



RON L. TRULLINGER

June 16, 2014

Filing Center
Oregon Public Utility Commission
P.O. Box 1088
Salem, OR 97308-1088

RE: Application of United Telephone Company of the Northwest d/b/a CenturyLink for Authority to Sell a Building Located in Hood River, Oregon per OAR 860-027-0025

Dear Commission:

Please find enclosed the Application of United Telephone Company of the Northwest d/b/a CenturyLink, filed pursuant to OAR 860-027-0025. CenturyLink respectfully requests that the Commission consider this Application on an expedited basis and approve the transaction by August 1, 2014, so that the parties can ensure a smooth transition of the building ownership.

The Commission previously reviewed and approved a proposed sale of the building included in this Application in Docket UP 247, Order 08-617. However, that proposed transaction was not completed as the buyer terminated the contract prior to the closing.

Confidential page 3 of the Application and the Confidential Exhibits are printed on yellow paper and sealed in a separate envelope appropriately marked.

If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in blue ink that reads "Ron L. Trullinger".

Ron Trullinger
State Regulatory Affairs Director

Enclosures

310 SW Park Ave., 11th Floor
Portland, OR 97205
Tel: 503.242.5089
Fax: 503.242.8589
ron.trullinger@centurylink.com

BEFORE THE
OREGON PUBLIC UTILITY COMMISSION

Application of United Telephone Company of the Northwest d/b/a CenturyLink
for Authority to Sell a Building Located in Hood River, Oregon
per OAR 860-027-0025

1. Application

(a) The exact name and address of the utility's principal business office:

United Telephone Company of the Northwest d/b/a CenturyLink
100 CenturyLink Drive
Monroe, LA 71203

(b) The state in which incorporated, the date of incorporation, and the other states in which authorized to transact utility operations:

Incorporated in Oregon on July 18, 1907, United Telephone Company of the Northwest is authorized to transact utility operations in Oregon and Washington. Parent CenturyLink, Inc., a Louisiana corporation incorporated on April 30, 1968, also has subsidiaries that transact utility operations in Alabama, Arkansas, Arizona, California, Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin and Wyoming.

(c) Name and address of the person on behalf of applicant authorized to receive notices and communications in respect to the applicant:

William E. Hendricks III
Attorney
CenturyLink
902 Wasco Avenue
Hood River, OR 97031

Ron Trullinger
Regulatory Affairs Director
CenturyLink
310 SW Park Ave., 11th Floor
Portland, OR 97205

(d) The names, titles and addresses of the principal officers:

See Attachment A

(e) A description of the general character of the business done and to be done, and a designation of the territories served, by counties and states:

Telecommunications. United Telephone Company of the Northwest serves the following exchanges in Oregon:

Arlington	Bay City	Beaver	Butte Falls
Carlton	Cascade Locks	Cloverdale	Crater Lake
Diamond Lake	Fish Lake	Garibaldi	Grand Ronde
Grass Valley	Hood River	Lincoln City	Moro
Mosier	Odell	Pacific City	Parkdale
Prospect	Rockaway	Rufus	Shady Cove
Sheridan	The Dalles	Tillamook	Wasco
White City	Willamina		

These exchanges are located in the following counties in Oregon:

Douglas	Gilliam	Hood River	Jackson
Klamath	Lincoln	Multnomah	Polk
Sherman	Tillamook	Wasco	Washington
Yamhill			

(f) A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of capital stock: brief description; the amount authorized (face value and number of shares); the amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount owned by affiliated interests; and amount held in any fund;

Figures provided as of December 31, 2013:

Preferred stock, par value \$100 per share. 10,000 shares authorized, 6,000 shares issued and outstanding.

Common stock, no par value. 500,000 shares authorized, 324,278 shares issued and outstanding.

Paid in Capital. \$6,361,008.

Capital Stock balance. \$17,265,232

Retained Earnings. \$59,692,979.

No treasury stock, no amount held as reacquired securities, no amount pledged, no amount owned by affiliated interests, no amount held in any fund.

(g) A statement, as of the date of the balance sheet submitted with the application, showing for each class and series of long-term debt and notes: brief description (amount, interest rate and maturity); amount authorized; amount outstanding (exclusive of any amount held in the treasury); amount held as reacquired securities; amount pledged; amount held by affiliated interests; and amount in sinking and other funds;

As of December 31, 2013, United Telephone Company of the Northwest had XXX First Mortgage Bonds in the amount of \$XXX maturing August 1, 2017.

(h) Whether the application is for disposition of facilities by sale, lease, or otherwise, a merger or consolidation of facilities, or for mortgaging or encumbering its property, or for the acquisition of stock, bonds, or property of another utility, also a description of the consideration, if any, and the method of arriving at the amount thereof;

The application is for disposition of approximately 8.2 acres of land and a 209,011 square foot building located at 902 Wasco St., Hood River, Oregon, by sale to XXX. The consideration is an earnest money deposit with the remaining due at closing. The method to arrive at the purchase price resulted from consultation with a local real estate broker who represented CenturyLink in marketing the property and identifying the prospective buyers. Utilizing his knowledge of the local market, the broker assisted CenturyLink in establishing an appropriate market value for the property that produced an acceptable sale price.

