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G. H. Olson
AUDITOR
GARY H. OLSON

Thirty-Second Supplemental Indenture

GENERAL TELEPHONE COMPANY
OF THE NORTHWEST, INC.
Everett, Washington

TO

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION
(A National Banking Association)

AND

J. H. BEAVER

Dated as of July 15, 1986

Registered	\$
Indexed, Air	\$
Indirect	\$
Fin	
Man	

THIS THIRTY-SECOND SUPPLEMENTAL INDENTURE, made as of the fifteenth day of July, 1986, by and between GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC. (formerly named West Coast Telephone Company), a corporation duly created, organized and existing under and by virtue of the laws of the State of Washington, and having its principal place of business at Everett, Washington (hereinafter sometimes called the "Company"), and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a National Banking Association duly organized under an Act known as the "National Bank Act" of the United States of America and having its principal place of business at San Francisco, California (hereinafter referred to as the "Corporate Trustee"), and J. H. BEAVER, of San Francisco, California (hereinafter referred to as the "Individual Trustee"), as Trustees under that certain Indenture hereinafter referred to;

WITNESSETH:

WHEREAS, the Company's predecessor executed and delivered a Trust Indenture dated as of the 1st day of March, 1939, to the Corporate Trustee and W. J. KIEFERDORF, as Trustee (J. H. BEAVER being successor Individual Trustee to W. J. KIEFERDORF), to secure payment of the principal of and the interest on bonds issued and to be issued by the Company's predecessor, which Indenture has been supplemented and amended by thirty-one supplemental indentures referred to in the form of bonds hereinafter set forth (said Indenture as so supplemented and amended being hereinafter referred to as the "Indenture"); and

WHEREAS, the Company has succeeded to all rights and obligations of, and has been substituted for, its predecessor under the Indenture; and

WHEREAS, the aggregate principal amount of bonds which may be issued and outstanding at any one time under the Indenture is \$1,000,000,000; and

WHEREAS, there are presently issued and outstanding under the Indenture, bonds in the aggregate principal amount of \$383,100,000, as follows:

<u>Title</u>	<u>Principal Amount</u>
First Mortgage Bonds, 5 3/8% Series due 1990	\$ 3,000,000
First Mortgage Bonds, 5% Series due 1990	4,000,000
First Mortgage Bonds, 4 7/8% Series due 1990	5,000,000
First Mortgage Bonds, 4 1/2% Series due 1993	5,000,000
First Mortgage Bonds, 4 5/8% Series due 1995	10,000,000
First Mortgage Bonds, 6% Series P due 1996	9,000,000
First Mortgage Bonds, 6 1/4% Series Q due 1998	13,600,000
First Mortgage Bonds, 7 1/8% Series R due 1999	18,000,000
First Mortgage Bonds, 9 1/4% Series S due 2000	25,000,000
First Mortgage Bonds, 7 7/8% Series U due 2002	20,000,000

<u>Title</u>	<u>Principal Amount</u>
First Mortgage Bonds, 8 1/4% Series W due 2007	48,000,000
First Mortgage Bonds, 9 3/8% Series X due 2008	50,000,000
First Mortgage Bonds, 12% Series Z due 2004	47,500,000
First Mortgage Bonds, 8 3/4% Series BB due 2016	<u>125,000,000</u>
Total	<u>\$383,100,000;</u>

and

WHEREAS, pursuant to the Indenture, the Board of Directors of the Company has provided for the establishment of a new series of bonds of the Company to be known as its "First Mortgage Bonds, 7 3/4% Series CC due 1998", to be limited (except as provided in Article I of the Indenture and Section 2 hereof with respect to bonds authenticated and delivered in exchange or substitution for other bonds) in aggregate principal amount to \$50,000,000, and the form and substance of such bonds and the terms, provisions and conditions thereof to be as set forth and provided in the Indenture as supplemented hereby; and

WHEREAS, the Company desires and has requested the Trustees to join with it in the execution and delivery of this Thirty-Second Supplemental Indenture for the purpose of (1) expressly granting and conveying to the Trustees the hereinafter described properties acquired by the Company subsequent to the execution of the Indenture dated as of March 1, 1939 and which are not specifically described therein or in any of the aforementioned supplemental indentures, but which properties, upon the acquisition thereof by the Company, became and now are subject to the lien, operation and effect of the Indenture by virtue of the after-acquired property clause or other clauses thereof, and confirming the lien of the Indenture as heretofore supplemented and amended on all property described therein or intended to be covered thereby, whether by operation of the after-acquired property clauses thereof or otherwise, other than properties heretofore duly released from the lien thereof, as security for all bonds that may at any time be issued and outstanding under the Indenture as from time to time in effect, (2) setting forth the form and substance of said First Mortgage Bonds, 7 3/4% Series CC due 1998, and the terms, provisions and conditions thereof, all to the extent and in the manner hereinafter provided, and (3) providing for amendments to the Indenture; and

WHEREAS, all conditions and requirements necessary to make this Thirty-Second Supplemental Indenture, in the form and upon the terms hereof, a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed, have been performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

NOW, THEREFORE, in consideration of the premises, and of the sum of One Dollar (\$1.00) duly paid by the Trustees to the Company at or before the ensembling and delivery of these presents, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Company hereby covenants and agrees with the Trustees and their successors in the trust under said Indenture, for the equal benefit of all present and future holders of all bonds and coupons which may at any time be outstanding under said Indenture, as follows:

ARTICLE I.

