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BOOK 133 PAGE 871

Thirty-Sixth Supplemental Indenture

GTE NORTHWEST INCORPORATED
Everett, Washington

TO

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

AND

PEET SAARET

Dated as of February 26, 1993

Registered	
Indexed, Dir	<i>P</i>
Indirect	<i>P</i>
Filmed	
Mailed	

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2-5-32-3-2002

THIS THIRTY-SIXTH SUPPLEMENTAL INDENTURE, made as of the 26th day of February, 1993, by and between GTE NORTHWEST INCORPORATED (formerly named General Telephone Company of the Northwest, Inc. and 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 PEET SAARET, of San Francisco, California (hereinafter referred to as the "Individual Trustee"), as Trustees under that certain Indenture hereinafter referred to;

W I T N E S S E T H:

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 (PEET SAARET 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-five 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 \$623,600,000, as follows:

<u>Title</u>	<u>Principal Amount</u>
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
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, 8 3/4% Series BB due 2016 .	125,000,000
First Mortgage Bonds, 7 3/4% Series CC due 1998 .	50,000,000
First Mortgage Bonds, 9 3/4% Series DD due 2007 .	50,000,000
First Mortgage Bonds, 9 3/4% Series EE due 2030 .	75,000,000
First Mortgage Bonds, 6 1/8% Series FF due 1999 .	<u>125,000,000</u>
Total	\$623,600,000

and

WHEREAS, the Board of Directors of the Company has approved the merger of Contel of the Northwest, Inc. (hereinafter called "Contel Northwest"), into the Company effective upon the date of filing of Articles of Merger with the Secretary of State of Washington, and (in contemplation thereof) the exchange of certain outstanding notes of Contel Northwest for new issues of the Company's First Mortgage Bonds; and

WHEREAS, pursuant to the Indenture, the Board of Directors of the Company has provided for the establishment of three new series of bonds of the Company to be known as and in the principal amounts as follows:

<u>Title</u>	<u>Principal Amount</u>
First Mortgage Bonds, 10.25% Series GG due 1997 .	\$ 5,000,000
First Mortgage Bonds, 9.67% Series HH due 2010 .	15,000,000
First Mortgage Bonds, 10.4% Series II due 2013 .	14,400,000

With each such series to be limited (except as provided in Article D 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 as provided above in this recital, 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-Sixth 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 and which are not specifically described therein 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 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, 10.25% Series GG due 1997, 9.67% Series HH due 2010, and 10.4% Series II due 2013, 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-Sixth 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 enrolling 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 BOND,

10.25% SERIES GG DUE 1997

SECTION 1. There shall be and is hereby established a series of bonds designated First Mortgage Bonds, 10.25% Series GG due 1997, said bonds being sometimes hereinafter referred to as the "Bonds of Series GG," 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 GG 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 of this Article I with respect to bonds authenticated and delivered in exchange or substitution for other bonds) to \$5,000,000. Bonds of Series GG shall mature on December 1, 1997 and shall be issued only in the form of fully registered bonds and shall be of the denominations of \$1,000 or any multiples thereof.

The Bonds of Series GG shall bear interest at the rate of 10.25% per annum, computed on the basis of a 360-day year of twelve 30-day months, payable semi-annually on June 1 and December 1, in each year; provided, however, that any principal and, to the extent permitted by law, interest, not paid when due shall bear interest at 11.25% per annum, from the date the same was due until the same shall have been paid in full; subject, to Article IX, Section 4 hereof, 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 GG 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 first day of June or the first day of December next preceding the date thereof. The Bonds of Series GG 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 GG, such Bond shall be dated as of December 1, 1992, 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 GG, such Bond shall be dated as of such interest payment date.

The person in whose name any Bond of Series GG is registered at the close of business on any record date 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 GG 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 payment date, in which case such defaulted interest shall be paid to the persons in whose names outstanding Bonds of Series GG 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 GG 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 GG 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 May 15 or November 15, as the case may be, next preceding such interest payment date, whether or not such May 15 or November 15 is a business day.

SECTION 2. Bonds of Series GG 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 GG 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 office or agency of the Company in the Borough of Manhattan, City and State of New York, as aforesaid, 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 Corporate Trustee or authenticating agent shall authenticate, and the Corporate Trustee shall deliver in exchange therefor a new Bond or Bonds of Series GG for the same aggregate principal amount. No service charge shall be made for any transfer or exchange of Bonds of Series GG, but the Corporate Trustee may require the payment of a sum sufficient to cover any tax or taxes or other governmental charge.

The Corporate Trustee shall not be required to make transfers or exchanges of Bonds of Series GG 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 GG except that such Bonds may bear such numbers and letters and may contain such other specifications or bear such legends or endorsements, and otherwise be in such form 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 GG 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 GG shall be redeemable (i) at the option of the Company prior to maturity, by the payment of the applicable redemption prices specified in this Section 4 and in the form herein for the Bonds of Series GG, all in accordance with this Section 4 and Section 7 of this Article I, and (ii) from funds deposited with the Corporate Trustee in the

Depreciation Fund or the Sinking Fund as provided in the Indenture (but only to the extent such redemption is effected in accordance with one of the three next succeeding paragraphs) by the payment of the applicable redemption prices specified in this Section 4 and the form herein for the Bonds of Series GG, all in accordance with this Section 4 and Section 7 of this Article I, together in any such case with accrued interest to the date of redemption.

On December 1, 1993, and on each December 1 thereafter while Bonds of Series GG are outstanding, to and including December 1, 1996 (each a "Series GG Bond Redemption Date"), the Company, as and for a special redemption fund for the retirement of Bonds of Series GG, will, in the manner provided hereinafter and in the Indenture, redeem \$1,000,000 principal amount of the Bonds of Series GG at the "Series GG Bond Redemption Price" of 100% of the principal amount to be redeemed, together with accrued interest to such Series GG Bond Redemption Date, and on or before each such date will deposit with the Corporate Trustee sufficient funds therefor.

On December 1, 1995 and on December 1, 1996, the Company may, in the manner provided hereinafter and in the Indenture, redeem Bonds of Series GG at the Series GG Bond Redemption Price of 100% of the principal amount of the Bonds of Series GG or the portion thereof to be redeemed, together with accrued interest to such Series GG Bond Redemption Date; provided, however, that such redemption shall be in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof.

At any time and from time to time prior to December 1, 1995, the Company may, in the manner provided hereinafter and in the Indenture, redeem the Bonds of Series GG, either in whole or in part (but if in part then in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof), by payment of the "Special Series GG Bond Redemption Price" of 110.25% of the principal amount of the Bonds of Series GG (or the portion thereof to be redeemed), together with accrued interest to such Series GG Bond Redemption Date.

Notice of redemption of Bonds of Series GG shall be given by mail, first class postage prepaid, not less than thirty and not more than sixty days prior to the date of redemption, to the holders of the Bonds of Series GG which are to be redeemed, at their last addresses as they appear upon the bond registry books. 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 GG, to refer to the due mailing, as hereinabove provided, of notice of redemption, unless and until any Bonds of Series GG shall have been offered and sold pursuant to an effective registration statement pursuant to the Securities Act of 1933, as amended, in which event the mailing procedure therein specified shall be in addition to such publication. The Company shall certify to the Trustees when Bonds of Series GG have been so offered and sold. Otherwise, the

provisions of Sections 5 and 8 of Article V of the Indenture shall be applicable to Bonds of Series GG.

Unless and until any Bonds of Series GG shall have been offered and sold pursuant to an effective registration statement under the Securities Act of 1933, as amended (a "Public Offering" of such Bonds), notwithstanding Article V, Section 2, of the Indenture, if on any date less than all the Bonds of Series GG are to be redeemed (a "Partial Redemption"), the particular Bonds of Series GG or portions thereof so to be redeemed shall be selected by the Corporate Trustee from among the outstanding Bonds of Series GG as nearly as practicable pro rata in accordance with the aggregate outstanding principal amounts of the Bonds of Series GG held by each holder of any such Bonds, provided that such Bonds or the portions of such Bonds selected for redemption in part shall be equal to \$1,000 or any multiple thereof. From and after the date of the first such Public Offering of any Bonds of Series GG, in the event of any Partial Redemption of Bonds of Series GG, the Corporate Trustee shall select the particular Bonds of Series GG so to be redeemed by (a) allocating the principal amount of Bonds or Series GG or portions thereof so to be redeemed between all outstanding Bonds of Series GG offered and sold in such Public Offerings ("Public Bonds"), and those which have not been so offered and sold ("Private Bonds"), as nearly as practicable pro rata in accordance with the respective outstanding principal amounts of such Public Bonds, on the one hand, and such Private Bonds, on the other hand, in multiples of \$1,000, as aforesaid, (2) selecting the particular Public Bonds or portions thereof so to be redeemed by lot in accordance with Article V, Section 2, of the Indenture, and (3) selecting the particular Private Bonds so to be redeemed as nearly as practicable pro rata (but in amounts of \$1,000 or multiples thereof), all as provided in the first sentence of this paragraph. The Company shall certify to the Trustees when Bonds of Series GG have been so offered and sold.

No optional redemption of Bonds of Series GG pursuant to any provision of this Section 4 shall be credited against, or in any way relieve the Company from, its obligation to effect future mandatory redemptions of Bonds of Series GG pursuant to the second paragraph of this Section 4.

Upon surrender of any Bond of Series GG 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 GG 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 GG so surrendered.

SECTION 5. Notwithstanding anything contained in the Indenture or any Supplemental Indenture or in the form of Bonds of Series GG, if any Bonds of said series are redeemed from funds received by the Company from 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 specified in Section 4 and in the form herein for the Bonds of Series GG, 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 GG 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; provided, however, that no Bonds of Series GG which shall have been purchased by or on behalf of the Company may be credited against or reduce future mandatory redemptions under Section 4 above.

SECTION 7. The Bonds of Series GG and the Corporate 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 GG)

GTE NORTHWEST INCORPORATED

FIRST MORTGAGE BOND,

10.25% SERIES GG DUE 1997

No. GG:.....

\$.....

GTE NORTHWEST INCORPORATED, 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 or registered assigns, on the first day of December, 1997, unless this Bond is sooner redeemed, Dollars and to pay interest thereon at the rate of 10.25% per annum until the payment of said principal sum, semi-annually on the first day of June and on the first day of December in each year commencing with the first such day after the date hereof; provided, however, that any amount of principal and, to the extent permitted by law, any amount of interest, not paid when due shall bear interest at 11.25% per annum, so computed, from the date the same was due until the same shall have been paid in full.