(i) A statement and general description of facilities to be disposed of, consolidated, merged, or acquired from another utility, giving a description of their present use and of their proposed use after disposition, consolidation, merger, or acquisition. State whether the proposed disposition of facilities or plan for consolidation, merger, or acquisition includes all the operating facilities of the parties to the transaction;

The sale includes a 209,011 square foot building on an 8.2 acre parcel of land. CenturyLink will continue occupancy in the building with a leaseback of 28,002 square feet of office space. The sales agreement includes a no-fee License Agreement for the telecom switch room located in the basement of the building and an easement for exterior underground communications facilities. The purchaser of the property plans to operate the building as a multi-tenant office building, leasing office space to tenants, including CenturyLink.

(j) A statement by primary account of the cost of the facilities and applicable depreciation reserve involved in the sale, lease, or other disposition, merger or consolidation, or acquisition of property of another utility. If original cost is not known, an estimate of original cost based, to the extent possible, upon records or data of the applicant or its predecessors must be furnished, a full explanation of the manner in which such estimate has been made, and a statement indicating where all existing data and records may be found;

See Exhibit J

(k) A statement as to whether or not any application with respect to the transaction or any part thereof, is required to be filed with any federal or other state regulatory body;

This transaction does not require filings with any other federal or state regulatory body.

(l) The facts relied upon by applicants to show that the proposed sale, lease, assignment, or consolidation of facilities, mortgage or encumbrance of property, or acquisition of stock, bonds, or property of another utility will be consistent with the public interest;

- 1) The building is not fully utilized by CenturyLink as employees occupy less than 15% of the building space.
- 2) Although CenturyLink currently leases approximately 97,000 square feet of the building to third-party tenants, the lease with the largest tenant comprising 85% of the leased space expires in March 2015, creating risk to CenturyLink's continued ability to operate the building economically.
- 3) CenturyLink engaged a qualified broker experienced in the sale of this type of real estate.

(m) The reasons, in detail, relied upon by each applicant, or party to the application, for entering into the proposed sale, lease, assignment, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, and the benefits, if any, to be derived by the customers of the applicants and the public;

Because CenturyLink does not fully utilize the building, the asset is no longer used and useful in the company's performance of its duties as a telecommunications utility. Although CenturyLink has leases with third-party tenants for a portion of the building space that the company does not utilize, the lease for approximately 85% of the leased space expires in March 2015, creating risk to CenturyLink's continued ability to operate the building economically. The sale of this property will allow CenturyLink to avoid certain expenditures associated with the property (e.g. property taxes) and will free up financial resources which can be directed to the provision of services in Oregon. The sale is therefore consistent with the public interest and will not harm customers.

(n) The amount of stock, bonds, or other securities, now owned, held or controlled by applicant, of the utility from which stock or bonds are proposed to be acquired;

Not applicable

(o) A brief statement of franchises held, showing date of expiration if not perpetual, or, in case of transfer, that transferee has the necessary franchises.

<u>Jurisdiction</u>	<u>Company</u>	<u>Expiration Date</u>
Arlington	UTNW	No Expiration Date
Bay City	UTNW	2/13/2011
Butte Falls	UTNW	4/18/2020
Carlton	UTNW	6/15/2011
Cascade Locks	UTNW	No Expiration Date
Eagle Point	UTNW	5/12/2018
Garibaldi	UTNW	9/13/2010
Grass Valley	UTNW	Indefinite term
Hood River	UTNW	12/22/2011
Lincoln City	UTNW	No Expiration Date
Moro	UTNW	7/1/2011
Mosier	UTNW	6/4/2007
Rockaway Beach	UTNW	5/12/2009
Rufus	UTNW	1/4/2006
Shady Cove	UTNW	12/1/2015
Sheridan	UTNW	3/20/2011
The Dalles	UTNW	No Expiration Date
Tillamook	UTNW	12/1/2015
Wasco	UTNW	7/19/2010
Willamina	UTNW	5/11/2007

(2) Required Exhibits

(a) EXHIBIT A. A copy of the charter or articles of incorporation with amendments to date;

Please see attached Exhibit A.

(b) EXHIBIT B. A copy of the bylaws with amendments to date;

Please see attached Exhibit B.

(c) EXHIBIT C. Copies of all resolutions of directors authorizing the proposed disposition, merger, or consolidation of facilities, mortgage or encumbrance of property, acquisition of stock, bonds, or property of another utility, in respect to which the application is made and, if approval of stockholders has been obtained, copies of the resolutions of the stockholders should also be furnished;

The real estate contract is signed in compliance with CenturyLink fiscal policy. The proposed sale does not require board of director or stockholder approval.

(d) EXHIBIT D. Copies of all mortgages, trust, deeds, or indentures, securing any obligation of each party to the transaction;

Please see attached Exhibit D.

(e) EXHIBIT E. Balance sheets showing booked amounts, adjustments to record the proposed transaction and pro forma, with supporting fixed capital or plant schedules in conformity with the forms in the annual report, which applicant(s) is required, or will be required, to file with the Commission;

Please see attached Exhibit E.

(f) EXHIBIT F. A statement of all known contingent liabilities, except minor items such as damage claims and similar items involving relatively small amounts, as of the date of the application;

There are no contingent liabilities associated with the property proposed for sale in this transaction.