TERMS AND CONDITIONS OF FIRST MORTGAGE BONDS,

7 3/4% SERIES CC DUE 1998

SECTION 1. There shall be and is hereby established a series of bonds designated First Mortgage Bonds, 7 3/4% Series CC due 1998, said bonds being sometimes hereinafter referred to as the "Bonds of Series CC", and the form thereof shall contain suitable provisions with respect to the matters hereinafter in this Section 1 specified. The aggregate principal amount of Bonds of Series CC which may be issued, authenticated and delivered under this Indenture shall be limited (except as provided in Article I of the Indenture and Section 2 hereof with respect of bonds authenticated and delivered in exchange or substitution for other bonds) to \$50,000,000. Bonds of Series CC shall mature on July 15, 1998 and shall be issued in the form of registered bonds and shall be of the denominations of \$1,000 or any multiples thereof.

The Bonds of Series CC shall bear interest at the rate of 7 3/4% per annum, payable semi-annually on January 15 and July 15 in each year; both the principal of and the interest on said bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, at the office or agency of the Company in the City of San Francisco, State of California.

Interest on each Bond of Series CC shall accrue from the date thereof, unless such date is an interest payment date and the Company shall default in the interest due on such date, in which case such interest shall accrue from the fifteenth day of January or the fifteenth day of July next preceding the date thereof. The Bonds of Series CC shall be dated as of the last interest payment date preceding the date of authentication to which interest has been paid on such bonds, except that (i) if any such bond shall be authenticated on any interest payment date to which interest has been paid, it shall be dated as of the date of such authentication; (ii) if any such bond shall be authenticated prior to the close of business on the record date (as hereinafter in this Section defined) with respect to the first interest payment date for the Bonds of Series CC, such bond shall be dated as of July 15, 1986, and (iii) if any such bond shall be authenticated after the close of business on the

record date with respect to any interest payment date and prior to such interest payment date and there is no existing default in the payment of interest on the Bonds of Series CC, such bond shall be dated as of such interest payment date.

The person in whose name any Bond of Series CC is registered at the close of business on any record date (as hereinafter defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such bond upon any transfer or exchange thereof subsequent to the record date and prior to such interest payment date (unless there is an existing default in the payment of interest on the Bonds of Series CC at the time of such cancellation), except if and to the extent the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the persons in whose names outstanding Bonds of Series CC are registered at the close of business on the day preceding the date of payment of such defaulted interest or at the close of business on the special record date fixed for the payment of such defaulted interest if one shall have been fixed as hereinafter provided. Such special record date may be established by or on behalf of the Company by notice given by mail, first class postage prepaid, to holders of Bonds of Series CC at their last addresses as they appear upon the registry books not less than 10 days preceding such special record date, which special record date shall be not more than 30 days prior to such date of payment. In the event that any Bond of Series CC is called for redemption and the redemption date is subsequent to a record date with respect to any interest payment date and prior to such interest payment date, interest on such bond will be paid to the holder of such bond. The term "record date" as used in this Section with respect to any regular interest payment date shall mean December 31 or June 30, as the case may be, next preceding such interest payment date, whether or not such December 31 or June 30 is a business day.

SECTION 2. Bonds of Series CC shall be exchangeable at the principal office of the Corporate Trustee or at the office or agency of the Company in the City of San Francisco, State of California, or, at the option of the holders thereof, at the office or agency of the Company in the Borough of Manhattan, City and State of New York, for bonds of the same series of other authorized denominations having the same aggregate principal amount. Upon the surrender of any Bond of Series CC at the office or agency of the Company in the City of San Francisco, State of California, or, at the option of the holder thereof, at the office or agency of the Company in the Borough of Manhattan, City and State of New York together with a written instrument of transfer in form approved by the Company executed by such holder in person or by attorney authorized in writing, the Company shall execute, and the Trustee or authenticating agent shall authenticate, and it or the Company shall deliver in exchange therefor a new bond or Bonds of Series CC for the same aggregate

principal amount. No service charge shall be made for any transfer or exchange of Bonds of Series CC, but the Company may require the payment of a sum sufficient to cover any tax or taxes or other governmental charge.

The Company shall not be required to make transfers or exchanges of Bonds of Series CC during the period of 15 days preceding the mailing of notice of a partial redemption of such bonds, or to transfer or exchange any such bond, or the portion thereof, which shall have been designated for redemption.

SECTION 3. The provisions of Section 8 of Article I of the Indenture shall not be applicable to the Bonds of Series CC except that such bonds may bear such numbers and letters and may contain such other specifications or bear such legends or endorsements as may be required to comply with the rules of any governmental authority or of any stock exchange or to conform to usage with respect thereto.

Notwithstanding the provisions of Section 3 of Article I of the Indenture, the signatures of the officers of the Company executing Bonds of Series CC and attesting the corporate seal thereon may be facsimile, and in case any of such officers shall cease to be such officers of the Company before the Bonds so signed and sealed shall have been actually authenticated by the Corporate Trustee or delivered by the Company, such Bonds nevertheless may be issued, authenticated and delivered with the same force and effect as though the person or persons whose facsimile signatures shall appear on such Bonds had not ceased to be such officer of the Company.

