

MORTGAGE RECORD-X

Seattle, County of King and State of Washington, and E. L. BLAINE, JR., of said City of Seattle, as Trustees (hereinafter sometimes referred to respectively as the "Trustee" and the "Individual Trustee" and collectively as the Trustees"):

WHEREAS the Company executed and delivered to the Trustees an Indenture of Mortgage and Deed of Trust^{dated} as of January 1, 1946, (hereinafter sometimes referred to as the "Original Indenture"), to secure its first mortgage bonds wherein it is provided that the bonds secured thereby may be issued in one or more series and each series other than the First Mortgage Bonds, Series A, shall be created by an indenture supplemental thereto designating the new series to be created and describing and defining the bonds of such series; and

WHEREAS the Company has determined by due corporate action to provide for the immediate issuance, execution, authentication and delivery of Two Hundred Fifty Thousand Dollars, (\$250,000) in aggregate principal amount of said First Mortgage Bonds, to be known as the Company's First Mortgage Bonds, Series B, the said Series B bonds to be issued against net bondable expenditures for property additions under the provisions of Article Four of the Original Indenture, in part, and against cash under the provisions of Article Six of the Original Indenture, in part; and

WHEREAS each of the coupon bonds of Series B to be issued hereunder, the coupons to be attached thereto and the certificate^{of} the Trustee to be endorsed on the bonds are to be substantially in the following forms respectively, to wit:

(FORM OF SERIES B COUPON BOND)

No.

\$1,000

OREGON-WASHINGTON TELEPHONE COMPANY

FIRST MORTGAGE BOND, SERIES B

Due April 1, 1973

OREGON-WASHINGTON TELEPHONE COMPANY, a corporation of the State of Oregon (hereinafter called the Company), for value received, hereby promises to pay to bearer, or, if this bond be registered as to principal, then to the registered owner hereof, on the first day of April, 1973, the principal sum of One Thousand Dollars (\$1,000.00) and to pay interest thereon from the date hereof at the rate of three and three-quarters per cent. (3³/₄%) per annum payable semi-annually on the first day of April and the first day of October in each year until said principal sum is paid, but until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally become due. Both^{of} the principal/and the interest on this bond shall be payable at the main office of Peoples National Bank of Washington in Seattle, in Seattle, Washington, or at the main office of its successor as corporate trustee in the trust hereinafter referred to, in lawful money of the United States of America.

This bond is one of a duly authorized issue of First Mortgage Bonds of the Company, limited as to aggregate principal amount as set forth in the Indenture hereinafter mentioned, issuable in series, and is one of a series known as First Mortgage Bonds, Series B, all bonds of all series being issued and to be issued under and pursuant to and all equally secured (except as any sinking or other analogous fund, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of January 1, 1946, as amended and modified^{by} a First Supplemental Indenture dated as of April 1, 1948 (said two instruments being herein collectively called the Indenture) both duly executed and delivered by the Company to Peoples National Bank of Washington in Seattle, of Seattle, Washington (herein called the Trustee) and E. L. Blaine, Jr., of Seattle, Washington (herein called the individual Trustee), as trustees, to which Indenture and to all