2.06. At such time as all Bonds of Series A through L issued pursuant to the Indenture have been retired, Section 17.04 of the Original Indenture shall be deemed amended to read as follows:

“Section 17.04. From time to time the holders of sixty-six and two-thirds percent (~~66-2/3%~~) in aggregate principal amount of bonds outstanding hereunder, by an instrument or instruments in writing signed by such holders and filed with the Trustee, shall have power (a) to assent to and authorize the release of any part of the mortgaged property without prejudice to the powers conferred upon the Trustees and/or the Company by Article

Eleven hereof; and (b) to assent to and authorize any modification of any of the provisions of this Indenture that shall be proposed by the Company; and any action herein authorized to be taken with the assent or authority, given as aforesaid, of the holders of sixty-six and two-thirds percent ( $66\frac{2}{3}\%$ ) in aggregate principal amount of bonds outstanding hereunder shall be binding upon the holders of all of the bonds at any time outstanding hereunder and upon the Trustees as though such action were specifically and expressly authorized by the terms of this Indenture, provided always (i) that the obligation of the Company to pay the principal of said bonds at their respective maturities as the same shall from time to time become due, shall continue unimpaired and the interest payable thereon shall not be decreased, (ii) that no modification hereof shall give to any bond or bonds hereby secured any preference over any other bond or bonds hereby secured, and that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless assented to by the holders of sixty-six and two-thirds percent ( $66\frac{2}{3}\%$ ) in aggregate principal amount of bonds outstanding hereunder of such particular series, (iii) that no such modification shall authorize the creation of any lien prior or equal to the lien of this Indenture upon any of the mortgaged property, and (iv) that no such modification shall in any manner affect any of the rights or obligations of the Trustees, or either of them, without their, its or his written assent thereto; and provided further, that, anything in this Section to the contrary notwithstanding, the holders of sixty-six and two-thirds percent ( $66\frac{2}{3}\%$ ) in aggregate principal amount of bonds outstanding hereunder of any particular

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series shall have power to waive any right specifically provided in respect of that series, and to assent to any modification of any such right which shall be proposed by the Company, subject, however, to the provisions of clauses (i), (ii), (iii) and (iv) of this Section. Any modification of the provisions of this Indenture so made as aforesaid shall be set forth in a supplemental indenture between the Trustees and the Company which shall, if deemed advisable by counsel, be recorded and/or filed in the same manner as this Indenture and the Trustees, and each of them, shall be fully protected in acting in accordance therewith.”

The provision contained in this Section shall in no way affect the rights under Section 17.04 of the Original Indenture of the holders of the Series A through L Bonds issued pursuant to the Indenture.

Section 2.07. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture and the Twelfth Supplemental Indenture are hereby in all respects ratified and confirmed.

Section 2.08. This Thirteenth Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

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IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created; PEOPLES NATIONAL BANK OF WASHINGTON has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and Robert G. Perry has hereto set his hand and seal, all as of February 1, 1972, but this instrument has been actually executed and delivered the 1st day of March.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By R. M. CROCKETT  
President

(Corporate Seal)

Attest:

JOHN HOFFELNER  
*Secretary*

Signed, sealed and acknowledged by United Telephone Company of the Northwest in the presence of:

J. S. MIDDLETON  
PEOPLES NATIONAL BANK OF WASHINGTON

GRATIA LOWE  
By D. L. HENWOOD  
*Trust Officer*







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UNITED TELEPHONE COMPANY OF THE NORTHWEST

to

PEOPLES NATIONAL BANK OF WASHINGTON

and

ROBERT G. PERRY

Trustees

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**Fourteenth Supplemental Indenture**

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Dated as of August 1, 1973

**THIS FOURTEENTH SUPPLEMENTAL INDENTURE** dated as of August 1, 1973, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington (hereinafter sometimes referred to as the "Trustee") and Robert G. Perry of said City of Seattle (hereinafter sometimes referred to as the "Individual Trustee"), as Trustees, the Trustee and the Individual Trustee being sometimes hereinafter referred to collectively as the "Trustees,"

**WITNESSETH:**

WHEREAS, until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on November 1, 1965 to United Telephone Company of the Northwest; and

WHEREAS, the Company has executed and delivered to the Trustee and to E. L. Blaine, Jr. an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946 (hereinafter sometimes referred to as the "Original Indenture" ), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS, the Company has executed and delivered to the Trustee and to E. L. Blaine, Jr. a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated

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as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, a Twelfth Supplemental Indenture dated as of July 1, 1971, and a Thirteenth Supplemental Indenture dated as of February 1, 1972, amending and supplementing such Original Indenture pursuant to which supplemental indentures the Company has issued its First Mortgage Bonds, Series B, C, D, E, F, G, H, I, J, K, L, and M; and

WHEREAS, at the time the Original Indenture was executed the corporate name of the Trustee was Peoples National Bank of Washington in Seattle and such corporate name has since been changed to Peoples National Bank of Washington; and

WHEREAS, until May 22, 1967, E.L. Blaine, Jr. served as Individual Trustee under terms of the Original Indenture as supplemented, and upon his resignation on such date the Individual Trustee was duly appointed as successor to E. L. Blaine, Jr. as Individual Trustee pursuant to the provisions of Section 16.10 of the Original Indenture; and

WHEREAS, the Original Indenture as supplemented by the First through the Thirteenth Supplemental Indentures, is hereafter sometimes collectively referred to as "the Indenture"; and

WHEREAS, the holders of at least 80% in aggregate principal amount of First Mortgage Bonds, Series A through M, have assented to and authorized the execution by the Company and by the Trustees of this Fourteenth Supplemental Indenture "for the purpose of amending and modifying the Indenture in the manner hereinafter provided, and written instruments evidencing such authorization have been executed by such bondholders and filed with the Trustee in accordance with the provisions of Section 17.04 of the Original Indenture;

Now, THEREFORE, in consideration of the premises and of the sum of One Dollar lawful money of the United States of America to the Company



duly paid by the Trustees, the receipt whereof is hereby acknowledged, and in order to amend and modify the Indenture in the particulars and to the extent hereinafter in this Fourteenth Supplemental Indenture specifically provided, the Company hereby covenants and agrees as follows:

SECTION 1. Sections 9.02 and 9.03 of the Original Indenture are hereby deleted in their entirety and, such being the case, hereafter any reference to or any computation made pursuant to said Sections 9.02 and 9.03 in any other provisions of the Indenture shall be disregarded.

SECTION 2, The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request of the holder or holders of at least 25 per cent in aggregate principal amount of Series A through E bonds then outstanding during each three-year period beginning August 1, 1973, the Company will have its properties inspected by an engineer or firm of engineers who shall be appointed by the board of directors of the Company and satisfactory to the Trustee. Such engineer or firm of engineers will, at Company expense, file with the Trustee a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant, The Trustee will mail a copy of the report to each bondholder who has requested such inspection,

SECTION 3. Except as herein specifically changed, the Original Indenture, the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture and the Thirteenth

Supplemental Indenture are hereby in all respects ratified and confirmed.

SECTION 4, This Fourteenth Supplemental Indenture shall be simultaneously executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary, and to evidence their acceptance of the trusts hereby created, PEOPLES NATIONAL BANK OF WASHINGTON has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and Robert G. Perry has hereto set his hand and seal, all as of August 1, 1973, but this instrument has been actually executed and delivered the 28th day of August, 1973.

UNITED TELEPHONE COMPANY OF THE  
NORTHWEST

By *J. M. Cochrane*  
*President*

ATTEST:

*John Hoffbauer*  
*Secretary*

Signed, sealed and acknowledged  
by United Telephone Company of  
the Northwest in the presence of:

*Jerry A. Tamm*  
*John R. White*

PEOPLES NATIONAL BANK OF WASHINGTON

By *[Signature]*  
Trust Officer

By *[Signature]*  
Vice President and Trust Officer

ATTEST :

*[Signature]*  
Assistant Trust Officer

Signed, sealed and acknowledged  
by Peoples National Bank of  
Washington in the presence of:

*[Signature]*  
*[Signature]*

*[Signature]*  
Robert G. Perry

Signed, sealed and acknowledged  
by Robert G. Perry in the  
presence of:

*[Signature]* *[Initials]*  
*[Signature]*

STATE OF OREGON }  
COUNTY OF HOOD RIVER } ss.

On this 28th day of August, 1973, before me, the undersigned officer, appeared R. M. Crockett and John Hoffelner, to me personally known, who, being duly sworn, did acknowledge themselves to be President and Secretary, respectively, of UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation, and that said instrument was signed and sealed by R. M. Crockett as such President on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that John Hoffelner as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

*Jerry A. Tann*

Notary Public in and for the State  
of Oregon, residing at Hood River,  
Oregon, *My commission*  
*expires April 22, 1977*

STATE OF WASHINGTON }  
COUNTY OF KING } Ss.

On this 28th day of August, 1973, before me the undersigned officer, personally appeared D. L. NEWWOOD and O. R. COWAN \_\_\_\_\_, to me known to be Trust Officers of PEOPLES NATIONAL BANK OF WASHINGTON, the national banking association which executed the within and foregoing instrument, and D. L. NEWWOOD and O. R. COWAN as Trust Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instrument and ELLEN E. MITCHELL as assistant trust officer on oath stated that she was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

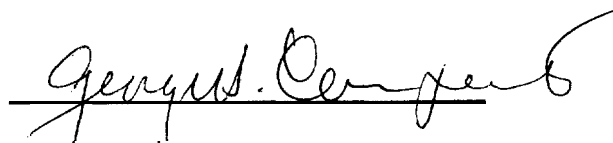
Geny W. Corp

Notary Public in and for the State of Washington, residing at Seattle, Washington. My commission expires October 1, 1974

STATE OF WASHINGTON }  
COUNTY OF KING } Ss.

On this 28th day of August, 1973 before me, the undersigned officer, personally appeared Robert G. Perry to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned,

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.



*Notary Public in and for the State  
of Washington, residing at Seattle,  
Washington. My commission  
expires October 1, 1974*

*n*

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UNITED TELEPHONE COMPANY OF THE NORTHWEST

TO

PEOPLES NATIONAL BANK OF WASHINGTON

AND

ROBERT G. PERRY

TRUSTEES

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***Fifteenth Supplemental  
Indenture***

Dated as of September 1, 1974

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## **This Fifteenth Supplemental Indenture**

dated as of September 1, 1974, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington (hereinafter sometimes referred to as the "Trustee") and ROBERT G. PERRY of said City of Seattle (hereinafter sometimes referred to as the "Individual Trustee"), as Trustees, the Trustee and the Individual Trustee being sometimes hereinafter referred to collectively as the "Trustees,"

### **R E C I T A L S :**

The background of this Fifteenth Supplemental Indenture is:

A. Until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on said date to United Telephone Company of the Northwest.

B. The Company heretofore executed and delivered to the Trustee and to E. L. Blaine, Jr., who has been succeeded by Robert G. Perry as Individual Trustee, its Indenture of Mortgage and Deed of Trust (hereinafter called the "Original Indenture" and the Original Indenture and all supplemental indentures hereinafter collectively called the "Indenture"), dated as of January 1, 1946 (to which this instrument is supplemental), whereby the Company granted, bargained, mortgaged and conveyed unto the Trustees and to their successors in said trust, all real and personal property then owned or thereafter acquired by the Company (other than property excepted from the lien thereof ) to be held by the Trustees in trust in accordance with the provisions of the Original Indenture for the equal pro rata benefit and security of all Bonds issued under the Original Indenture and indentures supplemental thereto.



C, The Company proposes (1) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated 10%% First Mortgage Bonds, Series N, due September 1, 1999, (herein called "Series N Bonds"), limited in aggregate principal amount to \$10,000,000 and (2) to mortgage and convey additional properties acquired or constructed by the Company since the date of the Original Indenture.

D. All acts and things necessary to make the Series N Bonds, when executed by the Company and authenticated by the Trustee as in the Indenture provided, the valid, binding and legal obligations of the Company, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Fifteenth Supplemental Indenture and the issue of the Series N Bonds have in all respects been duly authorized, and the Company in the exercise of the legal right and power vested in it, executes this Fifteenth Supplemental Indenture.

Now, THEREFORE, THIS FIFTEENTH SUPPLEMENTAL INDENTURE WITNESSETH :

That United Telephone Company of the Northwest, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of the Series N Bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents, give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington and Robert G. Perry, Trustees, and to their successors in the trust hereby and in said Original

Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal of the Company constructed or acquired since the delivery of the Thirteenth Supplemental Indenture or not described in the Original Indenture, or the first fourteen supplemental indentures, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including but without limiting the generality of the foregoing, the real property described in Schedule A hereto, together with all improvements thereon.

To HAVE AND TO HOLD all said franchises and real and personal property, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First through the Fourteenth Supplemental Indentures, it being agreed as follows, to wit:

ARTICLE ONE  
SERIES N BONDS

Section 1.01. There is hereby created a series of bonds entitled "~~10%~~ First Mortgage Bonds, Series N" due September 1, 1999 (hereinafter called "Series N Bonds") limited in principal amount to \$10,000,000. Series N Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and multiples thereof. The Series N Bonds shall be dated as provided in Section 2.04 of the Original Indenture. All Series N Bonds shall mature September 1, 1999, and shall bear interest at the rate of ten and three-fourths per cent (~~10%~~) per annum from their respective dates, such interest to be payable semiannually on the 1st day of September and the 1st day of March in each year. Both the principal of and inter-

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est on Series N Bonds shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The text of the Series N Bonds and the Trustee's certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit A hereto.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the Series N Bonds shall be redeemable, in whole or in part, at any time at the principal amount thereof, plus interest accrued thereon to the date fixed for redemption, plus a premium equal to the then applicable percentage of the principal amount thereof.

<b>If Redeemed During 12 Month Ending August 31,</b>	<b>Redemption Price</b>	<b>If Redeemed During 12 Month Ending August 31,</b>	<b>Redemption Price</b>
1975.. _.....	110.75%	1987 .....	105.35%
1976.. __.....	110.30	1988.. _.....	<b>104.90</b>
1977 . . . . .	109.85	1989 . . . . .	104.45
1978 . . . . .	109.40	1990 . . . . .	104.00
<b>1979.....</b>	<b>108.95</b>	<b>1991 _.....</b>	<b>103.55</b>
1980. __ . . . . .	108.50	1992 _.. _.. _.....	103.10
1981 _... _.. _.....	108.05	1993 . . . . .	102.65
1982.....	107.60	1994 . . . . .	102.20
1983 _.. _.. _.. _.....	107.15	1995 . . . . .	101.75
1984 _... _.....	106.70	1996 _.. _.....	<b>101.30</b>
1985 _.. _.. 106 . . . . .	106.25	1997.. _ . . . .	100.85
1986 . . . _ . . . . .	105.80	1998 _.. _ . . . .	100.40
		1999 . . . . .	100.00

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to September 1, 1984, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company at an interest cost

of less than ten and three-fourths per cent (10%) per annum and provided further that the Series N Bonds shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in Section 1.03 at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees that so long as any Series N Bonds are outstanding hereunder, it will, not less than thirty (30) days prior to September 1st of each of the years 1979 through 1999, both inclusive, deposit with the Trustee, as and for a sinking fund for Series N Bonds, the sum in cash of \$300,000, together with accrued interest on the Series N Bonds to be redeemed through the sinking fund. On each such September 1st, the Trustee shall, insofar as it is possible for it so to do, exhaust the moneys in said sinking fund by applying the same to the redemption of Series N Bonds.

The redemption price for Series N Bonds redeemed for the purposes of the sinking fund created by this section shall be the principal amount thereof, plus interest accrued thereon to the date fixed for such redemption, without any premium.

No bonds of any other series shall be entitled to the benefits of the sinking fund created under this section.

Section 1.04. Series N Bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to Section 8.11, 8.14 and 11.04 of the Original Indenture as amended shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption.

Section 1.05. In case of redemption of less than all of the Series N Bonds outstanding, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of \$1,000 or any integral multiple thereof

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between each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of registered bonds of such series then held by each such holder concerned bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10 ) days after such apportionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of \$1,000, shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.06. In the event of redemption or prepayment for sinking fund purposes of a portion of the principal amount of any Series N Bond registered in the name of any initial purchaser or its nominee in whose name a bond or bonds of such series were first registered, the Trustee shall make payment to such registered bond holder without surrender to the Trustee of the bond on which partial redemption or prepayment only 'is being made if there shall be on file with 'the Trustee (and not theretofore rescinded by written notice from any such registered bond holder 'to the Trustee ) an agreement between the Company and such purchaser to the effect that: (i) Payments will be made as aforesaid; (ii) such holder promptly will make notations on such bond, or on a paper attached thereto, of the portions thereof so redeemed or prepaid; (iii) such 'holder will not sell, assign, encumber, pledge or hypothecate such bond without first surrendering the same to the Trustee in exchange for a bond or bonds in a principal amount equal to the unpaid balance of the principal amount of the bond surrendered. In case any payment is made as provided *in* this subparagraph, the Trustee shall make an appropriate notation of such payment on its records, and such payment made by the Trustee shall be valid and effective to satisfy and discharge liability upon such bond to the extent of the sum so paid.

Section 1.07. The Bonds of Series N, upon surrender thereof at the main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment to it of such charge, if any, as is required by the following paragraphs.

Section 1.08. Fully registered bonds of Series N shall be numbered "NR-1" and consecutively upwards.

Section 1.09. Upon the execution of this Fifteenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (the Company having complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series N in the form of fully registered bonds without coupons in the aggregate principal amount of Ten Million Dollars (\$10,000,000).

## ARTICLE TWO ADDITIONAL PROVISIONS

Section 2.01. So long as any Series N Bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any shares of its capital stock of any class (other than preferred stock purchased to satisfy sinking fund requirements relating to such preferred stock) nor to the payment of any dividend or other disbursements on its common stock (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions

made in shares of capital stock) subsequent to December 31, 1973, plus  
(b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series N Bonds shall be authenticated by the Trustee, over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series N Bonds shall be authenticated by the Trustee would exceed the Company's net income since December 31, 1973 (treated as one accounting period ), plus Two Million Five Hundred Thousand Dollars (\$2,500,000 ).

Section 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Fifteenth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands of all persons whomsoever.

Section 2.03. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. Upon the written request for the holder or holders of at least 25 per cent in principal amount of Series N Bonds then outstanding during each three-year period beginning February 1, 1975, the Company will have its properties inspected by an engineer or firm of engineers who shall be appointed by the board of directors of the Company and satisfactory to the Trustee. Such engineer or firm of engineers will, at Company expense, file with the Trustee a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each holder of Series N Bonds.

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Section 2.04. The Company and the holders of the Series N Bonds by their acceptance and holding thereof, hereby consent and agree that the provisions of Section 17.04 of the Original Indenture shall be deemed to be amended effective on the earliest date on which either (a) no bonds of any of the Series A through ~~L~~<sup>M</sup>, inclusive, shall be outstanding or (b) an amendment to such 17.04 of the Original Indenture shall have become effective upon the consent of the holders of the Bonds of Series A through ~~L~~<sup>M</sup>, inclusive, provided that no consent of the holders of the Series N Bonds shall be required for effecting such amendment. On such date, as aforesaid, said Section 17.04 of the Original Indenture shall be amended to read as follows:

“Section 17.04. From time to time the holders of sixty-six and two-thirds per cent (66%% ) in aggregate principal amount of bonds outstanding hereunder, by an instrument or instruments in writing signed by such holders and filed with the Trustee, shall have power (a) to assent to and authorize the release of any part of the mortgaged property without prejudice to the powers conferred upon the Trustee and/or the Company by Article Eleven hereof; and (b) to assent to and authorize any modification of any of the provisions of this Indenture that shall be proposed by the Company; and any action herein authorized to be taken with the assent or authority, given as aforesaid, of the holders of sixty-six and two-thirds per cent (66%%) in aggregate principal amount of bonds outstanding hereunder shall be binding upon the holders of all of the bonds at any time outstanding hereunder and upon the Trustees as though such action were specifically and expressly authorized by the terms of this Indenture, provided always (i) that the obligation of the Company to pay the principal of said bonds at their respective maturities as the same shall from time to time become due, shall continue unimpaired and the interest payable thereon shall not be decreased, (ii) that no modification hereof shall give to any bond or bonds hereby secured any preference over any other bond or bonds hereby secured, and that no modification of any right which shall have been specifically provided in respect of any particular series of bonds shall be effective unless as-



sented to by the holders of sixty-six and two-thirds per cent (66%) in aggregate principal amount of bonds outstanding hereunder of such particular series, (iii) that no such modification shall authorize the creation of any lien prior or equal to the lien of this Indenture upon any of the mortgaged property, and (iv) that no such modification shall in any manner affect any of the rights or obligations of the Trustees, or either of them, without their, its or his written assent thereto; and provided further, that, anything in this Section to the contrary notwithstanding, the holders of sixty-six and two-thirds per cent (66%) in aggregate principal amount of bonds outstanding hereunder of any particular series shall have power to waive any right specifically provided in respect of that series, and to assent to any modification of any such right which shall be proposed by the Company, subject, however, to the provisions of clauses (i), (ii), (iii) and (iv) of this Section. Any modification of the provisions of this Indenture so made as aforesaid shall be set forth in a supplemental indenture between the Trustees and the Company which shall, if deemed advisable by counsel, be recorded and/or filed in the same manner as this Indenture and the Trustees, and each of them, shall be fully protected in acting, in accordance therewith,"


The Company agrees that so long as any Series N Bonds remain outstanding it will not propose or assent to any amendment of the Indenture which would reduce the percentage of outstanding Bonds, the holders of which are required to assent to any action set forth in Section 17.04 or which would change the redemption prices set forth in Section 1.02 hereof.

Section 2.05. Except as herein specifically changed, the Original Indenture, as supplemented and amended by the First through the Fourteenth Supplemental Indentures, are hereby in all respects ratified and confirmed.

Section 2.06. This Fifteenth Supplemental Indenture shall, be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

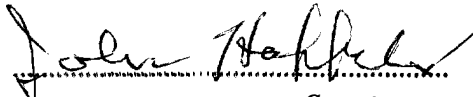
IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created; PEOPLES NATIONAL BANK OF WASHINGTON has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and Robert G. Perry has hereto set his hand and seal, all as of September 1, 1974.

UNITED TELEPHONE COMPANY OF THE NORTHWEST

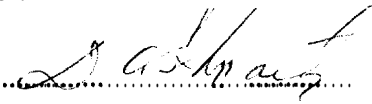

By   
Vice President

(Corporate Seal)

ATTEST:

  
Secretary

Signed, sealed and acknowledged  
by United Telephone Company  
of the Northwest in the pres-  
ence of:

PEOPLES NATIONAL BANK OF WASHINGTON

By *[Signature]*  
Trust Officer

By *[Signature]*  
Vice President & Trust Officer

ATTEST:

*[Signature]*  
Assistant Trust Officer

(Corporate Seal)

Signed, sealed and acknowledged  
by Peoples National Bank of  
Washington in the presence of:

*[Signature]*

*[Signature]*

*[Signature]*  
ROBERT G. PERRY

Signed, sealed and acknowledged  
by Robert G. Perry in the pres-  
ence of:

*[Signature]*

*[Signature]*

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this <sup>1<sup>st</sup></sup> day of October, 1974, before me, the undersigned officer, appeared ~~4:4~~ . . . . ~~CRACK~~ and ~~John Hoffmann~~, to me personally known, who, being duly sworn, did acknowledge themselves to be ~~President~~ and Secretary, respectively, of United Telephone Company of the Northwest, a corporation, and that said instrument was signed and sealed by ~~R. A. CRACKETT~~ as such ~~President~~ . . . . . on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that ~~John Hoffmann~~ as such . . . . . Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written.

*Suzanne R. Meyer*  
Notary Public in and for the State of Washington,  
residing at Seattle, Washington.