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 first day of June or the first day of December 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 GG evidencing the same debt) is registered at the close of business on the 15th day of May or the 15th day of November, as the case may be (whether or not such day is a business day), next preceding such interest payment date. Subject to Section 4 of Article IX of the Supplemental Indenture dated February 26, 1993, referred to on the reverse hereof, 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, GTE NORTHWEST INCORPORATED 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 _____

GTE NORTHWEST INCORPORATED

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 GG)

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 Peet Saaret 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, July 15, 1986, November 15, 1987, October 15, 1990, February 15, 1993, and February 26, 1993, to which Indenture and Supplemental Indentures (herein 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 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, \$1,000,000 principal amount of the Bonds of Series GG shall be redeemed as provided in the Indenture on December 1, 1993 and on each December 1 thereafter while Bonds of Series GG are outstanding, to and including December 1, 1996; in each case from funds deposited with the Corporate Trustee as provided for in the Indenture at 100% of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption.

On December 1, 1995 and December 1, 1996, in the manner, upon the notice and upon the conditions specified in the Indenture, the Company may redeem the Bonds of Series GG in whole or in part (but only in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof) from funds deposited with the Corporate Trustee as provided for in the Indenture at 100% of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption.

In the manner, upon the notice and upon the conditions specified in the Indenture, this Bond or any portion hereof may, at the option of the Company, be redeemed from funds deposited with the Corporate Trustee in the Depreciation Fund or the Sinking Fund as provided in the Indenture, or otherwise deposited with the Corporate Trustee, at any time and from time to time prior to December 1, 1995, by payment of the Special Series GG Bond Redemption Price of 110.25% of the principal amount, together with accrued interest to the date of such redemption.

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 of (as herein provided) 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.

TERMS AND CONDITIONS OF FIRST MORTGAGE BOND,

9.67% SERIES HH DUE 2010

SECTION 1. There shall be and is hereby established a series of bonds designated First Mortgage Bonds, 9.67% Series HH due 2010, said bonds being sometimes hereinafter referred to as the "Bonds of Series HH," 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 HH 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 of this Article II with respect to bonds authenticated and delivered in exchange or substitution for other bonds) to \$15,000,000. Bonds of Series HH shall mature on September 15, 2010 and shall be issued only in the form of fully registered bonds and shall be of the denominations of \$1,000 or any multiples thereof.

The Bonds of Series HH shall bear interest at the rate of 9.67% per annum, computed on the basis of a 360-day year of twelve 30-day months, payable semi-annually on March 15 and September 15 in each year; provided, however, that any principal and, to the extent permitted by law, interest, not paid when due shall bear interest at 10.67% per annum, so computed, from the date the same was due until the same shall have been paid in full; subject to Article IX, Section 4 hereof, 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 HH shall accrue from the last interest payment date, unless the Company shall default in the interest due on such date, in which case such interest shall accrue from the 15th day of March or the 15th day of September next preceding the date thereof. The Bonds of Series HH 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 HH, such Bond shall be dated as of September 15, 1992, 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 HH, such Bond shall be dated as of such interest payment date.

The person in whose name any Bond of Series HH is registered at the close of business on any record date 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 HH 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 payment date, in which case such defaulted interest shall be paid to the persons in whose names outstanding Bonds of Series HH 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 HH 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 HH 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 March 1 or September 1, as the case may be, next preceding such interest payment date, whether or not such March 1 or September 1 is a business day.

SECTION 2. Bonds of Series HH 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 HH 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 office or agency of the Company in the Borough of Manhattan, City and State of New York, as aforesaid, 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 Corporate Trustee or authenticating agent shall authenticate, and the Corporate Trustee shall deliver in exchange therefor a new Bond or Bonds of Series HH for the same aggregate principal amount. No service charge shall be made for any transfer or exchange of Bonds of Series HH, but the Corporate Trustee may require the payment of a sum sufficient to cover any tax or taxes or other governmental charge.

The Corporate Trustee shall not be required to make transfers or exchanges of Bonds of Series HH 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 HH except that such Bonds may bear such numbers and letters and may contain such other specifications or bear such legends or endorsements, and otherwise be in such form, 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 HH 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 HH shall be redeemable (i) at the option of the Company prior to maturity, by payment of the applicable redemption prices specified in this Section 4 and in the form herein for the Bonds of Series HH, all in accordance with this Section 4 and Section 7 of this Article II, and (ii) from funds deposited with the Corporate Trustee in the Depreciation Fund or Sinking Fund as provided in the Indenture (but only to the extent such redemption is effected in accordance with one of the three next succeeding paragraphs) by the payment of the applicable redemption prices specified in this Section 4 and the form herein for the Bonds of Series HH, all in accordance with this Section 4 and Section 7 of this Article II, together in any such case with accrued interest to the date of redemption.

On September 15, 1994, and on each September 15 thereafter while Bonds of Series HH are outstanding, to and including September 15, 2009 (each a "Series HH Bond Redemption Date"), the Company, as and for a special redemption fund for the retirement of Bonds of Series HH, will, in the manner provided hereinafter and in the Indenture, redeem \$882,000 principal amount of the Bonds of

Series HH at the "Series HH Bond Redemption Price" of 100% of the principal amount to be redeemed, together with accrued interest to such Series HH Bond Redemption Date and on or before each such date will deposit with the Corporate Trustee sufficient funds therefor.

On or after September 15, 2000 and on or before September 14, 2008, the Company may, in the manner provided hereinafter and in the Indenture, redeem the Bonds of Series HH, either in whole or in part (but if in part then in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof), by payment of the "Special Series HH Bond Redemption Price" of 100% of the principal amount of the Bonds of Series HH or the portion thereof to be redeemed, together with accrued interest to such Series HH Bond Redemption date and a premium equal to the Make-Whole Amount (as defined in Article IV).

On or after September 15, 2008, the Company may, in the manner provided hereinafter and in the Indenture, redeem the Bonds of Series HH, either in whole or in part (but if in part then in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof), at 100% of the principal amount of the Bonds of Series HH so to be redeemed, together with accrued interest to such Series HH Bond Redemption date.

Notice of redemption of Bonds of Series HH shall be given by mail, first class postage prepaid, not less than thirty and not more than sixty days prior to the date of redemption, to the holders of the Bonds of Series HH which are to be redeemed, at their last addresses as they appear upon the bond registry books. 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 HH, to refer to the due mailing, as hereinabove provided, of notice of redemption unless and until any Bonds of Series HH shall have been offered and sold pursuant to an effective registration statement pursuant to the Securities Act of 1933, as amended, in which event the mailing procedures therein specified shall be in addition to such publication. In the case of any redemption of Bonds of Series HH in connection with which a determination of the Make-Whole Amount, if any, shall be required, the Company will give written notice to the Trustees and each holder of an outstanding Bond of Series HH by telecopy or other same-day written communication, three days prior to the date fixed for such redemption, of the premium applicable to such redemption and the calculations, in reasonable detail, used to determine the amount of any such premium. The Company shall certify to the Trustees when Bonds of Series HH have been so offered and sold. Otherwise, the provisions of Sections 5 and 8 of Article V of the Indenture shall be applicable to Bonds of Series HH.

Unless and until any Bonds of Series HH shall have been offered and sold pursuant to an effective registration statement under the Securities Act of 1933, as amended (a "Public Offering" of such Bonds), notwithstanding Article V, Section 2, of the

Indenture, if on any date less than all the Bonds of Series HH are to be redeemed (a "Partial Redemption"), the particular Bonds of Series HH or portions thereof so to be redeemed shall be selected by the Corporate Trustee from among the outstanding Bonds of Series HH as nearly as practicable pro rata in accordance with the aggregate outstanding principal amounts of the Bonds of Series HH held by each holder of any such Bonds, provided that such Bonds or the portions of such Bonds selected for redemption in part shall be equal to \$1,000 or any multiple thereof. From and after the date of the first such Public Offering of any Bonds of Series HH, in the event of any Partial Redemption of Bonds of Series HH, the Corporate Trustee shall select the particular Bonds of Series HH so to be redeemed by (a) allocating the principal amount of Bonds or Series HH or portions thereof so to be redeemed between all outstanding Bonds of Series HH offered and sold in such Public Offerings ("Public Bonds"), and those which have not been so offered and sold ("Private Bonds"), as nearly as practicable pro rata in accordance with the respective outstanding principal amounts of such Public Bonds, on the one hand, and such Private Bonds, on the other hand, in multiples of \$1,000, as aforesaid, (2) selecting the particular Public Bonds or portions thereof so to be redeemed by lot in accordance with Article V, Section 2, of the Indenture, and (3) selecting the particular Private Bonds so to be redeemed as nearly as practicable pro rata (but in amounts of \$1,000 or multiples thereof), all as provided in the first sentence of this paragraph. The Company shall certify to the Trustees when Bonds of Series HH have been so offered and sold.

No optional redemption of Bonds of Series HH pursuant to any provision of this Section 4 shall be credited against, or in any way relieve the Company from, its obligation to effect future mandatory redemptions of Bonds of Series HH pursuant to the second paragraph of this Section 4.

Upon surrender of any Bond of Series HH 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 HH 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 HH so surrendered.

SECTION 5. Notwithstanding anything contained in the Indenture or any Supplemental Indenture or in the form of Bonds of Series HH, if any Bonds of said series are redeemed from funds received by the Company from 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 specified in Section 4 and in the form herein for the Bonds of Series HH, 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 HH 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; provided, however, that no Bonds of Series HH which shall have been purchased by or on behalf of the Company may be credited against or reduce future mandatory redemptions under Section 4 above.

SECTION 7. The Bonds of Series HH and the Corporate 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 HH)

GTE NORTHWEST INCORPORATED

FIRST MORTGAGE BOND,

9.67% SERIES HH DUE 2010

No. HH.....

\$.....

GTE NORTHWEST INCORPORATED, 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 or registered assigns, on the 15th day of September, 2010, unless this Bond is sooner redeemed, Dollars and to pay interest thereon at the rate of 9.67% per annum until the payment of said principal sum, semi-annually on the 15th day of March and on the 15th day of September in each year commencing with the first such day after the date hereof; provided, however, that any amount of principal and, to the extent permitted by law, any amount of interest, not paid when due shall bear interest at 10.67% per annum, so computed, from the date the same was due until the same shall have been paid in full.

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 15th day of March or the 15th day of September 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 HH evidencing the same debt) is registered at the close of business on the 1st day of March or the 1st day of September, as the case may be (whether or not such day is a business day), next preceding such interest payment date. Subject to Section 4 of Article IX of the Supplemental Indenture dated February 26, 1993, referred to on the reverse hereof, 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, GTE NORTHWEST INCORPORATED 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 _____

GTE NORTHWEST INCORPORATED

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 HH)

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 Peet Saaret 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, July 15, 1986, November 15, 1987, October 15, 1990, February 15, 1993, and February 26, 1993, to which Indenture and Supplemental Indentures (herein 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 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 conditions specified in the Indenture, \$882,000 principal amount of the Bonds of Series HH shall be redeemed as provided in the Indenture on September 15, 1994 and on each September 15 thereafter while Bonds of Series HH are outstanding, to and including September 15, 2009; in each case from funds deposited with the Corporate Trustee as provided for in the Indenture at 100% of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption.