SECTION 4. Any or all of the Bonds of Series CC shall be redeemable (i) at the option of the Company at any time, and from time to time, prior to maturity, by the payment of the redemption prices as specified in the form set forth herein for the Bonds of Series CC under the heading "Regular Redemption Price", and (ii) from funds deposited with the Corporate Trustee in the Sinking Fund as provided in the Indenture by the payment of the "Sinking Fund Redemption Price" set forth in Section 7 hereof, together with accrued interest to the date of redemption; provided, however, that no Bond of Series CC may be redeemed prior to July 15, 1991 as provided in clause (i) above if such redemption is for the purpose of, or in anticipation of, refunding such bond by the application, directly or indirectly, of funds borrowed by the Company at an interest cost of less than 8.25% per annum calculated in accordance with accepted financial practice.

Notice of redemption of Bonds of Series CC shall be given by mail, first class postage prepaid, not less than thirty and not more than forty-five days prior to the date of redemption, to the holders of the Bonds of Series CC which are to be redeemed, at their last addresses as they appear upon the bond registry books, and the particular Bonds of

Series CC to be redeemed shall be selected by the Corporate Trustee by such method as it shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$1,000 or a multiple thereof) of the principal of Bonds of Series CC of a denomination larger than \$1,000. The references in Sections 3, 5 and 8 of Article V of the Indenture to the publication of notice of intention to redeem shall be deemed, with respect to the Bonds of Series CC, to refer to the due mailing, as hereinabove provided, of notice of redemption. Otherwise, the provisions of Sections 5 and 8 of Article V of the Indenture shall be applicable to Bonds of Series CC.

Upon surrender of any Bond of Series CC which is to be redeemed only in part, the Company shall execute and the Corporate Trustee shall authenticate and deliver to the holder of such Bond, without service charge, a new Bond or Bonds of Series CC of any authorized denominations as requested by such holder in the aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Bond of Series CC so surrendered.

SECTION 5. Notwithstanding anything contained in the Indenture or any Supplemental Indenture or in the form of Bonds of Series CC, if any Bonds of said series are redeemed from funds received by the Company from the sale of property or the taking of property by exercise of eminent domain or from the proceeds of insurance, then and in any such event, there shall be paid the redemption price as specified in the form set forth herein for the Bonds of Series CC under the heading "Regular Redemption Price", together with accrued interest to the date of redemption.

SECTION 6. To the extent not expressly provided by this Supplemental Indenture, the Bonds of Series CC shall be of such terms and provisions, be issued upon and subject to such terms and conditions and be entitled to such rights and benefits, all as provided by the applicable terms and provisions of the Indenture.

SECTION 7. The Bonds of Series CC and the Trustee's Certificate to be endorsed thereon are (subject to the provisions of Section 9 of Article I of the Indenture) to be substantially in the following forms:

(FORM OF FACE OF BONDS OF SERIES CC)

GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC.

FIRST MORTGAGE BOND,

7 3/4% SERIES CC DUE 1998

No.

\$.....

GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC., a corporation organized and existing under and by virtue of the laws of the State of Washington (hereinafter called the "Company"), for value received, hereby promises to pay to the registered holder hereof, on the fifteenth day of July, 1998, unless this Bond is sooner redeemed, Dollars and to pay interest thereon at the rate of 7 3/4% per annum until the payment of said principal sum, semi-annually on the fifteenth day of January and on the fifteenth day of July in each year.

Such interest shall accrue from the date hereof, unless such date is an interest payment date and the Company shall default in the payment of the interest then due, in which case interest hereon shall accrue from the fifteenth day of January or the fifteenth day of July next preceding the date hereof. The interest so payable on any interest payment date will, subject to certain exceptions provided in the Indenture hereinafter referred to, be paid to the person in whose name this Bond (or any Bond or Bonds of Series CC evidencing the same debt) is registered at the close of business on the 31st day of December or the 30th day of June, as the case may be (whether or not such day is a business day), next preceding such interest payment date. Both the principal of and the interest on this Bond shall be payable at the office or agency of the Company in the City of San Francisco, State of California, in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

This Bond shall not be valid or become obligatory for any purpose unless and until it shall have been authenticated by the execution by or on behalf of the Corporate Trustee or its successor in trust under the Indenture of the certificate endorsed hereon.

The provisions of this Bond are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC. has caused this Bond to be signed manually or by facsimile by its President or one of its Vice Presidents, and its corporate seal or a

facsimile thereof to be hereto affixed and attested manually or by facsimile by its Secretary or one of its Assistant Secretaries.

Dated

GENERAL TELEPHONE COMPANY OF THE
NORTHWEST, INC.

By
President

ATTEST:

.....
Secretary

(FORM OF TRUSTEE'S CERTIFICATE)

CORPORATE TRUSTEE'S CERTIFICATE

It is hereby certified that the within bond is one of the bonds described in the Indenture herein mentioned.