(g) EXHIBIT G. Comparative income statements showing recorded results of operations, adjustments to record the proposed transaction and pro forma, in conformity with the form in the annual report which applicant(s) is required, or will be required, to file with the Commission;

Please see attached Exhibit G.

(h) EXHIBIT H. An analysis of surplus for the period covered by the income statements referred to in Exhibit G;

Please see attached Exhibit H.

(i) EXHIBIT I. A copy of each contract in respect to the sale, lease or other proposed disposition, merger or consolidation of facilities, acquisition of stock, bonds, or property of another utility, as the case may be, with copies of all other written instruments entered into or proposed to be entered into by the parties to the transaction pertaining thereto;

Please see attached Exhibit I.

(j) EXHIBIT J. A copy of each proposed journal entry to be used to record the transaction upon each applicant's books; and

Please see attached Exhibit J.

(k) EXHIBIT K. A copy of each supporting schedule showing the benefits, if any, which each applicant relies upon to support the facts as required by subsection (1)(l) of this rule and the reasons as required by subsection (1)(m) of this rule.

Please see attached Exhibit K.

ATTACHMENT
A

**Officers and Directors of
United Telephone Company of the Northwest d/b/a CenturyLink**

OFFICERS: Chairman of the Board and President.....William E. Cheek
Executive Vice President and Chief Operating OfficerKaren A. Puckett
Executive Vice President and Chief Financial OfficerR. Stewart Ewing, Jr.
Executive Vice President and General CounselStacey W. Goff
Executive Vice President – IT ServicesGirish Varma
Executive Vice President – Public Policy and Government
RelationsR. Steven Davis
Executive Vice President – Controller and Operations
Support.....David D. Cole
Executive Vice President – Network ServicesMaxine Moreau
Vice President and TreasurerGlynn E. Williams, Jr.
Vice President.....Jonathan Robinson
SecretaryKay C. Buchart
Assistant SecretaryCarrick Inabnett

DIRECTORS: Stacey W. Goff; R. Stewart Ewing, Jr.; William E. Cheek



Office of the Secretary of State Corporation Division

I, **Jack H. Graham**, *Director of the Corporation Division*,

DO HEREBY CERTIFY:

UNITED TELEPHONE COMPANY OF THE NORTHWEST was incorporated under the Oregon Business Corporation Act on July 18, 1907, and is an existing corporation on the records of the Corporation Division as of the date of this certificate.

Jack H. Graham

Director

By *Amelia J. Lewis*

Date *September 28, 1988*



Department of Commerce
Corporation Division

Certificate of
Restated Articles of Incorporation

OF

UNITED TELEPHONE COMPANY OF THE NORTHWEST

The undersigned, as Corporation Commissioner of the State of Oregon, hereby certifies that duplicate originals of Restated Articles of Incorporation, duly signed and verified pursuant to the provisions of the Oregon Business Corporation Act, have been received in this office and are found to conform to law.

Accordingly, the undersigned, as such Corporation Commissioner, and by virtue of the authority vested in him by law, hereby issues this Certificate of Restated Articles of Incorporation, and attaches hereto a duplicate original of the Restated Articles of Incorporation, of the above corporation.

In Testimony Whereof, I have hereunto set my hand and
affixed hereto the seal of the Corporation Division of the
Department of Commerce of the State of Oregon this
6th day of August, 19 82.



Frank J. Healy
Corporation Commissioner

By Mellie Pitts
Chief Clerk



Office of the Secretary of State Corporation Division

I, **Jack H. Graham**, *Director of the Corporation Division,*

DO HEREBY CERTIFY:

That the attached copy of the Restated Articles of Incorporation filed on August 06, 1982 for:

UNITED TELEPHONE COMPANY OF THE NORTHWEST

is a true copy of the original document that has been filed with this office.

Jack H. Graham

Director

By.....*Amelia Lewis*.....
Date.....*November 17, 1988*.....

FILE NO. 11991

FILED
IN THE OFFICE OF THE CORPORATION
COMMISSIONER OF THE STATE OF ORE.
AUG 6 - 1982
FRANK J. HEALY
CORPORATION COMMISSIONER

RESTATED ARTICLES OF INCORPORATION
OF
UNITED TELEPHONE COMPANY OF THE NORTHWEST

Pursuant to the provisions of ORS 57.385, United Telephone Company of the Northwest adopts the following restated articles of incorporation which supersede the heretofore existing articles of incorporation and all amendments thereto:

ARTICLE I

The name of this corporation is United Telephone Company of the Northwest, and its duration shall be perpetual.