(Notarial Seal)

My commission expires *June 12, 1978*

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this <sup>2<sup>nd</sup></sup> day of October, 1974, before me, the undersigned officer, personally appeared ~~E. Gene Torrance~~ . . . . . and ~~D. + (112)~~ . . . . . to me known to be Trust Officers of Peoples National Bank of Washington, the national banking association which executed the within and foregoing instrument, and ~~E. Gene Torrance and D. H. H. H.~~ . . . . . as Trust Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein men-

tioned and, on oath, stated that they were authorized to execute said instrument and ~~Ellen E. Mills~~ as assistant trust officer on oath stated that she was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association,

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

*Suzanne A. Myhre*  
**Notary Public in and for the State of Washington,**  
residing at **Seattle, Washington.**

(Notarial Seal)

My commission expires *June 12, 1978*

STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this <sup>2<sup>nd</sup></sup> day of October, 1974, before me, the undersigned officer, personally appeared ROBERT G. PERRY, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

*Suzanne A. Myhre*  
**Notary Public in and for the State of Washington,**  
residing at **Seattle, Washington.**

(Notarial Seal)

My commission expires *June 12, 1978*

## Schedule A

1. Situated in County of Wasco, State of Oregon  
Lots **5** and **6** of Block "A" of the first addition to Mosier proper in Section 1, T 2 N, R 11 E.W.M.
2. Situated in County of Benton, State of Washington  
Lots **4,5,6,7** and **8**, Block 105, First Subdivision of Presser according to plat thereof recorded in Vol. 1 of Plats, Page 11
3. Situated in County of Yakima, State of Washington  
Lots **1, 2, 3** and the west 8 feet of Lot 4, Block 72, Eaton Addition to Granger Washington according to the official plat thereof recorded in Volume O, page 4, records of Yakima County Washington; except that portion conveyed to the State of Washington by deed recorded January 18, 1967 in Volume 686 of Deeds, File Number 2114859 together with that portion of vacated alley accruing thereto.
4. Situated in County of Hood River, State of Oregon  
A parcel of land located in Section 25, Township 3 North, Range 10 East of the Willamette Meridian, in the City of Hood River, County of Hood River and State of Oregon, described as follows:  
  
Beginning at a point on the North line of the Nathaniel Coe Donation Land Claim No. 37, in Section 25, Township 3 North, Range 10 East of the Willamette Meridian, that is North 89° 40' 25" West 461.13 feet, more or less, from the point of intersection of the division line between the East half and the West half of said Coe Donation Land Claim with the North line thereof and South 89° 40' 25" East 1403.82 feet, more or less, from the Northwest corner of said Coe Donation Land Claim, being at the Northwest corner of that tract of land conveyed to Port of Hood River by deed recorded April 19, 1967, film No. 670498, Deed Records Hood River County, Oregon; thence South 89° 40' 25" East along the North line of said Donation Land Claim to a point that is 80 feet Easterly of, measured at right angles to, the West line of said Port of Hood River tract of land, which point is the true place of beginning of the tract of land herein described; thence South 1° 39' 16" West, parallel with and 80 feet Easterly of the West line of said Port of Hood

River tract of land, 317.85 feet, more or less, to a point that is 20 feet Northerly of, measured at right angles to, the Northerly line of that tract of land sold to Hood River Distillers, Inc., under contract recorded May 15, 1968, film No. 680648, Deed Records Hood River County, Oregon; thence North  $53^{\circ}59'46''$  East, parallel with and 20 feet Northerly of the Northerly line of said Hood River Distillers, Inc., tract of land, 26.17 feet; thence on a 369.27 foot radius curve to the right, parallel with and 20 feet Northerly of the Northerly line of said Hood River Distillers, Inc., tract of land and also parallel with and 20 feet Northerly of the North line of that tract of land conveyed to Hood River Distillers, Inc., by deed recorded May 15, 1968, film No. 680647, Deed Records Hood River County, Oregon, through an angle of  $37^{\circ}39'30''$  of which the long chord is 242.71 feet, to a point that is 20 feet Northerly of, measured at right angles to, the North line of said last mentioned Hood River Distillers, Inc., tract of land; thence South  $88^{\circ}20'44''$  East, parallel with and 20 feet Northerly of the North line of said last mentioned Hood River Distillers, Inc., tract of land, 236.50 feet, more or less, to a corner in the West line of that tract of land leased to Jantzen, Inc., under Agreement recorded July 7, 1972, film No. 721248, Deed Records Hood River County, Oregon; thence North  $1^{\circ}39'16''$  East along the West line of said Jantzen, Inc., tract of land 390.00 feet; thence North  $88^{\circ}20'44''$  West 482.76 feet, more or less, to a point that is 80 feet Easterly of, measured at right angles to, the Northerly extension of the West line of the aforesaid Port of Hood River tract of land; thence South  $1^{\circ}39'16''$  West, parallel with and 80 feet Easterly of the Northerly extension of the West line of said Port of Hood River tract of land, 165.19 feet, more or less, to the true place of beginning.

5. Situated in Klickitat County, State of Washington

- a. The East 15 feet of Lot 9 and all of Lot 10, Block "A" in McCallister Addition to the Townsite of Glenwood, Washington.
- b. The westerly 25 feet of the easterly 125 feet of Block 13, West Roosevelt, according to plat thereof recorded in Volume 3 of Plats, page 44, records of said county. (Now Roosevelt, per Commissioner's Journal 15, page 714, recorded June 24, 1968.)

6. Situated in Jefferson County, State of Washington (from East Peninsula Telephone Company on merger)

Parcel I: That portion of the Northeast quarter of the Southwest quarter of Section 34, Township 30 North, Range 2 West, W.M. described as follows:

Beginning at a point 2715.4 feet East of the West quarter corner of said Section 34 on the East-West center line, said point also being on the North-South center line; thence South  $2^{\circ}15'$  East along said North-South center line 251.6 feet to the intersection of the North right-of-way line of U. S. Highway 101; thence Northwesterly along said right of way 50 feet; thence North  $11^{\circ}24'$  East 247.15 feet more or less to the true point of beginning.

Parcel II: The East half of Lot 6, Block 2 CARROLL'S HOOD CANAL VIEW ESTATES NO. 1, according to the plat recorded in Volume 4 of Plats, page 13.

Parcel III: That portion of Government Lot 1 in Section 3, Township 28 North, Range 1 West of the Willamette Meridian, described as follows, to-wit: Beginning at the Northwest corner of said Government Lot 1; thence South along the West line thereof, a distance of 315.4 feet to the True Point of Beginning of this description; (said point being the Southwest corner of Tax No. 7 in said Section 3, as said Tax No. 7 is described in Volume 90 of Deeds on page 485); thence North  $89^{\circ}32'$  East along the South line of said Tax No. 7 a distance of 100 feet; thence South 50 feet; thence South  $89^{\circ}32'$  West 100 feet to the West line of said Government Lot 1; thence North along said West line 50 feet to the True Point of Beginning; Excepting therefrom any portion of the right of way of existing county road.

Parcel IV: Lots 1 to 5 inclusive, in Block 1 of Worthington's Addition to Quilcene, as per plat recorded in Volume 2 of Plats, on page 107, records of Jefferson County; EXCEPT that portion of said Lots 1,2 and 3 lying Southeasterly of a line drawn parallel to and 30 feet distant Northwesterly, when measured at right angles, from the center line survey of State Road No. 9, as the same is surveyed over and across said Block 1, as conveyed to the State of Washington by deed dated May 27, 1936 and recorded in



Volume 107 of Deeds, on page 3, records of Jefferson County, and except the South 60 feet of Lots 4 and 5.

Parcel V: All of Block 8 of Harvey W. Campbell's Addition to Quilcene, as per plat recorded in Volume 2 of Plats, page 107; records of Jefferson County, EXCEPT that portion lying South of an East-West line 110 feet North of the South boundary of said Block 8, and also EXCEPT that portion lying West of a North-South line 65 feet East of the West boundary of said Block 8;

Parcel VI: All of Tax No. 40 in Section .24, Township 27 North, Range 2 West of the Willamette Meridian; said Tax No. 40 being that part of the former Port Townsend Southern Railroad right of way, lying between Blocks 3 and 8 of said Harvey W. Campbell's Addition to Quilcene;

EXCEPTING that portion of Parcels V and VI above described as follows:

Beginning at the Northwest corner of said Block 8; thence Easterly along the North line of Block 8 a distance of 65.0 feet to the true point of beginning of this description; thence South for a distance of 122.5 feet; thence East a distance of 71.14 feet; thence turning a deflection angle of  $103^{\circ}52'$  to the left, a distance of 24.79 feet; thence turning a deflection angle of  $90^{\circ}$  to the right, a distance of 100 feet to the East edge of said Tax Lot 40; thence turning a deflection angle of  $90^{\circ}$  to the left along the East edge of said Tax Lot 40, a distance of 76.7 feet; thence turning a deflection angle of  $76^{\circ}08'$  to the left, a distance of 139.5 feet to the true point of beginning.

Form of Series N Fully  
Registered Bond Without Coupon

\$.....

No. NR

First Mortgage Bond  
Series N

Due September 1, 1999

-UNITED TELEPHONE COMPANY OF THE NORTHWEST

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to .....  
.....or registered assigns, on the first day of September, 1999, the principal sum of ..... and to pay interest thereon from the date hereof (unless this Bond shall have been called for previous redemption and payment duly provided therefor ) at the rate of ten and three fourths per cent (10%%) per annum, payable semiannually on the first day of September and the first day of March in each year until said principal sum is paid. Both the principal of and the interest on this Bond shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated 10%% First Mortgage Bonds, Series N, due September 1, 1999, limited as to aggregate principal amount as set forth in the Fifteenth Supplemental Indenture hereinafter mentioned, all bonds of all series being issued and to be issued

under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Fourteenth Supplemental Indentures and a Fifteenth Supplemental Indenture dated as of September 1, 1974 (said sixteen instruments being collectively called the Indenture ), all duly executed and delivered by the Company to Peoples National Bank of Washington, of Seattle, Washington (herein called the Trustee ), and to either Robert G. Perry of Seattle, Washington (herein called the Individual Trustee ) or to Robert G. Perry's predecessor in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this Series N are redeemable in whole or in part at the option of the Company at any time, at the following redemption prices, expressed as percentages of said principal amount, during the respective periods hereinafter set forth, in each case together with ac-

trued and unpaid interest on the principal amount carried to the date fixed for redemption, as follows:

<b>If Redeemed During 12 Month Ending August 31,</b>	<b>Redemption Price</b>	<b>If Redeemed During 12 Month Ending August 31,</b>	<b>Redemption Price</b>
1975..	110.75%	1987..	105.35%
1976..	110.30	1988 ..	104.90
1977 ..	109.85	1989 .	104.45
<b>1978 ..</b>	<b>109.40</b>	1990 ..	104.00
1979. .	108.958 .95	<b>1991 . . .</b>	<b>. 5 5</b>
1980 ..	108.50	1992 ..	103.10
1981 ..	108 . . . . .108.05	1993..	102.65 . . . . .102.65
1982 ..	107.60	1994 ..	102.20
1983 ..	107.15	1995 . . . . .	101.75
1984 ..	106.70	1996 .	101.30
1985 ..	106.25	1997 . . . . .	100.85
1986 ..	105.80	1998 ..	100.40
		1999 . . . . .	100.00

all on the conditions and in the manner provided in the Indenture; provided, however, that no Bond shall be redeemable, in whole or in part, at any time prior to September 1, 1984, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company at an interest cost of less than ten and three fourths per cent (10%%) per annum and provided further that the Bonds of Series N shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption, all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture, Series N Bonds may become subject to redemption in whole or in part at any time by the use of moneys deposited with or paid to the

Trustee (a) as the proceeds of property sold; or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property. Series N Bonds so redeemed shall be redeemed at their principal amount plus interest accrued to the date fixed for redemption.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture.

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the office of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

Payments on account of principal of this Bond maybe made without surrender, cancellation or reissue hereof in the manner and to the

extent provided by the terms of Section 1.00 of the Fifteenth Supplemental Indenture, as reflected by the records of the Trustee.

This Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.

UNITED TELEPHONE COMPANY OF THE NORTHWEST

By.....  
*President*

**ATTEST:**

By.....  
*Secretary*

**DATED:**

**TRUSTEES CERTIFICATE**

This Bond is one of the Bonds of the First Mortgage Bonds, Series N, 10%% due 1999 referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON  
(Seattle, Washington )

*Trustee*

By.....  
*Authorized Officer*

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UNITED TELEPHONE COMPANY OF THE NORTHWEST

TO

PEOPLES NATIONAL BANK OF WASHINGTON

AND

ROBERT G. PERRY

TRUSTEES

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**Sixteenth Supplemental  
Indenture**

Dated as of February 1, 1977

TILLAMOOK COUNTY

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## **This Sixteenth Supplemental Indenture**

dated as of February 1, 1977, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (hereinafter sometimes referred to as the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington (hereinafter sometimes referred to as the "Trustee") and ROBERT G. PERRY of said City of Seattle (hereinafter sometimes referred to as the "Individual Trustee"), as Trustees, the Trustee and the Individual Trustee being sometimes hereinafter referred to collectively as the "Trustees."

### **R E C I T A L S :**

The background of this Sixteenth Supplemental Indenture is:

A. Until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on said date to United Telephone Company of the Northwest.

B. The Company heretofore executed and delivered to the Trustee and to E. L. Blaine, Jr., who has been succeeded by Robert G. Perry as Individual Trustee, its Indenture of Mortgage and Deed of Trust (hereinafter called the "Original Indenture," and the Original Indenture and all supplemental indentures thereto hereinafter collectively called the "Indenture" ), dated as of January 1, 1946, whereby the Company granted, bargained, mortgaged and conveyed unto the Trustees and to their successors in said trust, all real and personal property then owned or to be thereafter acquired by the Company (other than property excepted from the lien thereof ), to be held by the Trustees in trust in accordance with the provisions of the Original Indenture for the equal pro rata benefit and security of all Bonds issued under the Original Indenture and indentures supplemental thereto.



C. The Company has heretofore executed and delivered to the Trustee and to E. L. Blaine, Jr. or his successor, Robert G. Perry, a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, a Twelfth Supplemental Indenture dated as of July 1, 1971, a Thirteenth Supplemental Indenture dated as of February 1, 1972, a Fourteenth Supplemental Indenture dated as of August 1, 1973, and a Fifteenth Supplemental Indenture dated as of September 1, 1974, under and pursuant to which supplemental indentures and the Original Indenture the Company has issued its First Mortgage Bonds, Series A, B, C, D, E, F, G, H, I, J, K, L, M and N, and the Original Indenture has been amended and modified in the particulars therein set forth.

D. The Company proposes ( 1 ) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated 8½% First Mortgage Bonds, Series O, due February 1, 2007 (herein called "Series O Bonds"), limited in aggregate principal amount to \$9,000,000 and (2) to mortgage and convey additional properties acquired or constructed by the Company since the date of the Fifteenth Supplemental Indenture.

E. All acts and things necessary to make the Series O Bonds, when executed by the Company and authenticated by the Trustee as in the Indenture provided, the valid, binding and legal obligations of the Company, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Sixteenth Supplemental Indenture and the issue of the Series O Bonds have in all respects been duly authorized, and the Company in

the exercise of the legal right and power vested in it executes this Sixteenth Supplemental Indenture.

**NOW, THEREFORE, THIS SIXTEENTH SUPPLEMENTAL INDENTURE WITNESSETH:**

That United Telephone Company of the Northwest, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of the Series O Bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto Peoples National Bank of Washington and Robert G. Perry, Trustees, and to their successors in the trust hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the date of the Fifteenth Supplemental Indenture or not described in the Original Indenture or the first fifteen supplemental indentures, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including, but without limiting the generality of the foregoing, the real property described in Schedule A hereto, together with all improvements thereon,

H.

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To HAVE AND TO HOLD all said franchises and real and personal property, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First through the Fifteenth Supplemental Indentures, it being agreed as follows, to wit:

#### ARTICLE ONE

##### SERIES O BONDS

Section 1.01. There is hereby created a series of bonds entitled "8<sup>3</sup>/<sub>4</sub>% First Mortgage Bonds, Series O, due February 1, 2007" (hereinafter called "Series O Bonds") limited in principal amount to \$9,000,000. Series O Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and multiples thereof. The Series O Bonds shall be dated as of the date of authentication. All Series O Bonds shall mature February 1, 2007 and shall bear interest at the rate of eight and one-half per cent (  $8\frac{1}{2}\%$  ) per annum from their respective dates, such interest to be payable semiannually on the 1st day of August and the 1st day of February in each year. Both the principal of and interest on Series O Bonds shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The text of the Series O Bonds and the Trustee's certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit A hereto.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the Series O Bonds shall be redeemable, in whole or in part, at any time at the following redemption prices, expressed as percentages of the principal amount, during the respective periods set forth, in each case together with accrued and unpaid interest on the principal amount carried to the date fixed for redemption:

<b>If Redeemed During 12 Months Ending January 31,</b>	<b>Redemption Price</b>	<b>If Redeemed During 12 Months Ending January 31,</b>	<b>Redirection</b>
1978 .....	108.50%	1993.....	104.10%
1979 .....	108.21	1994.....	103.81
1980 .....	107.92	<b>1995.....</b>	<b>103.52</b>
1981 .....	107.62	1996 .....	103.22
1982 .....	107.33	1997 .....	102.93
1983 .....	107.04	1998 .....	102.64
1984 .....	106.74	<b>1999.....</b>	<b>102.34</b>
1985 .....	106.45	2000 .....	102.05"
1986.....	106.16	2001.....	101.76
<b>1987.....</b>	<b>105.86</b>	2002.....	101.46
1988 .....	105.57	<b>2003.....</b>	<b>101.17</b>
<b>1989.....</b>	<b>105.28</b>	2004 .....	100.88
<b>1990.....</b>	<b>104.98</b>	2005 .....	100.58
1991 .....	104.69	2006 .....	100.29
1992.....	104.40	2007.....	100.00

all on the conditions and in the manner provided in the Indenture; provided, however, that no bond shall be redeemable, in whole or in part, at any time prior to February 1, 1987, directly or indirectly, as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company at an interest cost of less than eight and one-half per cent (8%%) per annum, and provided further that the Series O Bonds shall be subject to redemption in whole or in part from time to time through the operation of the sinking fund as provided in Section 1.03 hereof, through the application of the proceeds of property sold to municipal or other governmental bodies, and through the application of insurance proceeds received because of damage to or destruction of any of the Company's properties, at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption.

Section 1.03. The Company covenants and agrees that so long as any of the Series O Bonds remain outstanding it will provide a

6.

sinking fund for the benefit of the holders of the Series O Bonds as follows: the Company will annually, on February 1, 1978, and on February 1 of each succeeding year up to and including February 1, 2006, in the manner provided in Article Seven of the Original Indenture, call for pro rata redemption, at the principal amount thereof, without premium, together with accrued interest to the date fixed for redemption, Series O Bonds for cash in the principal amount equal to one per centum (1%) of the greatest aggregate principal amount of the Series O Bonds at any time outstanding (exclusive of Series O Bonds in exchange for or in substitution of which other Series O Bonds have been authenticated and delivered); provided that in all such redemptions the Trustee may adjust the allocations so that the principal amounts of the bonds to be redeemed from each of the holders thereof shall be as nearly as possible in multiples of One Thousand Dollars (\$1,000.00).

Section 1.04. Series O Bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or deposited with the Trustee pursuant to Sections 8.11, 8.14 and 11.04 of the Original Indenture, as amended, shall be redeemed at their principal amount, without premium, together with interest accrued to the date fixed for redemption.

Section 1.05. Notwithstanding anything in the Indenture to the contrary, in case of redemption of less than all of the Series O Bonds outstanding, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of One Thousand Dollars (\$1,000) or any multiple thereof between each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten ( 10) days after such apportionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. Except in the case of redemption through operation of the sinking fund, if exact apportionment proves impracticable,

then any portion of the moneys available for redemption, but not exactly apportionable in multiples of One Thousand Dollars (\$1,000), shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section L06. The Bonds of Series O, upon surrender thereof at the main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment of a sum sufficient to reimburse the Company or the Trustee for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee in connection with the transfer. Notwithstanding anything in Article Two, Section 2.09 of the Original Indenture to the contrary, the Company shall make no charge in connection with the transfer of Series O Bonds other than those set forth in this Section 1.06.

Section 1.07. Fully registered bonds of Series O shall be numbered "OR-1" and consecutively upwards.

Section 1.08. Upon the execution of this Sixteenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (provided the Company has complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company bonds of Series O in the form of fully registered bonds without coupons in the aggregate principal amount of Nine Million Dollars (\$9,000,000).

ARTICLE TWO  
ADDITIONAL PROVISIONS

Section 2.01. So long as any Series O Bonds are outstanding the Company will not apply any sum to the redemption, retirement or

purchase of any shares of its capital stock of any class (other than preferred stock purchased to satisfy sinking fund requirements relating to such preferred stock) nor to the payment of any dividend or other disbursement on its common stock (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions made in shares of capital stock) subsequent to December 31, 1975, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series O Bonds shall be authenticated by the Trustee over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series O Bonds shall be authenticated by the Trustee, would exceed the Company's net income since December 31, 1975 (treated as one accounting period), plus Four Million Dollars (\$4,000,000).

Section 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Sixteenth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands (except those which constitute permitted encumbrances ) of all persons whomsoever.

Section 2.03. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. So long as any Series O Bonds remain outstanding, it will during the three year period beginning February 1, 1977 and each successive three year period, upon written request of the holders or

registered owners of not less than twenty-five per cent (2.5%) in principal amount of the Series O Bonds then outstanding, have the physical properties of the Company inspected at the Company's expense by an engineer or firm of engineers (who may be in the regular employ of the Company or under regular retainer from the Company ) selected by the Board of Directors of the Company and satisfactory to the Trustee. Such engineer or firm or engineers will file with the Trustee a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each holder of Series O Bonds.

The Company covenants and agrees that, if such engineer or firm of engineers shall report that a maintenance deficiency exists, the Company will with all reasonable speed make such repairs and/or do such other maintenance work as may be necessary to make good such deficiency as shall exist at the time of such report, whereupon such engineer or firm of engineers (or, in the case of his or its refusal or inability to act, some other engineer or firm of engineers similarly selected ) shall report in writing to the Trustee that such deficiency has been made good.

If such deficiency shall not have been made good within one year, or such longer period as may be reported by such engineer or firm of engineers to be reasonably necessary for the purpose, the Trustee may, and upon proper request of the holders of at least twenty-five per centum (25%) in principal amount of the bonds of all series at the time outstanding shall, in accordance with the provisions of Article Fifteen of the Original Indenture, proceed to enforce this covenant of the Company.

Section 2.04. The holders of the Series O Bonds, by their acceptance and holding thereof, hereby consent and agree that the amendment to Section 17.04 of the Original Indenture contained in Section 2.06 of the Thirteenth Supplemental Indenture shall become effective on the earliest date on which either ( a ) all Series A



through L Bonds have been retired or (b) such amendment to Section 17.04 of the Original Indenture shall have been consented to by the holders of the Series A through L Bonds, and that no further assent of the holders of Series O Bonds shall be required for effecting such amendment.

The Company covenants and agrees that, so long as any Series O Bonds remain outstanding, it will not, without the assent and authorization of each holder of Series O Bonds, enter into any supplemental indenture, or effect any modification of any right specifically provided in respect of the bonds or any waiver of any such right, which would reduce the percentage of the principal amount of bonds set forth in Section 17.04 which is required to assent to and authorize modifications of the Indenture or to give waivers.

Section 2.05. The holders of the Series O Bonds, by their acceptance and holding thereof, hereby consent and agree that, effective on the earliest date on which either (a) all Series A through N Bonds have been retired or (b) the holders of the Series A through N Bonds have consented to such an amendment, the Original Indenture is amended by deleting Article Eight, Section 8.08 thereof in its entirety, and hereby further consent and agree that no further assent of the holders of Series O Bonds shall be required for effecting such amendment. The amendment contained in this Section 2.05 shall in no way affect the rights of the holders of the Series A through N Bonds under Article Eight, Section 8.08 of the Original Indenture unless and until they have consented to such amendment,

Section 2.06. The holders of the Series O Bonds, by their acceptance and holding thereof, hereby consent and agree that, effective on the earliest date on which either (a) all Series A through N Bonds have been retired or (b) the holders of the Series A through N Bonds have consented to such an amendment, Article Eleven, Section 11.04 of the Original Indenture is amended by designating the present Section 11.04 as subsection (A) and by adding a new subsection ( B ) to read as follows:

(B) Notwithstanding anything in subsection (A) of this Section 11.04 to the contrary, the Company, while in possession of the mortgaged property and not in default, may sell or exchange but not otherwise dispose of any of its property of a value of \$10,000 or less, and the Trustees shall release the same from the lien hereof, upon receipt by the Trustee of:

(a) A certificate signed and verified by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company

(i) describing the property for the release of which request is made, and stating that in the opinion of the signers such release will be of benefit to the Company and will not be prejudicial to the security of the bonds issued hereunder;

(ii) stating that the Company has sold or exchanged, or contracted to sell or exchange, the property for the release of which request is made for a consideration representing in the opinion of the signers its full value to the Company;

(iii ) stating the amount and nature of such consideration and that it consists, or will consist, solely of one or more of the following: cash, property additions, and properties which upon such exchange will constitute property additions;

(iv) if any property additions or properties which on acquisition will become property additions are to be received as consideration, briefly describing them, and stating that in the opinion of the signers their acquisition is desirable from the standpoint of the Company and the bondholders;

(v) stating that the Company is not in default hereunder and stating the original cost of the property to be released;

(b) All moneys stated in the certificate responsive to (a) of this section to be or to have been received in consideration for any property for the release of which request is made, or to the extent that such moneys constitute the consideration for property subject to an underlying mortgage, which moneys are required to be paid to or deposited with a mortgagee or trustee, a receipt by such mortgagee or trustee for such moneys, the Company covenanting, agreeing and directing that upon the satisfaction or release of such underlying mortgage any such money remaining in the possession or control of such mortgagee or trustee, to which the Company may be entitled, shall forthwith be deposited with the Trustee;

(c) Such deeds, bills of sale, supplemental indentures, or other instruments of conveyance as may be necessary or proper to subject to the lien of this Indenture any property received in exchange for property released.