On and after September 15, 2000 and on or before September 14, 2008, the Company may, in the manner upon the notice and upon the conditions specified in the Indenture, redeem the Bonds of Series HH in whole or in part (but only in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof) from funds deposited with the Corporate Trustee as provided for in the Indenture at 100% of the principal amount to be redeemed, together with accrued interest thereon to the date fixed for redemption and a premium equal to the Make-Whole Amount (as defined in Article IV of the Supplemental Indenture dated February 26, 1993, referred to above).

In the manner, upon the notice and upon the conditions specified in the Indenture, this Bond or any portion hereof may, at the option of the Company, be redeemed from funds deposited with the Corporate Trustee in the Depreciation Fund or the Sinking Fund as provided in the Indenture, or otherwise deposited with the Corporate Trustee, at any time and from time to time on or after September 15, 2008, by payment of the Series HH Bond Redemption Price of 100% of the principal amount to be redeemed, together with accrued interest to the date of such redemption; provided that Bonds of Series HH may be so redeemed only in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof.

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 of (as herein provided) 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 III.

TERMS AND CONDITIONS OF FIRST MORTGAGE BOND,

10.4% SERIES II DUE 2013

SECTION 1. There shall be and is hereby established a series of bonds designated First Mortgage Bonds, 10.4% Series II due 2013, said bonds being sometimes hereinafter referred to as the "Bonds of Series II," 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 II 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 \$14,400,000. Bonds of Series II shall mature on October 1, 2013 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 II shall bear interest at the rate of 10.4% per annum, computed on the basis of a 360-day year of twelve 30-day months, payable semi-annually on April 1 and October 1 in each year; provided, however, that any principal and, to the extent permitted by law, any amount of interest, not paid when due shall bear interest at 11.4% per annum, so computed, from the date the same was due until the same shall have been paid in full; subject to Article IX, Section 4 hereof, 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 II 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 first day of April or the first day of October next preceding the date thereof. The Bonds of Series II 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 II, such Bond shall be dated as of October 1, 1992, 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 II, such Bond shall be dated as of such interest payment date.

The person in whose name any Bond of Series II is registered at the close of business on any record date 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 II 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 payment date, in which case such defaulted interest shall be paid to the persons in whose names outstanding Bonds of Series II 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 II 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 II 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 March 15 or September 15, as the case may be, next preceding such interest payment date, whether or not such March 15 or September 15 is a business day.

SECTION 2. Bonds of Series II 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 II 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 office or agency of the Company in the Borough of Manhattan, City and State of New York, as aforesaid, 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 Corporate Trustee or authenticating agent shall authenticate, and the Corporate Trustee shall deliver in exchange therefor a new Bond or Bonds of Series II for the same aggregate principal amount. No service charge shall be made for any transfer or exchange of Bonds of Series II, but the Corporate Trustee 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 II 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 II except that such Bonds may bear such numbers and letters and may contain such other specifications or bear such legends or endorsements, and otherwise be in such form, 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 II 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 II shall be redeemable (i) at the option of the Company prior to maturity, by the payment of the applicable redemption prices specified in this Section 4 and in the form herein for the Bonds of Series II, all in accordance with this Section 4 and Section 7 of this Article III, and (ii) from funds deposited with the Corporate Trustee in the Depreciation Fund or the Sinking Fund as provided in the Indenture (but only to the extent such redemption is effected in accordance with one of the next succeeding paragraphs) by the payment of the applicable redemption price specified in this Section 4 and in the form herein for the Bonds of Series II, all in accordance with this Section 4 and Section 7 of this Article III, together in any case with accrued interest to the date of redemption.

On October 1, 1993 and on each October 1 thereafter while Bonds of Series II are outstanding, to and including October 1, 2012 (each a "Series II Bond Redemption Date"), the Company, as and for a special redemption fund for the retirement of Bonds of Series II, will, in the manner provided hereinafter and in the Indenture, redeem according to the following schedule the principal amount of the Series II Bonds, at the "Series II Bond Redemption Price" of 100% of the principal amount to be redeemed, together with accrued interest to such Series II Bond Redemption Date and on or before each such date will deposit with the Corporate Trustee sufficient funds therefor:

<u>Fixed Annual Payment Dates</u>	<u>Principal Amount</u>
October 1, 1993 through October 1, 1998	\$150,000
October 1, 1999 through October 1, 2012	\$723,000

At any time and from time to time prior to October 1, 2006, the Company may, in the manner provided hereinafter and in the Indenture, redeem the Bonds of Series II, either in whole or in part (but if in part then in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof), by payment of the "Special Series II Bond Redemption Price" of 100% of the principal amount of the Bonds of Series II or the portion thereof to be redeemed, together with accrued interest to such Series II Bond Redemption Date and a premium equal to the Make-Whole Amount (as defined in Article IV).

At any time and from time to time beginning October 1, 2006 and prior to maturity, the Company may, in the manner provided hereinafter and in the Indenture, redeem the Bonds of Series II either in whole or in part (but if in part then in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof) by payment of the redemption prices (the Alternative Special Series II Bond Redemption Price) as specified in Section 7 of this Article III under the heading "Regular Redemption Price," together with accrued interest to the date of redemption.

Notice of redemption of Bonds of Series II shall be given by mail, first class postage prepaid, not less than thirty and not more than sixty days prior to the date of redemption, to the holders of the Bonds of Series II which are to be redeemed, at their last addresses as they appear upon the bond registry books. 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 II, to refer to the due mailing, as hereinabove provided, of notice of redemption unless and until any Bonds of Series II shall have been offered and sold pursuant to an effective registration statement pursuant to the Securities Act of 1933, as amended, in which event the mailing procedures therein specified shall be in addition to such publication. In the case of any redemption of Bonds of Series II in connection with which a determination of the Make-Whole Amount, if any, shall be required, the Company will give written notice to

the Trustees and each holder of an outstanding Bond of Series II by telecopy or other same-day written communication, three days prior to the date fixed for such redemption, of the premium applicable to such redemption and the calculations, in reasonable detail, used to determine the amount of any such premium. The Company shall certify to the Trustees when Bonds of Series II have been so offered and sold. Otherwise, the provisions of Sections 5 and 8 of Article V of the Indenture shall be applicable to Bonds of Series II.

Unless and until any Bonds of Series II shall have been offered and sold pursuant to an effective registration statement under the Securities Act of 1933, as amended (a "Public Offering" of such Bonds), notwithstanding Article V, Section 2, of the Indenture, if on any date less than all the Bonds of Series II are to be redeemed (a "Partial Redemption"), the particular Bonds of Series II or portions thereof so to be redeemed shall be selected by the Corporate Trustee from among the outstanding Bonds of Series II as nearly as practicable pro rata in accordance with the aggregate outstanding principal amounts of the Bonds of Series II held by each holder of any such Bonds, provided that such Bonds or the portions of such Bonds selected for redemption in part shall be equal to \$1,000 or any multiple thereof. From and after the date of the first such Public Offering of any Bonds of Series II, in the event of any Partial Redemption of Bonds of Series II, the Corporate Trustee shall select the particular Bonds of Series II so to be redeemed by (a) allocating the principal amount of Bonds of Series II or portions thereof so to be redeemed between all outstanding Bonds of Series II offered and sold in such Public Offerings ("Public Bonds"), and those which have not been so offered and sold ("Private Bonds"), as nearly as practicable pro rata in accordance with the respective outstanding principal amounts of such Public Bonds, on the one hand, and such Private Bonds, on the other hand, in multiples of \$1,000, as aforesaid, (2) selecting the particular Public Bonds or portions thereof so to be redeemed by lot in accordance with Article V, Section 2, of the Indenture, and (3) selecting the particular Private Bonds so to be redeemed as nearly as practicable pro rata (but in amounts of \$1,000 or multiples thereof), all as provided in the first sentence of this paragraph. The Company shall certify to the Trustees when Bonds of Series II have been so offered and sold.

No optional redemption of Bonds of Series II pursuant to any provision of this Section 4 shall be credited against, or in any way relieve the Company from, its obligation to effect future mandatory redemptions of Bonds of Series II pursuant to the second paragraph of this Section 4.

Upon surrender of any Bond of Series II 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 II 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 II so surrendered.

SECTION 5. Notwithstanding anything contained in the Indenture or any Supplemental Indenture or in the form of Bonds of Series II, if any Bonds of said series are redeemed from funds received by the Company from 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 specified in Section 4 and in the form herein for the Bonds of Series II, 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 II 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; provided, however, that no Bonds of Series II which shall have been purchased by or on behalf of the Company may be credited against or reduce future mandatory redemptions under Section 4 above.

SECTION 7. The Bonds of Series II and the Corporate 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 II)

GTE NORTHWEST INCORPORATED

FIRST MORTGAGE BOND,

10.4% SERIES II DUE 2013

No. II.....

\$.....

GTE NORTHWEST INCORPORATED, 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 or registered assigns, on the first day of October, 2013, unless this Bond is sooner redeemed, Dollars and to pay interest thereon at the rate of 10.4% per annum until the payment of said principal sum, semi-annually on the first day of April and on the first day of October in each year commencing with the first such day after the date hereof; provided, however, that any amount of principal and, to the extent permitted by law, any amount of interest, not paid when due shall bear interest at 11.4% per annum, so computed, from the date the same was due until the same shall have been paid in full.

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 first day of April or the first day of October 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 II evidencing the same debt) is registered at the close of business on the 15th day of March or the 15th day of September, as the case may be (whether or not such day is a business day), next preceding such interest payment date. Subject to Section 4 of Article IX of the Supplemental Indenture dated February 26, 1993, referred to on the reverse hereof, 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, GTE NORTHWEST INCORPORATED 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 _____

GTE NORTHWEST INCORPORATED

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 II)

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 Peet Saaret 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, July 15, 1986, November 15, 1987, October 15, 1990, February 15, 1993, and February 26, 1993, to which Indenture and Supplemental Indentures (herein 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 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, on October 1, 1993 and on each October 1 thereafter while Bonds of Series II are outstanding, to and including October 1, 2012, the Company shall redeem according to the following schedule the principal amount of the Series II Bonds at the "Series II Bond Redemption Price" of 100% of the principal amount to be redeemed, together with accrued interest to such Series II Bond Redemption Date and on or before each such date will deposit with the Corporate Trustee sufficient funds therefor:

<u>Fixed Annual Payment Dates</u>	<u>Principal Amount</u>
October 1, 1993 through October 1, 1998	\$150,000
October 1, 1999 through October 1, 2012	\$723,000

In the manner, upon the notice and upon the conditions specified in the Indenture, this Bond or any portion hereof may, at the option of the Company, be redeemed from funds deposited with the Corporate Trustee at any time and from time to time on or before September 30, 2006, by payment of 100% of the principal amount, together with accrued interest thereon to the date fixed for redemption and a premium equal to the Make-Whole Amount (as defined in Article IV of the Supplemental Indenture dated February 26, 1993, referred to above).

