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UNITED TELEPHONE COMPANY OF THE NORTHWEST
TO
PEOPLES NATIONAL BANK OF WASHINGTON
AND
ROBERT G. PERRY
TRUSTEES

**Fifteenth Supplemental
Indenture**

Dated as of September 1, 1974

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,"

RECITALS:

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 (10¾%) 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.

If Redeemed During 12 Month Ending August 31,	Redemption Price	If Redeemed During 12 Month Ending August 31,	Redemption Price
1975.....	110.75%	1987.....	105.35%
1976.....	110.30	1988.....	104.90
1977.....	109.85	1989.....	104.45
1978.....	109.40	1990.....	104.00
1979.....	108.95	1991.....	103.55
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.....	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

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of less than ten and three-fourths per cent (10¾%) 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 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

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 emergency 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.

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 ~~7~~¹, 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 ~~7~~¹, 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 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 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 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 as-

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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.

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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 September 1, 1974.

UNITED TELEPHONE COMPANY OF THE NORTHWEST

By R. M. Cochrane
Vice President

(Corporate Seal)

ATTEST:

[Signature]
Secretary

Signed, sealed and acknowledged
by United Telephone Company
of the Northwest in the presence of:

[Signature]
[Signature]

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PEOPLES NATIONAL BANK OF WASHINGTON

By [Signature]
Trust OfficerBy [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. PERRYSigned, sealed and acknowledged
by Robert G. Perry in the pres-
ence of:[Signature]
[Signature]

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STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this 2nd day of October, 1974, before me, the undersigned officer,
appeared R. A. [Signature] and John H. [Signature], to me personally known,
who, being duly sworn, did acknowledge themselves to be [Signature] and
Secretary, respectively, of United Telephone Company of
the Northwest, a corporation, and that said instrument was signed and
sealed by [Signature] as such [Signature] on behalf of said
corporation and as the free act and deed of said corporation by authority
of its Board of Directors and that [Signature] 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.

[Signature]
Notary Public in and for the State of Washington,
residing at Seattle, Washington

(Notarial Seal)

My commission expires [Signature]STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this 2nd day of October, 1974, before me, the undersigned officer,
personally appeared E. E. [Signature] and D. L. [Signature]
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. E. [Signature] and D. L. [Signature] 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-

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tioned and, on oath, stated that they were authorized to execute said instrument and *Ellen E. M. T. T.* 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.

Augustine A. M. T. T.
Notary Public in and for the State of Washington,
residing at Seattle, Washington.

(Notarial Seal)

My commission expires *January 1, 1978*

STATE OF WASHINGTON }
COUNTY OF KING } ss.

On this *2nd* 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.

Augustine A. M. T. T.
Notary Public in and for the State of Washington,
residing at Seattle, Washington.

(Notarial Seal)

My commission expires *January 1, 1978*

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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 Prosser 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 19, 1907 in Volume 659 of Deeds, File Number 2114039 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 88° 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 $88^{\circ} 29' 44''$ East, parallel with and 20 feet Northerly of the North line of said last mentioned Hood River Distillers, Inc., tract of land, 226.59 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 489.70 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 McGallister 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, 1966.)

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 Quileene, 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, 1933 and recorded in

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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 East 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° to the right, a distance of 100 feet to the East line of said Tax Lot 40; thence turning a deflection angle of 90° to the left along the East line of said Tax Lot 40, a distance of 70.7 feet; thence turning a deflection angle of $76^{\circ}03'$ to the left, a distance of 139.5 feet to the true point of beginning.

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Exhibit A

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 herefor) at the rate of ten and three fourths per cent (10¾%) 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 10¾% 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 Trustee and the Company in respect to such security. Subsequent series of said bonds may vary as to 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-

crued and unpaid interest on the principal amount carried to the date fixed for redemption, as follows:

If Redeemed During 12 Month Ending August 31,	Redemption Price	If Redeemed During 12 Month Ending August 31,	Redemption Price
1975.....	110.75%	1987.....	105.35%
1976.....	110.30	1988.....	104.90
1977.....	109.85	1989.....	104.45
1978.....	109.40	1990.....	104.00
1979.....	108.95	1991.....	103.55
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.....	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 (10¾%) 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

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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 may be made without surrender, cancellation or release hereof in the manner and to the

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extent provided by the terms of Section 1.06 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:

TRUSTEE'S CERTIFICATE

This Bond is one of the Bonds of the First Mortgage Bonds, Series N, 1935 due 1990 referred to in the within mentioned Indenture.

PEOPLES NATIONAL BANK OF WASHINGTON
(Seattle, Washington)

By _____
Trustee

By _____

STATE OF OREGON
County of _____

Filed for record at _____
UNITED TELEPHONE COMPANY OF THE NORTHWEST
this _____ day of _____ A.D. 1974
at _____ o'clock _____ A.M. and duly
recorded in Vol. _____ of _____
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W.M. D. MILLER _____

REC. UNITED TELEPHONE CO. 11/1/74
By _____
Ch. B. H. _____