The holders of the Series O Bonds further consent and agree that no further assent of the holders of Series O Bonds shall be required for effecting such amendment. The amendment contained in this Section 2.06 shall in no way affect the rights of the holders of the Series A through N Bonds under Article Eleven, Section 11.04 of the Original Indenture unless and until they have consented to such amendment.

Section 2.07. The provisions of Article Sixteen, Section 16.08 of the Original Indenture are amended upon the execution and delivery of this Sixteenth Supplemental Indenture by deleting the words "One Million Dollars ( \$1,000,000 )" where they occur in said section and by inserting in lieu thereof the words "Twenty-Five Million Dollars ( \$25,000,000)".

Section 2.08. Except as herein specifically changed, the Original Indenture, as supplemented and amended by the First through the Fifteenth Supplemental Indentures, is hereby in all respects ratified and confirmed,

Section 2.09. Although this Sixteenth Supplemental Indenture is dated for convenience and for the purpose of reference as of February 1, 1977, the actual dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto annexed.

Section 2.10. Notwithstanding anything in the Original Indenture to the contrary, if default occurs in payment of principal or interest due on the Series O Bonds, interest shall be paid by the Company upon overdue principal and interest at the rate of nine and one-half percent (9½%) per annum.

Section 2.11. The warranties, representations, and agreements contained in this Sixteenth Supplemental Indenture, insofar as they apply exclusively to the Series O Bonds, shall be construed in accordance with and governed by the laws of the State of Washington.

Section 2.12. This Sixteenth Supplemental Indenture shall be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument,

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created; PEOPLES NATIONAL BANK OF WASHINGTON has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and Robert G. Perry has hereto set his hand and seal, all as of February 1, 1977.

UNITED TELEPHONE COMPANY OF THE NORTHWEST

By *R. M. Crockett*  
R. M. Crockett, *President*



(Corporate Seal)

ATTEST:

*John Hoffelner*  
John Hoffelner, *Secretary*

Signed, sealed and acknowledged  
by United Telephone Company  
of the Northwest in the pres-  
ence of:

*Micaloi*  
*Robert Young*

PEOPLES NATIONAL BANK OF WASHINGTON

By *[Signature]*  
Trust Officer

By *[Signature]*  
Vice President & Trust Officer



ATTEST:

*[Signature]*  
~~Assistant~~ Trust Officer

(Corporate Seal)

Signed, sealed and acknowledged  
by Peoples National Bank of  
Washington in the presence of:

*[Signature]*  
*[Signature]*

*[Signature]*  
Robert G. Perry

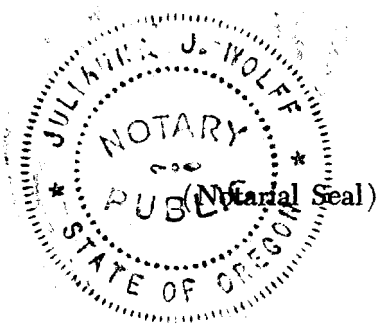
Signed, sealed and acknowledged  
by Robert G. Perry in the pres-  
ence of:

*[Signature]*  
*[Signature]*

STATE OF Oregon  
COUNTY OF DeH. } SS.

On this 26 day of Jan, 1977, before me, the undersigned officer, appeared R. M. CROCKETT and JOHN HOFFELNER, to me personally known, who, being duly sworn, did acknowledge themselves to be President and Secretary, respectively, of United Telephone Company of the Northwest, a corporation, and that said instrument was signed and sealed by R. M. CROCKETT as such President on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that JOHN HOFFELNER as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written,



Julianna J. Wolff

Notary Public in and for the State of Oregon  
~~residing at Seattle, Washington~~

My commission expires 4-8-80

STATE OF WASHINGTON }  
COUNTY OF KING } SS.

On this 26th day of JAN, 1977, before me, the undersigned officer, personally appeared D. L. HENWOOD and Wm. L. WILTON to me known to be Trust Officers of Peoples National Bank of Washington, the national banking association which executed the within and foregoing instrument, and D. L. HENWOOD and W. L. WILTON as Trustee Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instrument and ELLEN MITTLET as ~~assistant~~ trust officer on oath stated that she was authorized to affix

the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

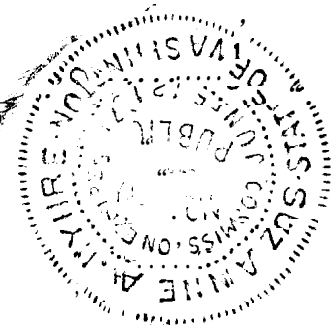
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

*Suzanne A. Myhre*

**Notary Public in and for the State of Washington,  
residing at Seattle, Washington,**

(Notarial Seal)

My commission expires *June 12, 1978*



STATE OF WASHINGTON }  
COUNTY OF KING } Ss.

On this *26th* day of *JAN*, 1977, before me, the undersigned officer, personally appeared ROBERT G. PERRY, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

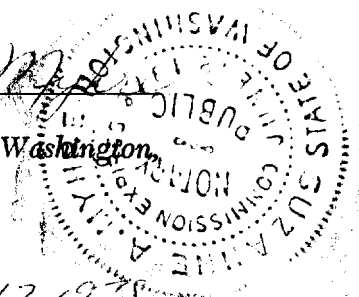
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

*Suzanne A. Myhre*

**Notary Public in and for the State of Washington,  
residing at Seattle, Washington.**

(Notarial Seal)

My commission expires *June 12, 1978*





## SCHEDULE A

## 1. Situated in County of Deschutes, State of Oregon:

Lots 7 and 8 in Block 2 of Davidson's Addition to Sisters, Deschutes County, Oregon, EXCEPT that portion of Lot 7, Block 2 of Davidson's Addition to the town of Sisters, bounded as follows:

Commencing at the Northwest corner of said Lot; thence Southerly along the West line of said Lot a distance of 20 feet; thence Easterly on a line parallel to the North line of said Lot a distance of 28 feet; thence Northerly on a line parallel to the West line of said Lot a distance of 20 feet, to the North line of said lot; thence Westerly along the North line of said Lot a distance of 28 feet to said Northwest corner of said lot,

## 2. Situated in County of Harney, State of Oregon:

a. An irregular tract of land lying wholly within the NE  $\frac{1}{4}$  SW  $\frac{1}{4}$  and the NW  $\frac{1}{4}$  SE  $\frac{1}{4}$  of Section 20, T23S, R30E, W. M., Harney County, Oregon, more specifically described as follows:

Commencing at the northwest corner of said Section 20, thence East along the north line of said section a distance of 2275.31 feet to the center line of the road to the Radar Base; thence S. 28 °23'12 W. a distance of 46.41 feet; thence along a 5° curve to the left a distance of 407.94 feet; thence S. 07 °59'23" W. a distance of 625.19 feet; thence along an 8° curve to the left a distance of 5202.5 feet; thence S. 34"37'48" E. a distance of 251.48 feet; thence along an 11° curve to the right a distance of 428.98 feet; thence S. 1.3 °33'28 W. a distance of 874.74 feet; thence leaving the center line of said road, S. 70 °50'02 E. a distance of 291.95 feet; thence S. 73 °34'17" E. a distance of 161.40 feet to the TRUE POINT OF BEGINNING:

thence continuing S. 73'34'17" E, a distance of 150 feet; thence S. 16 °2.5'43" W. a distance of 85 feet; thence N. 73 °34'17" W. a distance of 150 feet; thence N. 16 °25'43" E. a distance of 85 feet to the TRUE POINT OF BEGINNING;

Said tract containing 0.29 acres, more or less.

b. An irregular tract of land lying wholly within the SE  $\frac{1}{4}$  of the NW  $\frac{1}{4}$  of Section 20, T23S, R30E, W. M., Harney County, Oregon, more specifically described as follows:

Commencing at the northwest corner of said Section 20, thence East along the north line of said section a distance of 2275.31 feet to the center line of the road to the radar base; thence along said center line, S. 28 °2.3'12" W. a distance of 46.41 feet; thence along a 5° curve to the left a distance of 407.94 feet; thence S. 07°59'23" W. a distance of 625.19 feet; thence along an 8° curve to the left a distance of 520.25 feet; thence S. 34 °37'48" E. a distance of 251.48 feet; thence along an 11° curve to the right a distance of 428.98 feet; thence S. 13 °33'28" W. a distance of 7.59 feet; thence leaving the center line of said road, N. 76°26'32" W. a distance of 55.0 feet to the TRUE POINT OF BEGINNING:

thence continuing N. 76 °26'32" W. a distance of 105.0 feet; thence S. 17 °01'35" W, a distance of 139.25 feet; thence S. 76 °26'32" E. a distance of 113.43 feet; thence N. 13 °33'28" E. a distance of 139.0 feet to the TRUE POINT OF BEGINNING;

Said tract containing 0.35 acres, more or less.

3. Situated in County of Hood River, State of Oregon:

a. Lots 3 and 4, Block 6, TOWNSITE OF PARKDALE, in Hood River County, Oregon.

b. A parcel of land located in Section 25, Township 3 North, Range 10 East of the Willamette Meridian, in the City of Hood River, County of Hood River and State of Oregon, described as follows:

Beginning at a point on the North line of the Nathaniel Coe Donation Land Claim No. 37, in Section 25, Township 3 North, Range 10 East of the Willamette Meridian, that is North 89°40'25" West 461.13 feet, more or less, from the point of intersection of the division line between the East half and the West half of said Coe Donation Land Claim with the North line thereof and South 89 °40'25" East 1403.82 feet, more or less, from the Northwest corner of said Coe Donation Land Claim, being at the Northwest corner of that tract of land conveyed to Port of Hood River by deed recorded April 19, 1967, film No. 670498, Deed Records Hood River County, Oregon; thence South 89 °40'25" East along the North line of said Donation Land Claim to a point that is 80 feet Easterly of, measured at right angles to, the West line of said Port of Hood River tract of land, which point is the true place of beginning of the tract of land herein described; thence

South 1039'16 West, parallel with and 80 feet Easterly of the West line of said Port of Hood River tract of land, 317.85 feet more or less, to a point that is 20 feet Northerly of, measured at right angles to, the Northerly line of that tract of land sold to Hood River Distillers, Inc., under contract recorded May 15, 1968, film No. 680648, Deed Records Hood River County, Oregon; thence North 53°59'46" East, parallel with and 20 feet Northerly of the Northerly line of said Hood River Distillers, Inc., tract of land, 26.17 feet; thence on a 369.27 foot radius curve to the right, parallel with and 20 feet Northerly of the Northerly line of said Hood River Distillers, Inc., tract of land and also parallel with and 20 feet Northerly of the North line of that tract of land conveyed to Hood River Distillers, Inc., by deed recorded May 15, 1968, film No. 680647, Deed Records Hood River County, Oregon, through an angle of 37°39'30" of which the long chord is 242.71 feet, to a point that is 20 feet Northerly of, measured at right angles to, the North line of said last mentioned Hood River Distillers, Inc., tract of land; thence South 88°20'44" East, parallel with and 20 feet Northerly of the North line of said last mentioned Hood River Distillers, Inc., tract of land, 236.50 feet, more or less, to a corner in the West line of that tract of land leased to Jantzen, Inc., under Agreement recorded July 7, 1972, film No. 721248, Deed Records Hood River County, Oregon; thence North 1°39'16" East along the West line of said Jantzen, Inc. tract of land 390.00 feet; thence North 88°20'44" West 482.76 feet, more or less, to a point that is 80 feet Easterly of, measured at right angles to, the Northerly extension of the West line of the aforesaid Port of Hood River tract of land; thence South 1039'16" West, parallel with and 80 feet Easterly of the Northerly extension of the West line of said Port of Hood River tract of land, 165.19 feet, more or less, to the true place of beginning.

4. Situated in County of Kitsap, State of Washington:

That portion of the Northwest quarter of the Southwest quarter, of Section 22, Township 26 North, Range 1 East W. M., lying Southerly and Easterly of County Road, EXCEPT the East 749 feet thereof, in Kitsap County, Washington.

Exhibit A

Form of Series O Fully  
Registered Bond Without Coupon

\$.....

No. OR

First Mortgage Bond  
Series O

Due February 1,2007

UNITED TELEPHONE COMPANY OF THE NORTHWEST

**UNITED** TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (herein called the Company), for value received, hereby promises to pay to ..... or registered assigns, on the first day of February, 2007, the principal sum of .....and to pay interest thereon from the date hereof (unless this Bond shall have been called for previous redemption and payment duly provided therefor ) at the rate of eight and one-half per cent (8%% ) per annum, payable semiannually on the first day of August and the first day of February in each year until said principal sum is paid. Both the principal of and the interest on this Bond shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America,

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated 8½% First Mortgage Bonds, Series O, due February 1, 2007, limited as to aggregate principal amount as set forth in the Sixteenth Supplemental Indenture hereinafter mentioned, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, es-

established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series ) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Fifteenth Supplemental Indentures and a Sixteenth Supplemental Indenture dated as of February 1, 1977 (said seventeen instruments being collectively called the Indenture ), all duly executed and delivered by the Company to Peoples National Bank of Washington, of Seattle, Washington (herein called the Trustee ), and to either Robert G. Perry of Seattle, Washington (herein called the Individual Trustee ) or to Robert G. Perry's predecessor in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this Series O are redeemable in whole or in part at the option of the Company at any time, at the following redemption prices, expressed as percentages of said principal amount, during the respective periods hereinafter set forth, in each case together with accrued and unpaid

interest on the principal amount carried to the date fixed for redemption, as follows:

<b>If Redeemed During 12 Months Ending January 31,</b>	<b>Redemption Price</b>	<b>If Redeemed During 12 Months Ending January 31,</b>	<b>Redemption Price</b>
1978 .....	108.50%	1993 .....	104.10%
1979 .....	108.21	1994 .....	103.81
1980 .....	107.92	1995 .....	103.52
1981 .....	107.62	1996 .....	103.22
1982 .....	107.33	1997 .....	102.93
1983 .....	107.04	1998 .....	102.64
1984 .....	106.74	1999 .....	102.34
1985 .....	106.45	2000 .....	102.05
1986 .....	106.16	2001 .....	101.76
1987 .....	105.86	2002 .....	101.46
1988 .....	105.57	2003 .....	101.17
1989 .....	105.28	2004 .....	100.88
1990 .....	104.98	2005 .....	100.58
1991 .....	104.69	2006 .....	100.29
1992 .....	104.40	2007 .....	100.00

all on the conditions and in the manner provided in the Indenture; provided, however, that no Bond of Series O shall be redeemable, in whole or in part, at any time prior to February 1, 1987, directly or indirectly as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company at an interest cost of less than eight and one-half per cent (8%) per annum, and provided further that the Bonds of Series O shall be subject to redemption in part from time to time through the operation of the sinking fund as provided in the Indenture at the principal amount thereof, without premium, together in any case with interest accrued thereon to the date of redemption, all on the conditions and in the manner provided in the Indenture.

On the conditions and in the manner provided in the Indenture, Series O Bonds may become subject to redemption in whole or in part at any

time by the use of moneys deposited with or paid to the Trustee (a) as the proceeds of property sold or (b) as the proceeds of property taken under power of eminent domain or as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of property. Series O Bonds so redeemed shall be redeemed at their principal amount, without premium, plus interest accrued to the date fixed for redemption.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (00) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture.

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the office of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This Bond shall not be valid nor become obligatory for any purpose

until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.

UNITED TELEPHONE COMPANY OF THE NORTHWEST

By.....  
*President*

**ATTEST:**

By.....  
*Secretary*

DATED:

TRUSTEE'S CERTIFICATE

This Bond is one of the Bonds of the 8½% First Mortgage Bonds, Series O, due February 1, 2007 referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON  
(Seattle, Washington)

*Trustee*

By.....

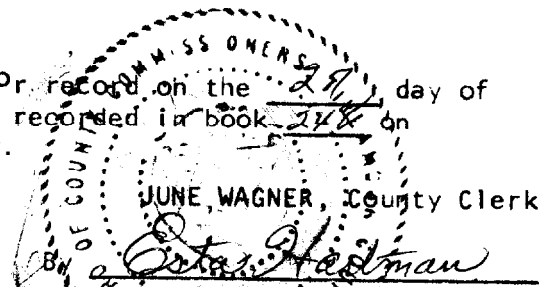
*Authorized Officer*

STATE OF OREGON )  
County of Tillamook ) 's

221105

I certify that the within instrument was received for record on the 27 day of January, 19 77, at 2:15 o'clock P.M., and recorded in book 246 on page 843, record of Mortgage of said county.

Witness my hand and seal of County affixed.





867

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UNITED TELEPHONE COMPANY OF THE NORTHWEST

TO

PEOPLES NATIONAL BANK OF WASHINGTON

AND

DONALD GREENFIELD

TRUSTEES

---

**Seventeenth Supplemental  
Indenture**

**Dated as of July 1, 1979**

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## **This Seventeenth Supplemental Indenture**

dated as of July 1, 1979, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (the "Company"), and PEOPLES NATIONAL BANK OF WASHINGTON, a national banking association duly organized and existing under and by virtue of the National Banking Laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington (the "Trustee") and DONALD GREENFIELD of said City of Seattle (hereinafter sometimes referred to as the "Individual Trustee"), as Trustees, the Trustee and the Individual Trustee being sometimes hereinafter referred to collectively as the "Trustees."

### RECITALS :

The background of this Seventeenth Supplemental Indenture is:

A. Until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on said date to United Telephone Company of the Northwest,

B. The Company heretofore executed and delivered to the Trustee and to E. L. Blaine, Jr., who has been succeeded by Robert G. Perry, who has been succeeded by Donald Greenfield as Individual Trustee, its Indenture of Mortgage and Deed of Trust (hereinafter called the "Original Indenture," and the Original Indenture and all supplemental indentures thereto hereinafter collectively called the "Indenture" ), dated as of January 1, 1946, whereby the Company granted, bargained, mortgaged and conveyed unto the Trustees and to their successors in said trust, all real and personal property then owned or to be thereafter acquired by the Company (other than property excepted from the lien thereof ), to be held by the Trustees in trust in accordance with the provisions of the Original Indenture for the equal pro rata benefit and security of all Bonds issued under the Original Indenture and indentures supplemental thereto.

C. The Company has heretofore executed and delivered to the Trustee and to E. L. Blaine, Jr. or his successor, Robert G. Perry, or his successor, Donald Greenfield, a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, a Twelfth Supplemental Indenture dated as of July 1, 1971, a Thirteenth Supplemental Indenture dated as of February 1, 1972, a Fourteenth Supplemental Indenture dated as of August 1, 1973, a Fifteenth Supplemental Indenture dated as of September 1, 1974, and a Sixteenth Supplemental Indenture dated as of February 1, 1977, under and pursuant to which supplemental indentures and the Original Indenture the Company has issued its First Mortgage Bonds, Series A, B, C, D, E, F, G, H, I, J, K, L, M, N and O, and the Original Indenture has been amended and modified in the particulars therein set forth,

D. The Company proposes ( 1 ) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated 10%% First Mortgage Bonds, Series P, due July 1, 2009 ("Series P Bonds"), limited in aggregate principal amount to \$15,000,000 and (2) to mortgage and convey additional properties acquired or constructed by the Company since the date of the Sixteenth Supplemental Indenture.

E. All acts and things necessary to make the Series P Bonds, when executed by the Company and authenticated by the Trustee as in the Indenture provided, the valid, binding and legal obligations of the Company, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Seventeenth Supplemental Indenture and the issue of the Series P Bonds have in all respects been duly authorized, and the Company in

the exercise of the legal right and power vested in it executes this Seventeenth Supplemental Indenture.

**Now, THEREFORE, THIS SEVENTEENTH SUPPLEMENTAL INDENTURE WITNESSETH:**

That United Telephone Company of the Northwest, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of the Series P Bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto People National Bank of Washington and Donald Greenfield, Trustees, and to their successors in the trust hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the date of the Sixteenth Supplemental Indenture or not described in the Original Indenture or the first sixteen supplemental indentures, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including, but without limiting the generality of the foregoing, the real property described in Schedule A hereto, together with all improvements thereon.

To **HAVE AND TO HOLD** all said franchises and real and personal property, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

**IN TRUST, NEVERTHELESS**, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First through the Sixteenth Supplemental Indentures, it being agreed as follows, to wit:

#### ARTICLE ONE

##### **SERIES P BONDS**

Section 1.01. There is hereby created a series of bonds entitled "10%% First Mortgage Bonds, Series P, due July 1, 2009" ( "Series P Bonds" ) limited in principal amount to \$15,000,000. Series P Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and multiples thereof. The Series P Bonds shall be dated as of the date of authentication. All Series P Bonds shall mature July 1, 2009 and shall bear interest at the rate of ten and one-eighth per cent ( 10%%) per annum from their respective dates, such interest to be payable semiannually on the 1st day of January and the 1st day of July in each year. Both the principal of and interest on Series P Bonds shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The text of the Series P Bonds and the Trustee's certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit A hereto.

Section 1.02. At the option of the Company and upon notice given as provided in Article Seven of the Original Indenture, the Series P Bonds shall be redeemable, in whole or in part, at any time at the following redemption prices, expressed as percentages of the principal amount, during the respective periods set forth, in each case together with accrued and unpaid interest on the principal amount carried to the date fixed for redemption:

If Redeemed During 12 Months Ending June 30,	Redemption Price	If Redeemed During 12 Months Ending June 30,	Redemption Price
1980.....	110.13	1995.....	104.89
1981.....	109.78	1996.....	104.54
1982.....	109.43	1997.....	104.19
1983.....	109.08	1998.....	103.84
1984.....	108.73	1999.....	103.49
1985.....	108.38	2000.....	103.15
1986.....	108.03	2001.....	102.80
1987.....	107.68	2002.....	102.45
1988.....	107.33	2003.....	102.10
1989.....	106.98	2004.....	101.75
1990.....	106.64	2005.....	101.40
1991.....	106.29	2006.....	101.05
1992.....	105.94	2007.....	100.70
1993.....	105.59	2008.....	100.35
1994.....	105.24	2009.....	100.00

all on the conditions provided in the Indenture; provided, however, that no Series P Bond shall be redeemable, in whole or in part, at any time prior to July 1, 1989, directly or indirectly, as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company having (i) an interest cost of less than ten and one-eighth percent ( 10%%) per annum, or (ii) a Weighted Average Life to Maturity, at the time of such redemption, less than the Weighted Average Life to Maturity of the Series P Bonds. The term "Weighted Average Life to Maturity" shall mean with respect to any indebtedness at any date, the number of years obtained by dividing the then Remaining Dollar-years of such indebtedness by the then outstanding principal amount of such indebtedness. For purposes of this definition, the term "Remaining Dollar-years" of any indebtedness shall mean, at any date, the total of the products obtained by multiplying (a) the principal amount of each then remaining installment, sinking fund, serial maturity or other required payment, including payment at final maturity, in respect

thereof by (b) the number of years (calculated to the nearest one-twelfth ) which will elapse between such date and the date on which such payment is required to be made.

In addition to redemption at the option of the Company as provided above, the Bonds of Series P shall be subject to redemption in whole or in part at the principal amount thereof, without premium, together in each case with interest thereon to the date of redemption (i) through the operation of the sinking fund as provided in Section 1.03 hereof, (ii ) by use of moneys deposited with or paid to the Trustee as the proceeds of property taken through the exercise of the power of eminent domain or sold to a governmental body pursuant to the provisions of any statute or franchise permitting such governmental body to compel the Company to make such a sale and ( iii) by use of moneys similarly deposited as the proceeds of insurance policies because of damage to or destruction of property.

Section 1.03. The Company covenants and agrees that so long as any of the Series P Bonds remain outstanding it will provide a sinking fund for the benefit of the holders of the Series P Bonds as follows: the Company will annually, on July 1, 1980, and on July 1 of each succeeding year up to and including July 1, 2008, in the manner provided in Article Seven of the Original Indenture, call for pro rata redemption, at the principal amount thereof, without premium, together with accrued interest to the date fixed for redemption, Series P Bonds for cash in the principal amount equal to one per centum (1%) of the greatest aggregate principal amount of the Series P Bonds at any time outstanding (exclusive of Series P Bonds in exchange for or in substitution of which other Series P Bonds have been authenticated and delivered); provided that in all such redemptions the Trustee may adjust the allocations so that the principal amounts of the bonds to be redeemed from each of the holders thereof shall be as nearly as possible in multiples of One Thousand Dollars (\$1,000.00).

Section 1.04. Series P Bonds redeemed pursuant to the provisions of Article Twelve of the Original Indenture with money paid to or

deposited with the Trustee pursuant to Sections 8.11 and 8.14 of the Original Indenture, as amended, shall be redeemed at their principal amount, without premium, together with interest accrued to the date fixed for redemption.

Section 1.05. Notwithstanding anything in the Indenture to the contrary, in case of redemption of less than all of the Series P Bonds outstanding, the aggregate of moneys to be applied in redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of One Thousand Dollars (\$1,000) or any multiple thereof between each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10 ) days after such apportionment, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. Except in the case of redemption through operation of the sinking fund, if exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable in multiples of One Thousand Dollars (\$1,000), shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as herein provided.