ARTICLE II

The purposes for which the corporation is organized are:

A. The ownership, operation, acquisition, improvement, and development of a general telephone system and business, to include ownership, operation, and development of all means and systems, now known and hereafter to be established, for the origination, transmission, delivery, and receipt of messages, images, and other signals, data, and means of communication, for the account of the public generally, individuals, corporations, public bodies and agencies, and other entities of all descriptions;

B. The conduct of any other lawful activity for which corporations may be organized under ORS Chapter 57.

ARTICLE III

The aggregate number of shares which the corporation shall have authority to issue is 500,000 shares of common capital stock without nominal or par value, and 10,000 shares of 5% cumulative non-voting and non-participating first preferred capital stock of the par value of \$100.00 per share. Preferred capital stock shall have terms of preference as follows:

The 5% cumulative non-voting and non-participating first preferred capital stock of this corporation shall be preferred over the common capital stock, both as to dividends and as to assets of said corporation upon dissolution, and shall be entitled to receive from the net earnings or surplus of the corporation an annual dividend of 5% of the face value thereof before any dividends shall be paid upon the common capital stock and said dividends shall be paid semiannually on the first day of January and July of each year, when and as determined. In the event of any one or more dividends not being paid when due, the deficiency shall be fully paid or set apart for payment, but without interest, before any dividends shall be paid upon or set apart for the common capital stock. The holders of such preferred capital stock shall be entitled to receive no more than the face value thereof, plus accrued and unpaid dividends, upon dissolution. Such preferred capital stock shall be subject to redemption at the option of the Board of Directors in whole or in part, at any time, at the price of \$104.00 per share, plus accrued and unpaid dividends, after first giving thirty days' notice of such proposed redemption by mailing a copy thereof to each stockholder whose stock is to be redeemed, at his address as it appears upon the books of the corporation, stating the date of the proposed redemption, and by publishing such notice for at least two successive weeks within thirty days in some newspaper of general circulation, printed and published in Hood River County, Oregon, not less than once each week. If less than all of the outstanding shares of said preferred capital stock shall be redeemed at any time, those to be redeemed shall be decided by drawing lots in the customary manner and the notice of redemption shall, in such event,

state the numbers of the certificates and the names of the record owners of the shares to be redeemed. No shares shall bear interest after the date so fixed for redemption and all rights of the holders thereof as stockholders of the corporation, except the right to receive the redemption price, shall cease and determine. Such preferred capital stock shall not entitle the holders thereof to any right to vote at any meeting of the stockholders.

ARTICLE IV

The amount of stated capital of United Telephone Company of the Northwest at the time of adoption of these restated articles of incorporation is \$17,307.418.

* * * * *

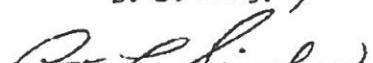
The foregoing restated articles of incorporation were duly adopted at a meeting of shareholders held on June 2, 1931. The number of shares outstanding at the time of adoption of the restated articles of incorporation was 330,278, of which 324,278 shares were entitled to vote thereon. No shares were entitled to vote as a class. The number of shares voted for adoption of the restated articles of incorporation was 324,278; the number of shares voted against adoption was 0.

The restated articles of incorporation do not provide for an exchange, reclassification, or cancellation of issued shares.

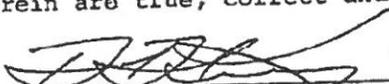
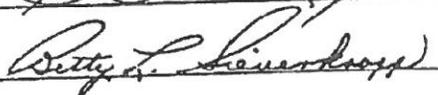
The restated articles of incorporation do not effect a change in the amount of stated capital of the corporation.

UNITED TELEPHONE COMPANY OF THE
NORTHWEST

By 
D. D. King, President

By 
Betty L. Sieverkropp, Secretary

On this 6th day of August, 1982, we, D. D. King and Betty L. Sieverkropp, the undersigned, declare under penalties of perjury that we, in our respective corporate capacities, have examined the foregoing and to the best of our knowledge and belief, the statements therein are true, correct and complete.

STATE OF OREGON)
County of Hood River) ss

I, Elena C. Wright, a notary public, do hereby certify that on this 6th day of August, 1982, personally appeared before me D. D. King, who, being by me first duly sworn, declared that he is the President of the corporation, who signed the foregoing document as such officer of said corporation, and that the statements therein contained are true.


Notary Public for Oregon
My Commission Expires: 2-19-84

BYLAWS
of
UNITED TELEPHONE COMPANY OF THE NORTHWEST
(as amended June 11, 2013)

Section 1. OFFICES

1.1 ***Principal Office.*** The principal office of the Corporation shall be located at 100 CenturyLink Drive, Monroe, Louisiana 71203.

1.2 ***Additional Offices.*** The Corporation may have such other offices (including a registered office as required by law) at such other places as the Board of Directors may from time to time determine or the business of the Corporation may require.

Section 2. SHAREHOLDERS' MEETINGS

2.1 ***Place of Meeting.*** Unless otherwise required by law or these Bylaws, all meetings of the shareholders shall be held at the principal office of the Corporation or at such other place as may be designated by the Board of Directors.

2.2 ***Annual Meetings.*** An annual meeting of the shareholders shall be held on the second Tuesday of June each year at 10 o'clock a.m., or on such other date or at such other time as the Board of Directors shall designate, for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting.

2.3 ***Special Meetings.*** Special meetings of the shareholders, for any purpose or purposes, may be called by the Chairman, President or Board of Directors. At any time, upon the written consent of any shareholder or shareholders holding in the aggregate one-half of the total voting power, the Secretary shall call a special meeting of shareholders to be held at the principal office of the Corporation at such time as the Secretary may fix, not less than 15 nor more than 60 days after the receipt of such request.

2.4 ***Notice of Meetings.*** Except as otherwise provided in Section 2.3 hereof or by law, the authorized person or persons calling a shareholders' meeting shall cause written notice of the time, place and purpose of the meeting to be given to all shareholders entitled to vote at such meeting, at least 10 days and not more than 60 days prior to the day fixed for the meeting. Notice of the annual meeting need not state the purpose thereof, unless action is to be taken at the meeting for which notice is required by law.