In the manner, upon the notice and upon the conditions specified in the Indenture, at any time and from time to time, this Bond may be redeemed at the option of the Company at the prices (expressed in percentage of principal amount) set forth under the respective 12-month periods beginning October 1 of the years shown below:

<u>Year</u>	<u>Regular Redemption Price</u>
2006	103.0%
2007	102.5%
2008	102.0%
2009	101.5%
2010	101.0%
2011	100.5%
2012	100.0%

together in each case with accrued interest to the date fixed for redemption.

Notwithstanding the two next preceding paragraphs of this Bond (and the analogous paragraphs of the other Bonds of Series II), the Bonds of Series II may only be redeemed pursuant thereto in units of not less than \$100,000 or an integral multiple of \$10,000 in excess thereof.

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 of (as herein provided) 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 IV.

DEFINITIONS.

The **Make-Whole Amount** shall mean the product of (i) the excess, if any, of (A) the present value as of the date of payment of a designated series of Bonds of the principal redemptions, the payment at maturity and the remaining scheduled interest payments on said Bonds (determined by discounting such amounts at the Reinvestment Yield from the respective dates on which such principal redemptions, payment at maturity and interest payments are payable) over (B) 100 percent of the principal amount of said Bonds, times (ii) a fraction, the numerator of which is the principal amount of the said Bonds to be redeemed on such date pursuant to Section 4 of Article II or III hereof, as the case may be, and the denominator of which is 100 percent of the principal amount of said Bonds.

Reinvestment Yield shall be the arithmetic mean of the rates published in the Statistical Release under the caption U.S. Government Securities-Treasury Constant Maturities for the maturity corresponding to the remaining Weighted Average Life to Maturity of the designated series of Bonds as of the date of redemption, rounded to the nearest month. If no maturity exactly corresponds

to such Weighted Average Life to Maturity, yields for the two most closely corresponding published maturities shall be calculated pursuant to the immediately preceding sentence and the Reinvestment Yield shall be interpolated from such yields on a straight-line basis, rounding in each of such relevant periods to the nearest month. For purposes of calculating the Reinvestment Yield, the most recent Statistical Release published prior to the date of payment hereunder shall be used.

Weighted Average Life to Maturity means as at the time of the determination thereof the number of years obtained by dividing the then Remaining Dollar-Years of the designated series of Bonds by the aggregate amount of all remaining scheduled principal payments (including the payment at final maturity) to be made on said Bonds. The term **Remaining Dollar-Years** of said Bonds means the product obtained by (1) multiplying (A) the amount of each of the then remaining scheduled principal payments (including the payment at final maturity), by (B) the number of years (calculated at the nearest one-twelfth) which will elapse between the date of determination of the Weighted Average Life to Maturity of the said Bonds and the date that such required payment is due and (2) totaling all the products obtained in (1).

Statistical Release shall mean the statistical release designated H.15(519) which is published weekly by the Federal Reserve System or, if such statistical release is not published at the time of any determination hereunder, then such other reasonably comparable index which shall be designated by the holders of 66-2/3% in aggregate principal amount of the outstanding said Bonds and which is reasonably acceptable to the Company.

ARTICLE V.

ADDITIONAL RESTRICTIONS ON DIVIDENDS AND ANNUAL INTEREST COVERAGE.

SECTION 1. The Company covenants that, so long as any of the Bonds of Series GG, Bonds of Series HH, or Bonds of Series II are outstanding, it will not declare or pay any dividends (excepting stock dividends) on any share or shares of its common stock, or apply any of the funds or assets of the Company (excepting the proceeds from the sale of other shares of stock), to the purchase or retirement of any share or shares of common stock, in excess of the net income of the Company derived from the operation of its business after December 31, 1991, plus the sum of \$300,000,000, and that no such dividends will be paid, or purchase or retirement of its common shares made, at a time when the Company shall be in default under any of the provisions of the Indenture, as from time to time in effect.

SECTION 2. The Company covenants that, so long as any of the Bonds of Series GG, Bonds of Series HH, or Bonds of Series II are outstanding, no additional bonds shall be authenticated and delivered under the provisions of Article I of the Indenture, until and unless the net earnings of the Company, as defined in

Article 1, Section 14, of the Indenture, for a period of twelve (12) consecutive calendar months ending not more than ninety (90) days prior to the date of filing of the application therefor with the Corporate Trustee, shall have been equal to at least two (2) times the "annual interest charge" of the Company.

ARTICLE VI.

AMENDMENTS TO THE INDENTURE.

SECTION 1. The Indenture is hereby amended by inserting the words "or Bonds of Series GG or Bonds of Series HH or Bonds of Series II" 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 VII.

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 in full of all Bonds of Series GG through Series II.

ARTICLE VIII.

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 Peet Saaret, as Trustees, and to their successors in trust, all of the property described in the schedules attached hereto and marked Schedules "A" and "B," 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.

ARTICLE IX.

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 February 26, 1993 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.

SECTION 4. The Company may enter into a written agreement with any person who is or is to become the holder of any of the Bonds of Series GG, HH or II providing for the making of all payments on account of such Bonds prior to final maturity (including payment of the Series GG Bond Redemption Price or Special Series GG Bond Redemption Price, Series HH Bond Redemption Price or Special Series HH Bond Redemption Price or Alternative Special Series II Bond Redemption Price of any such Bonds of Series GG, HH or II, as the case may be, to be redeemed) directly to or for the account of such holder in the manner specified in or pursuant to such agreement without presentation or surrender thereof if there shall be filed with the Corporate Trustee a duplicate original or conformed copy of such agreement and such agreement shall provide that if such holder shall sell any such Bonds it will notify the Company and Corporate Trustee of such sale and the names and addresses of the transferees, and will, prior to delivery of such Bonds, make or cause to be made a notation thereon as to the extent (if any) to which payment has been made on account of the principal thereof. Notwithstanding any contrary provision hereof, or of the Indenture, or the Bonds, the Trustees may act in accordance with any such agreement and shall not be liable or responsible to any such holder or to the Company or to any other person for any act or omission to act on the part of the Company or any such holder in accordance with the provisions of such agreement. The Company will indemnify and save the Trustees harmless against any loss, expense, or liability resulting from any action taken by the Trustees, or either of them, in accordance with

the provisions of any such agreement. The Corporate Trustee acknowledges that the several Bond Exchange Agreements, each dated February 26, 1993, (listed in a Certificate of the Company furnished to the Trustees) between the Company and the several Investors signatories thereto constitute agreements for the purposes of this Section, and acknowledges receipt of duplicate originals or conformed copies thereof.

SECTION 5. The Company and the Trustees agree, for the benefit of the holders from time to time of the Bonds of Series GG, HH and II, that notwithstanding the provisions of Article I, Section 10, of the Indenture, in the event that any Bond or Bonds of Series GG, HH or II shall become mutilated, or be lost or destroyed, the affidavit of the President, a Vice President or the Treasurer of any Investor party to one of the Bond Exchange Agreements referred to in the preceding Section 4, or (with the Company's prior approval) of any subsequent holder of a Bond of Series GG, HH or II that is an institutional investor, shall be sufficient evidence of such Investor's or holder's ownership, and of the mutilation, loss or destruction of such bond, and no indemnity other than such Investor's or holder's unsecured written agreement of indemnity in favor of the Company and the Trustees shall be required as a condition to the issuance, authentication and delivery of a new Bond in substitution therefor in accordance with said Article I, Section 10. The Company will pay the Trustees any costs, liabilities, or expenses incurred by the Trustees in connection with any such indemnity.

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.

GTE NORTHWEST INCORPORATED

By Elizabeth A. Edwards
Vice President



REP
Assistant Secretary

BOOK 133 PAGE 910

BANK OF AMERICA NATIONAL TRUST
AND SAVINGS ASSOCIATIONBy *Ch. Reebell*
Assistant Vice President

Attest:

Gayle Smith
Assistant SecretaryBy *Peet Saaret*
Peet Saaret

BOOK 133 PAGE 911

STATE OF WASHINGTON)
) ss:
 COUNTY OF SNOHOMISH)

On this 22nd day of February, 1993, 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 Elizabeth A. Edwards, known to me to be a Vice President of GTE NORTHWEST INCORPORATED and Richard E. Potter, known to me to be the Assistant Secretary of GTE NORTHWEST INCORPORATED, 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.

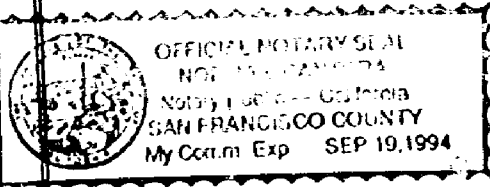
Sally A. Bates
 (Sally A. Bates)

Notary Public in and for the State of Washington
 Residing at Marysville
 My Commission expires: April 5, 1995

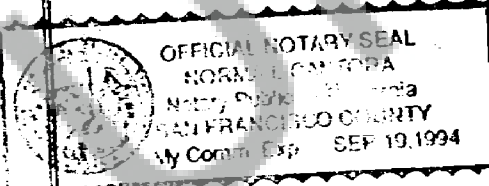


BOOK 133 PAGE 9/2

ALL-PURPOSE ACKNOWLEDGMENT

State of California } County of San Francisco } On February 23, 1993, before me, Norma L. Cantora, Notary Public, personally appeared Francine Rockett and Karen T. Milani <input checked="" type="checkbox"/> personally known to me - OR - <input type="checkbox"/> proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. Witness my hand and official seal.  Norma L. Cantora SIGNATURE OF NOTARY		CAPACITY CLAIMED BY SIGNER <input type="checkbox"/> INDIVIDUAL(S) <input checked="" type="checkbox"/> CORPORATE OFFICER(S) Assistant Vice President, Assistant Secretary <input type="checkbox"/> PARTNER(S) <input type="checkbox"/> ATTORNEY-IN-FACT <input checked="" type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input type="checkbox"/> OTHER: SIGNER IS REPRESENTING: NAME OF PERSON(S) OR ENTITY(ES) Bank of America National Trust & Savings Assn.
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ALL-PURPOSE ACKNOWLEDGMENT

State of California } County of San Francisco } On February 23, 1993, before me, Norma L. Cantora, Notary Public, personally appeared Peet Saaret <input checked="" type="checkbox"/> personally known to me - OR - <input type="checkbox"/> proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument. Witness my hand and official seal.  Norma L. Cantora SIGNATURE OF NOTARY		CAPACITY CLAIMED BY SIGNER <input type="checkbox"/> INDIVIDUAL(S) <input type="checkbox"/> CORPORATE OFFICER(S) <input type="checkbox"/> PARTNER(S) <input type="checkbox"/> ATTORNEY-IN-FACT <input checked="" type="checkbox"/> TRUSTEE(S) <input type="checkbox"/> GUARDIAN/CONSERVATOR <input type="checkbox"/> OTHER: SIGNER IS REPRESENTING: NAME OF PERSON(S) OR ENTITY(ES) Bank of America National Trust & Savings Assn.
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SCHEDULE "A"

REAL PROPERTY FORMERLY OWNED BY CONTEL OF THE NORTHWEST, INC.
AND ACQUIRED BY THE COMPANY THROUGH MERGER.