Section 1.06. The Bonds of Series I?, upon surrender thereof at the main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment of a sum sufficient to reimburse the Company or the Trustee for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee in connection with the transfer. Notwithstanding anything in Article Two, Section 2.09 of the Original Indenture to the



contrary, the Company shall make no charge in connection with the transfer of Series P Bonds other than those set forth in this Section 1.06.

Section 1.07. Fully registered bonds of Series P shall be numbered "PR-1" and consecutively upwards.

Section 1.08. Upon the execution of this Seventeenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (provided the Company has complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company Bonds of Series P in the form of fully registered bonds without coupons in the aggregate principal amount of Fifteen Million Dollars ( \$15,000,000).

## ARTICLE TWO ADDITIONAL PROVISIONS

Section 2.01. So long as any Series P Bonds are outstanding the Company will not apply any sum to the redemption, retirement or purchase of any shares of its capital stock of any class (other than preferred stock purchased to satisfy sinking fund requirements relating to such preferred stock) nor to the payment of any dividend or other disbursement on its common stock (exclusive of dividends payable in its common stock) if, after giving effect to such dividend, distribution, purchase or other acquisition, the sum of (a) the aggregate amount of all dividends and distributions paid on shares of capital stock of any class (other than dividends and distributions made in shares of capital stock) subsequent to December 31, 1978, plus (b) the excess, if any, of the amount applied to or set apart for the purchase or other acquisition of any shares of capital stock of any class subsequent to the time when the first of such Series P Bonds shall be authenticated by the Trustee over such amounts as shall have been received as the net cash proceeds of sales of shares of capital stock of any class subsequent to the time when the first of such Series 1' Bonds shall be authenticated by the Trustee, would

exceed the Company's net income since December 31, 1978 (treated as one accounting period), plus Six Million Dollars ( \$6,000,000).

Section 2.02. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Seventeenth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands (except those which constitute permitted encumbrances ) of all persons whomsoever.

Section 2.03. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states, So long as any Series P Bonds remain outstanding, it will during the three year period beginning January 1, 1980 and each successive three year period, upon written request of the holders or registered owners of not less than twenty-five per cent (25%) in principal amount of the Series P Bonds then outstanding, have the physical properties of the Company inspected at the Company's expense by an engineer or firm of engineers (who may be in the regular employ of the Company or under regular retainer from the Company ) selected by the Board of Directors of the Company and satisfactory to the Trustee. Such engineer or firm of engineers will file with the Trustee a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each holder of Series P Bonds.

The Company covenants and agrees that, if such engineer or firm of **engineers** shall report that a maintenance deficiency exists, the Company **will** with all reasonable speed make such repairs and/or do such other maintenance work as may be necessary to make good such deficiency as shall exist at the time of such report, whereupon

such engineer or firm of engineers (or, in the case of his or its refusal or inability to act, some other engineer or firm of engineers similarly selected ) shall report in writing to the Trustee that such deficiency has been made good.

If such deficiency shall not have been made good within one year, or such longer period as may be reported by such engineer or firm of engineers to be reasonably necessary for the purpose, the Trustee may, and upon proper request of the holders of at least twenty-five per centum (25%) in principal amount of the bonds of all series at the time outstanding shall, in accordance with the provisions of Article Fifteen of the Original Indenture, proceed to enforce this covenant of the Company.

Section 2.04. On the earliest date on which either (a) all Series A through L Bonds have been retired or (b) such amendment to Section 17.04 of the Original Indenture shall have been consented to by the holders of the Series A through L Bonds the amendment to Section 17.04 of the Original Indenture contained in Section 2.06 of the Thirteenth Supplemental Indenture shall become effective. No further assent of the holders of subsequent series of bonds shall be required for effecting such amendment.

The Company covenants and agrees that, so long as any Series P Bonds remain outstanding, it will not, without the assent and authorization of each holder of Series P Bonds, enter into any supplemental indenture, or effect any modification of any right specifically provided in respect of the bonds or any waiver of any such right, which would reduce the percentage of the principal amount of bonds set forth in Section 17.04 which is required to assent to and authorize modifications of the Indenture or to give waivers.

Section 2.05. Effective on the earliest date on which either (a) all Series A through N Bonds have been retired or (b) the holders of the Series A through N Bonds have consented to such an amendment, the Original Indenture is hereby amended by deleting

Article Eight, Section 8.08 thereof in its entirety. No further assent of the holders of subsequent series of bonds shall be required for effecting such amendment. The amendment contained in this Section 2.05 shall in no way affect the rights of the holders of the Series A through N Bonds under Article Eight, Section 8.08 of the Original Indenture unless and until they have consented to such amendment.

Section 2.06. Effective on the earliest date on which either (a) all Series A through N Bonds have been retired or (b) the holders of the Series A through N Bonds have consented to such an amendment, Article Eleven, Section 11.04 of the Original Indenture is hereby amended by designating the present Section 11.04 as subsection (A) and by adding a new subsection (B) to read as follows:

(B) Notwithstanding anything in subsection (A) of this Section 11.04 to the contrary, the Company, while in possession of the mortgaged property and not in default, may sell or exchange but not otherwise dispose of any of its property of a value of \$10,000 or less, and the Trustees shall release the same from the lien hereof, upon receipt by the Trustee of:

(a) A certificate signed and verified by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company

(i) describing the property for the release of which request is made, and stating that in the opinion of the signers such release will be of benefit to the Company and will not be prejudicial to the security of the bonds issued hereunder;

(ii) stating that the Company has sold or exchanged, or contracted to sell or exchange, the property for the release of which request is made for a consideration representing in the opinion of the signers its full value to the Company;

(iii) stating the amount and nature of such consideration and that it consists, or will consist, solely

## 12

of one or more of the following: cash, property additions, and properties which upon such exchange will constitute property additions;

(iv) if any property additions or properties which on acquisition will become property additions are to be received as consideration, briefly describing them, and stating that in the opinion of the signers their acquisition is desirable from the standpoint of the Company and the bondholders;

(v) stating that the Company is not in default hereunder and stating the original cost of the property to be released;

(b) All moneys stated in the certificate responsive to (a) of this section to be or to have been received in consideration for any property for the release of which request is made, or to the extent that such moneys constitute the consideration for property subject to an underlying mortgage, which moneys are required to be paid to or deposited with a mortgagee or trustee, a receipt by such mortgagee or trustee for such moneys, the Company covenanting, agreeing and directing that upon the satisfaction or release of such underlying mortgage any such money remaining in the possession or control of such mortgagee or trustee, to which the Company may be entitled, shall forthwith be deposited with the Trustee;

(c) Such deeds, bills of sale, supplemental indentures, or other instruments of conveyance as may be necessary or proper to subject to the lien of this Indenture any property received in exchange for property released.

No further assent of the holders of subsequent series of bonds shall be required for effecting such amendment. The amendment contained in this Section 2.06 shall in no way affect the rights of the holders of the Series A through N Bonds under Article Eleven, Section 11.04 of

the Original Indenture unless and until they have consented to such amendment.

Section 2.07. Effective on the earliest date on which either (a) all Series A through O Bonds have been retired or ( b ) the holders of the Series A through O Bonds have consented to such an amendment, Article Eleven, Section 11.04 ( B ) of the Original Indenture is hereby amended by deleting the words “\$10,000 or less”, and inserting in lieu thereof the words “up to one-tenth of one percent of total telephone plant of the Company in service”,

Section 2,08. Effective on the earliest date on which either (a) all Series A through O Bonds have been retired or (b) the holders of the Series A through O Bonds have consented to such an amendment, the Original Indenture is hereby amended by deleting, in the definition of “Available Bonds” contained in Article One, Section 1.01, the phrases

- 1) “(a ) redeemed by the use of any money deposited with the Trustee for the purpose of any sinking fund’, and
- 2) “or delivered to the Trustee in lieu of payments for any sinking fund.”

Section 2.09. Effective on the earliest date on which either (a) all Series A through O Bonds have been retired or ( b ) the holders of the Series A through O Bonds have consented to such an amendment, Article Ten, Section 10.03 of the Original Indenture is hereby amended by deleting the phrase “and shall not be reissued.”

Section 2.10. Effective on the earliest date on which either (a) all Series A through O Bonds have been retired or ( b ) the holders of the Series A through O Bonds have consented to such a amendment, Article Five, Section 5.01 (3) (a) is hereby deleted.

Section 2.11. Effective on the earliest date on which either (a) all Series A through O Bonds have been retired or (b) the holders of

the Series A through O Bonds have consented to such an amendment, Article Eight, Sections 8.11 and 8.12 of the Original Indenture is hereby amended by deleting the words "Ten thousand dollars (\$10,000)", wherever they occur, and inserting in lieu thereof the words "a value equalling one-tenth of one percent of total telephone plant of the Company in service."

Section 2.12. Effective on the earliest date on which either (a) all Series A through O Bonds have been retired or (b) the holders of the Series A through O Bonds have consented to such an amendment, Article Twelve, Section 12.03 of the Original Indenture is hereby deleted.

Section 2.13. Except as herein specifically changed, the Original Indenture, as supplemented and amended by the First through the Sixteenth Supplemental Indentures, is hereby in all respects ratified and confirmed,

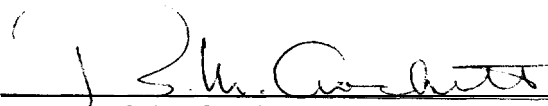
Section 2.14. Although this Seventeenth Supplemental Indenture is dated for convenience and for the purpose of reference as of July 1, 1979, the actual dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto annexed.

Section 2.15. The warranties, representations, and agreements contained in this Seventeenth Supplemental Indenture, insofar as they apply exclusively to the Series P Bonds, shall be construed in accordance with and governed by the laws of the State of Washington,

Section 2.16. This Seventeenth Supplemental Indenture shall be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

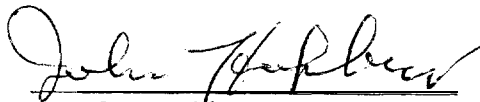
IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created; PEOPLES NATIONAL BANK OF WASHINGTON has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Trust Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and Donald Greenfield has hereto set his hand and seal, all as of July 1, 1979,

UNITED TELEPHONE COMPANY OF THE NORTHWEST

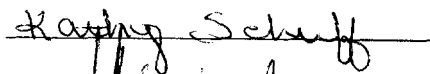
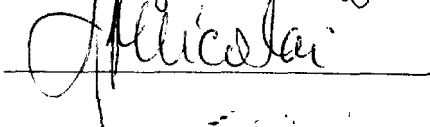
By   
R. M. Crockett, *President*

(Corporate Seal)

ATTEST:

  
John Hoffelner, *Secretary*

Signed, sealed and acknowledged by United Telephone Company of the Northwest in the presence of:





PEOPLES NATIONAL BANK OF WASHINGTON

By D.L. Holman  
Trust Officer

By D. Hemond  
Senior Trust Officer

ATTEST:  
[Signature]  
Trust Officer

(Corporate Seal)

Signed, sealed and acknowledged  
by Peoples National Bank of  
Washington in the presence of:

[Signature]  
[Signature]

[Signature]  
Donald Greenfield

Signed, sealed and acknowledged  
by Donald Greenfield in the pres-  
ence of:

[Signature]  
[Signature]

STATE OF OREGON }  
COUNTY OF MULTNOMAH } s. %

On this 10<sup>th</sup> day of July, 1979, before me, the undersigned officer, appeared R. M. CROCKETT and JOHN HOFFELNER, to me personally known, who, being duly sworn, did acknowledge themselves to be President and Secretary, respectively, of United Telephone Company of the Northwest, a corporation, and that said instrument was signed and sealed by R. M. CROCKETT as such President on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that JOHN HOFFELNER as such Secretary affixed the corporate seal of said corporation thereto and attested the same,

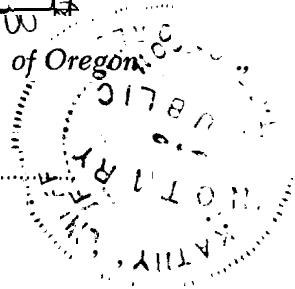
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written.

*Kathy S. Churchill*

Notary Public in and for the State of Oregon

(Notarial Seal)

My commission expires 10-24-80

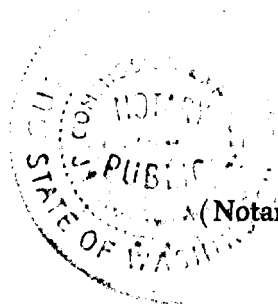


STATE OF WASHINGTON }  
COUNTY OF KING } ss.

On this 11<sup>th</sup> day of July, 1979, before me, the undersigned officer, personally appeared D. L. HENWOOD and D.L. Holma to me known to be Trust Officers of Peoples National Bank of Washington, the national banking association which executed the within and foregoing instrument, and D. L. HENWOOD and D.L. Holma as Trustee Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instrument and ELLEN E. MITTET as trust officer on oath stated that she was authorized to affix the seal of said

association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association,

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.



(Notarial Seal)

*Suzanne A. Hughes*

Notary Public in and for the State of Washington, residing at Seattle, Washington.

My commission expires 6-19-82

STATE OF WASHINGTON }  
COUNTY OF KING } Ss.

On this 11 day of July, 1979, before me, the undersigned officer, personally appeared DONALD GREENFIELD, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written,



(Notarial Seal)

*Suzanne A. Mathie*

Notary Public in and for the State of Washington, residing at Seattle, Washington.

My commission expires 6-19-82

**SCHEDULE A****1. Situated in County of Jackson, State of Oregon:**

Commencing at the corner common to Sections 17, 18, 19 and 20 in Township 36 South, Range 1 West of the Willamette Meridian in Jackson County, Oregon, thence North  $0^{\circ}17'40''$  West, along the centerline of Agate Road, 1478.35 feet, thence South  $89^{\circ}48'$  East, along the centerline of Avenue "G", 2798.64 feet to a bronze disk set in the concrete pavement on the centerline of Eighteenth Street; thence continue South  $89^{\circ}48'$  East, along the centerline of Avenue "G", 800.33 feet, thence South  $0^{\circ}12'$  West 40.00 feet to the south boundary of Avenue "G", thence continue South  $0^{\circ}12'$  West 47.00 feet, thence South  $36^{\circ}23'20''$  West 201.97 feet to the true point of beginning; thence North  $89^{\circ}48'$  West 280.75 feet to a  $\frac{1}{2}$ " iron pin on the east line of tract described in deed recorded as No. 72-01584 of the Official Records of Jackson County, Oregon; thence South  $0^{\circ}12'$  West, along the said east line of said tract, 90.00 feet to the southeast corner thereof; thence South  $89^{\circ}48'$  East 158.69 feet to a  $\frac{3}{8}$ " iron pin; thence North  $53^{\circ}03'45''$  East 152.32 feet to the true point of beginning.

**Exhibit A**

Form of Series P Fully  
Registered Bond Without Coupon

§.....

No. PR

First Mortgage Bond  
Series P

Due July 1, 2009

UNITED TELEPHONE COMPANY OF THE NORTHWEST

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (the "Company" ), for value received, hereby promises to pay to..... or registered assigns, on the first day of July, 2009, the principal sum of .....and to pay interest thereon from the date hereof (unless this Bond shall have been called for previous redemption and payment duly provided theref or ) at the rate of ten and one-eighth percent ( 10W ) per annum, payable semiannually on the first day of January and the first day of July in each year until said principal sum is paid. Both the principal of and the interest on this Bond shall be payable at the main office of Peoples National Bank of Washington, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated 10%% First Mortgage Bonds, Series P, due July 1, 2009, limited as to aggregate principal amount as set forth in the Seventeenth Supplemental Indenture hereinafter mentioned, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, es-

**tablished** in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series ) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Sixteenth Supplemental Indentures and a Seventeenth Supplemental Indenture dated as of July 1, 1979 (said eighteen instruments being collectively called the Indenture ), all duly executed and delivered by the Company to Peoples National Bank of Washington, of Seattle, Washington (the "Trustee" ), and to either Donald Greenfield of Seattle, Washington (the "Individual Trustee" ) or to Donald Greenfield's predecessors in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest and in other ways as in the Indenture provided or permitted.

Bonds of this Series P are redeemable in whole or in part at the option of the Company at any time, at the following redemption prices, expressed as percentages of said principal amount, during the respective periods hereinafter set forth, in each case together with accrued and unpaid

interest on the principal amount carried to the date fixed for redemption, as follows:

If Redeemed During 12 Months Ending June 30,	Redemption Price	If Redeemed During 12 Months Ending June 30,	Redemption Price
1980 .....	110.13	1995 .....	104.89
1981 .....	109.78	1996 .....	104.54
1982 .....	109.43	1997 .....	104.19
1983 .....	109.08	1998 .....	103.84
1984 .....	108.73	1999 .....	103.49
1985 .....	108.38	2000 .....	103.15
1986 .....	108.03	2001 .....	102.80
1987 .....	107.68	2002 .....	102.45
1988 .....	107.33	2003 .....	102.10
1989 .....	106.98	2004 .....	101.75
1990 .....	106.64	2005 .....	101.40
1991 .....	106.29	2006 .....	101.05
1992 .....	105.94	2007 .....	100.70
1993 .....	105.59	2008 .....	100.35
1994 .....	105.24	2009 .....	100.00

all on the conditions provided in the Indenture; provided, however, that no Series P Bond shall be redeemable, in whole or in part, at any time prior to July 1, 1989, directly or indirectly, as a part of, or in anticipation of, any refunding operations involving the incurring of any indebtedness by the Company having (i) an interest cost of less than ten and one-eighth percent ( 10 $\frac{1}{8}$ % ) per annum, or (ii) a Weighted Average Life to Maturity (as defined in the Seventeenth Supplemental Indenture), at the time of such redemption, less than the Weighted Average Life to Maturity of the Series P Bonds.

On the conditions and in the manner provided in the Indenture and in addition to redemption at the option of the Company as explained above, the Bonds of Series P shall be subject to redemption in whole or in part at the principal amount thereof, without premium, together in each case with interest thereon to the date of redemption ( i ) through the

operation of the sinking fund, (ii) by use of moneys deposited with or paid to the Trustee as the proceeds of property taken through the exercise of the power of eminent domain or sold to a governmental body pursuant to the provisions of any statute or franchise permitting such governmental body to compel the Company to make such a sale and (iii) by use of moneys similarly deposited as the proceeds of insurance policies because of damage to or destruction of property.

Notice of any of the aforesaid redemptions shall be given by registered mail to the registered owner hereof at his registered address, such notice to be mailed at least sixty (60) days prior to the date fixed for redemption, provided that notice of redemption for the sinking fund may be mailed as aforesaid not less than ten (10) days prior to the date fixed for redemption; all on the conditions and in the manner provided in the Indenture.

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the office of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This Bond shall not be valid nor become obligatory for any purpose



**until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.**

**IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.**

**UNITED TELEPHONE COMPANY OF THE NORTHWEST**

By.....  
**President**

**ATTEST:**

By.....  
**Secretary**

**DATED:**

**TRUSTEE'S CERTIFICATE**

This Bond is one of the Bonds of the 10 $\frac{1}{8}$ % First Mortgage Bonds, Series P, due July 1, 2009 referred to in the within mentioned Indenture.

**PEOPLES NATIONAL BANK OF WASHINGTON  
(Seattle, Washington )**

**Trustee**

By.....

**Authorized Officer**

[CONFORMED]

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**EIGHTEENTH SUPPLEMENTAL INDENTURE**

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**UNITED TELEPHONE COMPANY OF THE NORTHWEST**  
**TO**  
**U.S. BANK OF WASHINGTON, NATIONAL ASSOCIATION**  
**AND**  
**S. M. DAVIS**  
*Trustees*

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*Dated as of August 1, 1992*

**8.77% First Mortgage Bonds**  
**Series Q, due August 1, 2017**

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THIS EIGHTEENTH SUPPLEMENTAL INDENTURE dated as of August 1, 1992, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (the "Company"), and U.S. BANK OF WASHINGTON, NATIONAL ASSOCIATION (formerly "Peoples National Bank of Washington"), a national banking association duly organized and existing under and by virtue of the national banking laws of the United States of America, having its principal office and place of business in the City of Seattle, County of King and State of Washington (the "Trustee") and S. M. DAVIS of said City of Seattle (hereinafter sometimes referred to as the "Individual Trustee"), as Trustees, the Trustee and the Individual Trustee being sometimes hereinafter referred to collectively as the "Trustees."

Recitals:

The background of this Eighteenth Supplemental Indenture is:

A. Until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on said date to United Telephone Company of the Northwest.

B. The Company heretofore executed and delivered to the Trustee and to E. L. Blaine, Jr., who has been succeeded by Robert G. Perry, who has been succeeded by Donald Greenfield, who has been succeeded by Leo M. Riley, who has been succeeded by S. M. Davis, as Individual Trustee, its Indenture of Mortgage and Deed of Trust (hereinafter called the "Original Indenture," and the Original Indenture and all supplemental indentures thereto hereinafter collectively called the "Indenture"), dated as of January 1, 1946, whereby the Company granted, bargained, mortgaged and conveyed unto the Trustees and to their successors in said trust, all real and personal property then owned or to be thereafter acquired by the Company (other than property excepted from the lien thereof), to be held by the Trustees in trust in accordance with the provisions of the Original Indenture for the equal pro rata benefit and security of all Bonds issued under the Original Indenture and indentures supplemental thereto.

C. The Company has heretofore executed and delivered to the Trustee and to E. L. Blaine, Jr. or his successor, Robert G. Perry, or his successor, Donald Greenfield, or his successor, Leo M. Riley, or his successor, S. M. DAVIS, a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a

Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, a Twelfth Supplemental Indenture dated as of July 1, 1971, a Thirteenth Supplemental Indenture dated as of February 1, 1972, a Fourteenth Supplemental Indenture dated as of August 1, 1973, a Fifteenth Supplemental Indenture dated as of September 1, 1974, a Sixteenth Supplemental Indenture dated as of February 1, 1977, and a Seventeenth Supplemental Indenture dated as of July 1, 1979, under and pursuant to which supplemental indentures and the Original Indenture the Company has issued its First Mortgage Bonds, Series A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, and P, and the Original Indenture has been amended and modified in the particulars therein set forth.

D. The Company proposes (1) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated 8.77% First Mortgage Bonds, Series Q, due August 1, 2017 ("Series Q Bonds"), limited in aggregate principal amount to \$29,000,000 and (2) to mortgage and convey additional properties acquired or constructed by the Company since the date of the Seventeenth Supplemental Indenture.

E. All acts and things necessary to make the Series Q Bonds, when executed by the Company and authenticated by the Trustee as in the Indenture provided, the valid, binding and legal obligations of the Company, and to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Eighteenth Supplemental Indenture and the issue of the Series Q Bonds have in all respects been duly authorized, and the Company in the exercise of the legal right and power vested in it executes this Eighteenth Supplemental Indenture.

NOW, THEREFORE, THIS EIGHTEENTH SUPPLEMENTAL INDENTURE WITNESSETH:

That UNITED TELEPHONE COMPANY OF THE NORTHWEST, in consideration of the premises and of the acceptance by the Trustees of the trusts

hereby created and of the purchase and acceptance of the Series Q Bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of, premium, if any, and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge and set over unto U.S. BANK OF WASHINGTON, NATIONAL ASSOCIATION, and S. M. DAVIS, Trustees, and to their successors in the trust hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the date of the Seventeenth Supplemental Indenture or not described in the Original Indenture or the first seventeen supplemental indentures, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including, but without limiting the generality of the foregoing, the real property described in Schedule A hereto, together with all improvements thereon.

TO HAVE AND TO HOLD all said franchises and real and personal property, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First through the Seventeenth Supplemental Indentures, it being agreed as follows, to wit:

## ARTICLE ONE

## SERIES Q BONDS

1.01. There is hereby created a series of bonds entitled "8.77% First Mortgage Bonds, Series Q, due August 1, 2017" (the "Series Q Bonds") limited in principal amount to \$29,000,000. The Series Q Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and integral multiples thereof. The Series Q Bonds shall be dated as of the date of authentication. All Series Q Bonds shall mature August 1, 2017, and shall pay interest thereon at the rate of eight and seventy-seven hundredths percent (8.77%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date thereof or from the most recent date to which interest has been paid or duly provided for, semiannually on February 1 and August 1 in each year until the principal thereof becomes due and payable, and at the rate of nine and seventy-seven hundredths percent (9.77%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. For purposes of this section a "business day" shall mean any weekday on which the bank at which payment is to be made is open and conducting normal banking operations. Principal of, premium, if any, and interest on Series Q Bonds shall be payable at the main office of U.S. BANK OF WASHINGTON, NATIONAL ASSOCIATION, in Seattle, Washington, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The text of the Series Q Bonds and the Trustee's certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit A hereto.

