

PARTIAL RELEASE

PARTIAL RELEASE, dated as of October 26, 1987, made by the UNITED STATES OF AMERICA by Administrator of the Rural Electrification Administration (hereinafter called the "Government") and RURAL TELEPHONE BANK, a corporation existing under the laws of the United States of America, by Governor of the Rural Telephone Bank (hereinafter called the "Bank") to TELEPHONE UTILITIES OF EASTERN OREGON, INC. (hereinafter called the "Corporation").

WHEREAS, the Corporation, to evidence loans made by the Government and the Bank to the Corporation pursuant to the Rural Electrification Act of 1936, as amended, has executed certain mortgage notes (hereinafter collectively called the "Notes"), payable to the order of the Government or the Bank, and

WHEREAS, the Corporation, to secure the Notes, has executed and delivered the following instruments to the Government or the Bank (hereinafter collectively called the "Security Instruments"):

InstrumentDated As Of

Supplemental Mortgage & Security Agreement	June 27, 1974
Supplement to Supplemental Mortgage & Security Agreement	October 13, 1978
Supplement to Supplemental Mortgage & Security Agreement	June 4, 1980
Supplement to Supplemental Mortgage & Security Agreement	May 31, 1983

WHEREAS, the indebtedness evidenced by the Notes is the only indebtedness as of the date hereof secured by the Security Instruments; and

WHEREAS, the Corporation has requested that certain property hereinafter described be released from the liens of the Security Instruments;

NOW, THEREFORE, THESE PRESENTS WITNESSETH that, in consideration of the sum of one dollar in hand paid by the Corporation to the Government and the Bank at the time of the delivery of these presents, the receipt of which is hereby acknowledged, the Government and the Bank do hereby release and discharge unto the Corporation, its successors and assigns, all right, title, interest, claim or demand whatsoever which the Government and the Bank may have acquired by or through the Security Instruments, or any of them, in and to the following described property, and does hereby quitclaim said property unto the Corporation, its successors and assigns forever:

20546

A certain tract of land described in a certain deed, dated June 17, 1959 by George L. Reed and Lovina Reed, husband and wife, and Hazel I. Niehaus, a widow, as Grantors to the Mortgagor, as Grantee, and recorded on July 20, 1959 in the office of the Clerk of Klamath County, in the State of Oregon, in deed book 314, on page 299: Lot 5 Block 2 of Chiloquin, Oregon

TO HAVE AND TO HOLD said property unto the Corporation, its successors and assigns forever, free, clear and discharged of and from any and all liens and claims of the Government or the Bank under and by virtue of any or all the Security Instruments.

THIS RELEASE is made by the Government and the Bank and accepted by the Corporation on the express condition that it shall not in any way affect or impair the liens and security of the Security Instruments, or any of them, upon other premises and properties now subject thereto and not expressly released hereby. This release is made and accepted without covenant or warranty, express or implied, at law or in equity, and without recourse to the Government or the Bank, in any event or in any contingency.

IN WITNESS WHEREOF, the Government and the Bank have caused this instrument to be duly executed in its behalf, all as of the day and year first above written.

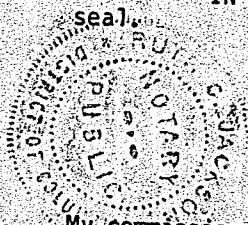
UNITED STATES OF AMERICA and
RURAL TELEPHONE BANK, respectively

BY: Donald M. Van Belling
Director, Northwest Area - Telephone
FOR: Rural Electrification Administration
and
Rural Telephone Bank

DISTRICT OF COLUMBIA) SS

ON THIS 27th day of October, 1987, before me, a Notary Public, duly qualified, commissioned and acting, personally appeared DONALD M. VAN BELLINGER, to me well known to be the Director, Northwest Area - Telephone, acting in behalf of the Rural Electrification Administration, and the Rural Telephone Bank, and acknowledged that he, as such authorized designee being authorized so to do did execute the foregoing Partial Release for the purpose therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official



Rick A. Jackson
Notary Public

T. U. OF EASTERN OREGON
P.O. BOX 177
CHILOQUIN, OREGON

My commission expires: August 31, 1992

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ 12th day
of _____ November _____ A.D., 19 87 at 2:01 o'clock P. M., and duly recorded in Vol. M87
of _____ Mortgages _____ on Page 20545

FEE \$10.00

Evelyn Biehn, County Clerk
By [Signature]