2.5 ***List of Shareholders.*** At every meeting of shareholders a list of shareholders entitled to vote, arranged alphabetically and certified by the Secretary or by the agent of the Corporation having charge of transfers of shares, showing the number and class of shares held by each such shareholder on the record date for the meeting, shall be produced on the request of any shareholder.

2.6 **Quorum.** Except as otherwise provided by law, the presence, in person or by proxy, of the holders of 65% of the total voting power shall be required and shall constitute a quorum at all meetings of the shareholders.

2.7 **Voting.** When a quorum is present at any meeting, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provisions of law or the Charter, a different vote is required, in which case such express provision shall govern and control the decision of such question.

2.8 **Proxies; Record Date.** At any meeting of the shareholders, every shareholder having the right to vote shall be entitled to vote in person, or by proxy duly appointed by an instrument in writing that conforms to all requirements of applicable law. Each shareholder shall have one vote for each share of stock having voting power that is registered in his name on the books of the Corporation at the time of the meeting or on the record date for the determination of shareholders entitled to vote at the meeting if the Board of Directors shall have fixed such a record date.

2.9 **Adjournments.** Adjournments of any annual or special meeting of shareholders may not be taken without new notice being given unless a new date is fixed and announced prior to adjournment, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors shall have been elected.

2.10 **Lack of Quorum.** If a meeting cannot be organized because a quorum has not attended, those present may adjourn the meeting to such time and place as they may determine, subject, however, to the provisions of Section 2.9 hereof. In the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in Section 2.6 hereof, shall nevertheless constitute a quorum for the purpose of electing directors.

2.11 **Action by Consent.** To the maximum extent permitted by law, any action that may be taken at a meeting of shareholders may be taken by a consent in writing signed by shareholders holding the requisite amount of voting power required by applicable law in order to effect valid shareholder action in lieu of a meeting.

Section 3. DIRECTORS

3.1 **Number; Powers; Election.** The number of directors shall be two. The Board may exercise all such powers of the Corporation and do all such lawful acts and things which are not by law or by the Charter or these Bylaws directed or required to be done by the shareholders. The directors shall be elected at the annual meeting of the shareholders and shall hold office for one year and until their successors are chosen and have qualified. No director need be a shareholder.

3.2 **Filling Vacancies.** The remaining directors, even though not constituting a quorum, may, by a majority vote, fill any vacancy on the Board (including any vacancy resulting

from death or resignation, from an increase in the authorized number of directors or from failure of the shareholders to elect the full number of authorized directors) for an unexpired term, provided that the shareholders shall have the right, at any special meeting called for the purpose prior to such action by the Board, to fill the vacancy.

3.3 **Removal of Board Members.** Unless otherwise provided by the Charter or applicable law, any director may be removed, with or without cause, notwithstanding that his term of office may not have expired, by either (i) the affirmative vote of a majority of the total voting power of the Corporation (or any such higher vote required by applicable law) or (ii) a two-thirds vote of the Board of Directors. At the same meeting in which the shareholders or the Board of Directors remove one or more directors, a successor or successors may be elected for the unexpired term of the director or directors removed.

Section 4. MEETINGS OF THE BOARD

4.1 **Place of Meetings.** The meetings of the Board of Directors may be held at such place as a majority of the directors may from time to time designate.

4.2 **Initial Meetings.** The first meeting of each newly elected Board shall be held immediately following the annual shareholders' meeting and at the same place as the annual meeting, and no notice of such first meeting shall be necessary to the newly elected directors in order legally to constitute the meeting.

4.3 **Regular Meetings.** Regular meetings of the Board may be held without notice at such time and place as shall from time to time be determined by the Board.

4.4 **Special Meetings.** Special meetings of the Board may be called by the Chairman or President on two days' notice given to each director, either personally or by telephone, mail or by telegram. Special meetings shall be called by the President or Secretary in like manner and on like notice on the written request of any two directors, and if the President and Secretary fail or refuse, or are unable to call a meeting when requested by any two directors, then the two directors may call the meeting on two days' written notice given to each director.

4.5 **Quorum.** A majority of the Board shall be necessary to constitute a quorum for the transaction of business and, except as may be otherwise provided by law, the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board.

4.6 **Withdrawal.** If a quorum is present when the meeting is convened, the directors present may continue to do business, taking action by vote of a majority of a quorum as fixed in Section 4.5 hereof, until adjournment, notwithstanding the withdrawal of enough directors to leave less than a quorum as fixed in Section 4.5 hereof, or the refusal of any directors present to vote.

4.7 **Committees.** The Board may designate one or more committees, each committee to consist of two or more of the directors of the Corporation (and one or more directors may be

named as alternate members to replace any absent or disqualified regular members), which, to the extent provided by resolution of the Board or the Bylaws and subject to any applicable restrictions under applicable law, shall have and may exercise the powers of the Board in the management of the business and affairs of the Corporation, and may have power to authorize the seal of the Corporation to be affixed to documents. Such committee or committees shall have such name or names as may be stated in the Bylaws, or as may be determined, from time to time, by the Board. Any vacancy occurring in any committee shall be filled by the Board, but the President may designate another director to serve on the committee pending action by the Board. Each such committee shall hold office during the term of the Board constituting it, unless otherwise ordered by the Board.