1.02. At the option of the Company, the Series Q Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of

principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate, over (ii) the principal amount of the bonds being redeemed. The Discount Rate shall be equal to the sum of (i) the Yield on U.S. Treasury securities, on the third trading day preceding the date fixed for redemption, having a maturity corresponding to the Weighted Average Life of the bonds being redeemed and (ii) one-half of one percent. If no U.S. Treasury security maturity exactly corresponds to such Weighted Average Life of the bonds to be redeemed, yields for the two such Treasury maturities most closely corresponding to such Weighted Average Life of the bonds to be redeemed shall be interpolated or extrapolated from such Treasury yields on a straight-line basis, rounding to the nearest month to determine the Yield on U.S. Treasury securities. The Weighted Average Life of the bonds being redeemed shall mean, as of the date of any determination thereof, the number of years obtained by dividing the Remaining Dollar-Years of such principal by the aggregate amount of such principal. The Remaining Dollar-Years of such principal shall equal the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have become due on each scheduled payment date if such redemption had not been made, less (2) the amount of principal scheduled to become due after giving effect to such redemption, by (y) the number of years (calculated to the nearest one-twelfth) between the date of determination and such scheduled payment date, and (ii) totaling the products obtained in (i). The Yield on U.S. Treasury securities, with respect to a particular maturity on a particular date, shall mean the yield reported for U.S. Treasury securities of such maturity in the first listed of the following publications then available: (1) page "USD" of the Bloomberg Financial Markets Services Screen at 11:00 a.m., New York time, on such date, (2) any similar nationally recognized trading screen reporting on-line intra-day trading in U.S. Treasury securities at 11:00 a.m., New York time, on such date, (3) the arithmetic mean of the yields reported under the headings "This Week" and "Last Week" in the Federal Reserve

System's statistical release designated "H.15(519)" most recently published on or before such date, or (4) any other reasonably comparable index approved by the Company and the holders of 66 $\frac{2}{3}$ % in aggregate principal amount of the outstanding Series Q Bonds.

1.03. In addition to redemption at the option of the Company as provided above, the Series Q Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series Q Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series Q Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; **provided** further, however, that the Trustee may adjust such allocations so that the principal amounts of the bonds to be redeemed from each of the holders thereof shall be as nearly as possible to integral multiples of one thousand dollars (\$1,000).

1.04. Notwithstanding anything in the Indenture to the contrary, in case of redemption, other than pursuant to Section 1.03 hereof, of less than all of the Series Q Bonds outstanding, the aggregate of all moneys to be applied to such redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of one thousand dollars (\$1,000) or any integral multiple thereof, among each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after being notified by the Company of its intent to redeem, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for



redemption, but not exactly apportionable shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as in this section provided.

1.05. The Series Q Bonds shall not be redeemable except as provided in Section 1.02 or Section 1.03 hereof. Notwithstanding anything in the Indenture to the contrary, in case the Company shall desire to exercise its right to redeem Bonds of Series Q pursuant to Section 1.02 or Section 1.03 hereof, notice of redemption shall be mailed by the Company, by certified or registered mail, postage prepaid, not less than thirty days and not more than sixty days prior to the date fixed for redemption, to the holders of the bonds to be redeemed, as a whole or in part, at their addresses as the same shall appear on the transfer register of the Company. Such notice shall specify the date fixed for redemption, the principal amount of such holder's bonds being redeemed, the amount of interest accrued to the date fixed for redemption and an estimate of the Yield Maintenance Premium, if any. In the case of a redemption pursuant to Section 1.02 hereof, the Company shall also determine the amount of the Yield Maintenance Premium and give notice to the Trustee and each holder of the bonds being redeemed by facsimile or other same-day written communication two days prior to the date fixed for redemption stating the amount of the Yield Maintenance Premium and providing the details of the calculation of the Yield Maintenance Premium, even if it equals zero. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the holder receives it. In any case, failure duly to **give** notice by mail, or defect in the notice, to the holder of any such bond shall not affect the validity of the proceedings for the redemption of any other bond.

1.06. The Bonds of Series Q, upon surrender thereof at the main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations.

Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment of a sum sufficient to reimburse the Company or the Trustee for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee in connection with the transfer. Notwithstanding anything in Article Two, Section .09

of the Original Indenture to the contrary, the Company shall make no charge in connection with the transfer of Series Q Bonds other than those set forth in this Section 1.05.

1.07. Fully registered bonds of Series Q shall be numbered “QR-1” and consecutively upwards.

1.08. Upon the execution of this Eighteenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (provided the Company has complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company Bonds of Series Q in the form of fully registered bonds without coupons in the aggregate principal amount of Twenty-Nine Million Dollars (\$29,000,000).

## ARTICLE TWO

### AMENDMENTS TO THE INDENTURE

2.01. Upon the earlier of (a) the retirement of all Bonds of Series H through P and (b) the consent, pursuant to Section 17.04 of the Indenture, of the holders of Bonds of Series H through P, the Indenture shall be amended in accordance with this section.

(A) Section 4.01(A) shall be amended by deleting the words “located within the State of Oregon or the State of Washington”.

(B) Section 7.01 shall be amended by substituting in lieu of the words “a resolution” the words “an order of the Company”.

(C) The third sentence of Section 7.04 shall be amended by substituting for the words “not later than the last day on which the first notice by publication,” the words “not less than 30 days prior to the date fixed for redemption,” and by substituting for the words “where but one notice by publication is required, not later than the last day on which such notice by publication is required to be given” the words “not less than 10 days prior to the date fixed for redemption”.

(D) Section 11.04(A)(a) shall be amended by substituting for the words “A resolution” the words “An order of the Company”.

(E) Section 12.02 shall be amended by deleting the words “a resolution authorizing such redemption”.

(F) Section 12.03 shall be amended

(1) by replacing the words “two years” with the words “five years” at the end of the first paragraph thereof; and

(2) by replacing the words “a resolution” in the fourth paragraph thereof with the words “an order of the Company”.

(G) Section 12.04 shall be amended by

(1) by replacing the words “Two Hundred Thousand Dollars (\$200,000)” in the first paragraph thereof with the words “Two Million Dollars (\$2,000,000)”; and

(2) by replacing the words “One Hundred Thousand Dollars (\$100,000)” in the first paragraph thereof with the words “One Million Dollars (\$1,000,000)”.

(H) The first sentence of Section 12.05 shall be amended

(1) by deleting the first occurrence of the word “either”;

(2) by deleting the words “a resolution and”; and

(3) by replacing the words “Ten Thousand Dollars (\$10,000)” with the words “One Hundred Thousand Dollars (\$100,000)”.

(I) Section 13.02 shall be amended by adding after the words “property additions” in the first proviso thereof, the words “(except that cash may be withdrawn and property released on the basis of net bondable expenditures for property additions subject to the lien hereof by the successor corporation in the territory served by the Company immediately prior to such consolidation, merger, or transfer)”.

2.02. Effective upon the execution and recording of this Eighteenth Supplemental Indenture, the following amendments shall be made to the Indenture pursuant to Section 17.05 thereof for the purpose of correcting certain mistakes and curing certain ambiguities in the Indenture:

(A) There shall be added to Section 1.01 of the Indenture, the following definition of “Total Telephone Plant in Service”:

*Total Telephone Plant in Service*

As of any particular time, the net expenditures for property additions as shown in the most recent of (a) the Company’s annual

audited financial statements or (b) any certificate of net bondable expenditures for property additions delivered by the Company to the Trustee under any provision of the Indenture.

(B) Section 2.08 shall be amended by inserting in the first sentence thereof after the words "All bonds issued hereunder and secured hereby shall be executed" the words "by manual or facsimile signature".

(C) Section 4.01(A) shall be amended by adding after the words "constructed or acquired" the words "(including, for this purpose, property of a successor corporation in a consolidation or merger that assumes the duties and liabilities of the Company hereunder as described in Section 13.01)".

(D) Section 15.01 shall be amended by deleting paragraphs (g) and (h) thereof in their entirety and substituting therefor the following:

(g) The commencement by the Company or any subsidiary of a voluntary case or proceeding under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or the consent by the Company or any subsidiary to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or any subsidiary or of any substantial part of its property, or the making by the Company or any subsidiary of an assignment for the benefit of creditors, or the failure by the Company or any subsidiary generally to pay its debts as they become due, or the taking of action by the Company or any subsidiary in furtherance of any of the foregoing; or

(h) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Company or any subsidiary in an involuntary case or proceeding under the Federal bankruptcy law, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency, reorganization or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or any subsidiary or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) days.

## ARTICLE THREE

## ADDITIONAL PROVISIONS

3.01. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Eighteenth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands (except those which constitute permitted encumbrances) of all persons whomsoever.

3.02. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. So long as any Series Q Bonds remain outstanding, it will during the three year period beginning January 1, 1992, and each successive three year period, upon written request of the holders or registered owners of not less than twenty-five per cent (25%) in principal amount of the Series Q Bonds then outstanding, have the physical properties of the Company inspected at the Company's expense by an engineer or firm of engineers (who may be in the regular employ of the Company or under regular retainer from the Company) selected by the Board of Directors of the Company and satisfactory to the Trustee. Such engineer or firm of engineers will file with the Trustee a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each holder of Series Q Bonds.

The Company covenants and agrees that, if such engineer or firm of engineers shall report that a maintenance deficiency exists, the Company will with all reasonable speed make such repairs or do such other maintenance work as may be necessary to make good such deficiency as shall exist at the time of such report, whereupon such engineer or firm of engineers (or, in the case of his or its refusal or inability to act, some other engineer or firm of engineers similarly selected) shall report in writing to the Trustee that such deficiency has been made good.

If such deficiency shall not have been made good within one year, or such longer period as may be reported by such engineer or firm of engineers to be reasonably necessary for the purpose, the Trustee may, and upon proper request of the holders of at least twenty-five per centum

(25%) in principal amount of the bonds of all series at the time outstanding shall, in accordance with the provisions of Article Fifteen of the Original Indenture, proceed to enforce this covenant of the Company.

**3.03.** Notwithstanding anything in the Indenture to the contrary, the signatures of the officers executing the Bonds of Series Q may be manual signatures or facsimiles thereof, and the corporate seal may be mechanically reproduced thereon.

**3.04.** Except as herein specifically changed, the Original Indenture, as supplemented and amended by the First through the Seventeenth Supplemental Indentures, is hereby in all respects ratified and confirmed.

**3.05.** Although this Eighteenth Supplemental Indenture is dated for convenience and for the purpose of reference as of August 1, 1992, the actual dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto annexed.

**3.06.** The warranties, representations, and agreements contained in this Eighteenth Supplemental Indenture, insofar as they apply exclusively to the Series Q Bonds, shall be construed in accordance with and governed by the laws of the State of Washington.

**3.07.** This Eighteenth Supplemental Indenture shall be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created; U.S. BANK OF WASHINGTON, NATIONAL ASSOCIATION, has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Authorized Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and S. M. DAVIS has hereto set his hand, all as of August 1, 1992.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By: ...../s/ Randy W. Osler.....  
Randy W. Osler,  
*President*

(CORPORATE SEAL)

Attest:

...../s/ Tim J. Bonansinga.....  
Tim J. Bonansinga,  
*Secretary*

U.S. BANK OF WASHINGTON,  
NATIONAL ASSOCIATION

By: ...../s/ Donna A. Finche.....  
*Authorized Officer*

(CORPORATE SEAL)

Attest:

...../s/ Kim Murphy.....  
*Authorized Officer*

.....Corporate Officer.....

Signed, sealed and acknowledged by U.S.  
BANK OF WASHINGTON NATIONAL ASSOCI-  
ATION in the presence of

...../s/ S. M. Davis.....  
S. M. Davis

Signed, sealed and acknowledged by S. M.  
DAVIS in the presence of:

...../s/ Kim Murphy.....  
.....Corporate Officer.....

STATE OF OREGON }  
COUNTY OF HOOD RIVER } ss:

On this 14th day of September, 1992, before me, the undersigned officer, appeared Randy W. Osler and Tim J. Bonansinga, to me personally known, who, being duly sworn, did acknowledge themselves to be President and Secretary, respectively, of United Telephone Company of the Northwest, a corporation, and that said instrument was signed and sealed by Randy W. Osler as such President on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that Tim J. Bonansinga as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written.

...../s/ Rebecca M. Bugge.....  
*Notary Public*

My Commission Expires:

.....9/16/94.....



STATE OF WASHINGTON }  
COUNTY OF KING } ss:

On this 16th day of September, before me, the undersigned officer, personally appeared Donna A. Finche and Kim Murphy to me known to be Authorized Officers of U.S. BANK OF WASHINGTON, NATIONAL ASSOCIATION, the national banking association which executed the within and foregoing instrument, and Donna A. Finche and Kim Murphy as Authorized Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instrument and Kim Murphy as authorized officer on oath stated that she was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

...../s/ Teresa A. Carroll  
*Notary Public*

My Commission Expires:

.....**01-09-93**.....

STATE OF WASHINGTON }  
COUNTY OF KING } ss:

On this 16th day of September, 1992, before me, the undersigned officer, personally appeared S.M. DAVIS, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

...../s/ Teresa A. Carroll.....  
*Notary Public*

My Commission Expires:

.....01-09-93.....

SCHEDULE A

Real Property Descriptions

PARCEL 1 TOPPENISH — BUENA RLS (9, 10, 11/81)

Situated in the County of Yakima, State of Washington:

Beginning at a point on the East line of Section 21, Township 11 North, Range 20, E.W.M., 635.9 feet South of the Northeast corner of said section; thence South 55°17' West 335.9 feet, more or less, to the East line of county road (Buena Road); thence Northwesterly along the East line of said road 124 feet to the true point of beginning; thence North 55°17' East 102.51 feet; thence North 47°25' West 51.25 feet; thence South 55°17' West 102.51 feet to the Easterly line of county road; thence South 47°25' East along the East line of said road 51.25 feet to the true point of beginning, records of Yakima County, Washington.

TOGETHER WITH all water rights appurtenant thereunto and all water rights possessed by grantor appertaining thereto.

PARCEL 2 PARKER (9/82)

Situated in the County of Yakima, State of Washington:

The West half of Lots 15 and 16, Block 3, TOWN OF PARKER, as recorded in Volume "B" of Plats, page 92, records of Yakima County, Washington. Parcel No. 191229-12694

TOGETHER WITH all water rights appurtenant thereunto and all water rights possessed by grantor appertaining thereto.

PARCEL 3 SUNNYSIDE DISTRICT OFFICE EXPANSION (12/89)

Situated in the County of Yakima, State of Washington:

Lots 7, 8, 9 and 10, Block 21, of SUNNYSIDE, Washington, according to the official plat thereof recorded in Volume "A" of Plats, Page 59, records of Yakima County, Washington.

**PARCEL 4 SUNNYSIDE Y (01, 02, 03, 04/81)**

Situated in the County of Benton, State of Washington:

Lot 2, as delineated in Volume 1 of Short Plats, Page 1284, being a portion of the West 1320 feet of the Southwest quarter of Section 7, Township 12 North, Range 24 East, W.M., Benton County, Washington.

TOGETHER WITH a drainage, utility, and access easement over and across a strip of land located in the SW 1/4 of Section 7, Township 12 N, Range 24, E.W.M., described as follows: **An** easement 30 feet in width, 15 feet of such width on each side of the following described centerline: Beginning at a point 90 feet right of Highway Engineer's Station 1602+38.21 on the center of SR 24, M.P. 30.40 to M.P. 31.56, being on the Southerly right of way margin of SR 24, the true point of beginning; thence S 68°18'25" W for 147.21 feet; thence S 65°41'55" W for 206.50 feet; thence S 68°32'35" W for 32.42 feet to the E line of the W 1320 feet of said 1/4 of Section 7, and the terminus of said centerline, said access easement being personal and granted to United Telephone Company of the Northwest only.

TOGETHER WITH drainage, utility, and access easements over and across Lot 1 of said Short Plat as delineated on the face of said Short Plat.

**PARCEL 5 SUNNYSIDE POLEYARD (08, 09, 10/90)**

Situated in Yakima County, State of Washington:

That part of the Northwest quarter of the Southeast quarter of Section 35, Township 10 North, Range 22 East, W.M., described as follows:

Beginning at the Southeast corner of the Northwest quarter of the Southeast quarter of Section 35, Township 10 North, Range 22 East, W.M.; thence West along the South line of said Northwest quarter of the Southeast quarter a distance of 660 feet; thence North 15°55' East along a certain drain ditch a distance of 757 feet to a point which is 452 feet due West of the East line of the Northwest quarter of the Southeast quarter; thence North 51°32' East a distance of 577 feet, more or less, to a point on the East line of said Northwest quarter of the Southeast quarter; thence South along the said East line to the Point of Beginning;

EXCEPT that portion lying South of the North line of Interstate 82 as adjudicated in Yakima County Superior Court Cause No. 78-2-00709-0.

**PARCEL 6 PATTERSON C.O. (05, 06, 07/84)**

Situated in the County of Benton, State of Washington:

Lot 1, as delineated in Volume 1 of Short Plats, Page 1393, being a portion of the Northeast quarter of the Northeast quarter of Section 7, Township 5 North, Range 26 East, W.M., TOGETHER WITH an easement for ingress and egress over and across the South 20 feet of the North 30 feet of the East 90 feet of Lot 2 of said Short Plat.

EXCEPTING AND RESERVING THEREFROM all coal, oil, gas and other minerals and mineral rights in, under and upon the described parcel of land and the right to remove the same by subterranean process.

**PARCEL 7 POULSBO POLEYARD (04, 07/79)**

Situated in the County of Kitsap, State of Washington:

The southeast quarter of the southeast quarter of Section 3, Township 26 North, Range 1 East, W.M.; lying West of the Westerly Right of Way Margin of SR-3; EXCEPT the north 260 feet; EXCEPT the Plat of Poulsbo Acres recorded in Volume 21 of Plats, pages 66, 67 and 68, records of Kitsap County; and EXCEPT the west **506** feet thereof.

**PARCEL 8 E. POULSBO/LINCOLN HILL DMS-1 (12/79)**

Situated in the County of Kitsap, State of Washington:

*Tract A:* That portion of the northwest quarter of the northeast quarter, Section 13, Township 26 North, Range 1 East, W.M., in Kitsap County, Washington, described as follows: Commencing in an angle of County Road where it bends off from a line between the northeast quarter of the northeast quarter, Section 13, and the southeast quarter of the southeast quarter, Section 12, all in Township 26 North, Range 1 East, W.M., in Kitsap County, Washington; thence following said County Road in a southwesterly direction 696 feet to the true point of beginning; thence at right angles to said County Road, in a southeasterly direction 208 feet; thence at right angles to the last described course in a southwesterly direction 208 feet; thence at right angles to the last described course in a northwesterly direction 208 feet; thence at right angles to the last described course in a northeasterly direction 208 feet to the true point of beginning; EXCEPT County Road.

*Tract B:* That portion of the northwest quarter of the northeast quarter, Section 13, Township 26 North, Range 1 East, W.M., in Kitsap County, Washington, described as follows: Commencing in an angle of County Road where it bends off from a line between the northeast quarter of the northeast quarter, Section 13, and the southeast quarter of the southeast quarter, Section 12, all in Township 26 North, Range 1 East, W.M., in Kitsap County, Washington; thence following said County Road in a southwesterly direction 696 feet to the true point of beginning; thence at right angles to said County Road in a southeasterly direction 208 feet to the most easterly corner of that certain tract of land conveyed to School District No. 45 by deed bearing Auditor's File No. 17108; thence northeasterly along the easterly line extended of said School District No. 45 tract 80 feet, more or less, to the westerly margin of County Road No. 206-1/2; thence northerly along said westerly margin 350 feet, more or less, to its intersection with the easterly boundary of County Road No. 37; thence southwesterly along said boundary 300 feet, more or less, to the true point of beginning; EXCEPT Roads; and EXCEPT that portion sold under contract recorded under Recording No. 8803300131.

**PARCEL 9 STEVENSON — CARSON DMS-1 (7/85)**

Situated in the County of Skamania, State of Washington: A tract of land in the Northwest Quarter of the Northeast Quarter (NW 1/4NE 1/4) of Section 20, Township 3 North, Range 8 E.W.M. described as follows:

Commencing at a point on the East line of the Northwest Quarter of the Northeast Quarter of said Section 20 South 660 feet from the Northeast corner thereof; thence West parallel to the North line of said Section 20 a distance of 230 feet to the true point of beginning; thence continuing parallel to said North line 200 feet; thence South 100 feet; thence East 200 feet; thence North 100 feet to the true point of beginning. Said property being the West 200 feet of that property described in Real Estate Contract recorded March 4, 1974 in Book 66, page 335 of the Deed Records of Skamania County, Washington;

TOGETHER WITH: an easement over and across an existing private road known as Hughes Road for purposes of ingress and egress from Skamania County Road known as Wind River Highway to subject property.

**PARCEL 10 CASCADE LOCKS CO. (6/83)**

Situated in the County of Hood River, State of Oregon:

A tract of land situated in the Southeast one-quarter of the Southwest one-quarter of Section 12, Township 2 North, Range 7 East of the Willamette Meridian, in the County of Hood River and State of Oregon, being more particularly described as follows:

Beginning at an iron rod in the Southerly line of that certain tract of land conveyed to the Pacific Telephone and Telegraph Co. by deed described in Book 28, page 143 and recorded May, 1940 in Deed Records, said County; said iron rod bears South 81'40'00" West a distance of 49.75 feet from a found iron pipe marking the most Easterly corner thereof; thence South 26°25'45" West leaving said Southerly line a distance of 15.43 feet to an iron rod; thence North 63°34'15" West a distance of 22.23 feet to an iron rod in said Southerly line; thence North 81'40'00" East along said Southerly line a distance of 27.06 feet to the point of beginning.

**PARCEL 11 HOOD RIVER PARKING LOT (STATE STREET) (12/88)**

Situated in the City of Hood River, the County of Hood River, State of Oregon:

Lots 1, 2, 27, 28 and East 6 feet of Lots 3 and 26, Block 1, WAUCOMA

TOGETHER WITH: Lots 3 and 26 (except the East 6 feet thereof) and Lots 4 and 25, Block 1, WAUCOMA;

TOGETHER WITH: Lots 5 and 24, Block 1, WAUCOMA.

**PARCEL 12 THE DALLES WORK CENTER (09/89)**

Situated in the County of Wasco, State of Oregon:

A tract of land in Government Lot 8, Section 33, Township 2 North, Range 13 East of the Willamette Meridian, Wasco County, Oregon, more particularly described as follows:

Commencing at a point on the Northeasterly right-of-way of the Old Columbia River Highway, which point is the Southeasterly corner of that tract of land conveyed to Eddins Brothers as recorded in Volume 122, page 720, Deed Records of Wasco County, Oregon said point also being 262.02 feet South and 932.88 feet West of the center of said Section 33;

thence Southeasterly along the Northerly right-of-way of the Old Columbia River Highway, said right-of-way being 50 feet from the centerline of said highway (when measured at right angles) on a **3,769.72** foot radius curve left **183.10** feet (the long chord of which bears South **34°39'40"** East **183.08** feet) to the Southeasterly corner of that tract of land conveyed to Eric Ward as recorded in Microfilm No. **851112**, Deed of Records of Wasco County, Oregon; thence continuing Southeasterly along the said Northerly right-of-way of the Old Columbia River Highway on a **3,769.72** foot radius curve left **375.43** feet (the long chord of which bears South **38°54'20"** East **375.27** feet) to the true point of beginning of the description; thence continuing along the said Northerly right-of-way of the Old Columbia River Highway on a **3,769.72** foot radius curve left **358.03** feet (the long chord of which bears South **44°28'46"** East **357.90** feet) to the Northwesterly corner of that tract of land conveyed to the State of Oregon as described in Instrument No. **850221**, Microfilm Records of Wasco County, Oregon; thence along the Northerly line of said State of Oregon tract North **76°42'08"** East **33.66** feet to the Northeasterly corner thereof, said point being on the Westerly right-of-way of said Webber Road, said right-of-way being **40** feet from the centerline of said Road (when measured at right angles); thence along the said right-of-way North **20°50'00"** East **146.70** feet; thence along the radius of a **278.73** foot radius curve right **148.93** feet (the long chord of which bears North **36°08'19"** East **147.16** feet) to the intersection with the Southwesterly right-of-way of the Union Pacific Railroad, said right-of-way being 50 feet (when measured from the centerline of the original main track when measured at right angles); thence Northwesterly along the said right-of-way along a **1,959.86** foot radius curve right **309.08** feet (the long chord of which bears North **54°39'11"** West **308.76** feet); thence South **42°23'10"** West **253.13** feet to the point of beginning.

**PARCEL 13 WILLAMINA CO. (12/79)**

Situated in Yamhill County, State of Oregon:

Lot **1** in Block **3** of the Original Town of Willamina in Yamhill County, Oregon, together with a strip of land **7** feet wide adjoining said Lot **1** on the East.



**PARCEL 14 CLOVERDALE — NESKOWIN T-CARRIER HUT (02/80)**

Situated in the County of Tillamook, State of Oregon:

Beginning at the Initial Point of that subdivision known as Hawk Creek Hills in Section 25, Township 5 South, Range 11 West, of the Willamette Meridian; thence North  $67^{\circ}32'23''$  West along the North side-line of the old County road a distance of 50 feet; thence North  $7^{\circ}19'50''$  East, 50 feet; thence South  $67^{\circ}32'23''$  East, 50 feet; thence South  $7^{\circ}19'50''$  West, 50 feet to the beginning point;

TOGETHER WITH: a non-exclusive easement for underground cable installation and maintenance, and for ingress and egress to the aforementioned property, which easement over an existing roadway is described as follows:

Beginning at a point on the northerly side-line of Summit Road in that subdivision known as Hawk Creek Hills, in Section 25, Township 5 South, Range 11 West, Willamette Meridian, Tillamook County, State of Oregon, such point lying South  $67^{\circ}32'23''$  East from the Initial Point of said subdivision a distance of 14 feet; thence North  $7^{\circ}19'50''$  East, 25 feet; thence North  $67^{\circ}32'23''$  West, 14 feet; thence North  $7^{\circ}19'50''$  East, 25 feet; thence South  $67^{\circ}32'23''$  East, 30 feet; thence South  $7^{\circ}19'50''$  West, 50 feet; thence North  $67^{\circ}32'23''$  West, 16 feet to the beginning point.

