

JOHNSON-COX COMPANY, PRINTERS, TACOMA—42986

betterments and extensions under said indenture of July 1, 1925, and has resolved that said \$60,000 par value of bonds shall be dated July 1, 1932, and shall mature and be in denominations as follows: All of said bonds shall be dated July 1, 1932; \$45,000 of said bonds shall be in denominations of \$1,000 each numbered M358 to M402, both inclusive, and \$15,000 of said bonds shall be in denominations of \$500 each numbered D105 to D134, both inclusive. All of said bonds shall mature July 1, 1945, and shall bear interest at the rate of six per cent per annum payable semi-annually on July 1st and January 1st; said \$60,000 par value of bonds, the trustee's certificate and the form of registration endorsed thereon shall be substantially as follows:

(Form of Bond)

UNITED STATES OF AMERICA

State of Oregon

OREGON-WASHINGTON TELEPHONE COMPANY

First Mortgage 6% Sinking Fund Gold Bond

No.....

\$.....

Oregon-Washington Telephone Company, an Oregon corporation, (hereinafter sometimes called "Maker"), acknowledges itself indebted and for value received hereby promises to pay to bearer, or, if registered, to the registered holder hereof, _____ Dollars (\$ _____) on July 1st, 1945, (unless this bond is previously redeemed as provided in the mortgage hereinafter mentioned), with interest thereon from the date hereof until maturity (or until sooner redeemed) at the rate of six per cent (6%) per annum, payable on July 1st, and January 1st in each year, upon presentation and surrender of the annexed interest coupons as they severally become due. The Maker hereof agrees to pay both principal and interest at Title and Trust Company, Portland, Oregon (or its successor), in gold coin of the United States of America of or equal to the standard of weight and fineness existing on the date hereof, without deduction for any tax or taxes or governmental charges which may be imposed thereon by any present or future law of the United States of America, or any state, county or municipality therein, which the Maker or Trustee may be required or permitted to pay or to deduct or to retain therefrom, except estate or inheritance taxes and income taxes on the interest of this bond, but the Maker will pay the normal Federal Income Tax upon said interest not exceeding a rate of two per cent (2%) per annum, which may become payable to the United States of America by any holder hereof under any existing or future Act of Congress.

This bond is one of a presently authorized issue of the principal par value of Sixty Thousand Dollars (\$60,000), dated July 1, 1932, constituting a part of an authorized issue of Five Hundred Thousand Dollars (\$500,000), of which, bonds of the par value of Three Hundred Ten Thousand Dollars (\$310,000) were issued upon the execution and recordation of that certain deed of trust from the Maker hereof to Title and Trust Company, as Trustee, executed as of July 1, 1925. Pursuant to the terms of Article I, Section 5, of said deed of trust further issues of said bonds of the principal par value of Twenty-five Thousand Dollars (\$25,000), bearing date December 1, 1927, Sixty-five Thousand Dollars (\$65,000), bearing date February 15, 1929, and Nine Thousand Dollars (\$9,000), bearing date July 1, 1931, respectively, were duly made. Pursuant to the terms of said deed of trust bonds of the principal par value of Thirty-four Thousand Five Hundred Dollars (\$34,500) have been redeemed, leaving outstanding at the date hereof bonds of the principal par value of Three Hundred Seventy-four Thousand Five Hundred Dollars (\$374,500), exclusive of the Sixty Thousand Dollars (\$60,000) bonds presently authorized to be issued. Pursuant to said Article and Section the present bonds are issued as a part of the authorized issue of Five Hundred Thousand Dollars (\$500,000) under said deed of trust, and shall be equally and ratably secured with all other bonds issued under said deed of trust.

For description of the property thereby mortgaged, the nature and extent of the security, the rights of all holders of bonds issued thereunder, the conditions upon which said bonds are issued or may be issued, and under which (in case of "an event of default" as defined in said mortgage) all outstanding bonds may, before their fixed maturity, be declared at once due and payable, reference is hereby made to said mortgage, and mortgages supplemental thereto, with the same force and effect as if their provisions were herein fully set forth.

This bond, at the Maker's option, is subject to redemption on any interest payment date before its fixed maturity, upon sixty (60) days previous notice as provided in said mortgage, and upon payment to said Trustee of the par value of the principal hereof and interest hereon to the date of such redemption, together with a premium of one per centum (1%) on the principal hereof.

This bond shall pass by delivery unless registered in the owner's name upon registration books kept for the purpose by said Title and Trust Company, at its office in Portland, Oregon (or its successor), and unless such registration is also noted hereon by it. After such registry, no transfer