

MORTGAGE, dated as of March 22 1958 made by
LACENTER TELEPHONE COMPANY, INC. -----
(hereinafter called the "Mortgagor"), a corporation organized and
existing under the laws of the State of Washington -----,
to UNITED STATES OF AMERICA (hereinafter sometimes called the
"Mortgagee").

WHEREAS, the Mortgagor has determined to borrow funds from the
Mortgagee under and pursuant to the Rural Electrification Act of 1936, as
amended, for its lawful corporate purposes and, to that end, has duly au-
thorized and executed, and has delivered to the Mortgagee, its mortgage
note (hereinafter called the "First Note"), to be secured by a mortgage in
the terms hereof of the property hereinafter described; and

WHEREAS, the First Note is of even date herewith, is in the prin-
cipal amount of fifty thousand ----- dollars
(\$ 50,000 - - -), is payable to the order of United States of America at
the United States Treasury, Washington, D. C., bears interest at the rate of
two (2) per centum per annum, and provides for the accumulation of the in-
terest accruing on the principal thereof for three - - - (3) years after
the date thereof, and provides further for payments thereafter on the last
day of March - - - -, June - - - -, September - - -, and December - - - -
in each year, which payments will be in amounts calculated to be sufficient
to pay and discharge the principal of the First Note and interest thereon
within thirty-five (35) years after the date thereof, at which time the
unpaid principal of the First Note and interest thereon, if any, shall be-
come due and payable; and

WHEREAS, it is contemplated that the First Note shall be secured
hereby and that additional notes (hereinafter called the "additional notes")
may from time to time be executed and delivered by the Mortgagor to United
States of America to evidence loans made by United States of America to the
Mortgagor pursuant to the Rural Electrification Act of 1936, as from time
to time amended (hereinafter called the "Act"), and that from time to time
the Mortgagor may execute and deliver to the holder or holders of outstand-
ing notes secured hereby notes to refund such outstanding notes, or in renewal
thereof, or in substitution therefor, all to be secured hereby (the First
Note, the additional notes, and notes executed and delivered to refund, or
in renewal of, or in substitution for, any note or notes at any time outstand-
ing and secured hereby being hereinafter sometimes collectively called the
"notes"); and

WHEREAS, the property (hereinafter defined as the "Mortgaged Property")
is subject to the lien of a certain mortgage (hereinafter called the "Underlying
Mortgage"), dated as of August 15, 1947, made by the Mortgagor to W. L. Short and
Audrey L. Short as mortgagees.