IN THE STATE OF WASHINGTON

Ferry County

No. 1:

CURLEW C.O.

Lot 6, Block 8 of the Curlew Townsite, Ferry County, Washington.

No. 2:

REPUBLIC C.O.

West 1/2 of Lot 6, Block 8, Original Townsite of Republic, County of Ferry, State of Washington. Grantors retain the right to lay and maintain a sewer line running East and West, without interfering with any structure placed on the above-described property.

Lots 1, 2, 3, 4 and 5, Block 8, Original Town of Republic, County of Ferry, State of Washington.

Grays Harbor County

No. 3:

GRAYLAND C.O.

The North half of the following described tract, situated in the County of Grays Harbor, State of Washington:

Beginning at the Northeast corner of the Southwest quarter of the Northeast quarter of Section 7, Township 15 North, Range 11 West, W.M.,

Thence West 1319.1 feet;

Thence South 8° 04' East 248.3 feet;

Thence South 7° 42' West 300.2 feet;

Thence South 5' 00' East 100 feet;

Thence South 8' 06' East 50 feet which point is on the East side of the county road and is the point of beginning of the land herein described;

Thence North 89' 08' East 259.44 feet to the West line of the county ditch;

Thence South 18' 47' East along the West line of the county ditch 108.58 feet;

Thence South 89' 58' West 280.28 feet to the East line of the county road;

Thence North 8' 06' West along the East line of the county road 100 feet to the point of beginning situate in Section 7, Township 15 North, Range 11 West, W.M.

The South 20 feet of the following described tract of land, situated in the County of Grays Harbor, State of Washington:

A part of the Southwest quarter of the Northeast quarter of Section 7, Township 15 North, Range 11 W.W.M., described as follows:

Beginning at the Northeast corner of said subdivision; thence West 1319.1 feet; thence South 8' 04' East 248.3 feet; thence South 7' 42' West 300.2 feet; thence South 5' East 100 feet to a point on the East line of the County Road and the true point of beginning of this description; thence North 88' 44' East 249.14 feet to the West line of the County Ditch; thence South 18' 47' East along the West line of the County Ditch 53.95 feet; thence South 89' 08' West 259.44 feet to the East line of the County Road; thence North 8' 06' West along the East line of the County Road 50 feet to the true point of beginning.

Subject to reservations and restrictions of record.

No. 4:

WESTPORT C.O. & TRUCKPORT

Lot 8, Block 72, Town of Westport Beach, Grays Harbor County, Washington.

Lots 9 and 10, Block 72, Westport Beach, as per plat recorded in Volume 2 of Plats, page 138, records of Grays Harbor County; situate in the County of Grays Harbor, State of Washington.

Okanogan CountyNo. 5:LOOMIS C.O.

North 50 feet of Lot 123, Government Townsite of Loomis as per plat thereof recorded in Volume C of Plats, Page 17 Records of Auditor of Okanogan County, Washington.

No. 6:MOLSON C.O.

A tract of land located in the SW 1/4 NW 1/4 of Section 34, Township 40 N, Rge. 29 E., W.M., Okanogan County, Washington, described in particular as follows:

Commencing at the section corner common Section 27, 28, 33 and 34 of said Township and Range; the S 0°3' E a distance of 2615.0 feet more or less to the North right-of-way line of the County Road; thence N 47°17' E along and coinciding with said North right-of-way line a distance of 529.45 feet to the POB; thence continuing along said N right-of-way line N 47°17' E a distance of 25.0 feet; thence S 47°17' W a distance of 25.0 feet; thence S 42°43' E a distance of 25.0 feet to the POB. The above described tract of land contains 625.0 square feet.

No. 7:TONASKET C.O. (CUST. SVC. WHSE.)

Lots 16 and 17, Block 3 of the map of Tonasket, according to the official plat thereof of record in the office of the Okanogan County Auditor in Book B of Town Plats at page 37.

EXCEPT that portion of Lot 17 commencing at the Northeast corner, thence 40" South, thence 59'4" West, thence 40" North, thence 59'4" East to point of beginning, deeded to Carman L. Bliss and filed for record in the office of the Okanogan County Auditor on July 29, 1976 in Vol. 7, Page 2165.

No. 8:TONASKET WAUCONDA

A part of the Southeast quarter of the Southeast quarter of Section 3; and a Part of the Northeast quarter of the Northeast quarter of

Section 10, Township 37 North, Range 30, East W.M., Okanogan County, Washington, described as follows:

Beginning at a point on the Section line between Sections 3 and 10; Whence the Section corner common to Sections 2, 3, 10 and 11, bears South 89°26'47" East a distance of 1256.91 feet;

Thence North a distance of 3.69 feet;

Thence East a distance of 50.00 feet;

Thence South a distance of 50.00 feet;

Thence West a distance of 50.00 feet;

Thence North a distance of 46.31 feet, to the TRUE POINT OF BEGINNING.

Together with a 20 foot road easement across a part of the Southeast quarter of the Southeast quarter of Section 3, and a part of the Northeast quarter of the Northeast quarter of Section 10, said easement lying 10.00 feet on each side of a line beginning at the Southwest corner of the above-described property;

Thence running North 82°38'51" East a distance of 449.53 feet;

Thence South 87°34'59" East a distance of 112.36 feet;

Thence South 45°30'49" East a distance of 73.57 feet to the Northwestern right of way line of Washington State Highway No. 20, whence the Section corner common to Sections 2, 3, 10 and 11, bears North 87°05'00" East a distance of 647.11 feet and the end of said easement. Said easement is for egress and access to Washington State Highway No. 20, and shall be for the exclusive use of Grantee, its successors and/or assigns.

Pacific County

No. 9:

GRAYLAND N. COVE REMOTE

Tract 56 of Aberdeen Cranberry Fields, according to the plat thereof on file in the office of the Auditor of Pacific County, Washington. EXCEPT that portion thereof conveyed to the State of Washington for highway purposes by deed recorded in Volume 224 of Official Records at page 338.

No. 10:

GRAYLAND TOKES PT.

Lots 24 and 25, in Block 6 of the First Addition to Tokes Point, according to the plat thereof on file in the office of the Auditor of Pacific County, Washington.

Skagit County

No. 11:

ALGER C.O.

A portion of the Northeast quarter of the Southwest quarter East of State Highway No. 1, in Section 20, Township 36 North, Range 4 East, W.M., Skagit County, Washington, described as follows:

Beginning at the intersection of the East right of way line of State Highway No. 1, commonly known as U.S. Highway 99, or the Pacific Highway, and the South right of way line of County Road No. 474, known as Parson Creek Road, which road travels in an Easterly and Westerly direction and intersects State Highway No. 1, which point is the point of beginning for this description; thence South 50 feet along the East right of way line of State Highway No. 1, thence East parallel with the South right of way line of the county road 100 feet; thence North parallel with the East right of way line of said State Highway No. 1 to the South right of way line of said county road; thence Westerly along the South right of way line to point of beginning.

No. 12:

BIG LK. C.O.

Tracts 4 and 5, Plat 1, Lakeview Tracts, Big Lake, Skagit County, Washington, as per plat recorded in Volume 5 of Plats, pages 2 and 3, records of Skagit County,

EXCEPT that portion of said Tract 4 conveyed to the State of Washington for Secondary State Highway 1-A by deed recorded October 18, 1945, as Auditor's File No. 384191.

AND EXCEPT that portion conveyed in 1978 to the State of Washington under its Eminent Domain statute, containing an area of 2,070 sq. ft., more or less, and which is described as follows:

All that portion of the described Parcel lying Northerly of a line beginning at a point opposite Highway Engineers' Station (hereinafter referred to as H.E.S.) 16+73.74 on the centerline of

SR 9, North Big Lake Vicinity and 125.64 feet Southwesterly therefrom; thence South 89°19'50" West 126.50 feet to the West boundary of said Parcel and the end of this line description.

Situate in the County of Skagit, State of Washington.

No. 13:

BURLINGTON C.O.

Lots Number Fourteen and Fifteen of Block Number Fifty-four of the Amended plat of the Town of Burlington, Skagit County, Washington.

Lots 16 and 17, Block 54, Amended Plat of the Town of Burlington, according to the Official Plat thereof, of record and on file in the office of the Skagit County Auditor.

No. 14:

BURLINGTON HILL REPEATER

That portion of Tract 11 and of vacated Anacortes Street, adjoining said Tract 11 and adjoining Tract 10 of the "PLAT OF THE BURLINGTON ACREAGE PROPERTY", as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, (being a portion of the NE 1/4 of the NW 1/4 and the NW 1/4 of the NE 1/4 of Section 32, Township 35, North Range 4 EWM, described as follows:

COMMENCING at the North 1/4 corner of said Section 32; thence S 0° 34' West along the N-S centerline of said Section 32, 971.00 feet; thence N 89° 26' West 25.00 feet to the TRUE POINT OF BEGINNING; thence S 0° 34' West parallel with said N-S centerline, 100.00 feet; thence S 89° 26' E 100.00 feet; thence N 0° 34' East parallel with said N-S centerline, 100.00 feet; thence N 89° 26' West 100.00 feet to the TRUE POINT OF BEGINNING.

No. 15:

BURLINGTON WAREHOUSES PEASE RD. PROPERTY

That portion of Tract 85 of Burlington acreage property, as per plat recorded in Volume 1 of Plats, page 49, records of Skagit County, described as follows:

Beginning at a point on the South line of said Tract 85 that is North 88°55' West 741.4 feet and 30 feet North of the South quarter corner of Section 5, Twp. 34 North, Rge. 4 East, W.M.; thence North 629.3 feet, more or less, to the North line of said Tract 85; thence North 88°45' West along the North line of said Tract 85 a distance of 264 feet; thence South 629.3 feet, more or less, to the South line of said Tract 85; thence Easterly along the South line

of said Tract to the POB, all situated in Skagit County, Washington.