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION,
Corporate Trustee

By
Authorized Officer

or

By BANKERS TRUST COMPANY,
Authenticating Agent for the
Corporate Trustee

By
Authorized Officer

(FORM OF REVERSE OF BOND OF SERIES CC)

This Bond is one of an authorized issue of bonds of the Company, known as First Mortgage Bonds, all issued and to be issued pursuant to the terms and conditions of, and irrespective of the time of actual issue, equally secured by an Indenture dated as of March 1, 1939, duly executed, acknowledged and delivered by the Company to Bank of America National Trust and Savings Association (therein termed the "Corporate Trustee") and W. J. Kieferdorf (therein termed "Individual Trustee"), as Trustees (to whom J. H. Beaver is successor Individual Trustee), as supplemented by Supplemental Indentures dated as of November 1, 1941, December 9, 1941, March 1, 1948, November 1, 1950, May 1, 1951, May 1, 1952, November 1, 1953, November 1, 1954, November 1, 1955, May 1, 1957, May 1, 1958, May 1, 1960, May 1, 1961, May 1, 1962, May 1, 1963, June 1, 1964, January 1, 1965, December 1, 1966, September 1, 1967, June 1, 1968, August 1, 1969, February 1, 1970, November 1, 1970, May 1, 1972, September 1, 1974, February 1, 1977, July 1, 1978, March 30, 1979, December 1, 1979, July 1, 1980, April 15, 1986 and July 15, 1986 to which Indenture and Supplemental Indentures (hereinafter collectively referred to as the "Indenture") reference is hereby made for a description of the property, rights and franchises thereby mortgaged and pledged, the nature and extent of the security thereby granted, and the rights of the holders of said bonds and of the Trustees and of the Company in respect to such security. The Indenture limits the aggregate principal amount of the bonds of all series at any one time outstanding to \$1,000,000,000.

With the consent of the Trustees, and to the extent permitted by, and as provided in, the Indenture, any of the provisions of the Indenture, or of any indenture supplemental thereto, may, upon the proposal of the Company, be modified or altered by the affirmative written assents of the holders of at least 75% in principal amount of the bonds then outstanding under the Indenture and any indenture supplemental thereto; provided that no such modification or alteration (a) shall give to any bond or bonds secured by the Indenture preference over any other bond or bonds thereby secured, (b) shall authorize the creation by the Company of any lien prior or equal to the lien of the Indenture upon any of the trust property at the time of such modification subject thereto, (c) shall authorize or permit the extension of the time or times of payment of the principal of or the interest or premium, if any, on the bonds, or the reduction in the principal amount thereof, or in the rate of interest, or in the amount of premium, if any, thereon, or any other modification in the terms of the payment of the principal thereof or the interest or premium thereon, (d) shall authorize the extension of any waiver of default to a subsequent default or the impairment of any rights consequent thereto, or (e) shall reduce the percentage of bonds required by the provisions of Article XI of the Indenture for the taking of any

action thereunder; and, if such modification or alteration shall affect the rights of the holders of bonds of one or more, but less than all, of the series of bonds then outstanding, such modification or alteration shall be assented to by the holders of at least 75% in principal amount of the bonds of each series so affected.

In the manner, upon the notice and upon the conditions specified in the Indenture, this Bond or any portion here of may be redeemed (i) from funds deposited with the Corporate Trustee in the Sinking Fund as provided for in the Indenture at the "Sinking Fund Redemption Price" of 100% of the principal amount and (ii) at the option of the Company at the prices (expressed in percentage of principal amount) set forth under the heading "Regular Redemption Price" at any time during the respective twelve month periods beginning July 15 of the years shown below :

<u>Year</u>	<u>Regular Redemption Price</u>	<u>Year</u>	<u>Regular Redemption Price</u>
1986	104.75%	1992	102.16%
1987	104.32%	1993	101.73%
1988	103.89%	1994	101.30%
1989	103.45%	1995	100.86%
1990	103.02%	1996	100.43%
1991	102.59%	1997	100.00%

together in each case with accrued interest to the date fixed for redemption; provided, however, that no Bond of Series CC may be redeemed prior to July 15, 1991, as provided in clause (ii) above if such redemption is for the purpose of, or in anticipation of, refunding such Bond by the application, directly or indirectly, of funds borrowed by the Company at an interest cost of less than 8.25% per annum calculated in accordance with accepted financial practice.

If one or more of the events of default as defined in the Indenture shall happen, then the principal of this Bond may be declared and become due and payable, on the conditions, in the manner, and at the time, provided in the Indenture.

The Company and the Trustees may deem and treat the person in whose name this Bond is registered as the absolute owner for the purpose of receiving payment (as herein provided) of or on account of the principal and interest due hereon and for all other purposes.

In the manner and upon the conditions prescribed in the Indenture this Bond is transferable by the registered owner hereof, in person or by attorney duly authorized, at the office or agency of the Company in San Francisco, California, or, at the option of the holder hereof, at the office or agency of the Company in the Borough of Manhattan, City and State of New York, upon the surrender and cancellation of this Bond, and upon any such transfer a new bond or bonds of the same series and for the same aggregate principal amount, in authorized denominations, will be issued to the transferee in exchange herefor. Bonds of this series shall be exchangeable for bonds of this series of other authorized denominations having the same aggregate principal amount, in the manner and upon the conditions prescribed in the Indenture. Bonds of this series issued upon any exchange or transfer will be dated and will bear interest as provided in the Indenture. No service charge will be made upon any such transfer or exchange but the Company may require the payment of a sum sufficient to cover any tax or other governmental charges in relation thereto.

ARTICLE II.

AMENDMENTS TO THE INDENTURE.

