

held or for the account of, or for the benefit or interest of the Company or of any person, association or corporation directly or indirectly in control of or controlled by the Company.

AVAILABLE BONDS: The term "available bonds" shall mean bonds issued under and secured by the lien of this Indenture together, in the case of coupon bonds, with all unmatured coupons pertaining thereto which have been purchased in the open market or redeemed by the Company other than (a) bonds which have been redeemed for sinking fund purposes as required by the provisions of this Indenture and (b) bonds purchased or redeemed by the Company with the proceeds of property constituting a part of the trust estate.

Bonds and coupons for the redemption of which moneys shall have been or are concurrently being deposited with the Trustee shall be deemed to have been redeemed within the meaning hereof; provided, however, that notice of such redemption shall have been duly given or provisions satisfactory to the Trustee shall have been made for the giving of such notice.

INDENTURE: The term "Indenture" shall mean this instrument together with any indentures which may hereafter be made supplemental hereto.

TRUSTEE--INDIVIDUAL TRUSTEE--TRUSTEES:

The term "Trustee" shall mean Peoples National Bank of Washington in Seattle or its successor as trustee under this Indenture for the time being, but not the Individual Trustee, and not a co-trustee or separate trustee appointed pursuant to the provisions of Section 13 of Article Fifteen hereof, unless otherwise provided in the instrument of appointment executed pursuant to such section and then only to the extent therein provided.

The term "Individual Trustee" shall mean E. L. Blaine, Jr., or his successor as trustee under this Indenture for the time being, but not a co-trustee or separate trustee appointed pursuant to the provisions of Section 13 of Article Fifteen hereof, unless otherwise provided in the instrument of appointment executed pursuant to such action and then only to the extent therein provided.

The term "Trustees" shall mean the Trustee and the Individual Trustee for the time being.

TRUST ESTATE OR MORTGAGED PROPERTY: The terms "trust estate" or "mortgaged property" shall mean the assets of the Company now or hereafter subject to the lien of this Indenture or intended so to be.

PROPERTY ADDITIONS: The term "property additions" shall mean physical property, plant and equipment of the Company located in the State of Oregon or in the State of Washington constructed or acquired by the Company subsequent to June 1, 1941 which the Company at the time of acquisition or construction is lawfully authorized to use and operate and which is of a nature properly chargeable to the Company's fixed capital account and is in fact so charged and used or to be used as a part of the Company's permanent and fixed investment in the conduct of its business as a telephone company. The term "property additions" shall not, however, include any physical property, plant or equipment of the nature expressly reserved and excluded from the lien of this Indenture or which is subject to any lien or other encumbrance except "permitted encumbrances.". "Property additions" in process of construction shall be considered property additions as of any given date in so far as actually constructed after June 1, 1941 and before such given date.

PURCHASED PROPERTY: The term "purchased property" shall mean any "property additions" devoted to public service at any time prior to their acquisition or reacquisition by the Company.