No. 16:

CONCRETE C.O.

North 114 feet of Lot 1, Block 4 of BAKER (now the Town of Concrete), as per plat thereof recorded in Volume 3 of Plats, Page 63, in the office of the Auditor of Skagit County, Washington, EXCEPT the North 6 feet thereof reserved for street purposes; ALSO EXCEPT the portion condemned in Skagit County Superior Court Cause No. 32400 for SR 20; ALSO EXCEPT that portion lying east of the portion condemned for SR 20.

That portion of Lot 1, Block 4, deeded from the State of Washington as recorded in Vol. 498, Page 282, records of Skagit County, and described as follows:

Beginning at a point opposite Highway Engineer's Station (hereinafter referred to as HES) G 14+78 on the G Line survey of State Highway Route No. 20, Concrete: D St. to East Corporate Limits, and 45 feet westerly therefrom; thence northerly, parallel with said survey line, to a point opposite HES G 15+00 thereon; thence northeasterly to a point opposite HES G 15+50 on said survey line and 18 feet westerly therefrom; thence southerly, parallel with said survey line, to a point opposite HES G 14+83 thereon; thence westerly to the point of beginning.

No. 17:

CONWAY C.O.

The North 189 feet of the West 208 feet of that portion of the Northwest 1/4 of the Northwest 1/4 of Section 21, Township 33 North, Range 4 East W.M., situated in Skagit County, lying South of the State Highway running along the North line of said subdivision and lying East of the County road running along the West line of said subdivision.

No. 18:

CONWAY LK. McMURRAY

Lot 11, Block 17, "TOWN OF McMURRAY, SKAGIT COUNTY, WASHINGTON," as per Plat recorded in Volume 2 of Plats, page 107, records of Skagit County, Washington.

SUBJECT TO Condition in Deed filed December 5, 1919, under Auditor's File No. 137437, and recorded in Volume 115 of Deeds, page 415.

No. 19:EDISON C.O.

That portion of Lot 9, Section 32, Township 36 North, Range 3 East, W.M., situated in Skagit County, Washington, and described as follows:

Beginning at a point on the East line of said section that is 346 feet, 4 inches North of the Southeast corner thereof; thence West; parallel with the South line of said section, a distance of 220 feet; thence North parallel with the East line of said section, a distance of 177 feet; thence East 220 feet to the East line of said section; thence South to the place of beginning, except road rights of way.

Also except any portion thereof that might lie South of the existing fence now running along the South line of said tract as it existed on April 22, 1976, but including herein any land that might lie North of said existing fence, and not otherwise included in this description.

Subject to agreement, easements and restrictions of record.

No. 20:EDISON PADILLA REMOTE

Lot 2, Short Plat No. 91-088, entitled "Schesser Short Plat," approved December 30, 1991, recorded December 31, 1991 in Book 10 of Short Plats, Page 40, under Auditor's File No. 9112310010 and being a portion of the Northeast 1/4 of the Northeast 1/4 of Section 35, Township 36 North, Range 2 East, W.M.

Situate in the County of Skagit, State of Washington.

SUBJECT TO notes contained on the face of the Short Plat No. 91-008.

SUBJECT TO any question as to the location of the existing fence near the West line of Lot 2 as shown on the face of the Short Plat.

No. 21:LA CONNER C.O.

Lot 8, Blk. 6, Calhoun Addition to the Town of La Conner, Skagit County, Washington.

BOOK 133 PAGE 921

No. 22:LYMAN C.O.

Lots 8 to 16 inclusive, Block 31, "HAMILTON TOWNSITE COMPANY'S SECOND ADDITION TO THE TOWN OF HAMILTON, WASHINGTON," according to the plat recorded in Volume 2 of plats, page 60, records of Skagit County, Washington.

No. 23:LYMAN BIRDVIEW REMOTE

The N 1/2 of the NE 1/4 of the SW 1/4, Section 11, Township 35 N, Range 7 E, W.M., Except railroad right of way, Also Except county roads and state highway rights of way, more particularly described as Lot 1 of Short Plat No. 57-88 recorded in Volume 8 of Short Plats at Page 103 under Skagit County Auditor's File No. 8901180051, Records of Skagit County, Washington.

No. 24:MARBLEMOUNT C.O.

That portion of the SE 1/4 of the SE 1/4, Sec. 12, Twp. 35 N.R. 10, E.W.M., Skagit County, Washington, described as follows:

Beginning at a point on the North right of way line of Secondary State Highway No. 17-A (said point lying 440 feet East of the West line of the SE 1/4 of the SE 1/4 of said Section 12); thence North parallel to the aforesaid West line 100 feet; thence East 50 feet parallel to the South line of said Section 12; thence South parallel to the said West line, to the North right of way line of the highway; thence Northwesterly along said line to the point of beginning.

No. 25:MT. VERNON C.O.

The East 1/2 of Lots 7 and 8, Blk. 9 of the Original Plat of the Town of Mt. Vernon, Skagit County, Washington.

No. 26:MT. VERNON HICKOX REMOTE

That portion of the following described property lying East of the State Highway No. 5, situated in the County of Skagit, State of Washington:

The South 1/2 of the Southwest 1/4 of the Southwest 1/4 of Section 32, Township 34 North, Range 4 East, W.M., EXCEPT the West 646 feet thereof, AND EXCEPT County road along the South line, AND ALSO EXCEPT those portions thereof conveyed to the State of Washington for highway purposes by deeds recorded under Auditor's File Nos. 488873, 549027 and 760703.

No. 27:

MT. VERNON KULSHAN VIEW REMOTE

Tract A of City of Mount Vernon Short Plat No. MV-2-86, approved January 6, 1986 and recorded January 6, 1986 under Auditor's File No. 8601060030 in Volume 7 of Short Plats, page 64, records of Skagit County, Washington; being a portion of the Northwest 1/4 of the Southwest 1/4 of Section 16, Township 34 North, Range 4 East, W.M.

EXCEPT that portion conveyed to City of Mount Vernon for road purposes by Deed recorded under Auditor's File No. 9006290052.

No. 28:

SEDRO WOOLLEY C.O.

The South 6 feet of the East 48 feet of Lot 7 and all of Lots 8 thru 11 inclusive, Block 11 Replat of Junction Addition to Sedro, as per Plat recorded in Volume 3 of Plats, Page 48 Records of Skagit County, Washington.

TOGETHER WITH that portion of the West 1/2 of vacated alley running through said Block lying between the North line of said Lot 8 and the South line of said Lot 11 extended East that has reverted to said premises by operation of law.

SUBJECT TO: Easements as of record.

No. 29:

SEDRO WOOLLEY CLEAR LK.

Lots 14 and 15, Block 5, "PLAT OF CLEAR LAKE, SKAGIT COUNTY, WASHINGTON," as per plat recorded in Volume 4 of Plats, pages 22 and 23, records of Skagit County, Washington.

No. 30:

BOOK 133 PAGE 923

SEDRO WOOLLEY UNITED GEN. HOSPITAL

Lot 2, Short Plat No. 90-84, approved January 9, 1991, recorded January 15, 1991 in Book 9 of Short Plats, page 303, under Auditor's File No. 9101150011 and being a portion of the North 1/2 of the Northeast 1/4 of the Northwest 1/4 of Section 27, Township 35 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

SUBJECT TO Reservation contained in Deed recorded July 6, 1903 Volume 51 of Deeds, page 104; Notes contained on the face of Short Plat No. 90-84.

Whatcom County

No. 31:

ACME C.O.

A tract in the Northeast quarter of the Northwest quarter of Section 26, Township 37 North, Range 4 East of W.M., Whatcom County, Washington, described as follows:

Beginning at a point on the South line of County Road No. 64 (Park Road) 300 feet West, along said road, from the East line of the Northeast quarter of the Northwest quarter and running thence West along said road, 150 feet; thence South 150 feet; thence Easterly, parallel to said road, 150 feet; thence North 150 feet to the point of beginning.

No. 32:

BIRCH BAY C.O.

That portion of the NW quarter SE quarter of Section 31, Township 40 North, Range 1 East W.M., Whatcom County, Washington described as follows:

Beginning at the center quarter corner of said Section 31, thence South 58° 29' 37" E 942.36 feet; thence South 01° 54' 06" W 170.00 feet to the true point of beginning; thence S 01° 54' 06" W 100.00 feet; thence S 87° 39' 19" E 150.04 feet; thence N 01° 55' 24" E 100.00 feet; thence N 87° 39' 19" W 150.07 feet to the true point of beginning.

TOGETHER WITH a right-of-way for buried cable and telephone company poles.

TOGETHER WITH the rights of the Telephone Company to attach its lines to existing utility poles throughout the property formerly known as the Blaine Air Force Station.

TOGETHER WITH the rights of ingress and egress over the existing access road which crosses the SW quarter NE quarter and the NW quarter SE quarter of Section 31, Township 40 N, Range 1 E., W.M., Whatcom County, Washington, (formerly Blaine Air Force Station). Said road runs North and South through the property and connects with Alderson County Road.

TOGETHER WITH those waterlines, sewerlines, steamlines, oil lines, gaslines, electric lines, poles, transformers and any other utility lines as now located in, upon, over and under all that portion of the above-described property. AND the right of the grantee to jointly use, operate, maintain, and repair, with others, all such water, sewer, oil, steam, gas and electric lines, electric transformers and utility poles as now located in, upon, over, and under the SW quarter NE quarter and the NW quarter SE quarter of Section 31, Township 40 N, Range 1 E, W.M., Whatcom County, Washington, formerly known as the Blaine Air Force Station.

RESERVING to the United States and its assigns the right of ingress and egress over the existing access road which crosses the SW quarter NE quarter and the NW quarter SE quarter of Section 31, Township 40 N, Range 1 E, W.M., Whatcom County, Washington (formerly Blaine Air Force Station). Said road runs North and South through the property and connects with Alderson County Road.

SUBJECT TO joint use, operation, maintenance and repair of all existing utility systems with other grantees acquiring portions of the former Blaine Air Force Station.

SUBJECT TO existing easements for public roads and highways, public utilities, railroads and pipelines, and other easements of record.

No. 33:

BLAINE C.O.

Lots 12 and 13, Block 5, Clark Investment Company's First Addition to Blaine, according to the plat thereof filed and of record in the office of the County Auditor of Whatcom County, Washington.