SECTION 1. The Indenture is hereby amended by inserting the words "or Bonds of Series CC" in each of the following places in the Indenture as heretofore supplemented and amended:

Immediately before the word "remain" in the first line of Section 13 of Article IX (p. 12, line 5 of the Twenty-second Supplemental Indenture)

Immediately before the word "in" in the fifth line of Section 13 of Article IX (p. 12, line 9 of the Twenty-second Supplemental Indenture).

ARTICLE III.

ADDITIONAL COVENANTS OF THE COMPANY.

SECTION 1. The Company covenants and agrees that the provisions contained in Section 5 of Article II of the Supplemental Indenture dated November 1, 1941, as amended by Section 2 of Article III of the Supplemental Indenture dated November 1, 1950, and the provisions contained in Section 6 of Article II of the Supplemental Indenture dated November 1, 1941 shall be, and shall continue to be, in full force and effect, until the payment or redemption of all Bonds of Series CC.

ARTICLE IV.

CONVEYANCE OF ADDITIONAL PROPERTY.

SECTION 1. The Company does, by these presents, hereby grant, bargain, sell, convey, confirm, mortgage, pledge, assign, transfer and set over unto the Bank of America National Trust and Savings Association and J. H. Beaver, as Trustees, and to their successors in trust, all of the property described in the schedule attached hereto and marked Schedule "A", to which reference is hereby made, and the same is made a part hereof with the same force and effect as if herein set forth at length, to have and to hold said property in trust as a part of the mortgaged and pledged property under said Indenture and subject to all the terms and conditions of said Indenture and of all Indentures supplemental thereto; provided, however, that nothing herein contained shall be construed to be a limitation upon the provisions of said Indenture for the vesting under said Indenture of all property of the Company acquired subsequent to the date of said Indenture, it being the intention of the parties hereto that all property of the Company owned on the date of said Indenture or thereafter or hereafter acquired subject to the rights reserved in said Indenture by the Company, shall be covered by the granting and pledging clauses of said Indenture.

SUBJECT NEVERTHELESS, to any liens on any of the property hereby mortgaged at the time of acquisition, including as to any of such properties subject thereto, the lien of the indenture dated January 1, 1940 executed by General Telephone Company of the Northwest (formerly named Interstate Telephone Company) to Seattle-First National Bank, as Trustee, and First Security Bank of Idaho, National Association, as Separate Trustee, as said indenture has been or hereafter may be supplemented and amended by supplemental indentures, provided, however, that no such supplemental indenture shall supplement or amend the provisions of said indenture, as supplemented and amended on the date of this Supplemental Indenture in such manner that (i) the lien thereof shall be more extensive as to classes or kinds of property covered thereby, or (ii) covenants for the protection of the security or provisions with respect to release of property and withdrawal of moneys held by the trustee thereunder shall, in the opinion of counsel for the Company, be less adequate as protection for the holders of the bonds thereby secured than the restrictions, covenants and provisions contained in said indenture, as supplemented and amended on the date of this Supplemental Indenture.

ARTICLE V.

MISCELLANEOUS PROVISIONS.

SECTION 1. All of the covenants, stipulations, promises and agreements in this Supplemental Indenture contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 2. This Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

SECTION 3. Although this Supplemental Indenture is dated as of July 15, 1986 for convenience and for the purpose of reference, the actual dates of execution by the Company and by the Trustees are as indicated by their respective acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

GENERAL TELEPHONE COMPANY OF THE
NORTHWEST, INC.

By

Vice President

Attest:

L. Lee Coulter
Secretary



BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATION

By *Frank Cokell*.....
Assistant Vice President



Kurt.....
Assistant Secretary

J. H. Beaver.....
J. H. Beaver

Unofficial Copy

STATE OF WASHINGTON)
COUNTY OF SNOHOMISH) **

On this 10th day of July, 1986, before me, the undersigned, a Notary Public in the State of Washington, in and for the said County of Snohomish, residing therein and duly commissioned and sworn, personally appeared J. L. SCHMITT, known to me to be a Vice President of GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC. and C. LEE COULTER, known to me to be the Secretary of GENERAL TELEPHONE COMPANY OF THE NORTHWEST, INC., the corporation of that name that executed the within and foregoing Supplemental Indenture and also known to me to be the persons who executed said Supplemental Indenture on behalf of said corporation, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument by authority of its Board of Directors, and that one of the seals affixed to said instrument is the corporate seal of said corporation, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal at my office in the City of Everett, County of Snohomish, State of Washington, the day and year first above written.

.....
(David L. Hardy)

Notary Public in and for the State of Washington
Residing at Kirkland
My Commission expires November 5, 1989

STATE OF CALIFORNIA)
CITY AND COUNTY OF SAN FRANCISCO)

On the 11th day of July, 1986, before me, the undersigned, a Notary Public in the State of California, in and for the said City and County of San Francisco, residing therein and duly commissioned and sworn, personally appeared FRANKLIN C. COCKRELL, known to me to be a Assistant Vice President of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, and J. KOVATZ, known to me to be an Assistant Secretary of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, the corporation of that name that executed the within and foregoing Supplemental Indenture and also known to me to be the persons who executed said Supplemental Indenture on behalf of said corporation, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument by authority of its Board of Directors, and that one of the seals affixed to said instrument is the corporate seal of said corporation, and acknowledged to me that such corporation executed the same.