4.8 **Action by Consent.** Any action which may be taken at a meeting of the Board or any committee thereof may be taken by a consent in writing signed by all of the directors or by all members of the committee, as the case may be, and filed with the records of proceedings of the Board or committee.

4.9 **Meetings by Telephone or Similar Communication.** To the maximum extent permitted by applicable law, meetings of the Board of Directors may be held by the means of telephone conference calls or similar communications equipment provided that all persons participating in the meeting can hear and communicate with each other.

Section 5. NOTICES

5.1 **Form of Delivery.** Any written notice required or permitted by law, the Charter or the Bylaws to be given to any shareholder or director shall be deemed to have been given to such shareholder or director (a) on the date such notice is served upon such shareholder or director or (b) on the day such notice is deposited in the United States mail, postage prepaid, addressed to such shareholder or director at his last known address.

5.2 **Waiver.** Whenever any notice is required to be given by law or the Charter or these Bylaws, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 6. OFFICERS

6.1 **Designations.** The officers of the Corporation shall be chosen by the directors and shall be a President, Secretary, Treasurer and any other officer required to be elected by the laws of the state in which the Corporation is organized. The Board may elect a Chairman and a Chief Executive Officer, and one or more Executive Vice Presidents, Senior Vice Presidents, Vice Presidents, Assistant Secretaries and Assistant Treasurers. Except for the positions of President and Secretary, any two offices may be held by one person.

6.2 **Additional Designations.** The Board of Directors may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board.

6.3 **Salaries.** The salaries of all officers and agents of the Corporation, if any, shall be fixed by the Board.

6.4 **Term of Office.** The officers of the Corporation shall hold office at the pleasure of the Board of Directors.

6.5 **Chairman.** The Chairman, if any, shall preside at all meetings of the shareholders and directors, ensure that all orders, policies and resolutions of the Board are carried out and perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

6.6 **Chief Executive Officer ("CEO").** The Chief Executive Officer, if any, shall be the chief executive officer of the Corporation; he shall have general and active management of the business of the Corporation. He may sign, execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and shall perform such other duties as may be prescribed by the Board of Directors or the Bylaws.

6.7 **President.** The President shall manage the day-to-day affairs of the Corporation. He may sign, execute and deliver in the name of the Corporation powers of attorney, contracts, bonds and other obligations and shall perform such other duties as may be prescribed from time to time by the Board of Directors, the Chairman, the CEO and the Bylaws. The President shall perform the duties of the CEO if no CEO is elected or if the CEO is absent or unable to act.

6.8 **Executive Vice President(s).** Each Executive Vice President shall assist the CEO and the President in discharging the duties of their offices in any manner requested by them and perform any other duties as may be prescribed by the Board of Directors and the Bylaws. The Executive Vice President shall perform the duties of the CEO and the President, if they are both absent or unable to act.

6.9 **Senior Vice President(s).** Each Senior Vice President shall possess the power and may perform the duties of the Executive Vice Presidents in their absence or disability and shall perform such other duties as may be prescribed from time to time by the Board of Directors, the CEO or the President.

6.10 **Vice President(s).** Each Vice President shall have such powers and perform such duties as may be assigned to them by the Board of Directors, the CEO or the President. A Vice President may sign and execute contracts and other obligations pertaining to the regular course of his duties.

6.11 **Secretary.** The Secretary shall keep the minutes of all meetings of the shareholders, the Board of Directors and all committees thereof. The Secretary shall cause notice to be given of meetings of the shareholders, of the Board of Directors and of any committee appointed by the Board. The Secretary shall have custody of the corporate seal and general charge of the records, documents and papers of the Corporation not pertaining to the duties vested in other officers, which shall at all reasonable times be open to the examination of any director. The Secretary may sign or execute contracts with the CEO, the President, or any

Executive Vice President, Senior Vice President or Vice President thereunto authorized in the name of the Corporation and affix the seal of the Corporation thereto. The Secretary shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

6.12 **Assistant Secretary.** The Assistant Secretary shall have such powers and perform such duties as may be assigned by the Board of Directors or the President. In the absence or disability of the Secretary, the Assistant Secretary shall perform the duties and exercise the powers of the Secretary.

6.13 **Treasurer.** The Treasurer shall have general custody of all the funds and securities of the Corporation and have general supervision of the collection and disbursement of the funds of the Corporation. The Treasurer shall endorse on behalf of the Corporation for collection checks, notes and obligations and may deposit the same to the credit of the Corporation in such bank or banks or depositories as the Board of Directors may designate. The Treasurer may sign, with the President or such other person or persons as may be designated for the purpose by the Board of Directors, all bills of exchange or promissory notes of the Corporation. The Treasurer shall enter or cause to be entered regularly in the books of the Corporation full and accurate account of all monies received and paid by him on account of the Corporation; shall at all reasonable times exhibit books and accounts to any director of the Corporation upon application at the office of the Corporation during business hours; and, whenever required by the Board of Directors, the CEO or the President, shall render a statement of accounts. The Treasurer shall perform such other duties as may be prescribed from time to time by the Board of Directors or by the Bylaws.

