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SUPPLEMENT TO SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT, dated as of October 13 -----, 19 78, made by and among TELEPHONE UTILITIES OF EASTERN OREGON, INC., formerly "Blue Mountain Telephone, Inc." (hereinafter called the "Mortgagor"), a corporation existing under the laws of the State of Oregon, UNITED STATES OF AMERICA (hereinafter called the "Government"), acting through the Administrator of the Rural Electrification Administration (hereinafter called "REA"), and RURAL TELEPHONE BANK (hereinafter called the "Bank"), a corporation existing under the laws of the Government (the Government and Bank being hereinafter sometimes collectively called the "Mortgagees").

WHEREAS, the Mortgagor, for value received, has heretofore duly authorized and executed, and has delivered to the Government, certain mortgage notes all payable to the order of the Government, in installments, of which certain mortgage notes (hereinafter collectively called the "Outstanding Blue Mountain REA Notes") identified in the eighth recital hereof (hereinafter called the "Instruments Recital") are now outstanding and held by the Government; and

WHEREAS, the Mortgagor, for value received, has heretofore duly authorized and executed, and has delivered to the Bank, a certain mortgage note payable to the order of the Bank, in installments, which certain mortgage note (hereinafter called the "Outstanding Blue Mountain Bank Note", identified in the Instruments Recital is now outstanding and held by the Bank; and

WHEREAS, the Outstanding Blue Mountain REA Notes and the Outstanding Blue Mountain Bank Note are secured by the security instrument (hereinafter called the "Mortgage"), made by and among the Mortgagor, the Government and the Bank, identified in the Instruments Recital; and

WHEREAS, Fossil Telephone Exchange (hereinafter called "Fossil"), an Oregon corporation, has heretofore duly authorized and executed, and has delivered to the Government, certain mortgage notes all payable to the order of the Government, in installments, of which certain mortgage notes (hereinafter collectively called the "Outstanding Fossil REA Notes") identified in the Instruments Recital are now outstanding and held by the Government; and

WHEREAS, Eastern Oregon Telephone Co. (hereinafter called "Eastern Oregon") an Oregon corporation, has heretofore duly authorized and executed, and has delivered to the Government, certain mortgage notes all payable to the order of the Government, in installments, of which certain mortgage notes (hereinafter collectively called the "Outstanding Eastern Oregon REA Notes") identified in the Instruments Recital are now outstanding and held by the Government (the Outstanding Blue Mountain REA Notes, the Outstanding Blue Mountain Bank Note, the Outstanding Fossil REA Notes and the Outstanding Eastern Oregon REA Notes being hereinafter collectively called the "Outstanding Notes"); and

WHEREAS, the Mortgagor, Fossil, Eastern Oregon, Beaver State Telephone Company (hereinafter called "Beaver State"), an Oregon corporation, and Deschutes Telephone Company (hereinafter called "Deschutes"), an Oregon corporation, have merged in accordance with law, and the Mortgagor is the surviving corporation, is the lawful owner of all properties and assets of Fossil, Eastern Oregon, Beaver State and Deschutes and is liable for all obligations of Fossil, Eastern Oregon, Beaver State and Deschutes, including obligations of Fossil under the Outstanding Fossil REA Notes and Eastern Oregon under the Outstanding Eastern Oregon REA Notes; and

WHEREAS, the Mortgagor, the Government and the Bank desire that all properties of Fossil, Eastern Oregon, Beaver State and Deschutes be included under the lien of the Mortgage and that the indebtedness of Fossil to the Government as evidenced by the Outstanding Fossil Notes and the indebtedness of Eastern Oregon to the Government as evidenced by the Eastern Oregon Notes be included in the indebtedness secured by the Mortgage.