On the 11th day of July, 1986, before me, the undersigned, a Notary Public in the State of California, in and for the said City and County of San Francisco, residing therein and duly commissioned and sworn, personally appeared J. H. BEAVER, known to me to be the identical individual person described in and who executed the within and foregoing Supplemental Indenture and stated that he executed, signed, sealed and delivered the same freely and voluntarily as his free and voluntary act and deed for the consideration and purposes therein mentioned and set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said City and County of San Francisco the day and year first above written.



R. Andrew Senft

SCHEDULE "A"

REAL PROPERTY SITUATE IN THE STATE OF WASHINGTON

King County

That certain parcel of real property situate in the County of King, State of Washington, more particularly described as follows:

PARCEL 1

The East 75 feet of the North 195.00 feet as measured along the West line of Lot 4, Block 13, of Alderwood Manor No. 14, according to the plat recorded in Vol. 26 of Plats, page 4, records of King County, State of Washington.

TOGETHER WITH an easement for the purpose of ingress, egress and utilities over, under and across the West 30.00 feet of the East 105.00 feet of the North 195.00 feet as measured along said West line of Lot 4.

SUBJECT TO: Easement dedicated in the plat for slopes for cuts and fills, affecting that portion of said premises abutting Northeast 192nd St.

Skagit County

That certain parcel of real property situate in the County of Skagit, State of Washington, more particularly described as follows:

PARCEL 2

That portion of Lots 9 and 10 of NORMAN AND WOOD'S SUBDIVISION, according to the plat thereof recorded in Vol. 4 of Plats, page 56, records of Skagit County, Washington, lying Southerly of that certain strip of land conveyed to the City of Anacortes by deed dated May 6, 1959, recorded June 15, 1959, under Auditor's File No. 581811, in Vol. 302 of Deeds, page 699, records of Skagit County, Washington;

TOGETHER WITH that portion of vacated Summit Avenue adjoining, which upon vacation reverted to said premises by operation of law.

SUBJECT TO easements restrictions and reservations of record.

Snohomish County

That certain parcel of real property situate in the County of Snohomish, State of Washington, more particularly described as follows:

PARCEL 3

That portion of the Southeast quarter of the Northeast quarter of Section 27, Township 27 North, Range 5 East, Willamette Meridian, Snohomish County, State of Washington, described as follows:

Commencing at the Northeast corner of the Northeast quarter of said Section 27; thence South $02^{\circ}12'53''$ East, along the East line of said Northeast quarter, a distance of 1470.00 feet; thence South $89^{\circ}05'04''$ West, parallel with the North line of the Northeast quarter of said Section 27, a distance of 30.01 feet to a point in the Westerly right of way line of S.R. 9, as conveyed under Auditor's File No. 526679, said point being the true point of beginning; thence continuing South $89^{\circ}05'04''$ West, distance of 150.04 feet to a line 180.00 feet Westerly of, as measured perpendicular to and parallel with the East line of the Northeast quarter of said Section 27; thence South $02^{\circ}12'53''$ East, along said line, a distance of 80.10 feet; thence North $89^{\circ}05'04''$ East, parallel with the North line of the Northeast quarter of said Section 27, a distance of 150.0 feet to the Westerly right of way line of said S.R. 9, said line bears South $02^{\circ}12'53''$ East from the true point of beginning; thence North $02^{\circ}12'53''$ West along said right of way line, a distance of 80.10 feet to the true point of beginning,

EXCEPT the East 25.00 feet for road.

SUBJECT TO: Easement, together with waiver of all claims for damages which may be caused by the location, construction and maintenance of a road, as contained in Deed to Snohomish County recorded under AF#526679; Easement for electric transmission and/or distribution lines granted to Puget Sound Power and Light Company, recorded under AF#541410; Terms, Conditions, Covenants, Obligations and Easements contained in Declaration of Short Subdivision recorded under AF#7806090286; Owner's Special Use Binder recorded under AF#8601030066.

PARCEL 4

Parcel A:

The North 91.69 feet of the South 231.69 feet of the East 120.0 feet of the West 270.0 feet of the West half of the Southwest quarter of the Northwest quarter of the Southeast quarter of Sec. 34, Township 28 North, Range 4 East, Willamette Meridian, Snohomish County, Washington.

Parcel B:

A nonexclusive easement for ingress, egress and utilities over, under and across the East 60.0 feet of the West 290.0 feet of the North 201.69 feet of the South 231.69 feet of the said West half of the Southwest quarter of the Northwest quarter of the Southeast quarter of Sec. 24, Township 28 North, Range 4 East, Willamette Meridian

EXCEPT that portion lying within Parcel A. All situate in the County of Snohomish, State of Washington.

PARCEL 5

Lots 2 and 3, Block 11, Plat of Sparlings First Addition to Wallace according to the plat thereof recorded in Vol. 2 of Plats, page 93, records of the Auditor of the County of Snohomish, State of Washington.

EXCEPT West 4 feet of said Lot 3.

SUBJECT TO: Easements, restrictions, reservations and provisions of record, if any.