All of Lots 14 and 15, and the West 20 feet of Lot 16, Block 5, Clark Investment Company's First Addition to Blaine, according to the Plat thereof, recorded in Volume 2 of Plats, page 47, records of Whatcom County, Washington.

LESS the West Parcel as delineated on lot line adjustment to Lots 12 through 15 and the West 20 feet of Lot 16, Block 5, Clark Investment Company's First Addition to Blaine, Whatcom County,

Washington, according to the Plat thereof recorded in Volume 23 of Short Plats, Page 51 under Auditor's File No. 010319004.

Situate in Whatcom County, Washington.

No. 34:

CUSTER C.O.

All of Lot 5 of Block 9 of the original plat of Custer, Whatcom County, Washington as filed, platted and recorded.

No. 35:

DEMING C.O.

All of Lot 6, Block 1, Deming Land Company's Plat to the Town of Deming, Whatcom County, Washington.

No. 36:

DEMING KELLY RD. REMOTE

Lot 1 of Contel Short Plat, Short Plat No. 96-84; being situate in a portion of the SE 1/4 of the SW 1/4 of Section 32, Township 39 North, Range 4 E., W.M.; filed for record under Auditor's File No. 1539679, records of Whatcom County, Washington.

Situate in Whatcom County, Washington.

No. 37:

EVERSON C.O.

A tract of land located in the Northwest quarter of the Northeast quarter of Section 31, Township 40 North, Range 4 East of the Willamette Meridian, in Everson, Whatcom County, Washington, more particularly described as follows:

Beginning at a point 20 feet East and 122 feet South of the quarter section corner between Sections 30 and 31, Township 40 North, Range 4 East of W.M., thence East 112 feet; thence South 60 feet; thence West 112 feet; thence North 60 feet to the point of beginning, less roads.

No. 38:

BOOK 133 PAGE 926

FERNDALE C.O.

Lots 2-3-4-5-6 in Block 14, "Amended Plat of Ferndale, Whatcom County, Washington," as per the map thereof, recorded in Book 5 of Plats, page 4, in the Auditor's office of said county and state.

No. 39:

FERNDALE SANDY PT. REMOTE

Lot 15, Sandy Point Shores, Division No. 1, according to the Plat thereof, recorded in Volume 9 of Plats, Pages 98 and 99, Records of Whatcom County, Washington.

SUBJECT TO: 1) Easement shown on plat of Sandy Point Shores #1. 2) Easement for Washington Telephone Company and Puget Sound Power and Light. 3) Easement recorded May 12, 1967 under Auditor's File No. 1026678. 4) Reservations recorded August 2, 1957 under Auditor's File No. 841341. 5) Covenants, Conditions, Restrictions, Easement recorded August 15, 1966 under Auditor's File No. 1012290. 6) Right of the Public in grading of roads. 7) Easement recorded 11/24/80 for ingress and egress under Auditor's File No. 1377458.

No. 40:

LAUREL C.O.

One square acre in the Southeast corner of the Northeast quarter of the Northeast quarter of Section 24, Township 39 North, Range 2 East of W.M., LESS ROADS, Situate in Whatcom County, Washington.

No. 41:

LYNDEN C.O.

Lots 9 and 10, Block 10, Lynden, Whatcom County, Washington, being the "Supplemental and Corrected Plat of Lynden" recorded in Volume 3 of Plats, page 48, records of Whatcom County.

No. 42:

MAPLE FALLS C.O.

That portion of the Southwest quarter of the Southeast quarter of Section 30, Township 40 North, Range 6 East of W.M., lying Northwesterly of the Chicago, Milwaukee, St. Paul and Pacific Railway right-of-way, and Easterly of a line running South from a point on the North line of said subdivision 183 feet East of the

Northwest corner thereof, to a point on the Northerly line of said railroad right-of-way, less roads, situated in Whatcom County, Washington.

SUBJECT TO an easement as contained in Deed filed March 10, 1906 as Auditor's File No. 96475 recorded in Volume 82 of Deeds, page 376, records of Whatcom County, Washington, reference to the record of which Deed is hereby made for further particulars.

No. 43:

SUMAS C.O.

The West 8 feet of Lot 4 and East 16 feet of Lot 3, all in Block 1, Johnson's Third Addition to the Town of Sumas, Whatcom County, Washington.

Yakima County

No. 44:

NACHES C.O.

The South 15 feet of Lot 8, Block 8, and that part of Lot 9, Block 8, described as follows:

Commencing at the Northwest corner of said lot;

Thence South 14 feet, 3 inches, more or less, to a line as now fixed by an established wall located on said Lot 9;

Thence East 125 feet;

Thence North 14 feet, 3 inches, more or less;

Thence West and parallel with the South boundary as now established by the aforesaid wall, a distance of 125 feet to the point of beginning.

All in the City of Naches, according to the official plat thereof recorded in Volume "A" of Plats, page 124, records of Yakima County, Washington.

SUBJECT TO: Terms and conditions contained in instrument entitled "Easement and Stairway Agreement" as disclosed by instrument recorded in Volume 563 of Deeds, under Auditor's File No. 1639193, records of Yakima County, Washington.

BOOK 133 PAGE 928

No. 45:

NILE C.O.

That portion of the North Half of Section 28, Township 16 N., Rge. 15, E W.M., described as follows:

Commencing at the angle point in the center of the Nile Valley Road, S 81° 3' W of the angle point in the W line of Lot 51, Nile Elk Ridge Addition, according to the official plat thereof recorded in Volume "S" of Plats, Page 42; thence S 4° 14' E along the center line of said road 337.2 feet; thence S 78° 24' W to the W right-of-way line of said road and the true POB; thence S 78° 24' W 100 feet; thence S 4° 14' E 50 feet; thence N 78° 24' E 100 feet to the Wly right-of-way line of said Nile Valley Road; thence N 4° 14' W 50 feet to the true POB, Yakima County, Washington.

Together with an easement for access over the 50 feet lying to the North and abutting on the North line of the above-described premises.

IN THE STATE OF OREGON

Clackamas County

No. 1:

HOODLAND C.O.

A portion of Lot 7, Block 2, Evergreen Park, a duly recorded plat, in the southeast one-quarter of the southeast one-quarter of Section 32, Township 2S, Range 7E, W.M., in Clackamas County, Oregon, described as follows:

PARCEL I:

Beginning at a point in the north line of Lot 7 which bears South 67° 08' East 103.10 feet from the northwest corner thereof, said point being the true point of beginning of the tract herein to be described; thence continuing South 67° 08' East 20.00 feet; thence South 22° 52' West at right angles to the aforementioned north line 15.00 feet; thence North 67° 08' West parallel with the north line of said Lot 7, a distance of 13.70 feet to a point on the east line of that certain tract of land conveyed to Charles J. Augustine by deed recorded in Book 551, page 20, Deed Records, Clackamas County, Oregon; thence North along the east line of said Augustine tract parallel with the west line of said Lot 7, a distance of 16.28 feet to the point of beginning.

PARCEL II:

Beginning at the northwest corner of said Lot 7; thence South along the west line of said Lot 7, a distance of 125.56 feet; thence East at right angles to the aforementioned west line 95.00 feet; thence North parallel with the west line of said Lot 7, 85.50 feet to a point in the North line of Lot 7; thence N. 67° 08' W. along said north line 103.10 feet to the point of beginning.

PARCEL III:

Beginning at the Southeast corner of said Lot 7, and running thence west along the south line of said Lot 7, a distance of 95 feet to a point; thence north, and parallel to the east and west sidelines of said Lot 7 to the southerly line of the Mt. Hood Loop Highway; thence southeasterly along said southerly line of the Mt. Hood Highway to the northeast corner of said Lot 7; and running thence south along the east line of said Lot 7 to the point of beginning.

EXCEPTING THEREFROM that tract conveyed to Hood Land Telephone Company, an Oregon corporation, by deed recorded March 15, 1966, Fee No. 4099, Deed Records.

No. 2:SUNNYSIDE C.O. AND OTHER BUILDINGS

BEGINNING at an iron pipe in the east and west line through the center of Section 6, Township 2 South, Range 3 East of the W.M., North 88° 56', East 515.72 feet from the quarter section corner of the west line of said section; thence continuing North 88° 56' East 471.71 feet to an iron pipe at the southeast corner of that certain tract of land conveyed to Joseph Deardorff by deed recorded in Book 30, page 361, Deed Records; thence tracing the east line of the Deardorff tract North and parallel with the west line of said Section 6, a distance of 371.2 feet to the center of the Harmony-Damascus Road; thence along the center of said road South 86° 33' West 469.15 feet to an iron pipe; thence South 0° 10' West 851.75 feet to the place of beginning.

EXCEPT that part lying within the boundaries of Harmony-Damascus Road; in the County of Clackamas and State of Oregon;

AND EXCEPTING that portion described as:

A parcel of land lying in the NW 1/4 of Section 6 Township 2 South, Range 3 East, W.M., Clackamas County, Oregon, and being a portion of that property described in that deed to Sunnyside Telephone Company recorded in Book 521, Page 342, of Clackamas County Records of Deeds; the said parcel being that portion of said property included in a strip of land variable in width, lying on the Southerly side of the center line of Sunnyside County Road as said road has been relocated, which center line is described as follows:

Beginning at Engineer's center line Station 0+00, said Station being coincident with the county monument set on the North-South center line of said Section 6, at or near its intersection with the center line of existing Sunnyside Road; thence North 77° 44' West, 1304.62 feet; thence on a spiral curve left (the long chord of which bears North 78° 44' West) 300 feet; thence on a 1909.86 foot radius curve left (the long chord of which bears North 85° 23' 57.5" West) 244.40 feet; thence on a spiral curve left (the long chord of which bears South 87° 56' 05" West) 300 feet; thence South 86° 26' 05" West, 753.77 feet to Engineer's center line Station 29+02.79.

The Southerly line of said strip of land crosses the Easterly line of said property approximately opposite center line Station 19+10.

The widths in feet of the strip of land above referred to are as follows:

Station to Station		Width on Southerly Side of Center Line
16+00	19+05	70
19+05	21+00	70 in a straight line to 40
21+00	22+00	40 in a straight line to 30
22+00	26+00	30

The parcel of land to which this description applies contains 0.11 acre outside of the existing right of way.