**PARCEL 15 PACIFIC CITY — SANDLAKE (12/90)**

Situated in the County of Tillamook, State of Oregon:

Lot 10, Block 8, TIERRA DEL MAR, in Tillamook County, Oregon, according to the official plat thereof recorded in Book 2, Page 61, Plat records.

**PARCEL 16 LINCOLN CITY — PANTHER CREEK (11/83)**

Situated in the County of Lincoln, State of Oregon:

That part of Lot 67, Block 4, Panther Creek, in Lincoln County lying Northerly of the centerline of Panther Creek, except any portion deeded to Lincoln County by deed recorded August 17, 1964 in Book 247, Page 185, Deed Records.

**PARCEL 17 WHITE CITY**

Situated in the County of Jackson, State of Oregon:

Tract A: Commencing at the corner common to Sections 17, 18, 19 and 20 Township 36 South, Range 1 West, Willamette Meridian, Jackson County, Oregon; thence North 1427.2 feet, thence East, 3190.7 feet to a 5/8" iron pin located on the South boundary of Avenue "G" for the true point of beginning; thence along the South boundary of Avenue "G", being 40.00 feet Southerly at right angles from the monumented centerline thereof, South 89°48' East, 400.00 feet; thence South 0°12' West, 47.00 feet; thence South 36°23' 20" West, 201.97 feet; thence North 89°48' West, 280.75 feet; thence North 0°12' East, 210.00 feet to the true point of beginning.

Tract B: Commencing at the corner common to Sections 17, 18, 19 and 20 in Township 36 South, Range 1 West of the Willamette Meridian in Jackson County, Oregon, thence North 0°17'40" West, along the centerline of Agate Road, 1478.355 feet, thence South 89°48' East, along the centerline of Avenue "G", 2798.64 feet to a bronze disk set in the concrete pavement on the centerline of Eighteenth Street, thence continue South 89°48' East, along the centerline of Avenue "G", 800.33 feet, thence South 0°12' West 40.00 feet to the south boundary of Avenue "G", thence continue South 0°12' West 47.00 feet, thence South 36°23'20" West 201.97 feet to the true point of beginning; thence North 89°48' West 280.75 feet to a 5/8" iron pin on the east line of tract described in deed recorded as No. 72-01584 of the Official Records of Jackson County, Oregon; thence South 0°12' West, along the said east line of said tract, 90.00 feet to the southeast corner thereof; thence South 89°48' East 158.69 feet to a 3/4" iron pin; thence North 53°03'45" East 152.32 feet to the true point of beginning.

TOGETHER WITH an easement 30 feet wide for vehicle and pedestrian access over and across the following described real property:

Commencing at the corner common to Sections 17, 18, 19 and 20, in Township 36 South, Range 1 West, Willamette Meridian, Jackson County, Oregon; thence along the center line of Agate Road, North 0°17'40" West, 1478.35 feet; thence along the center line of Avenue "G", South 89°48' East, 2798.64 feet, to a bronze disk set in the concrete pavement, and located on the center line of Eighteenth Street; thence along the center line of Avenue "G", South 89°48' East, 800.33 feet;

thence South 0°12' West, 87.00 feet, to an angle point on the Easterly boundary of tract described in instrument recorded as Document No. 67-02458, Official Records of Jackson County, Oregon; thence along the Southeasterly boundary of said tract, South 36°23'20" West, 121.75 feet, to a 3/4" rebar, for the true point of beginning; thence South 45°06' East, 249.13 feet, to intersect the Northwesterly right of way line of the Crater Lake Highway (State Highway No. 62); thence along said highway line, South 44°51'20" West, 228.96 feet; thence North 45°08'40" West, 260.89 feet; thence North 89°48' West, 158.69 feet, to the Southeast corner of that parcel described in instrument recorded as Document No. 72-01584, said Official Records; thence North 0°12' East, 90.00 feet, to a 5/8" iron pin located at the Southwest corner of tract described in instrument recorded as Document No. 67-02458, said Official Records; thence South 89°48' East, 280.75 feet, to a corner on the South boundary of said tract, thence North 36°23'20" East, 80.22 feet, to the true point of beginning.

LESS the real property described above.

**PARCEL 18 WHITE CITY — EAGLE POINT REMOTE (02/80)**

Situated in the County of Jackson, State of Oregon:

A parcel of land located in the Southwest one-quarter (1/4) of Section 3, Township 36 South, Range 1 West, Willamette Meridian, Jackson County, Oregon and being more particularly described as follows:

Commencing at the Southwest corner of Donation Land Claim No. 46 in Township 36 South, Range 1 West, Willamette Meridian, Jackson County, Oregon; thence along the West line of said Donation Land Claim No. 46, North 00°04'25" East 801.90 feet; thence North 89°59'38" East 1200.34 feet, parallel with the South line of said Claim No. 46 to a 5/8 inch iron pin on the Easterly right of way line of Crater Lake Highway (State Highway No. 62) for the true point of beginning; thence continue North 89°59'38" East 22.00 feet to a 5/8 inch iron pin; thence South 09°35' 30" East (Record South 09°34' East) 197.00 feet to a 5/8 inch iron pin; thence North 69°14'25" West 117.84 feet to a 5/8 inch iron pin on said Easterly right of way of Crater Lake Highway; thence along said Easterly right of way line on the arc of a curve to the left having a radius of 5789.58 feet a distance of 162.22 feet (the long chord bears North 19°57'25" East 162.215 feet) to the true point of beginning.

**PARCEL 19 WHITE CITY — DODGE RLCM (BEAGLE) (06/81)**

Situated in the County of Jackson and State of Oregon:

Beginning at the northeast corner of Lot Fourteen (14) of DONEGAN ORCHARD TRACTS in Jackson County, Oregon, according to the official plat thereof, now of record; thence West 100.00 feet; thence South, parallel with the east line of said Lot 14, a distance of 100.0 feet; thence East 100.0 feet to the east line of said Lot 14; thence North, along said east line to the point of beginning.

**EXHIBIT A****Form of Series Q Fully  
Registered Bond Without Coupon**

No. QR-..... \$.....

UNITED TELEPHONE COMPANY OF THE NORTHWEST

8.77% FIRST MORTGAGE BOND SERIES Q, DUE AUGUST 1, 2017

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (the "Company"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of August, 2017, the principal sum of \_\_\_\_\_ and to pay interest thereon at the rate of eight and seventy-seven hundredths percent (8.77%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date hereof or from the most recent date to which interest has been paid or duly provided for, semiannually on February 1 and August 1 in each year until the principal hereof becomes due and payable, and at the rate of nine and seventy-seven hundredths percent (9.77%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day Both the principal of and the interest on this Bond shall be payable at the main office of U.S. Bank of Washington, National Association, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated 8.77% First Mortgage Bonds, Series Q, due August 1, 2017, limited as to aggregate principal amount as set forth in the Eighteenth Supplemental Indenture hereinafter mentioned, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the

bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Seventeenth Supplemental Indentures and an Eighteenth Supplemental Indenture dated as of August 1, 1992 (said nineteen instruments being collectively called the Indenture), all duly executed and delivered by the Company to U.S. Bank of Washington, National Association, of Seattle, Washington (the "Trustee"), and to either S. M. Davis of Seattle, Washington (the "Individual Trustee") or to S. M. Davis's predecessors in the office of individual trustee pursuant to the Indenture, as trustees, to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees, and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest, and in other ways as in the Indenture provided or permitted.

At the option of the Company and upon notice as provided in the Indenture, the Series Q Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate (as defined in the Indenture by reference to the yield three trading days prior to the date fixed for redemption of U.S. Treasury securities having a maturity corresponding to the weighted average life of the bonds being redeemed on the date fixed for redemption), over (ii) the principal amount of the bonds being redeemed.

On the conditions and in the manner provided in the Indenture and in addition to redemption at the option of the Company as explained above, the Series Q Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the

principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series Q Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series Q Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amounts of the bonds to be redeemed from each of the holders thereof shall be as nearly as possible to integral multiples of one thousand dollars (\$1,000).

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the office of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By: .....  
*President*

Attest:

.....  
*Secretary*



TRUSTEE'S CERTIFICATE

This Bond is one of the Bonds of the 8.77% First Mortgage Bonds. Series Q, due August 1, 2017 referred to in the within-mentioned Indenture.

U.S. BANK OF WASHINGTON,  
NATIONAL ASSOCIATION

Dated: .....

By: .....

*Authorized Officer*

**Recording Information  
Eighteenth Supplemental Indenture**

<u>Slate</u>	<u>County</u>	<u>Date</u>	<u>Book</u>	<u>Page</u>	<u>Inst. No.</u>
Oregon	Crook	9/18/92			105664
Oregon	Deschutes	9/21/92	276	2233	92-31039
Oregon	Douglas	9/18/92	1199	428	92-16939
Oregon	Gilliam	9/18/92			M-20-425
Oregon	Grant	9/18/92			921952
Oregon	Harney	9/18/92			921538
Oregon	Hood River	9/18/92			922784
Oregon	Jackson	9/18/92			92-28312
Oregon	Jefferson	9/18/92			922776
Oregon	Klamath	9/18/92	M92	21423	
Oregon	Lake	9/18/92	95	636	
Oregon	Lane	9/18/92	1791R		9252613
Oregon	Lincoln	9/18/92	250	1577	
Oregon	Malheur	9/18/92			92-6595
Oregon	Polk	9/18/92	258	901	
Oregon	Tillamook	9/18/92	345	191	
Oregon	Wasco	9/18/92			923510
Oregon	Yamhill	9/18/92	275	150	
Washington	Benton	9/18/92			92-23163
Washington	Grant	9/18/92	19	1317	920918052
Washington	Kitsap	9/18/92	671	743	9209180289
washington	Klickitat	9/21/92	287	700	230659
Washington	Skamania	9/18/92	180	805	
Washington	Yakima	9/18/92			2914487
Washington	Jefferson	9/18/92	387	527	

CONFORMED COPY

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**NINETEENTH SUPPLEMENTAL INDENTURE**

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**UNITED TELEPHONE COMPANY OF THE NORTHWEST**

**TO**

**FIRST BANK NATIONAL ASSOCIATION**

**AND**

**ELLENE.MITTET**

*As Trustees*

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*Dated as of July 1, 1993*

**First Mortgage Bonds, Series R, 5.74%, due July 1, 1998**

**First Mortgage Bonds, Series S, 6.21%, due July 1, 2000**

**First Mortgage Bonds, Series T, 6.89%, due July 1, 2008**

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THIS NINETEENTH SUPPLEMENTAL INDENTURE dated as of July 1, 1993, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon, having its principal office and place of business in the City and County of Hood River in said state (the "Company" '), and FIRST BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the national banking laws of the United States of America, having its principal office and place of business in the City of Minneapolis, Minnesota, as successor trustee (the "Trustee") and ELLEN E. MITTET of the City of Seattle, County of King and State of Washington, as successor individual trustee (hereinafter sometimes referred to as the "Individual Trustee" and collectively, with the Trustee, the "Trustees" '), as Trustees.

Recitals:

The background of this Nineteenth Supplemental Indenture is:

A. Until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on said date to United Telephone Company of the Northwest.

B. The Company heretofore executed and delivered to Peoples National Bank of Washington, now known as U.S. Bank of Washington, National Association, which has been succeeded by First Bank National Association as the Trustee and to E. L. **Blaine**, Jr., who has been succeeded by Robert G. Perry, who has been succeeded by Donald Greenfield, who has been succeeded by Leo M. Riley, who has been succeeded by S. M. Davis, who has been succeeded by Ellen E. Mittet, as Individual Trustee, its Indenture of Mortgage and Deed of Trust (hereinafter called the "Original Indenture," and the Original Indenture and all supplemental indentures thereto hereinafter collectively called the "Indenture" '), dated as of January 1, 1946, whereby the Company granted, bargained, mortgaged, and conveyed unto the Trustees and to their successors in said trust, all real and personal property then owned or to be thereafter acquired by the Company (other than property excepted from the lien thereof), to be held by the Trustees in trust in accordance with the provisions of the Original Indenture for the equal pro rata benefit and security of all Bonds issued under the Original Indenture and indentures supplemental thereto.

C. The Company has heretofore executed and delivered to the predecessors to the Trustees a First Supplemental Indenture dated as of

April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, a Twelfth Supplemental Indenture dated as of July 1, 1971, a Thirteenth Supplemental Indenture dated as of February 1, 1972, a Fourteenth Supplemental Indenture dated as of August 1, 1973, a Fifteenth Supplemental Indenture dated as of September 1, 1974, a Sixteenth Supplemental Indenture dated as of February 1, 1977, a Seventeenth Supplemental Indenture dated as of July 1, 1979, and an Eighteenth Supplemental Indenture dated as of August 1, 1992, under and pursuant to which supplemental indentures and the Original Indenture the Company has issued its First Mortgage Bonds, Series A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, and Q, and the Original Indenture has been amended and modified in the particulars therein set forth.

D. The Company proposes (1) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated First Mortgage Bonds, Series R, 5.74%, due July 1, 1998 ("Series R Bonds"), limited in aggregate principal amount to \$2,650,000, (2) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated First Mortgage Bonds, Series S, 6.21%, due July 1, 2000 ("Series S Bonds"), limited in aggregate principal amount to \$4,700,000, (3) to create and issue, and establish the terms and provisions applicable to, an additional series of Bonds to be designated First Mortgage Bonds, Series T, 6.89%, due July 1, 2008 ("Series T Bonds"), limited in aggregate principal amount to \$8,150,000, and (4) to mortgage and convey additional properties acquired or constructed by the Company since the date of the Eighteenth Supplemental Indenture.

E. All acts and things necessary to make the Series R, Series S, and Series T Bonds, when executed by the Company and authenticated by the Trustee as in the Indenture provided, the valid, binding, and legal obligations of the Company, and to constitute these presents a valid indenture and agreement according to its terms, have been done and

performed, and the execution of this Nineteenth Supplemental Indenture and the issue of the Series R, Series S, and Series T Bonds have in all respects been duly authorized, and the Company in the exercise of the legal right and power vested in it executes this Nineteenth Supplemental Indenture.

Now, THEREFORE, THIS NINETEENTH SUPPLEMENTAL INDENTURE WITNESSETH:

That UNITED TELEPHONE COMPANY OF THE NORTHWEST, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the purchase and acceptance of the Series R Bonds by the owners thereof and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of, premium, if any, and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged, and set over and does by these presents give, grant, bargain, sell, release, convey, alien, assign, confirm, transfer, mortgage, warrant, pledge, and set over unto FIRST BANK NATIONAL ASSOCIATION and ELLEN E. MITTET, Trustees, and to their successors in the trust hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the date of the Eighteenth Supplemental Indenture or not described in the Original Indenture or the first eighteen supplemental indentures, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including, but without limiting the generality of the foregoing, the real property described in Schedule A hereto, together with all improvements thereon.

To HAVE AND To HOLD all said franchises and real and personal property, conveyed, transferred, assigned, mortgaged or pledged by the

Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns **forever**;

IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First through the Eighteenth Supplemental Indentures, it being agreed as follows, to wit:

ARTICLE ONE  
SERIES R BONDS

1.01. There is hereby created a series of bonds entitled "First Mortgage Bonds, Series R, 5.74%, due July 1, 1998" (the "Series R Bonds" or "Bonds of Series R") limited in principal amount to \$2,650,000. The Series R Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and integral multiples thereof. The Series R Bonds shall be dated as of the date of authentication. All Series R Bonds shall mature July 1, 1998, and **shall** pay interest thereon at the rate of five and seventy-four hundredths percent (**5.74%**) per annum (based on a 360-day year consisting of twelve 30-day months) from the date thereof or from the most recent date to which interest **has** been paid or duly provided for, semiannually on January 1 and **July 1** in each year until the principal thereof becomes due and payable, and at the rate of six and seventy-four hundredths percent (**6.74%**) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. For purposes of this section a "business day" shall mean any weekday on which the bank at which payment is to **be** made is open and conducting normal banking operations. Principal of, premium, if any, and interest on Series R Bonds shall be payable at the principal payment office of FIRST BANK NATIONAL ASSOCIATION, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee, in **lawful** money of the United States of America. The text of the Series R

Bonds and the Trustee's certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit A hereto.

1.02. At the option of the Company, the Series **R** Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate, over (ii) the principal amount of the bonds being redeemed. The Discount Rate shall be equal to the sum of (i) the Yield on U.S. Treasury securities, on the third trading day preceding the date fixed for redemption, having a maturity corresponding to the Weighted Average Life of the bonds being redeemed and (ii) one-half of one percent. If no U.S. Treasury security maturity exactly corresponds to such Weighted Average Life of the bonds to be redeemed, yields for the two such Treasury maturities most closely corresponding to such Weighted Average Life of the bonds to be redeemed shall be interpolated or extrapolated from such Treasury yields on a straight-line basis, rounding to the nearest month to determine the Yield on U.S. Treasury securities. The Weighted Average Life of the bonds being redeemed shall mean, as of the date of any determination thereof, the number of years obtained by dividing the Remaining Dollar-Years of such principal by the aggregate amount of such principal. The Remaining Dollar-Years of such principal shall equal the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have become due on each scheduled payment date if such redemption had not been made, less (2) the amount of principal scheduled to become due after giving effect to such redemption, by (y) the number of years (calculated to the nearest one-twelfth) between the date of determination and such scheduled payment date, and (ii) totaling the products obtained in (i). The Yield on U.S. Treasury securities, with respect to a particular maturity on a particular date, shall mean the yield reported for U.S. Treasury securities of such maturity in the first listed of the following publications then available: (1) page 'USD' of the Bloomberg Financial



Markets Services Screen at 11:00 a.m., New York time, on such date, (2) any similar nationally recognized trading screen reporting on-line intra-day trading in U.S. Treasury securities at 11:00 a.m., New York time, on such date, (3) the arithmetic mean of the yields reported under the headings "This Week" and "Last Week" in the Federal Reserve System's statistical release designated "H. 15(5 19)" most recently published on or before such date, or (4) any other reasonably comparable index approved by the Company and the holders of  $66\frac{2}{3}\%$  in aggregate principal amount of the outstanding Series R Bonds.

1.03. In addition to redemption at the option of the Company as provided above, the Series R Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken **under** power of eminent domain or **sold** under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be **first** (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series R Bonds then outstanding an amount of such proceeds that bears **the** same ratio to the total amount of such proceeds available for redemption as the principal amount of Series R Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

1.04. Notwithstanding anything in the Indenture to the contrary, in case of redemption, other than pursuant to Section 1.03 hereof, of less than all of the Series R Bonds outstanding, the aggregate of all moneys to be applied to such redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of one thousand dollars (\$1,000) or any integral multiple thereof, among each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder bears to the aggregate

principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after being notified by the Company of its intent to redeem, **notify** the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as in this section provided.

*1.05.* The Series R Bonds shall not be redeemable except as provided in Section 1.02 or Section 1.03 hereof. Notwithstanding anything in the Indenture to the contrary, in case the Company shall desire to exercise its right to redeem Bonds of Series R pursuant to Section 1.02 or Section 1.03 hereof, notice of redemption shall be mailed by the Company, by certified or registered mail, postage prepaid, not less than thirty days and not more than sixty days prior to the date fixed for redemption, to the holders of the bonds to be redeemed, as a whole or in part, at their addresses as the same shall appear on the transfer register of the Company. Such notice shall specify the date fixed for redemption, the principal amount of such holder's bonds being redeemed, the amount of interest accrued to the date fixed for redemption and an estimate of the Yield Maintenance Premium, if any. In the case of a redemption pursuant to Section 1.02 hereof, the Company shall also determine the amount of the Yield Maintenance Premium and give notice to the Trustee and each holder of the bonds being redeemed by facsimile or other same-day written communication two days prior to the date fixed for redemption stating the amount of the Yield Maintenance Premium and providing the details of the calculation of the Yield Maintenance **Premium**, even if it equals zero. The Trustee shall be entitled to rely on the Company's calculation of the Yield Maintenance Premium without independent verification thereof. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the holder receives it. In any case, failure duly to give notice by mail, or defect in the notice, to the holder of any such bond shall not affect the validity of the proceedings for the redemption of any other bond.

*1.06.* The Bonds of Series R, upon surrender thereof at the principal payment or main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations. Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection

therewith, and the Trustee shall make such exchange upon payment of a sum **sufficient** to reimburse the Company or the Trustee for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee in connection with the transfer. Notwithstanding anything in Article Two, Section 2.09, of the Original Indenture to the contrary, the Company shall make no charge in connection with the transfer of Series R Bonds other than those set forth in this Section 1.06.

1.07. Fully registered bonds of Series R shall be numbered "RR- 1" and consecutively upwards.

1.08. Upon execution of the Nineteenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (provided that the Company has complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company Bonds of Series R in the form of fully registered bonds without coupons in the aggregate principal amount of Two Million Six Hundred and Fifty Thousand Dollars (\$2,650,000).

## ARTICLE TWO

### SERIES S BONDS

2.01. There is hereby created a series of bonds entitled "First Mortgage Bonds, Series S, 6.21%, due July 1, 2000" (the "Series S Bonds" or "Bonds of Series S") limited in principal amount to \$4,700,000. The Series S Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and integral multiples thereof. The Series S Bonds shall be dated as of the date of authentication. All Series S Bonds shall mature July 1, 2000, and shall pay interest thereon at the rate of six and twenty-one hundredths percent (6.21%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date thereof or from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal thereof becomes due and payable, and at the rate of seven and twenty-one hundredths percent (7.21%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided

further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. For purposes of this section a “business day” shall mean any weekday on which the bank at which payment is to be made is open and conducting normal banking operations. Principal of, premium, if any, and interest on Series S Bonds shall be payable at the principal payment office of FIRST BANK NATIONAL ASSOCIATION, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The text of the Series S Bonds and the Trustee’s certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit B hereto.

2.02. At the option of the Company, the Series S Bonds shall be redeemable in whole at any time, or in **part** from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the **first** such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate, over (ii) the principal amount of the bonds being redeemed. The Discount Rate shall be equal to the sum of (i) the Yield on U.S. Treasury securities, on the third trading day preceding the date fixed for redemption, having a maturity corresponding to the Weighted Average Life of the bonds being redeemed and (ii) **one-half** of one percent. If no U.S. Treasury security maturity exactly corresponds to such Weighted Average Life of the bonds to be redeemed, yields for the two such Treasury maturities most closely corresponding to such Weighted Average Life of the bonds to be redeemed shall be interpolated or extrapolated from such Treasury yields on a straight-line basis, rounding to the nearest month to determine the Yield on U.S. **Treasury** securities. The Weighted Average Life of the bonds being redeemed shall mean, as of the date of any determination thereof, the number of years obtained by dividing the Remaining Dollar-Years of such principal by the aggregate amount of such principal. The Remaining Dollar-Years of such principal shall equal the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would

have become due on each scheduled payment date if such redemption had not been made, less (2) the amount of principal scheduled to become due after giving effect to such redemption, by (y) the number of years (calculated to the nearest one-twelfth) between the date of determination and such scheduled payment date, and (ii) totaling the products obtained in (i). The Yield on U.S. Treasury securities, with respect to a particular maturity on a particular date, shall mean the yield reported for U.S. Treasury securities of such maturity in the first listed of the following publications then available: (1) page ‘USD’ of the **Bloomberg** Financial Markets Services Screen at 11:00 a.m., New York time, on such date, (2) any similar nationally recognized trading screen reporting on-line **intra**-day trading in U.S. Treasury securities at 11:00 a.m., New York time, on such date, (3) the arithmetic mean of the yields reported under the headings “This Week” and “Last Week” in the Federal Reserve System’s statistical release designated “H. 15(5 19)” most recently published on or before such date, or (4) any other reasonably comparable index approved by the Company and the holders of  $6\frac{2}{3}\%$  in aggregate principal amount of the outstanding Series S Bonds.

2.03. In addition to redemption at the option of the Company as provided above, the Series S Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than **all** of the bonds outstanding under the Indenture, there shall be **first** (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of **2%** or more of the total principal amount of Series S Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series S Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

2.04. Notwithstanding anything in the Indenture to the contrary, in case of redemption, other than pursuant to Section 2.03 hereof, of less than all of the Series S Bonds outstanding, the aggregate of all moneys to be applied to such redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of one thousand dollars (\$1,000) or any integral multiple thereof, among each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after being notified by the Company of its intent to redeem, **notify** the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in whole or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as in this section provided.