REAL PROPERTY SITUATE IN THE STATE OF OREGON

Washington County

That certain parcel of real property situate in the County of Washington, State of Oregon, more particularly described as follows:

PARCEL 6

Commencing at the Southeast corner of that tract of land in the Northeast quarter of Sec. 20, Township 1 South, Range 1 West, Willamette Meridian, in the County of Washington, State of Oregon, conveyed to J. C. Denton & Sons, Inc., an Oregon Corp., as recorded in Book 472 page 81 of the Washington County Deed Records, said Southeast corner being on the East line of Sec. 20 and on the center line of S.W. 145th Ave. (C.R. No. 2018); running thence South 89°26'00" West 30.00 feet to a 1/2 inch iron pipe on the West right-of-way line of S.W. 145th Ave. and the true point of beginning of the tract of land to be described; thence continuing South 89°26'00" West 607.49 feet to a 1-1/2 inch iron pipe at the Southwest corner of the said J. C. Denton & Sons, Inc., tract; thence North 02°46'26" West 288.48 feet to a 5/8 inch iron rod and the most Westerly Northwest corner of the said Denton tract; thence South 78°16' East 206.37 feet, along the Northerly line of the said Denton tract, to a 5/8 inch iron rod; thence South 0°34' East 96.66 feet to a 5/8 inch iron

rod; thence North $89^{\circ}26'$ East 201.50 feet to a $5/8$ inch iron rod; thence North $1^{\circ}50'44''$ West 53.00 feet to a 1 inch iron pipe on the northerly line of the said Denton tract and the Southwest corner of that tract of land conveyed to William C. Denton and Nadine Denton as recorded in Book 487 at page 290 of the said deed records; thence South $78^{\circ}16'00''$ East 113.00 feet to a $5/8$ inch iron rod and the Southeast corner of the said William C. Denton tract; thence North $2^{\circ}19'34''$ East 144.48 feet along the Easterly line of the William C. Denton tract to a $5/8$ inch iron rod on the Southerly right-of-way line of S.W. Davis Road (C.R. No. 1029); thence South $58^{\circ}14'30''$ East 108.31 feet, along the Southerly line of said David Road, to a $5/8$ inch iron rod; thence South $31^{\circ}45'30''$ West 5.00 feet to a $3/4$ inch iron pipe; thence on a curve to the right 25.33 feet along the arc to a $3/4$ inch iron pipe on the Westerly right-of-way line of S.W. 145th Avenue (radius 25.00 feet, central angle $58^{\circ}02'43''$ long chord 24.26 feet); thence South $00^{\circ}11'47''$ East 237.42 feet to the true point of beginning.

EXCEPTING THEREFROM a tract of land in the Northeast quarter of Sec. 20, Township 1 South, Range 1 West, Willamette Meridian, in the City of Beaverton, County of Washington, State of Oregon, being a portion of that tract of land conveyed to L.O. Riddle and Marjorie M. Riddle, husband and wife, as recorded in Book 700 page 430 of the Washington County Deed Records, said tract being more particularly described as follows:

Commencing at a point on the East line of the said Riddle tract that bears North $00^{\circ}11'47''$ West 70.00 feet from the Southeast corner thereof; running thence South $89^{\circ}26'00''$ West 15.00 feet to the true point of beginning of the tract of land herein described, said point being 45.00 feet Westerly from (when measured at right angles) the center line of Murray Blvd. (County Road 2018); thence South $89^{\circ}26'00''$ West 60.00 feet; thence South $00^{\circ}11'47''$ East 5.00 feet; thence South $89^{\circ}26'00''$ West 90.00 feet; thence South $00^{\circ}11'47''$ East 65.00 feet to the South line of the said Riddle tract; thence South $89^{\circ}26'00''$ West 442.49 feet to the Southwest corner of the said Riddle tract; thence North $02^{\circ}46'26''$ West 288.48 feet to the most Westerly Northwest corner of the Riddle tract; thence South $78^{\circ}16'00''$ East 206.37 feet to the Northwest corner of that tract of land conveyed to James Carroll Denton and Lucile W. Denton, husband and wife, as recorded in Book 653 page 638 of the said records; thence South $00^{\circ}34'00''$ East 96.66 feet to the Southeast corner of the Denton tract; thence North $89^{\circ}26'00''$ East 201.50 feet to the Southeast corner of the said Denton tract; thence North $01^{\circ}50'44''$ West 53.00 feet to the Northeast corner thereof, which is also the Southwest corner of that tract of land conveyed to William C. Denton and Nadine Denton, husband and wife, as recorded in Book 487 page 290 of the said records; thence South $78^{\circ}16'00''$ East 113.00 feet to the Southeast corner of the William Denton tract; thence South $87^{\circ}40'$ East 92.47 feet; thence South $00^{\circ}11'47''$ East 101.87 feet to the point of beginning.

ALSO EXCEPTING THEREFROM a tract of land in the Northeast quarter of the Northeast quarter of Sec. 20, Township 1 South, Range 1 West, Willamette Meridian, in the City of Beaverton, County of Washington, State of Oregon, being a portion of that tract of land conveyed to L. O. Riddle and Marjorie M. Riddle, husband and wife, as recorded in Book 700 at page 430 of the Washington County Deed Records, said tract being more particularly described as follows:

Commencing at a 1/2 inch iron pipe at the Southeast corner of the said Riddle tract and running thence South 89°26'00" West 15.00 feet to the true point of beginning of the tract herein described; thence continuing South 89°26'00" West 150.00 feet, along the South line of the Riddle tract; thence North 00°11'47" West 65.00 feet; thence North 89°26'00" East 90.00 feet; thence North 00°11'47" West 5.00 feet; thence North 89°26'00" East 60.00 feet to a point that is 45.00 feet Westerly (when measured at right angles) from the center line of Murray Blvd. (County Road 2018); thence South 00°11'47" East 70.00 feet to the point of beginning.