WHEREAS, the instruments referred to in the preceeding recitals are as follows:

Project Designation: Oregon 520-TA1 Blue Mountain

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INSTRUMENTS RECITAL

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"Outstanding Notes":

seven ----- (7 --) certain mortgage notes ("Outstanding Blue Mountain
REA Notes") in the aggregate principal amount of \$778,000 -----,
one ----- (1) mortgage note ("Outstanding Blue Mountain Bank Note") in
the principal amount of \$ 278,250 -----, three ----- (3)
mortgage notes ("Outstanding Fossil REA Notes") in the aggregate principal
amount of \$175,000 -----, and six ----- (6) mortgage notes ("Outstanding
Eastern Oregon REA Notes") in the aggregate principal amount of \$914,000 -----,
all of which notes will mature on or before June 27 -----, 2009 .

"Mortgage":

Instrument

Supplemental Mortgage
and Security Agreement

Date

June 27, 1974

WHEREAS, the Government and the Bank are the owners and holders of the Outstanding Notes and are the owners and holders of the Mortgage; and

WHEREAS, it was the intention of the Mortgagor at the time of the execution of the Mortgage (or, if the Mortgage consists of more than one instrument, at the time of execution of the earliest instrument thereof) that the property of the Mortgagor of the classes described therein, as being mortgaged or pledged thereby, or intended so to be, whether then owned or thereafter acquired, would secure certain notes of the Mortgagor executed and delivered prior to the execution and delivery of the Mortgage (or, if the Mortgage consists of more than one instrument, prior to the execution and delivery of the earliest instrument thereof), and certain notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as from time to time amended or supplemented, and it is intended by the Mortgagor to confirm hereby the Mortgage and the property therein described as being mortgaged or pledged, or intended so to be, as security for the Outstanding Notes, and other notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby; and

WHEREAS, the Mortgage provides that the Mortgagor shall, upon the request in writing of the holder or holders of not less than a majority in principal amount of the REA Notes (as such term is defined in the Mortgage) or the Bank Notes (as such term is defined in the Mortgage) duly authorize, execute, and deliver and record and file all such supplemental mortgages and conveyances as may reasonably be requested by such holder or holders to effectuate the intention of the Mortgage and to provide for the conveying, mortgaging and pledging of the property of the Mortgagor intended to be conveyed, mortgaged or pledged by the Mortgage to secure the payment of the principal of and interest on notes executed and delivered thereunder and pursuant thereto, or otherwise secured thereby, and the holders of all such notes have in writing requested the execution and delivery of this Supplement to Supplemental Mortgage and Security Agreement (hereinafter called "this Supplemental Mortgage") pursuant to such provisions; and

WHEREAS, it is further intended by the Mortgagor, at the request and with the consent of the Mortgagees, to amend the Mortgage in the respects hereinafter set forth; and

WHEREAS, all acts, things, and conditions prescribed by law and by the articles of incorporation and bylaws of the Mortgagor have been duly performed and complied with to authorize the execution and delivery hereof and to make the Mortgage, as amended and supplemented hereby, a valid and binding mortgage to secure the Outstanding Notes and other notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby; and

WHEREAS, the Government and the Bank are authorized to enter into this Supplemental Mortgage; and

WHEREAS, to the extent that any of the property described or referred to herein and in the Mortgage is governed by the provisions of the Uniform Commercial Code of any state (hereinafter called the "Uniform Commercial Code"), the parties hereto desire that this Supplemental Mortgage and the Mortgage, collectively, be regarded as a "security agreement" under the Uniform Commercial Code and that this Supplemental Mortgage be regarded as a "financing statement" under the Uniform Commercial Code for said security agreement;

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NOW, THEREFORE, in consideration of the premises and the sum of \$5 in hand paid by the Mortgagees to the Mortgagor, the receipt whereof by the Mortgagor prior to the execution and delivery of this Supplemental Mortgage is hereby acknowledged, this Supplemental Mortgage witnesseth as follows:

1. The Mortgagor has executed and delivered this Supplemental Mortgage and has granted, bargained, sold, conveyed, warranted, assigned, transferred, mortgaged, pledged and set over, and by these presents does hereby grant, bargain, sell, convey, warrant, assign, transfer, mortgage, pledge and set over, unto the Mortgagees and their respective assigns, all and singular the real and personal property described in the Mortgage as being mortgaged thereby and all and singular the real and personal property of the Mortgagor falling within the classes of property embraced in the description of the "Mortgaged Property" set forth in the Mortgage, including, without limitation, all and singular the real and personal property of said description heretofore or hereafter acquired by or constructed by or on behalf of the Mortgagor, and wheresoever situate, including, without limitation, the "Existing Facilities" identified, and the real estate specifically described (by reference to deeds or otherwise), in the Mortgage and mortgaged thereby (except such portions, if any, thereof as have been released prior to the execution and delivery of this Supplemental Mortgage), and also including, without limitation the following described real estate to wit:

Beaver State Telephone Company

1. Location: Town of Pelican Acres, Klamath County.

Description:

A tract of Real Property located in the Northeast corner of Lot 1 of Pelican Acres, a recorded subdivision in Klamath County, Oregon and located in the NE 1/4, NW 1/4, NW 1/4 of Section 10, Township 36 South, Range 6 East of the Willamette Meridian. Said tract of Real Property being more particularly described as follows:

Beginning at the Northeast corner of Pelican Acres in the NE 1/4, NW 1/4, NW 1/4 of Section 10, Township 36 South, Range 6 East, W.M. which corner is marked with a 3 foot steel axle and lies on the Northerly right of way boundary of the County Road (Rocky Point Road), and bears South 89° 04' West a distance of 1356.0 feet from the 1/4 corner on the North boundary of said Section 10, according to the official plat of said Pelican Acres; thence South 1° 51' East a distance of 50.0 feet along the East boundary of said Pelican Acres and the West right of way boundary of said County Road, a common boundary; thence South 89° 04' West, and parallel with the North boundary of said Pelican Acres, a distance of 75.0 feet; thence North 1° 51' West, and parallel with the East boundary of said Pelican Acres and West right of way boundary of said County Road, a distance of 50.0 feet to the North boundary of said Pelican Acres; thence North 89° 04' East along said boundary a distance of 75.0 feet, more or less, to the point of beginning, containing .086 acres, more or less.

2. Location: Town of Sprague River, Klamath County. 2747

Description: Sixth Street, 50 feet frontage, 120 feet depth.

Lots 14 and 51 in Block 17 of First Addition to Sprague River, according to the duly recorded plat thereof on file in Klamath County, Oregon.

3. Location: Town of Sprague River, Klamath County.

Description:

Lot Thirteen (13) in block Seventeen (17) of First Addition to the Town of Sprague River, Oregon, as officially platted and recorded.

4. Location: Town of Chemult, Klamath County.

Description: Central office equipment.

Lot 12 in Block 1 of Chemult, Klamath County.

5. Location: Town of Chemult, Klamath County.

Description: Central Office Site, 140 feet frontage 50 feet depth, Second Street.

Block One, Lot Eleven, City of Chemult, Klamath County.

6. Location: Town of Fort Klamath, Klamath County.

Description: Central Office Site, 60 feet frontage, 120 feet depth, Main Street.

Lot Seven, Block Two, Fort Klamath, Klamath County.

7. Location: Town of Chiloquin, Klamath County.

Description: Reflector Site.

Lot 5 in Block 9, Tract N. 1019 known as Wimena Peninsula Unit No. 2, Klamath County.

8. Location: Town of Chiloquin, Klamath County.

Description: Central Office and Garage Site.

Lot 5, Block 2 of Chiloquin, Klamath County.