2.05. The Series S Bonds shall not be redeemable except as provided in Section 2.02 or Section 2.03 hereof. Notwithstanding anything in the Indenture to the contrary, in case the Company shall desire to exercise its right to redeem Bonds of Series S pursuant to Section 2.02 or Section 2.03 hereof, notice of redemption shall be mailed by the Company, by certified or registered mail, postage prepaid, not less than thirty days and not more than sixty days prior to the date fixed for redemption, to the holders of the bonds to be redeemed, as a **whole** or in part, at their addresses as the same shall appear on the transfer register of the Company. Such notice shall specify the date fixed for redemption, the principal amount of such holder's bonds being redeemed, the amount of interest accrued to the date fixed for redemption and an estimate of the Yield Maintenance Premium, if any. In the case of a redemption pursuant to Section 2.02 hereof, the Company shall also determine the amount of the Yield Maintenance Premium and give notice to the Trustee and each holder of the bonds being redeemed by facsimile or other same-day written communication two days prior to the date fixed for redemption stating the amount of the Yield Maintenance premium and providing the details of the calculation of the Yield Maintenance Premium, even if it equals zero. The Trustee **shall** be entitled to rely on the Company's calculation of the Yield Maintenance Premium without independent verification thereof. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the holder receives it. In any case, failure duly to give notice by mail, or

defect in the notice, to the holder of any such bond shall not affect the validity of the proceedings for the redemption of any other bond.

2.06. The Bonds of Series S, upon surrender thereof at the principal payment or main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations. Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment of a sum sufficient to reimburse the Company or the Trustee for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee in connection with the transfer. Notwithstanding anything in Article Two, Section 2.09, of the Original Indenture to the contrary, the Company shall make no charge in connection with the transfer of Series S Bonds other than those set forth in this Section 2.06.

2.07. Fully registered bonds of Series S shall be numbered ‘ ‘SR-1’ and consecutively upwards.

2.08. Upon execution of the Nineteenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (provided that the Company has complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company Bonds of Series S in the form of fully registered bonds without coupons in the aggregate principal amount of Four Million Seven Hundred Thousand Dollars (\$4,700,000).

### ARTICLE THREE SERIES T BONDS

3.01. There is hereby created a series of bonds entitled “First Mortgage Bonds, Series T, 6.89%, due July 1, 2008” (the “Series T Bonds” or “Bonds of Series T”) limited in principal amount to \$8,150,000. The Series T Bonds shall be fully registered bonds without coupons of the denomination of \$1,000 and integral multiples thereof. The Series T Bonds shall be dated as of the date of authentication. All Series T Bonds shall mature July 1, 2008, and shall pay interest thereon at the rate of six and eighty-nine hundredths percent (6.89%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date thereof or

from the most recent date to which interest **has** been paid or duly provided for, semiannually on January 1 and July 1 in each year **until** the principal thereof becomes due and payable, and at the rate of seven and eighty-nine hundredths percent (7.89%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, **premium**, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. For purposes of this section a “business day” shall mean any weekday on which the bank at which payment is to be made is open and conducting **normal** banking operations. Principal of, premium, if any, and interest on Series T Bonds shall be payable at the principal payment **office** of FIRST BANK NATIONAL ASSOCIATION, in St. **Paul**, Minnesota, or at the main office of its successor as corporate trustee, in lawful money of the United States of America. The text of the Series T Bonds and the Trustee’s certificate with respect thereto shall be substantially of the tenor and purport set forth in Exhibit C hereto.

3.02. At the option of the Company, the Series T Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, **plus** the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of **all** remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate, over (ii) the principal amount of the bonds being redeemed. The Discount Rate shall be equal to the sum of (i) the Yield on U.S. Treasury securities, on the third trading day preceding the date fixed for redemption, having a maturity corresponding to the Weighted Average Life of the bonds being redeemed and (ii) **one-half** of one percent. If no U.S. Treasury security maturity exactly corresponds to such Weighted Average Life of the bonds to be redeemed, yields for the two such Treasury maturities most closely corresponding to



such Weighted Average Life of the bonds to be redeemed shall be interpolated or extrapolated from such Treasury yields on a straight-line basis, rounding to the nearest month to determine the Yield on U.S. Treasury securities. The Weighted Average Life of the bonds being redeemed shall mean, as of the date of any determination thereof, the number of years obtained by dividing the Remaining Dollar-Years of such principal by the aggregate amount of such principal. The Remaining Dollar-Years of such principal shall equal the amount obtained by (i) multiplying (x) the remainder of (1) the amount of principal that would have become due on each scheduled payment date if such redemption had not been made, less (2) the amount of principal scheduled to become due after giving effect to such redemption, by (y) the number of years (calculated to the nearest one-twelfth) between the date of determination and such scheduled payment date, and (ii) totaling the products obtained in (i). The Yield on U.S. Treasury securities, with respect to a particular maturity on a particular date, shall mean the yield reported for U.S. Treasury securities of such maturity in the first listed of the following publications then available: (1) page ‘ ‘USD’ ’ of the **Bloomberg** Financial Markets Services Screen at 11:00 a.m., New York time, on such date, (2) any similar nationally recognized trading screen reporting on-line **intra**-day trading in U.S. Treasury securities at 11:00 a.m., New York time, on such date, (3) the arithmetic mean of the yields reported under the headings ‘ ‘This Week’ ’ and ‘ ‘Last Week’ ’ in the Federal Reserve System’s statistical release designated ‘ ‘H. 15(5 19)’ ’ most recently published on or before such date, or (4) any other reasonably comparable index approved by the Company and the holders of  $66\frac{2}{3}\%$  in aggregate principal amount of the outstanding Series T Bonds.

3.03. In addition to redemption at the option of the Company as provided above, the Series T Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in **all** such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be **first** (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated

to each registered holder of 2% or more of the total principal amount of Series T Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series T Bonds registered in the name of such holder bears to the total principal amount of **all** bonds outstanding under the Indenture and subject to such redemption; provided **further**, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

3.04. Notwithstanding anything in the Indenture to the contrary, in case of redemption, other than pursuant to Section 3.03 hereof, of less than all of the Series T Bonds outstanding, the aggregate of all moneys to be applied to such redemption shall be apportioned by the Trustee pro rata as nearly as practicable in amounts of one thousand dollars (\$1,000) or any integral multiple thereof, among each of the registered holders of bonds of such series in the proportion that the aggregate principal amount of bonds of such series then held by each such holder bears to the aggregate principal amount of bonds of such series then outstanding; and the Trustee shall within ten (10) days after being notified by the Company of its intent to redeem, notify the Company in writing of the numbers and principal amounts of bonds designated or selected by the Trustee for redemption, whether in **whole** or in part. If exact apportionment proves impracticable, then any portion of the moneys available for redemption, but not exactly apportionable shall be retained by the Trustee and applied as a part of the next succeeding apportionment in redemption as in this section provided.

3.05. The Series T Bonds shall not be redeemable except as provided in Section 3.02 or Section 3.03 hereof. Notwithstanding anything in the Indenture to the contrary, in case the Company shall desire to exercise its right to redeem Bonds of Series T pursuant to Section 3.02 or Section 3.03 hereof, notice of redemption shall be mailed by the Company, by certified or registered mail, postage prepaid, not less than thirty days and not more than sixty days prior to the date fixed for redemption, to the holders of the bonds to be redeemed, as a whole or in part, at their addresses as the same shall appear on the transfer register of the Company. Such notice shall specify the date fixed for redemption, the principal amount of such holder's bonds being redeemed, the amount of interest accrued to the date **fixed** for redemption and an estimate of the Yield Maintenance Premium, if any. In the case of a redemption pursuant to Section 3.02 hereof, the Company shall also determine the amount of the Yield Maintenance

Premium and give notice to the Trustee and each holder of the bonds being redeemed by facsimile or other same-day written communication two days prior to the date fixed for redemption stating the amount of the Yield Maintenance Premium and providing the details of the calculation of the Yield Maintenance Premium, even if it equals zero. The Trustee shall be entitled to rely on the Company's calculation of the Yield Maintenance Premium without independent verification thereof. Any notice so **mailed** shall be conclusively presumed to have been duly given, whether or not the holder receives it. In any case, failure duly to give notice by mail, or defect in the notice, to the holder of any such bond shall not affect the validity of the proceedings for the redemption of any other bond.

3.06. The Bonds of Series T, upon surrender thereof at the principal payment or main office of the Trustee, may be exchanged for the same aggregate unpaid principal balance of fully registered bonds of such series of any authorized denominations. Within a reasonable time after the receipt of a request for such an exchange, the Company shall issue and the Trustee shall authenticate and deliver all bonds required in connection therewith, and the Trustee shall make such exchange upon payment of a sum sufficient to reimburse the Company or the Trustee for any stamp or other tax or governmental charge required to be paid by the Company or the Trustee in connection with the transfer. Notwithstanding anything in Article Two, Section 2.09, of the Original Indenture to the contrary, the Company shall make no charge in connection with the transfer of Series T Bonds other than those set forth in this Section 3.06.

3.07. Fully registered bonds of Series T shall be numbered 'TR- 1' and consecutively upwards.

3.08. Upon execution of the Nineteenth Supplemental Indenture and from time to time thereafter, the Company may execute and deliver to the Trustee, and the Trustee (provided that the Company has complied with the provisions of the Original Indenture with respect to the issuance of additional bonds) shall authenticate and deliver to, or upon the order of, the Company Bonds of Series T in the form of fully registered bonds without coupons in the aggregate principal amount of Eight Million One Hundred and Fifty Thousand Dollars (\$8,150,000).

**ARTICLE FOUR**  
**AMENDMENTS TO THE INDENTURE**

SECTION 4.01. Upon the earlier of the (a) the retirement of **all** bonds of series H, I, J, and Q and (b) the consent, pursuant to Section 17.04 of the Indenture, of the holders of bonds of series H, I, J, and Q, the Indenture shall be amended in accordance with this section:

(A) In Section 1.01, there shall be added the following definition of “Bonded Prior Lien Debt”

*“Bonded Prior Lien Debt:*

Indebtedness secured by an underlying mortgage certified by the Company as bonded prior lien debt in the manner provided for in section 4.06. ”

(B) In Section 1.01, the period at the end of paragraph (c) in the definition of Permitted Encumbrances shall be replaced with a semicolon and there shall be added to the end of the definition the following subparagraph (d):

“(d) bonded prior lien debt.”

(C) The second paragraph of Section 4.01(A) shall be amended by adding after the words “constructed or acquired” the words “(including, for this purpose, property of a successor corporation in a consolidation or merger that assumes the duties and liabilities of the Company hereunder as described in Section 13.01)”.

(D) A new Section 4.06 shall be added to the Indenture to read as follows:

Section 4.06. The Company may, at any time, **certify** any indebtedness secured by an underlying mortgage as bonded prior lien debt by delivering to the Trustee its order identifying (i) the mortgagee or trustee of such underlying mortgage, (ii) the principal amount of the indebtedness secured by such underlying mortgage and (iii) the mortgaged property of the Company subject to the lien of such underlying mortgage, and (iv) in addition to **all** of the foregoing, by performing one or more of the following:

(a) appropriating net bondable expenditures in the same manner and to the same extent as provided for in

Section 4.04 for **the** issuance of additional bonds hereunder and by delivering the documents described in Section 4.05, provided that for such purposes, the mortgaged property described pursuant to (iii) above shall be treated as property additions and the indebtedness described pursuant to (ii) above **shall** be treated as additional bonds to be issued under Section 4.04; or

(b) delivery of the documents required by paragraphs (2) and (3) of Section 5.01 and by Section 5.02 for the issuance of additional bonds for or on account of the refunding of bonds theretofore authenticated hereunder or the retirement of bonded prior lien debt theretofore certified hereunder, provided that for such purposes, the indebtedness described pursuant to (ii) above shall be treated as additional bonds to be issued under Section 5.01; or

(c) delivery of the documents required by paragraphs (2), (3), and (4) of Section 6.01 for the issuance of additional bonds against cash deposited with the Trustee, provided that for such purposes, the indebtedness described pursuant to (ii) above shall be treated as additional bonds to be issued under Section 6.01.

(E) Section 5.01 of the Indenture shall be amended in its entirety to read as follows:

Section 5.01. Additional bonds of any series, other than bonds of the series to be refunded, may, from time to time, be executed by the Company and delivered to the Trustee for or on account of the payment, purchase and cancellation, redemption or other discharge at, before or after maturity of (i) bonds theretofore authenticated under any provision of this Indenture or (ii) bonded prior lien debt theretofore certified under Section 4.06 of this Indenture, and the Trustee shall, subject to the provisions of this Article, authenticate and deliver the same to or upon the order of the Company upon receipt by the Trustee of:

(1) The documents required by the provisions of Section 4.03 **hereof**;

(2) In the case of (i) above, Bonds theretofore authenticated and delivered hereunder with all unmatured coupons, if any, attached in aggregate principal amount of the bonds authentication whereof is applied for; provided, however, that in lieu of bonds that have been called for redemption or are then about to mature it shall be sufficient if funds in an amount sufficient to redeem or pay the same shall have been deposited with the Trustee and evidence furnished to the satisfaction of the Trustee that notice of any such redemption has been given, or provided for, or waived; or, in the case of (ii) above, a certificate of the trustee or mortgagee of the underlying mortgage securing such bonded prior lien debt that such indebtedness has been discharged or is otherwise no **longer** outstanding and secured by such underlying mortgage;

(3) A certificate, dated as of the date of the delivery of such additional bonds, signed and verified by the President or a Vice-President and by the Treasurer or an Assistant Treasurer of the Company stating that the Company is not in default hereunder, and that none of the bonds or none of the bonded prior lien debt, as the case may be, proposed to be refunded have been:

(a) [Deleted]

(b) Purchased or redeemed with the proceeds of the sale or taking of, or with insurance moneys received because of damage to or destruction of, any of the mortgaged property; or

(c) Theretofore used as the basis for the issuance of bonds under this Article Five, or delivered to the Trustee in lieu of payments for any sinking fund, or theretofore used as the basis for the certification of bonded prior lien debt under Section 4.06, or otherwise credited under any requirement **hereof**;

(4) An opinion of counsel stating that said additional bonds when duly authenticated and delivered will be secured by the lien of this Indenture.

(F) Section 8.07 shall be amended

(1) **by** substituting for the first occurrence of the word “which” in the first sentence thereof the words “that has been operated for a period of at **least** twelve months as telephone utility property prior to its acquisition by the Company and that”;

(2) by substituting for the word “fifteen” in the **first** sentence thereof the word “eighteen”; and

(3) by deleting the words “to offset such part of such indebtedness as shall exceed such percentage there shall be appropriated net bondable expenditures for property additions in an amount equivalent to such excess.” and by deleting the last sentence thereof **and** by substituting **therefor** the words “such indebtedness shall be certified as bonded prior lien debt in the manner provided for in section 4.06. ”

(G) Section 11.04(A)(b) shall be amended by replacing “\$25,000” with ‘an amount equal to 2% of Total Telephone Plant in Service’.

(H) Section 13.01 shall be amended

(1) by deleting the words “unless there shall be appropriated net bondable expenditures in an amount equivalent to such excess (such appropriation to be evidenced in the same way as a similar appropriation pursuant to Section 8.07)” and by substituting therefor the words “unless such obligations shall **be** certified as bonded prior lien debt in the manner provided for in section 4.06”; and

(2) by deleting the words “fifteen (15)” and substituting therefor the words “eighteen (18)”.

## ARTICLE FIVE

### AdditiOnal PROVISIONS

**5.01.** The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Nineteenth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of **all** bonds at any time outstanding under the Indenture against the claims and

demands (except those which constitute permitted encumbrances) of all persons whomsoever.

5.02. The property of the Company will at all times be maintained and preserved in good repair and efficiency in accordance with accepted standards and the requirements of the Washington Utilities and Transportation Commission and the Public Utility Commissioner of Oregon with respect to properties within the respective states. So long as any Series R, S, or T Bonds remain outstanding, it will during the three year period beginning January 1, 1992, and each successive three year period, upon written request of the holders or registered owners of not less than twenty-five per cent (25%) in principal amount of any one of the Series R, S, or T Bonds then outstanding, have the physical properties of the Company inspected at the Company's expense by an engineer or firm of engineers (who may be in the regular employ of the Company or under regular retainer from the Company) selected by the Board of Directors of the Company and satisfactory to the Trustee. Such engineer or firm of engineers will file with the Trustee a written report stating the extent to which the property of the Company has been maintained in compliance with this covenant. The Trustee will mail a copy of the report to each holder of Series R, S, and T Bonds.

The Company covenants and agrees that, if such engineer or firm of engineers shall report that a maintenance deficiency exists, the Company will with all reasonable speed make such repairs or do such other maintenance work as may be necessary to make good such deficiency as shall exist at the time of such report, whereupon such engineer or firm of engineers (or, in the case of his or its refusal or inability to act, some other engineer or firm of engineers similarly selected) shall report in writing to the Trustee that such deficiency has been made good.

If such deficiency shall not have been made good within one year, or such longer period as may be reported by such engineer or firm of engineers to be reasonably necessary for the purpose, the Trustee may, and upon proper request of the holders of at least twenty-five per centum (25%) in principal amount of the bonds of all series at the time outstanding shall, in accordance with the provisions of Article Fifteen of the Original Indenture, proceed to enforce this covenant of the Company.

5.03. Notwithstanding anything in the Indenture to the contrary, the signatures of the officers executing the Bonds of Series R, S, and T may



be manual signatures or facsimiles thereof, and the corporate seal maybe mechanically reproduced thereon.

5.04. Except as herein specifically changed, the Original Indenture, as supplemented and amended by the First through the Eighteenth Supplemental Indentures, is hereby in all respects ratified and confirmed,

5.05. The Company, and the holders of the bonds hereby issued by their acceptance and holding thereof, hereby consent and agree that the amendments to the Original Indenture contained in all prior supplemental indentures shall be effective as therein provided.

5.06. Although this Nineteenth Supplemental Indenture is dated for convenience and for the purpose of reference as of July 1, 1993, the actual dates of execution by the Company and by the Trustees areas indicated by their respective acknowledgments hereto annexed.

5.07. The warranties, representations, and agreements contained in this Nineteenth Supplemental Indenture, insofar as they apply exclusively to the Series R, S, or T Bonds, shall be construed in accordance with and governed by the laws of the State of Washington.

**5.08.** This Nineteenth Supplemental Indenture shall be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created; FIRST BANK NATIONAL ASSOCIATION, has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Authorized Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and ELLEN E. MITTET has hereto set her hand, all as of July 1, 1993.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

BY: ..... HUGH PILKENTON .....  
HUGH PILKENTON,  
*Vice President*

(CORPORATE SEAL)



Attest:

TIM J. BONANSINGA .....  
TIM J. BONANSINGA,  
*Secretary*

FIRST BANK NATIONAL ASSOCIATION,  
*Trustee*

BY: ..... MARK D. HARTZELL .....  
*Vice President*

(CORPORATE SEAL)

Attest:

K. C. ALBRIGHT .....  
*Assistant Secretary*

Signed, sealed and acknowledged by FIRST  
BANK NATIONAL ASSOCIATION in the presence  
of

SCOTT STRODTHOFF .....

ELLEN E. MITTET .....  
ELLEN E. MITTET,  
*Individual Trustee*

Signed, sealed and acknowledged by ELLEN  
E. MITTET in the presence of:

KIM MURPHY .....  
*Trust Officer*

STATE OF OREGON }  
COUNTY OF HOOD RIVER <sup>48:</sup>

On this 9th day of July, 1993, before me, the undersigned officer, appeared HUGH PILKENTON and TIM J. BONANSINGA, to me personally known, who, being duly sworn, did acknowledge themselves to be Vice President and Secretary, respectively, of UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation, and that said instrument was signed and sealed by HUGH PILKENTON as such Vice President on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that TIM J. BONANSINGA as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written.

.....REBECCA M. BUGGE.....  
*Notary Public*

My commission expires:

September 16, 1994

.....

STATE OF MINNESOTA }  
COUNTY OF RAMSEY } Ss:

On this 8th day of July, before me, the undersigned officer, personally appeared MARK D. HARTZELL and K. C. ALBRIGHT to me known to be Authorized Officers of FIRST BANK NATIONAL ASSOCIATION, the national banking association which executed the within and foregoing instrument, and MARK D. HARTZELL and K. C. ALBRIGHT as Authorized Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instrument and K. C. ALBRIGHT as Authorized Officer on oath stated that she was authorized to affix the seal of said association to said instrument and to attest the same and that the seal affixed to said instrument is the seal of said association.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

..... RICK PROKOSCH .....  
*Notary Public*

Typed Name: RICK PROKOSCH  
Residing at: Oakdale, MN

My commission expires:

March 28, 1997

.....

STATE OF WASHINGTON }  
COUNTY OF KING } Ss:

On this 7th day of July, 1993, before me, the undersigned officer, personally appeared ELLEN E. MITTET, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that she executed and signed the same as her free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

.....  
TERESA A. CARROLL  
.....  
*Notary Public*

Typed Name: TERESA A. CARROLL

Residing at: Seattle, WA

My commission expires:

January 9, 1997

.....

## SCHEDULE A

**Real Property Descriptions****OREGON****Lincoln County**

A tract of land situated in the Northeast Quarter of the Northeast Quarter of Section 15, T 7 S, R 11 W, W.M., in Lincoln County, Oregon, more particularly described as follows:

A parcel of land beginning at the North corner of Government Lots 1 and 2 in Section 15, T 7 S, R 11 W, W.M., running thence North 88°34' West along the North boundary of said Government Lot 2 a distance of 100 feet; thence South on a line parallel to the North and South line between the aforesaid Government Lots 1 and 2 a distance of 246 feet to the North line of the Reed tract described in Deed recorded February 21, 1962, in Book 222, Page 498, Deed Records; thence South 81 °23'30" East along said Reed tract 112 feet, more or less, to the North and South line between the aforesaid Government Lots 1 and 2; thence North along said line a distance of 263.7 feet to the place of beginning.

EXCEPTING THEREFROM that tract deeded to William Cates, et ux, by instrument recorded in Book 254, Page 435, Deed Records, more particularly described as follows:

Beginning at a point where the South line of Brookside Street intersects the Northeast corner of Government Lot 2 in Section 15, T 7 S, R 11 W, W.M., Lincoln County, Oregon; running thence North 88°34' West along the North boundary line of Government Lot 2 a distance of 75.0 feet; thence South on a line parallel to the East line of said Government Lot 2 a distance of 99 feet; thence East and parallel to the North line of Government Lot 2 a distance of 75 feet to the East line of said Government Lot 2; thence North 99 feet to the place of beginning.

**EXHIBIT A**

**Form of Series R Fully Registered Bond Without Coupon**

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

**UNITED TELEPHONE COMPANY  
OF THE NORTHWEST**

**FIRST MORTGAGE BOND, SERIES R, 5.74%, DUE JULY 1, 1998**

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (the "Company" ), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of July, 1998, the principal sum of \_\_\_\_\_ and to pay interest thereon at the rate of five and seventy-four hundredths percent (5.74%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date hereof or from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal hereof becomes due and payable, and at the rate of six and seventy-four hundredths percent (6.74%) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. Both the principal of and the interest on this Bond shall be payable at the principal payment office of First Bank National Association, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America; provided that, notwithstanding any provision hereof or of the Indenture (as herein defined) to the contrary, any payment made hereon may be made directly to the registered owner hereof without presentation or surrender hereof if there shall have been delivered to the Trustee a written agreement between the Company and such registered owner that payment may be so made.

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated First Mortgage Bonds, Series R,

**5.74%**, due July 1, 1998, limited as to aggregate principal amount as set forth in the Nineteenth Supplemental Indenture hereinafter mentioned, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Eighteenth Supplemental Indentures and a Nineteenth Supplemental Indenture dated as of July 1, 1993 (said twenty instruments being collectively called the Indenture), all duly executed and delivered by the Company to First Bank National Association of Minneapolis, Minnesota, or its predecessors as corporate trustee (the "Trustee"), and to Ellen E. Mittet or her predecessors as individual trustee (the "Individual Trustee") as trustees (the "Trustees"), to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees, and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest, and in other ways as in the Indenture provided or permitted.

At the option of the Company and upon notice as provided in the Indenture, the Series R Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate (as defined in the Indenture by reference to the yield three trading days prior to the date fixed for redemption of U.S. Treasury securities having a maturity corresponding to the weighted average life of the bonds being



redeemed on the date fixed for redemption), over (ii) the principal amount of the bonds being redeemed.

On the conditions and in the manner provided in the Indenture and in addition to redemption at the option of the Company as explained above, the Series R Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series R Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series R Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided **further**, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the office of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the

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enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By: .....  
*President*

Attest:

.....  
*Secretary*

[TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds of the First Mortgage Bonds, Series R, 5.74%, due July 1, 1998, referred to in the within-mentioned Indenture.

FIRST BANK NATIONAL ASSOCIATION,  
*Successor Trustee*

Dated:

By: .....  
*Authorized Officer*

**EXHIBIT B**

**Form of Series S Fully Registered Bond Without Coupon**

No. SR- ..... \$ .....