6.14 **Assistant Treasurer.** The Assistant Treasurer shall have such powers and perform such duties as may be assigned by the Board of Directors, the CEO, the President, or the Treasurer. In the absence or disability of the Treasurer, the Assistant Treasurer shall perform the duties and exercise the powers of the Treasurer.

6.15 **Controller.** The Controller shall be the principal accounting officer and shall be responsible for the development and maintenance of the accounting systems used by the Corporation and its subsidiaries. The Controller shall be authorized to implement policies and procedures to ensure that the Corporation and its subsidiaries maintain internal accounting control systems designed to provide reasonable assurance that the accounting records accurately reflect business transactions and that such transactions are in accordance with management's authorization. Additionally, the Controller shall be responsible for internal and external financial reporting for the Corporation and its subsidiaries.

6.16 **General Manager(s).** Each General Manager shall be responsible for overseeing the day-to-day management of the Company's field operations at the direction of the Regional Vice President and for performing such other duties as may from time to time be assigned. A General Manager may sign and execute contracts and other obligations pertaining to the regular course of his duties.

Section 7. STOCK

7.1 ***Certificates.*** The certificates of each class of stock of the Corporation shall be numbered and shall be entered in the books of the Corporation as they are issued. Every certificate of stock shall be signed in the manner required by applicable law. If any stock certificate is signed by a transfer agent or by a registrar, other than the Corporation itself or an employee of the Corporation, the signature of such officer may be a facsimile.

7.2 ***Lost Certificates.*** The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost or destroyed. When authorizing such issue of a new certificate or certificates, the Board may, in its discretion and as a condition precedent to the issuance thereof, require the owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and/or give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost or destroyed.

7.3 ***Transfers.*** Upon surrender to the Corporation, or the transfer agent of the Corporation, a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the person entitled thereto, cancel the old certificate and record the transaction upon its books.

7.4 ***Record Date.*** For the purpose of determining shareholders entitled to notice of and to vote at a meeting, or to receive a dividend, or to receive or exercise subscription or other rights, or to participate in a reclassification of stock, or in order to make a determination of shareholders for any other proper purpose, the Board of Directors may fix in advance a record date for determination of shareholders for such purpose, such date to be not more than 60 days and, if fixed for the purpose of determining shareholders entitled to notice of and to vote at a meeting, not less than 10 days, prior to the date on which the action requiring the determination of shareholders is to be taken.

7.5 ***Registered Shareholders.*** Except as otherwise provided by law, the Corporation and its directors, officers and agents may recognize and treat a person registered on its records as the owner of shares as the owner in fact thereof for all purposes, and as the person exclusively entitled to have and to exercise all rights and privileges incident to the ownership of such shares, and rights under this Section shall not be affected by an actual or constructive notice which the Corporation, or any of its directors, officer or agents, may have to the contrary.

Section 8. MISCELLANEOUS

8.1 ***Dividends.*** Except as otherwise provided by law or the Charter, dividends upon the stock of the Corporation may be declared by the Board of Directors at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of stock.

8.2 ***Reserves.*** The Board of Directors may create and abolish reserves out of earned surplus for any proper purposes.

8.3 ***Checks.*** All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

8.4 ***Fiscal Year.*** The Board of Directors may adopt for and on behalf of the Corporation a fiscal or a calendar year.

8.5 ***Seal.*** The Board of Directors may adopt a corporate seal. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. Failure to affix the seal shall not, however, affect the validity of any instrument.

8.6 ***Gender.*** All pronouns and variations thereof used in these Bylaws shall be deemed to refer to the masculine, feminine or neuter gender, singular or plural, as to the identity of the person, persons, entity or entities referred to require.

8.7 ***Severability.*** A determination that any provision of these By-laws is for any reason inapplicable, invalid, illegal or otherwise ineffective shall not affect or invalidate any other provision of these By-laws.

8.8 ***Definition of Charter.*** Any reference herein to the Corporation's "Charter" shall mean the Corporation's articles of incorporation, certificate of incorporation or similar organizational document.

Section 9. INDEMNIFICATION

9.1 ***Indemnification.*** To the maximum extent permitted by law, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any action, suit or proceeding, whether civil, criminal, administrative or investigative (including any action by or in the right of the Corporation), by reason of the fact that he is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another business, foreign or nonprofit corporation, partnership, joint venture or other enterprise, against expenses (including attorneys' fees), judgments, damages, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding.

9.2 ***Standard of Conduct.*** If applicable law conditions the Corporation's ability to indemnify a director, officer, employee or agent upon a determination that an applicable standard

of conduct has been met, the indemnification hereunder (unless ordered by the court) shall be made by the Corporation only as authorized in a specific case upon a determination that such applicable standard of conduct has been met. Such determination shall be made (a) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceedings, (b) if such a quorum is not obtainable or a quorum of disinterested directors so directs, by independent legal counsel, or (c) by the shareholders.

9.3 ***Payment of Expenses in Advance.*** The expenses incurred in defending such an action, suit or proceeding shall be paid by the Corporation in advance of the final disposition thereof if authorized by the Board of Directors in the manner provided in Section 9.2 above, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Corporation as authorized hereunder.