9. Location: Lake County.

Description:

A parcel of land situated in the NE 1/4 of Section 25, T33 S, R 18 E.W.M., Lake County, Oregon being more particularly described as follows:

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Commencing at a scribed stone marking the northeast corner of said Section 25; thence S00°17'00" W along the easterly line of said Section 25, 136.73 feet to a 1/2 inch iron pin marking the POINT OF BEGINNING for this description; thence continuing S00°17'00" W along said section line, 100.00 feet to a 1/2 inch iron pin on the edge of a dirt road; thence N26°07' W along the edge of said dirt road, 111.66 feet to a 1/2 inch iron pin; thence leaving said dirt road, 111.66 feet to a 1/2 inch iron pin; thence leaving said dirt road S89.43'00" E, 149.08 feet to the point of beginning containing 0.29 acres more or less.

10. Location: Town of Paisley, Lake County.

Description: Radio Hut Site, 50 feet frontage, 90 feet depth, Chewaukan and Mill Streets.

Lot 12 in Block "C" of the original Town of Paisley, Lake County.

11. Location: Town of Lakeview, Lake County.

Description: Warehouse.

Beginning at a point on the South line of Third Street South in the Town of Lakeview, Lake County, Oregon, which point is South 89°39' West a distance of 60 feet from the northwest corner of Mountain View Addition to the Town of Lakeview, Lake County, Oregon, running thence South 0°23'10" East, 244.69 feet; thence South 89°39' West, 100 feet to a point; thence northerly to a point on the South margin of Third Street South, which point is South 89°39' West 100 feet from the point of beginning; thence North 89°39' East 100 feet to the point of beginning.

12. Location: Town of Lakeview, Lake County.

Description: Central Office Equipment and Parking, 33 feet frontage, 40 feet depth, D and Second Streets, North.

A parcel of land in the original Town of Lakeview in Lake County, Oregon, as the same is platted and subdivided being more particularly described as follows:

Beginning at a point on the North line of Lot 5 in Block 3 of the aforementioned subdivision, said point being 62 feet East of the NW Corner of Said Lot 5, thence South a distance of 80 feet; thence East a distance of 33 feet; thence North a distance of 40 feet to a point which is the point of tangency of a 45 foot radius circular curve to the left; thence Northwesterly along said curve and 5 feet distant from the outside of a concrete curb, as the same now exists to the point of intersection of said curve with the North line of said Lot 5; thence West along said North line a distance of 6 feet more or less to the point of beginning.

13. Location: Town of Lakeview, Lake County.

Description: Central Office and garage site, 50 feet frontage, 90 feet depth, First and D Streets, North.

Commencing at the Southeast corner of Lot 8 in Block 3 of the Town of Lakeview, Lake County, Oregon, thence North 90 feet to the Northeast corner of Lot 7 in said Block, thence Westerly 50 feet; thence Southerly 90 feet; thence Easterly to the place of beginning.

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14. Location: Town of Lakeview, Lake County.

Description: Rental office, garage and warehouse site, 2 feet frontage, 80 feet depth, Second Street North.

Beginning at a point 38 feet West of the Northeast corner of Lot 5 in Block 3 of the original Town of Lakeview, Oregon, as the same appears on the official Plot thereof on file and of record in the office of

County Clerk of Lake County, Oregon; running thence West 2 feet; thence South 80 feet; thence East 2 feet; thence North 80 feet to the point of beginning.

15. Location: Town of Lakeview, Lake County.

Description: Central office site, 60 feet frontage, 160 feet depth, Second Street.

The West 50 feet of Lots 7 and 8 and the West 60 feet of Lot 5, in Block 3, of the original Town of Lakeview, Lake County, Oregon; also beginning at the Southeast corner of Lot 6, Block 3, of the Original Town of Lakeview, Lake County, Oregon, running thence West 100 feet; thence North 45 feet; thence East 60 feet; thence South 35 feet; thence East 40 feet; thence South 10 feet to the point of beginning.

(a) Deschutes Telephone Company

1. Location: Town of Maupin, Wasco County.

Description:

Lots 1, 2 and 3, Block 10 in the Town of Maupin, Wasco County.

2. Location: Town of Maupin, Wasco County.

Description:

Lot 18, Block 24, in the Town of Maupin, Wasco County.