FURTHER EXCEPTING THEREFROM that portion conveyed by Street Dedication recorded September 2, 1976 in Book 1110, page 114.

PARCEL 7

A tract of land located in the Southeast 1/4 Sec. 28, Township 1 South, Range 1 West of the Willamette Meridian, Washington County, said tract being Lot 1 (except that portion in streets) of Brockman Subdivision in the City of Beaverton and more particularly described as follows:

Beginning at the intersection of the west line of said Lot 1 with the south line of S.W. Brockman St. as now established 33.00 feet from centerline, said beginning point being located South 89°44'00" West, a measured distance of 330.78 feet and South, 33.00 feet from the east 1/4 corner for said Sec. 28; thence South along the west line of said Lot 1, a measured distance of 130.83 feet to the Southwest corner thereof; thence North 89°45'46" East along the south line of said Lot 1, a measured distance of 291.78 feet to a point on the west line of S.W. Sorrento Road as now established 39.00 feet from center line; thence North along said line of S.W. Sorrento Road 123.51 feet to a point on the Northeasterly curve line for said Lot 1 as platted; thence on the arc of a 50.00 foot radius curve to the left with a chord that bears North 50°40'41" West, 11.72 feet, an arc distance of 11.75 feet to said South line of S.W. Brockman Street; thence South 89°44'00" West, 282.71 feet to the point of beginning, a tract containing 38,163 square feet or 0.876 acres, more or less.

Subject to an easement to the City of Beaverton for Landscaping and Utilities recorded November 13, 1980, Fee No. 80041286.

PARCEL 8

Lots 8, 9, and 10, Block 26, Cornelius, EXCEPTING the West 5 feet of Lot 10, conveyed to the State of Oregon by Deed Book 386, page 603; recorded October 3, 1956, in the City of Cornelius, County of Washington and State of Oregon.

PARCEL 9

A tract of land located in the northwest 1/4 of Section 34, Township 1 North, Range 1 West of the Willamette Meridian, said tract being a portion of Lot 38, McGill Acres, Washington County, Oregon, the tract being more particularly described as follows:

Beginning at the southeast corner of said Lot 38, being in the center of N.W. Cornell Road, and running thence North 0°29'00" East along the east line of said Lot 38, 150.00 feet and South 70°29'48" West along the northerly line of that tract described in deed to Bales For Food, Inc., recorded in Book 723, Page 71, Washington County Deed Records, 26.60 feet to a point 25.00 feet westerly, when measured at right angles, from the centerline of N.W. 123rd Avenue and the True Point of Beginning for the following described tract: thence from the True Point of Beginning South 0°29'00" West along a line parallel with said N.W. 123rd Avenue and the east line of Lot 38, 85.43 feet to a point of curve; thence on the arc of a 25.00 foot radius curve to the right with a chord that bears South 34°40'19" West, 28.10 feet, an arc distance of 29.84 feet to a point 45.00 feet northerly, when measured at right angles, from the centerline of N.W. Cornell Road; thence South 68°51'38" West parallel with said Cornell Road, 77.98 feet to an angle point; then South 71°09'38" West parallel with said Cornell Road, 1.60 feet to the west line of said Bales For Food, Inc., tract (being the division line for the east half of said Lot 38); thence North 2°57'09" West along the westerly line of said Bales tract, 103.21 feet to the northwest corner thereof; thence North 70°29'48" East, 102.12 feet to the True Point of Beginning, the above described tract containing 9,601 square feet, more or less.

Subject to a 1.0 foot Nonaccess Reservation along N.W. Cornell Road, to Washington County, said Reservation strip being described as follows:

Beginning at a point on the westerly line of that tract described in deed to Bales For Food, Inc., Book 723, Page 71, Deed Records, with an intersection of a line 45.00 feet northerly, when measured at right angles, from the centerline of N.W. Cornell Road, said Reservation being across the east half of Lot 38, McGill Acres in the northwest 1/4 of Section 34, Township 1 North, Range 1 West of the Willamette Meridian, Washington County, Oregon, and more particularly described as follows: thence from said Point of Beginning North 2°57'09" West along said westerly line of said Bales tract, 1.04 feet; thence North 71°09'38" East

on a line parallel with and 46.00 feet from the centerline of said Cornell Road, 1.30 feet to an angle point; thence North $68^{\circ}51'38''$ East parallel with said Cornell Road, 77.96 feet to a point of curve; thence on the arc of a 24.00 foot radius curve to the left with a chord that bears North $51^{\circ}45'58''$ East, 14.11 feet, an arc distance of 14.32 feet; thence South $55^{\circ}19'41''$ East, 1.00 feet; thence on the arc of a 25.00 foot radius curve to the right with a chord that bears South $51^{\circ}45'58''$ West, 14.70 feet, an arc distance of 14.92 feet to a point 45.00 feet northerly, when measured at right angles, from the centerline of said Cornell Road; thence South $68^{\circ}51'38''$ West parallel with Cornell Road, 77.98 feet to an angle point; thence South $71^{\circ}09'38''$ West, 1.60 feet to the Point of Beginning.