9.4 ***Nonexclusivity and Continuance of Indemnification.*** The indemnification provided hereunder shall not be deemed exclusive of any other rights to which any person indemnified may be entitled, both as to action in his official capacity and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his heirs and legal representatives.

9.5 ***Insurance.*** The Corporation may procure insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another business, nonprofit or foreign corporation, partnership, joint venture or other enterprise against any liability asserted against or incurred by him in any such capacity, or arising out of his status as such, whether or not the Corporation would have the power to indemnify him against such liability under applicable law.

Section 10. AMENDMENTS

10.1 ***Amendments; Repeal.*** These Bylaws may be amended or repealed by the Board of Directors at any regular or special meeting or by the shareholders at any annual or special meeting, provided notice of the proposed amendment or repeal is contained in the notice of such annual or special meeting of shareholders.

* * * * *

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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

SS

COUNTY OF CLATSOP

I certify that this instrument was received and recorded in the records of said county.

Sandra E. Berry, Director of records and Assessment and Ex-Officio Recorder.

by *[Signature]* Deputy

DOCS: 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

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* 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.

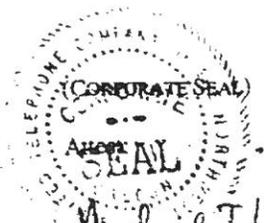
1.03. Although this Twentieth Supplemental Indenture is dated for convenience and for the purpose of reference as of August 1, 2002, the actual dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto annexed.

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

20024097

U.S. BANK NATIONAL ASSOCIATION
Trustee

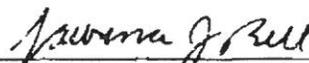
By: 
Charles Burns, Assistant Vice President

Agent:

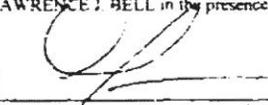
Assistant Secretary

Signed and acknowledged by
U.S. BANK NATIONAL ASSOCIATION in
the presence of:


Glenay Yuen, AVP
U.S. BANK, N.A.


LAWRENCE J. BELL, Individual Trustee

Signed and acknowledged by
LAWRENCE J. BELL in the presence of:


Glenay Yuen, AVP
U.S. BANK, N.A.

20024097

STATE OF KANSAS

) ss:

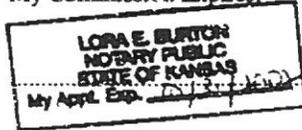
COUNTY OF JOHNSON

On this 21st 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. Burton
.....
Notary Public

My Commission Expires:



20024097

STATE OF WASHINGTON

) ss:

COUNTY OF KING

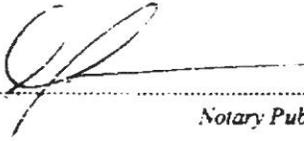
On this 22nd day of August, 2002, before me, the undersigned officer, personally appeared CHARLES BURNS and Qian M. Li, to me known to be Authorized Officers of U.S. BANK NATIONAL ASSOCIATION, the national banking association which executed the within and foregoing instrument, and CHARLES BURNS and Qian M. Li, 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.

My Commission Expires

3/28/2003




Notary Public

20024097

STATE OF WASHINGTON

) ss:

COUNTY OF King

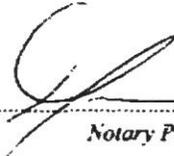
On this 22nd day of August, 2002, before me, the undersigned officer, personally appeared LAWRENCE J. BELL, to me known to be the individual described in and who executed the within and foregoing instrument and acknowledged that he executed and signed the same as his free and voluntary act and deed for 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 corner of Parcel 1 of Partition Plat filed for record June 29, 1998, Hood River County Partition Plat File Number 9817.

Thence North 21°47'04" East a distance of 22.97 feet;
Thence South 63°53'37" East a distance of 51.25 feet;
Thence South 64°05'29" East a distance of 43.98 feet;
Thence South 64°20'16" East a distance of 47.93 feet;
Thence South 64°03'03" East a distance of 42.06 feet;
Thence South 65°08'09" East a distance of 41.31 feet;
Thence South 66°55'31" East a distance of 40.75 feet;
Thence South 67°44'22" East a distance of 41.51 feet;
Thence South 69°26'05" East a distance of 40.54 feet;
Thence South 70°12'17" East a distance of 41.80 feet;
Thence South 71°50'21" East a distance of 42.79 feet;
Thence South 74°37'30" East a distance of 31.18 feet;
Thence South 72°34'06" East a distance of 43.66 feet;
Thence South 73°49'12" East a distance of 41.67 feet;
Thence South 75°12'47" East a distance of 40.00 feet;
Thence South 75°17'53" East a distance of 39.92 feet;
Thence South 75°48'44" East a distance of 39.14 feet;
Thence South 75°55'33" East a distance of 37.98 feet;
Thence South 76°42'50" East a distance of 37.86 feet;
Thence South 75°57'48" East a distance of 38.94 feet;
Thence South 77°25'01" East a distance of 46.37 feet;
Thence South 77°40'28" East a distance of 39.51 feet;
Thence South 77°31'09" East a distance of 37.23 feet;
Thence South 76°09'09" East a distance of 38.52 feet;
Thence South 75°20'55" East a distance of 23.51 feet;
Thence South 14°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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