3. Location: Town of Tygh, Wasco County.

Description:

Lot 8, Block 7 in the Town of Tygh, Wasco County.

4. Location: Town of Wamic, Wasco County.

Description:

Beginning at a point 1106 feet east and 571.5 feet south of the northwest corner of Section Fourteen (14), Township Four (4) South, of Range Twelve (12) East, of the Willamette Meridian, and running thence West 60 feet; thence North 145.7 feet; thence East 60 feet; thence South 145.7 feet to point of beginning, in the Town of Wamic.

Location: Town of Pine Grove, Wasco County

Description:

Beginning at the intersection of Davis Lane Road with the Wapinitia Clear Lake County Road on the Quarter Section line of Section 25, Township 5 South, Range 11 East of the Willamette Meridian; thence running South 200 feet; thence running West 200 feet; thence running North 200 feet more or less to the southerly right of way of the Wapinitia Clear Lake County Road; thence running East 200 feet more or less along said southerly right of way line to the place of beginning.

(b) Eastern Oregon Telephone Company

1. Location: Town of Boardman, County of Morrow.

Description:

South Board Plot, Lot 6.

2. Location: Town of Pilot Rock, County of Umatilla.

Description: Lot 8, Block 3.

3. Location: Town of Ukiah, County of Umatilla.

Description: W80 Lots 1-2, Block E.

4. Location: Town of Pilot Rock, County of Umatilla.

Description: SW Corner of the SE-1/4 of the SE4 Sec 88 +1SR e2 Elm Lease.

(c) Fossil Telephone Company

1. Location: Town of Fossil, County of Wheeler.

Description: Lot 9, Block 1, Sanderson's Addition.

2. Location: Town of Fossil, County of Wheeler.

Description: Lot 2, Block 1 of Sanderson's Addition.

3. Location: Town of Fossil, County of Wheeler.

Description:

A Part of Lot 4, Block 1 of Kelsey's first addition. Beginning at the Southwest corner thence north 30 feet thence west 126 feet thence south 30 feet thence east 126 feet.

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AND ALSO including, without limitation:

All right, title and interest of the Mortgagor in and to all extensions and improvements of the Existing Facilities as aforesaid and additions thereto, and all buildings, plants, works, improvements, structures, estates, grants, franchises, easements, rights, privileges and properties real, personal and mixed, tangible or intangible, of every kind or description, now owned by the Mortgagor or which may hereafter be owned, constructed or acquired by the Mortgagor, wherever located, and in and to all extensions and improvements thereof and additions thereto, including all buildings, plants, works, structures, improvements, fixtures, apparatus, materials, supplies, machinery, tools, implements, poles, posts, crossarms, conduits, ducts, lines, whether underground or overhead or otherwise, wires, cables, exchanges, switches, desks, testboards, frames, racks, motors, generators, batteries and other items of central office equipment, subscriber station equipment, including house wiring and protectors, instruments, connections and appliances, office furniture and equipment, work equipment and any and all other property of every kind, nature and description, used, useful or acquired for use by the Mortgagor in connection therewith;

All right, title and interest of the Mortgagor in, to and under any and all grants, privileges, rights of way and easements now owned, held, leased, enjoyed or exercised, or which may hereafter be owned, held, leased, acquired, enjoyed or exercised, by the Mortgagor for the purposes of, or in connection with, the construction or operation by or on behalf of the Mortgagor of telephone properties, facilities, systems or businesses, whether underground or overhead or otherwise, wherever located;

All right, title and interest of the Mortgagor in, to and under any and all licenses, franchises, ordinances, privileges and permits heretofore granted, issued or executed, or which may hereafter be granted, issued or executed, to it or to its assignors by the United States of America, or by any state, or by any county, township, municipality, village or other political subdivision thereof, or by any agency, board, commission or department of any of the foregoing, authorizing the construction, acquisition or operation of telephone properties, facilities, systems or businesses, insofar as the same may be law be assigned, granted, bargained, sold, conveyed, transferred, mortgaged, or pledged;