**UNITED TELEPHONE COMPANY  
OF THE NORTHWEST**

**FIRST MORTGAGE BOND, SERIES S, 6.21%, DUE JULY 1, 2000**

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (the "Company"), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on the first day of July, 2000, the principal sum of \_\_\_\_\_ and to pay interest thereon at the rate of six and twenty-one hundredths percent (6.21%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date hereof or from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal hereof becomes due and payable, and at the rate of seven and twenty-one hundredths percent (7.21 %) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. Both the principal of and the interest on this Bond shall be payable at the principal payment office of First Bank National Association, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America; provided that, notwithstanding any provision hereof or of the Indenture (as herein defined) to the contrary, any payment made hereon may be made directly to the registered owner hereof without presentation or surrender hereof if there shall have been delivered to the Trustee a written agreement between the Company and such registered owner that payment may be so made.

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated First Mortgage Bonds, Series S,

**6.2** 1%, due July 1, 2000, limited as to aggregate principal amount as set forth in the Nineteenth Supplemental Indenture hereinafter mentioned, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Eighteenth Supplemental Indentures and a Nineteenth Supplemental Indenture dated as of July 1, 1993 (said twenty instruments being collectively called the Indenture), all duly executed and delivered by the Company to First Bank National Association of Minneapolis, Minnesota, or its predecessors as corporate trustee (the "Trustee" ), and to Ellen E. Mittet or her predecessors as individual trustee (the "Individual Trustee") as trustees (the "Trustees" ), to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees, and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest, and in other ways as in the Indenture provided or permitted.

At the option of the Company and upon notice as provided in the Indenture, the Series S Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to the date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate (as defined in the Indenture by reference to the yield three trading days prior to the date fixed for redemption of U.S. Treasury securities having a maturity corresponding to the weighted average life of the bonds being

redeemed on the date fixed for redemption), over (ii) the principal amount of the bonds being redeemed.

On the conditions and in the manner provided in the Indenture and in addition to redemption at the option of the Company as explained above, the Series S Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be first (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of 2% or more of the total principal amount of Series S Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series S Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the office of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the

enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived and released by the terms of the Indenture.

This Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By: .....  
*President*

Attest:

.....  
*Secretary*

[TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds of the First Mortgage Bonds, Series S, 6.21%, due July 1, 2000, referred to in the within-mentioned Indenture.

FIRST BANK NATIONAL ASSOCIATION,  
*Successor Trustee*

Dated:

By: .....  
*Authorized Officer*

EXHIBIT C

Form of Series T Fully Registered Bond Without Coupon

No. TR- ..... \$ .....

UNITED TELEPHONE COMPANY
OF THE NORTHWEST
FIRST MORTGAGE BOND, SERIES T, 6.89%, DUE JULY 1, 2008

UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation of the State of Oregon (the "Company" ), for value received, hereby promises to pay to or registered assigns, on the first day of July, 2008, the principal sum of and to pay interest thereon at the rate of six and eighty-nine hundredths percent (6.89%) per annum (based on a 360-day year consisting of twelve 30-day months) from the date hereof or from the most recent date to which interest has been paid or duly provided for, semiannually on January 1 and July 1 in each year until the principal hereof becomes due and payable, and at the rate of seven and eighty-nine hundredths percent (7.8970) per annum (to the extent that the payment of such interest shall be legally enforceable) on any overdue principal, premium and on any overdue installment of interest; provided, however, that if the due date for any payment of principal, premium, or any installment of interest, shall not be a business day, such payment shall become due on the first business day following such date; and provided further that interest on any such overdue payment shall begin to accrue at the beginning of the day following such date, whether or not such following date is a business day. Both the principal of and the interest on this Bond shall be payable at the principal payment office of First Bank National Association, in St. Paul, Minnesota, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America; provided that, notwithstanding any provision hereof or of the Indenture (as herein defined) to the contrary, any payment made hereon may be made directly to the registered owner hereof without presentation or surrender hereof if there shall have been delivered to the Trustee a written agreement between the Company and such registered owner that payment may be so made.

This Bond is one of a duly authorized issue of first mortgage bonds of the Company, of a series designated First Mortgage Bonds, Series T,

**6.89%**, due July 1, 2008, limited as to aggregate principal amount as set forth in the Nineteenth Supplemental Indenture hereinafter mentioned, **all** bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified by First through Eighteenth Supplemental Indentures and a Nineteenth Supplemental Indenture dated as of **July 1, 1993** (said twenty instruments being collectively called the Indenture), all **duly** executed and delivered by the Company to First Bank National Association of Minneapolis, Minnesota, or its predecessors as corporate trustee (the "Trustee" '), and to **Ellen E. Mittet** or her predecessors as individual trustee (the "Individual Trustee") as trustees (the "Trustees" '), to which Indenture and to all indentures supplemental thereto reference is hereby made for a description of the property transferred, assigned and mortgaged thereunder, the nature and extent of the security, the terms and conditions upon which the bonds are secured and additional bonds may be issued and secured, and the rights of the holders or registered owners of said bonds, of the Trustees, and the Company in respect to such security. Subsequent series of said bonds may vary as to date, date of maturity, rate of interest, and in other ways as in the Indenture provided or permitted.

At the option of the Company and upon notice as provided in the Indenture, the Series T Bonds shall be redeemable in whole at any time, or in part from time to time prior to maturity in multiples of \$100,000, at the principal amount of the bonds being redeemed plus interest accrued thereon to **the** date fixed for such redemption, plus the Yield Maintenance Premium. The Yield Maintenance Premium shall be the excess, if any, of (i) the aggregate present value, as of the date fixed for redemption, of all remaining payments of principal and interest scheduled to be made on or after the date fixed for redemption with respect to the principal amount of the bonds being redeemed (subtracting from the first such interest payment, interest accrued to the date fixed for redemption), determined by discounting on a semi-annual basis such amounts at the Discount Rate (as defined in the Indenture by reference to the yield three trading days prior to the date fixed for redemption of U.S. Treasury securities having a maturity corresponding to the weighted average life of the bonds being



redeemed on the date fixed for redemption), over (ii) the principal amount of the bonds being redeemed.

On the conditions and in the manner provided in the Indenture and in addition to redemption at the option of the Company as explained above, the Series T Bonds are subject to redemption for cash at the option of the Company in the manner provided for in the Indenture, at the principal amount thereof, together with accrued interest to the redemption date, by use of the money deposited with or paid to the Trustee (i) as proceeds for properties taken under power of eminent domain or sold under threat of such taking or (ii) as the proceeds of insurance policies deposited with or paid to the Trustee because of damage to or destruction of any of the mortgaged properties; provided, however, that in all such redemptions of some, but less than all of the bonds outstanding under the Indenture, there shall be **first** (in lieu of application of any other method of selection provided under the Indenture for bonds of other series) allocated to each registered holder of **2%** or more of the total principal amount of Series T Bonds then outstanding an amount of such proceeds that bears the same ratio to the total amount of such proceeds available for redemption as the principal amount of Series T Bonds registered in the name of such holder bears to the total principal amount of all bonds outstanding under the Indenture and subject to such redemption; provided further, however, that the Trustee may adjust such allocations so that the principal amount of the bonds to be redeemed from each of the holders thereof shall be as near as possible to an integral multiple of one thousand dollars (\$1,000).

This Bond is transferable by the registered owner either in person or by attorney duly authorized in writing in the **office** of the Trustee upon surrender and cancellation of this Bond and upon payment of charges, and upon any such transfer a new registered Bond without coupons of the same series in the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Company and the Trustee may treat the registered owner of this Bond as the absolute owner hereof for the purpose of receiving payment hereof, or on account hereof, and for all other purposes.

No recourse shall be had for the payment of the principal of, premium, if any, or the interest on this Bond, or of any claim based hereon or in respect hereof or of the Indenture, against any incorporator, stockholder, officer or director of the Company or of any successor company, whether by virtue of any statute or rule of law or by the

enforcement of any assessment or penalty or otherwise, all such liability being by the acceptance hereof expressly waived and released and being also waived **and** released by the terms of the Indenture.

This Bond shall not be valid nor become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the Indenture.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused this Bond to be signed in its name by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By: .....  
*President*

Attest:

.....  
*Secretary*

[TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds of the First Mortgage Bonds, Series T, 6.89%, due July 1, 2008, referred to in the within-mentioned Indenture.

FIRST BANK NATIONAL ASSOCIATION,  
*Successor Trustee*

Dated:

By: .....  
*Authorized Officer*

**RECORDING INFORMATION  
NINETEENTH SUPPLEMENTAL INDENTURE**

<u>state</u>	<u>County</u>	<u>Date</u>	<u>Book</u>	<u>Page</u>	<u>Inst. No.</u>
Oregon	Crook	7-12-93			110091
Oregon	Deschutes	7-13-93	305	<b>354</b>	
Oregon	Douglas	7-12-93	1244	<b>654</b>	93-14156
Oregon	<b>Gilliam</b>	7-12-93			
Oregon	Grant	7-12-93			
Oregon	Harney	7-12-93			93-1153
Oregon	Hood River	7-13-93			93-2328
Oregon	Jackson	7-12-93			93-22638
Oregon	Jefferson	7-12-93			93-2031
Oregon	<b>Klamath</b>	7-12-93	M93	16706	
Oregon	Lake	7-12-93	97	668	
Oregon	Lane	7-12-93			93-42506
Oregon	Lincoln	7-13-93			
Oregon	<b>Malheur</b>	7-13-93			93-4479
Oregon	Polk	7-12-93	<b>270</b>	1665	374388
Oregon	<b>Tillamook</b>	7-12-93	<b>352</b>	227	
Oregon	<b>Wasco</b>	7-13-93			93-2657
Oregon	<b>Yamhill</b>	7-14-93	<b>289</b>	<b>867</b>	
Washington	Benton	7-14-93			93-20279
Washington	Grant	7-12-93			93-0713020
Washington	Jefferson	7-12-93	<b>421</b>	<b>250</b>	362038
Washington	<b>Kitsap</b>	7-12-93			93-07120277
Washington	<b>Klickitat</b>	7-13-93	<b>298</b>	<b>438</b>	235603
Washington	<b>aman</b>	7-13-93	<b>136</b>	<b>656</b>	116730
Washington	<b>Yakima</b>	7-12-93	<b>1401</b>	<b>155</b>	3008942

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3N-10-25CB-100 + 1300

AMERITILE

TWENTIETH SUPPLEMENTAL INDENTURE

UNITED TELEPHONE COMPANY OF THE NORTHWEST

TO

U.S. BANK NATIONAL ASSOCIATION

AND

LAWRENCE J. BELL

As Trustees

Dated as of August 1, 2002

Reserved

After Recording Return To:

David G. Bristol  
Miller Nash LLP  
111 S.W. Fifth Avenue, Ste.3500  
Portland, OR 97204

STATE OF OREGON

COUNTY OF HOOD RIVER

SS

I certify that this instrument was received and reared in the records of said county.

Sandra E. Berry, Director of records and Assessment and Ex-Officio Recorder.

by: *[Signature]* Deputy.

DOC#: 20024097  
RCPT: 22376 71.00  
8/27/2002 10:06 AM

THIS TWENTIETH SUPPLEMENTAL INDENTURE dated as of August 1, 2002, by and between UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation duly organized and existing under and by virtue of the laws of the State of Oregon (the "Company"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under and by virtue of the national banking laws of the United States of America, as successor trustee (the "Trustee"), and LAWRENCE J. BELL, of the City of Mill Creek, County of Snohomish and State of Washington, as successor individual trustee (hereinafter sometimes referred to as the "Individual Trustee" and, collectively with the Trustee, the "Trustees"), as Trustees.

Recitals:

The background of this Twentieth Supplemental Indenture is:

A. Until November 1, 1965, the corporate name of the Company was Oregon-Washington Telephone Company and such corporate name was changed on said date to United Telephone Company of the Northwest.

B. The Company heretofore executed and delivered to Peoples National Bank of Washington, which has been succeeded by U.S. Bank of Washington, National Association, which has been succeeded by First Bank National Association, which has been succeeded by U.S. Bank National Association, as the Trustee and to E. L. Blaine, Jr., who has been succeeded by Robert G. Perry, who has been succeeded by Donald Greenfield, who has been succeeded by Leo M. Riley, who has been succeeded by S. M. Davis, who has been succeeded by Ellen E. Mittet, who has been succeeded by Lawrence J. Bell, as Individual Trustee, its Indenture of Mortgage and Deed of Trust (hereinafter called the "Original Indenture," and the Original Indenture and all supplemental indentures thereto hereinafter collectively called the "Indenture"), dated as of January 1, 1946, whereby the Company granted, bargained, mortgaged, and conveyed unto the Trustees and to their successors in said trust, all real and personal property then owned or to be thereafter acquired by the Company (other than property excepted from the lien thereof), to be held by the Trustees in trust in accordance with the provisions of the Original Indenture for the equal pro rata benefit and security of all Bonds issued under the Original Indenture and indentures supplemental thereto.

C. The Company has heretofore executed and delivered to the predecessors of the Trustees a First Supplemental Indenture dated as of April 1, 1948, a Second Supplemental Indenture dated as of January 1, 1951, a Third Supplemental Indenture dated as of September 1, 1954, a Fourth Supplemental Indenture dated as of June 1, 1959, a Fifth Supplemental Indenture dated as of July 1, 1960, a Sixth Supplemental Indenture dated as of December 1, 1960, a Seventh Supplemental Indenture dated as of June 1, 1962, an Eighth Supplemental Indenture dated as of September 1, 1964, a Ninth Supplemental Indenture dated as of April 1, 1966, a Tenth Supplemental Indenture dated as of December 1, 1967, an Eleventh Supplemental Indenture dated as of March 1, 1969, a Twelfth Supplemental Indenture dated as of July 1, 1971, a Thirteenth Supplemental Indenture dated as of February 1, 1972, a Fourteenth Supplemental Indenture dated as of August 1, 1973, a Fifteenth Supplemental Indenture dated as of September 1, 1974, a Sixteenth Supplemental Indenture dated as of February 1, 1977, a

**29024097**

\* and recorded July 13, 1993, as Microfilm No. 932328,

Seventeenth Supplemental Indenture dated as of July 1, 1979, an Eighteenth Supplemental Indenture dated as of August 1, 1992, and a Nineteenth Supplemental Indenture dated as of July 1, 1993\* under and pursuant to which supplemental indentures and the Original Indenture the Company has issued its First Mortgage Bonds, Series A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S and T, and the Original Indenture has been amended and modified in the particulars therein set forth.

**D.** The Company proposes to mortgage and convey additional properties acquired or constructed by the Company since the date of the Nineteenth Supplemental Indenture.

**E.** All acts and things necessary to constitute these presents a valid indenture and agreement according to its terms have been done and performed, and the execution of this Twentieth Supplemental Indenture has in all respects been duly authorized, and the Company in the exercise of the legal right and power vested in it executes this Twentieth Supplemental Indenture.

NOW, THEREFORE, THIS TWENTIETH SUPPLEMENTAL INDENTURE WITNESSETH:

That UNITED TELEPHONE COMPANY OF THE NORTHWEST, in consideration of the premises and of the acceptance by the Trustees of the trusts hereby created and of the sum of One Dollar lawful money of the United States of America to it duly paid by the Trustee, the receipt whereof is hereby acknowledged, in order to secure the payment both of the principal of, premium, if any, and interest on all bonds that may at any time be issued and outstanding under the Indenture according to their tenor and effect and the performance and observance by the Company of all the covenants expressed and implied in the Indenture and in said bonds, without in any way limiting the grant of after-acquired property contained in the Original Indenture, has given, granted, bargained, sold, released, conveyed, alienated, assigned, confirmed, transferred, mortgaged, warranted, pledged, and set over and does by these presents give, grant, bargain, sell, release, convey, alienate, assign, confirm, transfer, mortgage, warrant, pledge, and set over unto U.S. BANK NATIONAL ASSOCIATION, and LAWRENCE J. BELL, Trustees, and to their successors in the trust hereby and in said Original Indenture, as heretofore amended, created, and to them and their assigns forever:

All and singular the premises, plants, properties, leases and leaseholds, franchises, permits, patents, rights and powers of every kind and description, real and personal, of the Company constructed or acquired since the date of the Nineteenth Supplemental Indenture or not described in the Original Indenture or the first nineteen supplemental indentures, other than personal property of the nature of that excluded by the granting clauses of the Original Indenture, including, but without limiting the generality of the foregoing, the real property described in Schedule A hereto, together with all improvements thereon.

TO HAVE AND TO HOLD all said franchises and real and personal property, conveyed, transferred, assigned, mortgaged or pledged by the Company as aforesaid or intended so to be unto the Trustees and to their successors in said trust and to them and their assigns forever;

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IN TRUST, NEVERTHELESS, for the purposes, with the powers and subject to the agreements, covenants and conditions set forth and expressed in the Original Indenture as supplemented and modified by the First through the Nineteenth Supplemental Indentures, it being agreed as follows, to wit:

## ARTICLE ONE

1.01. The Company covenants that it is lawfully seized and possessed of the property described in the granting clauses of this Twentieth Supplemental Indenture and that it will warrant and defend the title to said property to the Trustees for the equal pro rata benefit of the holders of all bonds at any time outstanding under the Indenture against the claims and demands (except those which constitute permitted encumbrances) of all persons whomsoever.

1.02. The Original Indenture, as supplemented and amended by the First through the Nineteenth Supplemental Indentures, is hereby in all respects ratified and confirmed.

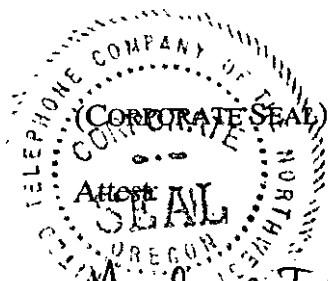
1.03. Although this Twentieth Supplemental Indenture is dated for convenience and for the purpose of reference as of August 1, 2002, the actual dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto annexed.

1.04. This Twentieth Supplemental Indenture shall be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, UNITED TELEPHONE COMPANY OF THE NORTHWEST has caused these presents to be signed in its name and behalf by its President or Vice President and its corporate seal to be hereto affixed and attested by its Secretary or Assistant Secretary and to evidence their acceptance of the trusts hereby created; U.S. BANK, NATIONAL ASSOCIATION, has caused these presents to be signed in its name and behalf by one of its Vice Presidents or Authorized Officers and its corporate seal to be hereto affixed and attested by one of its Trust Officers, and LAWRENCE J. BELL has hereto set his hand, all as of August 1, 2002.

UNITED TELEPHONE COMPANY  
OF THE NORTHWEST

By: Richard D. McRae  
Richard D. McRae, Vice President



Michael T. Hyde  
Michael T. Hyde, Secretary

29024097

STATE OF KANSAS

} ss:

COUNTY OF JOHNSON

On this 21<sup>st</sup> day of August, 2002, before me, the undersigned officer, appeared RICHARD D. MCRAE and MICHAEL T. HYDE, to me personally known, who, being duly sworn, did acknowledge themselves to be Vice President and Secretary, respectively, of UNITED TELEPHONE COMPANY OF THE NORTHWEST, a corporation, and that said instrument was signed and sealed by RICHARD D. MCRAE as such Vice President on behalf of said corporation and as the free act and deed of said corporation by authority of its Board of Directors and that MICHAEL T. HYDE as such Secretary affixed the corporate seal of said corporation thereto and attested the same.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this day and year first in this my certificate above written.

*Lora E. Butler*  
.....  
Notary Public

My Commission Expires:

..... STATE OF .....  
|-----|

20024097




U.S. BANK NATIONAL ASSOCIATION  
Trustee

By:   
Charles Burns, Assistant Vice President

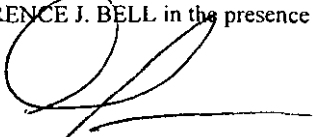
Attest:  
  
Assistant Secretary

Signed and acknowledged by  
U.S. BANK NATIONAL ASSOCIATION in  
the presence of:

  
GLENN YUEN DUP  
U.S. BANK, N.A.

  
LAWRENCE J. BELL, Individual Trustee

Signed and acknowledged by  
LAWRENCE J. BELL in the presence of

  
GLENN YUEN, DUP  
U.S. BANK, N.A.

20024097

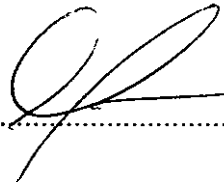
STATE OF WASHINGTON

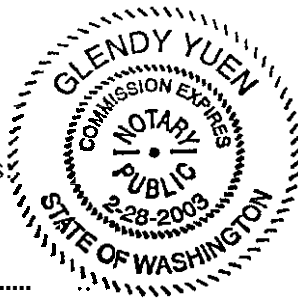
} ss:

COUNTY OF KING

On this 22<sup>nd</sup> day of August, 2002, before me, the undersigned officer, personally appeared CHARLES BURNS and Dyan M. Hahla to me known to be Authorized Officers of U.S. BANK NATIONAL ASSOCIATION, the national banking association which executed the within and foregoing instrument, and CHARLES BURNS and Dyan M. Hahla as Authorized Officers acknowledged said instrument to be the free and voluntary act and deed of said association for the uses and purposes therein mentioned and, on oath, stated that they were authorized to execute said instrument.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.

  
.....  
*Notary Public*



My Commission Expires:

2/28/2003  
.....

20024097

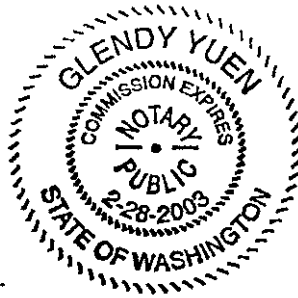
STATE OF WASHINGTON

} SS:

COUNTY OF King

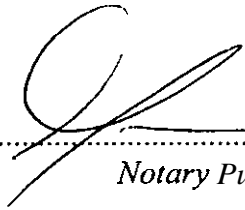
On this 22nd day of August, 2002, before me, the undersigned officer, personally appeared LAWRENCE J. BELL, to me known *to* be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal this the day and year first in this my certificate above written.



My Commission Expires:

2/28/2003

  
.....  
Notary Public

20024097

**SCHEDULE A**  
**Real Property Descriptions**

**OREGON**

**Hood River County**

**Parcel 1 –**

Parcels 1 and 2 of Partition Plat No. 9817, filed June 29, 1998, Hood River County Microfilm Records, being a portion of Section 25, Township 3 North, Range 10 East of the Willamette Meridian in the County of Hood River and State of Oregon.

**Parcel 2 –**

A parcel of land located in the Southwest Quarter of Section 25, in Township 3 North, Range 10 East, Willamette Meridian in the County of Hood River, and State of Oregon, being more particularly described as follows.

Beginning at the most Northerly, Northwest comer of Parcel 1 of Partition Plat filed for record June 29, 1998, Hood River County Partition Plat File Number 9817.

Thence North  $21^{\circ}47'04''$  East a distance of 22.97 feet;  
Thence South  $63^{\circ}53'37''$  East a distance of 51.25 feet;  
Thence South  $64^{\circ}05'29''$  East a distance of 43.98 feet;  
Thence South  $64^{\circ}20'16''$  East a distance of 42.93 feet;  
Thence South  $64^{\circ}03'03''$  East a distance of 42.06 feet;  
Thence South  $65^{\circ}08'09''$  East a distance of 41.31 feet;  
Thence South  $66^{\circ}55'31''$  East a distance of 40.75 feet;  
Thence South  $67^{\circ}44'22''$  East a distance of 41.51 feet;  
Thence South  $69^{\circ}26'05''$  East a distance of 40.54 feet;  
Thence South  $70^{\circ}12'17''$  East a distance of 41.80 feet;  
Thence South  $71^{\circ}50'21''$  East a distance of 42.70 feet;  
Thence South  $74^{\circ}37'30''$  East a distance of 11.18 feet;  
Thence South  $72^{\circ}34'06''$  East a distance of 43.66 feet;  
Thence South  $73^{\circ}49'12''$  East a distance of 41.67 feet;  
Thence South  $75^{\circ}12'47''$  East a distance of 40.00 feet;  
Thence South  $75^{\circ}17'53''$  East a distance of 39.92 feet;  
Thence South  $75^{\circ}48'44''$  East a distance of 39.14 feet;  
Thence South  $75^{\circ}55'33''$  East a distance of 37.08 feet;  
Thence South  $76^{\circ}42'50''$  East a distance of 37.86 feet;  
Thence South  $75^{\circ}57'48''$  East a distance of 38.94 feet;  
Thence South  $77^{\circ}25'01''$  East a distance of 46.37 feet;  
Thence South  $77^{\circ}40'28''$  East a distance of 39.51 feet;  
Thence South  $77^{\circ}31'09''$  East a distance of 37.23 feet;  
Thence South  $76^{\circ}09'09''$  East a distance of 38.52 feet;  
Thence South  $75^{\circ}20'55''$  East a distance of 23.51 feet;  
Thence South  $14^{\circ}07'09''$  East a distance of 65.30 feet;

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Thence South  $75^{\circ}52'50''$  East a distance of 250.96 feet;  
Thence along the arc of 1909.86 foot radius curve to the right (the long chord of which bears North  $69^{\circ}02'20''$  West a distance of 455.02 feet) an arc distance of 456.10 feet;  
Thence North  $62^{\circ}11'52''$  West a distance of 244.51 feet to the Point of Beginning.

Contains 44,775 Square Feet, more or less.

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