All right, title and interest of the Mortgagor in, to and under any and all contracts heretofore or hereafter executed by and between the Mortgagor and any person, firm, or corporation relating to the property mortgaged and pledged by the Mortgage and this Supplemental Mortgage, together with any and all other accounts, contract rights and general intangibles (as such terms are defined in the applicable Uniform Commercial Code) heretofore or hereafter acquired by the Mortgagor;

Also, all right, title and interest of the Mortgagor in and to all other property, real or personal, tangible or intangible, of every kind, nature and description, and wheresoever situated, now owned or hereafter acquired by the Mortgagor, it being the intention hereof that all such property now owned but not specifically described herein or acquired or held by the Mortgagor after the date hereof shall be as fully embraced within and subjected to the lien hereof as if the same were now owned by the Mortgagor and were specifically described herein to the extent only, however, that the subjection of such property to the lien hereof shall not be contrary to law;

Together with all rents, income, revenues, profits and benefits at any time derived, received or had from any and all of the above-described property of the Mortgagor.

Provided, however, that except as provided in section 12(b) of article 11 of the Mortgage, as amended and supplemented hereby, no automobiles, trucks, trailers, tractors or other vehicles (including without limitation aircraft or ships, if any) owned or used by the Mortgagor shall be included in the property mortgaged by the Mortgage and this Supplemental Mortgage.

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TO HAVE AND TO HOLD the same forever, for the uses and purposes and upon the terms, conditions, provisos and agreements expressed and declared in the Mortgage, as amended and supplemented hereby.

2. The Outstanding Notes are hereby confirmed as notes of the Mortgagor entitled to the security of the Mortgage, as amended and supplemented by this Supplemental Mortgage, and of the property by the Mortgage and this Supplemental Mortgage mortgaged and pledged, or intended so to be, equally and ratably with one another and with other notes of the Mortgagor when and as executed and delivered under and pursuant to the Mortgage, as amended and supplemented hereby, without preference, priority or distinction of any one of the Outstanding Notes or such other notes over any other thereof and irrespective of the dates of the execution, delivery or maturity thereof, or of the assignment or negotiation thereof.

3. The first sentence of section 1 of article 1 of the Mortgage is hereby amended to read as follows:

SECTION 1. The Mortgagor, when authorized by resolution or resolutions of its board of directors, may from time to time (1) execute and deliver to the Government one or more Additional REA Notes to evidence loans made by the Government, acting through the Administrator of REA, to the Mortgagor, or to evidence indebtedness of a third party or parties to the Government created by a loan or loans theretofore made by the Government, acting through the Administrator of REA, to such third party or parties, and (2) execute and deliver to the Bank one or more Additional Bank Notes to evidence loans made by the Bank to the Mortgagor pursuant to the Act, or to evidence indebtedness of the Mortgagor incurred by the assumption by the Mortgagor of the indebtedness of a third party or parties to the Bank created by a loan or loans theretofore made by the Bank to such third party or parties pursuant to the Act.

4. The Outstanding Fossil REA Notes and the Outstanding Eastern Oregon REA Notes are hereby included within the term "notes", as defined in the Mortgage, as amended and supplemented hereby.

5. Article II of the Mortgage is hereby amended by adding at the end thereof the following new section:

SECTION 20. At all times when any note is held by the Government, or in the event the Government shall assign a note without having insured the payment of such note, this Mortgage shall secure payment of such note for the benefit of the Government or such uninsured holder thereof, as the case may be. Whenever any note may be sold to an insured purchaser, it shall continue to be considered a "note" as defined herein, but as to any such insured note the Government, and not such insured purchaser, shall be considered to be, and shall have the rights of, the noteholder for purposes of this Mortgage. Notice of the rights of the Government under the preceding sentence shall be set forth in all such insured notes.

6. To the extent that any of the property described or referred to herein and in the Mortgage is governed by the provisions of the Uniform Commercial Code, the Mortgage and this Supplemental Mortgage, collectively, are hereby deemed a "security agreement" under the Uniform Commercial Code, and this Supplemental Mortgage is also hereby declared to be a "financing statement", under the Uniform Commercial Code for said security agreement. The mailing address of the Mortgagor and debtor is as stated in the testimonium clause hereof, and the mailing addresses of the Mortgagees and secured parties are, respectively, Rural Electrification Administration, Washington, D. C. 20250, and Rural Telephone Bank c/o Rural Electrification Administration, Washington, D. C. 20250.

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7. All of the terms, provisions and covenants of the Mortgage, except as expressly modified hereby, shall be and remain in full force and effect.

8. The invalidity of any one or more phrases, clauses, sentences, paragraphs or provisions of this Supplemental Mortgage shall not affect the validity of the remaining portions hereof.

9. This Supplemental Mortgage may be simultaneously executed in any number of counterparts, and all of said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, TELEPHONE UTILITIES OF EASTERN OREGON, INC., P.O. Box E, Ilwaco, Washington 98624, -----

-----, as Mortgagor, has caused this Supplemental Mortgage to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, Rural Telephone Bank, as Mortgagee, has caused this Supplemental Mortgage to be signed in its name and its corporate seal to be hereunto affixed and attested by its officers thereunto duly authorized, and UNITED STATES OF AMERICA, as Mortgagee, has caused this Supplemental Mortgage to be duly executed in its behalf, all as of the ----- and year first above written.

TELEPHONE UTILITIES OF EASTERN OREGON, INC.

by

Am. Glenn
President

Secretary

Executed by the Mortgagor
in the presence of:

James D. Baker
Witnesses

UNITED STATES OF AMERICA, and
RURAL TELEPHONE BANK, respectively

by

Joseph Vellon

as

ACTING Administrator

of

Rural Electrification Administration, and as

Governor

ACTING

of

Rural Telephone Bank

(Seal)

Attest: *William C. Jennings*
ACTING Assistant Secretary

of

Rural Telephone Bank

Executed by United States of America,
Mortgagee, and Rural Telephone Bank,
Mortgagee, in the presence of:

Wesley E. Brown
Donna L. Shamburg
Witnesses

STATE OF OREGON

COUNTY OF Multnomah) SS

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On this 12th day of January, 1979, before me a Notary Public personally appeared a.m. Gleason, the undersigned officers, say that they are the president and secretary, respectively, and affixed to the foregoing instrument is the corporate seal of said corporation OF EASTERN OREGON, INC. a corporation, and that the seal and that said instrument was signed and sealed by them in behalf of said corporation by authority of its board of directors; and they acknowledged said instrument to be its voluntary act and deed. Before me:



Kathleen Seals
Notary Public

UNITED STATES OF AMERICA)

DISTRICT OF COLUMBIA) SS

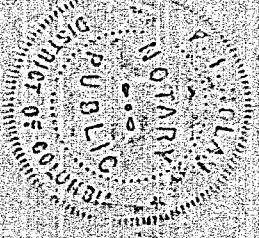
On this 6 day of December, 1978, before me

JOSEPH VELLONE, ACTING the undersigned officer, personally appeared Agency of United States of America, and ACTING Administrator of the Rural Electrification Administration, an Bank, a corporation, and acknowledged that pursuant to delegation of authority duly given and evidenced by law and presently in effect, he executed the foregoing instrument for the purposes therein contained as his voluntary act and deed, by signing the name of United States of America by himself as said ACTING Administrator of the Rural Electrification Administration, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed by him in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed. Before me:

(Notarial Seal)

L. J. Nolan
Notary Public

My commission expires My Commission Expires July 31, 1983



STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 1st day of February A.D., 1979 at 3:10 o'clock p M., and duly recorded in Vol M79 of Mortgages on Page 2743.

FEE \$36.00

WM. D. MILNE, County Clerk

By Bernice A. Hetch Deputy