No. 3:

VALLEY VIEW

A tract of land in the Northeast one-quarter of Section 3, Township 2 South, Range 2 East, of the Willamette Meridian, in Clackamas County, Oregon, described as follows:

BEGINNING at a five-eighths inch diameter iron rod on the North line of said Section 3, 230.00 feet from the Northeast corner thereof, at the Northeast corner of that tract described in Deed to Otto F. and Zenelda B. Boeckel, Recorded May 30, 1975, as Recorder's Fee No. 75-13793, Clackamas County Records; thence along said North line of Section 3, North 89° 21' 12" West, 100.00 feet to a five-eighths inch diameter iron rod; thence, parallel with the East line of said Section 3, South 00° 23' 27" West, 90.42 feet to a five-eighths inch diameter iron rod on the South line of said Boeckel Tract; thence South 87° 14' 14" East, 100.08 feet along said South line of the Boeckel Tract to a five-eighths inch diameter iron rod at the Southeast corner thereof; thence along the East line of said Boeckel Tract North 00° 23' 27" East, 94.11 feet to the point of beginning.

Josephine County

BOOK 133 PAGE 931

No. 4:MURPHY C.O.

A part of Lot 2 in Madrona Tracts described as follows:

Beginning at an iron pipe on the East line of said Lot 2, which point bears South 06° 00' East, 317 feet from the Northeast corner of said Lot 2; thence South 06° 00' East 120 feet; thence North 88° 40' West, 293 feet, more or less, to a point on the Easterly line of the Murphy-Williams Highway; thence Northerly along the Easterly line of said Highway to a point which bears Southerly 315 feet from the Northwest corner of said Lot 2; thence South 88° 35' East, 355 feet to the point of beginning, situated in Josephine County, Oregon.

No. 5:PROVOLT C.O.

A tract of land situated in the Northeast quarter of the Northeast quarter of Section 12, Township 38, South, Range 5 West of the Willamette Meridian, in Josephine County, Oregon, described as follows:

PARCEL I:

Beginning at a point 516 feet North and 49.9 feet West of the Southeast corner of the Northeast quarter of the Northeast quarter of said Section, said point being on the Westerly right of way line of Williams' Highway; thence West 40 feet; thence South 50 feet; thence East 40 feet to said Westerly right of way line; thence North along said Westerly right of way line 50 feet to the point of beginning; EXCEPTING the East 31.1 feet of the North 20 feet of the premises above described.

PARCEL II:

Beginning at a point 496.1 feet North and 88.93' West of the Southeast corner of the Northeast Quarter of its Northeast Quarter of said Section 12, thence West 45.07 feet; thence South 57.0 feet; thence East 85.87 feet; thence North 27.0 feet; thence West 40.0 feet; thence North 30.0 feet to the point of beginning.

PARCEL III:

Beginning 516.1 feet North and 40 feet West from the Southeast corner of the Northeast Quarter of the Northeast Quarter of Section 12, Township 38 South, Range 5 West of the Willamette Meridian, Josephine County, Oregon, and run thence North 00° 18'

West 12 feet; thence West 94 feet; thence South 00' 18' East 32 feet to the Northwest corner of property described in Volume 255, Page 920, Josephine County Deed Records; thence East 54 feet to the Southwest corner of property described in Volume 166 at Page 440, Josephine County Deed Records; thence North 00' 18' West along the West line of said property 20 feet; thence East 40 feet to the point of beginning.

SUBJECT TO: Rights of the public over any portion lying within the limits of public roadways.

No. 6:

PROVOLT CEDAR FLATS REMOTE

Commencing at the Northwest corner of the Southeast Quarter of the Southeast Quarter of Section 34, Township 38 South, Range 5 West of the Willamette Meridian, Josephine County, Oregon; thence Southerly, along the West line of said Southeast Quarter of the Southeast Quarter, 195 feet to the true point of beginning; thence Easterly, parallel with the North line of said Southeast Quarter of the Southeast Quarter, 130 feet; thence Northerly, parallel with said West line, 35 feet; thence Westerly, parallel with said North line, 130 feet to said West line of the Southeast Quarter of the Southeast Quarter; thence Southerly, along said West line, 35 feet to the true point of beginning. EXCEPTING THEREFROM all that portion in East Fork Road right of way.

Linn County

No. 7:

MILL CITY C.O.

Lot 3 in Block 12 in Hobson's Addition to Mill City, in Linn County, Oregon.

Marion County

No. 8:

AUMSVILLE C.O.

Lots One (1), Two (2) and Three (3), Block Eight (8), Town of Aumsville, in the County of Marion and State of Oregon.

No. 9:

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DETROIT C.O.

Beginning at a point which is South 40' and East 55' from the quarter Section corner between Section 1 and 2 in Township 10 South, Range 5 East of the Willamette Meridian, Marion County, Oregon, and running thence South 100 feet; thence East 84.90 feet; thence North 100 feet; thence West 84.90 feet to the place of beginning.

No. 10:

SILVERTON C.O., GARAGE AND STORAGE

Beginning at a point in the South boundary of a tract of land conveyed by David H. Smith to Seth Smith, by deed dated February 13, 1875 and recorded in Volume 18, Page 77, Deed Records for Marion County, Oregon, and described as follows:

PARCEL I:

Said beginning point being North 37° 50' West 2.80 chains and North 53° 30' East 304.96 feet from the re-entrant corner of the Donation Land Claim of Thomas L. Coon and wife, which last named corner is 10 chains South of the quarter section corner between Section 34 and 35, Township 6 South, Range 1 West of the Willamette Meridian, Marion County, Oregon; thence North 36° 30' West 69.0 feet; thence North 53° 30' East to Silver Creek; thence up said creek 69.0 feet, more or less, to the South boundary of the aforesaid Smith tract; thence South 53° 30' West 38.0 feet, more or less, to the place of beginning, and situated in Silverton, Marion County, Oregon.

PARCEL II:

Which commencing point is North 37° 50' West, 2.80 chains, and North 53° 30' East, 3.7872 chains from the re-entrant corner of the Donation Land Claim of Thomas L. Coon and wife, which re-entrant corner is 10.00 chains South of the quarter section corner between Sections 34 and 35, Township 6 South, Range 1 West of the Willamette Meridian, Marion County, Oregon; thence North 36° 30' West, 189.3/4 feet to the South line of a tract of land conveyed by A. A. Leonard to Henry Bock by deed recorded March 14, 1905 in Volume 91, Page 33, Record of Deeds for Marion County, Oregon; thence North 53° 30' East along the South line of said Bock tract to the bank of Silver Creek; thence up the Southbank of Silver Creek 120 3/4 feet to the most Northerly corner of a tract of land deeded by A. A. Leonard and Nellie M. Leonard to Anna H. Welch, on the 14th day of June, 1905 in Book 71 of Deeds, Page 513, Marion County Records; thence South 53° 30' West, 38.00 feet; more or less to the most Westerly corner of said tract; thence South 36° 30' East, 69.00 feet; thence South 53° 30' West, 55.00 feet to the

place of beginning, all of the above described tract of land being situated in the City of Silverton, Marion County, Oregon.

PARCEL III:

Which commencing point is North 37° 50' West, 2.80 chains, and North 53° 30' East, 2.7266 chains from the re-entrant corner of the Donation Land Claim of Thomas L. Coon and wife, which corner is 10.00 chains South of the quarter section corner between Sections 34 and 35 in Township 6 South, Range 1 West of the Willamette Meridian, in Marion County, Oregon; thence North 36° 30' West 189.75 feet to the South line of a tract of land conveyed by A. A. Leonard to Henry Bock by deed recorded March 14, 1905, in Volume 91, Page 33, Deeds Records of Marion County, Oregon; thence North 53° 30' East along the South line of said Bock tract 1.0606 chains to the West line of a tract of land conveyed to Lowell E. Brown and others, by deed recorded in Volume 222, Page 94, Deed Records of Marion County, Oregon; thence South 36° 30' East, 189 3/4 feet; thence South 53° 30' West 1.0606 chains to the place of beginning.

PARCEL IV:

Commencing at a point that is North 37° 50' West 2.80 chains and North 53° 30' East 2.7266 chains and North 36° 30' West 189.75 feet from the re-entrant corner of the Donation Land Claim of Thomas L. Coon and wife, which re-entrant corner is 10.00 chains South of the quarter Section corner between Sections 34 and 35 in Township 6 South, Range 1 West of the Willamette Meridian, in Marion County, Oregon; and running thence North 36° 30' West 1.125 chains; thence North 53° 30' East 2.51 chains, more or less, to the South edge of Silver Creek; thence South 41° East up the edge of Silver Creek 1.13 chains; thence South 53° 30' West 2.60 chains to the place of beginning.

No. 11:

SILVERTON CABLE STORAGE

A tract of land in Marion County in the State of Oregon described as follows:

Beginning at a point which is 1289.80 feet west and 853.65 feet south 0° 57' east and 803.00 feet South 87° 44' West and 153.00 feet South from the Northeast corner of the James Brown Donation Land claim in Township 6 South, Range 1 West of the Willamette Meridian in Marion County, Oregon; thence West 879.25 feet to a point on the East line of Mill Street; thence South 290.00 feet to the Northwest corner of a tract of land conveyed to Redman Western Corporation by deed recorded in Volume 724, Page 369, Deed Records for said county and state; thence East 879.25 feet to the Northeast corner of said tract of land; thence North 290.00 feet to the place of beginning.

SUBJECT TO: Easement and/or right of way set forth in instrument to the City of Silverton, Oregon, a Municipal corporation, dated April 4, 1958, recorded April 8, 1958, in Volume 510, Page 400, Deed Records for Marion County, Oregon.

No. 12:

SILVERTON WAREHOUSE

A parcel of land lying in the South half of Section 34, Township 6 South, Range 1 West of the Willamette Meridian, Marion County, Oregon; and being all of the following described property:

Beginning at the Southwest corner of Small's Addition to Silverton Cemetery and thence running North 88°09'01" East along the South line of Small's Addition to Silverton Cemetery, 175.18 feet; thence South 00°34'00" East 282.92 feet; thence South 88°09'01" West 258.00 feet to a point which is South 00°34'00" East 258.00 feet from the Northeast corner of a tract of land conveyed to Creek Corporation, an Oregon Corporation, by deed recorded October 11, 1954 in Volume 468, Page 198, Deed records for Marion County, Oregon; thence North 00°34'00" West 258.00 feet to said Northeast corner of Creek Corporation; thence North 89°45'23" West along the North line of said Creek Corporation tract, 100.00 feet; thence North 02°11'00" West to a point on the South line of Market Road No. 47 (Rail Ave.), 290.72 feet; thence North 59°30'00" East along the South line of Market Road No. 47, 207.42 feet; thence South 02°18'44" East 368.92 feet to the place of beginning.

Reserve unto the grantor herein a utility easement over the following described property:

10' Utility Easement - Beginning at a 5/8" iron rod which is North 88°09'01" East 175.18 feet from the Southwest corner of Small's Addition to Silverton Cemetery, in Section 34, Township 6 South, Range 1 West of the Willamette Meridian, Marion County, Oregon; thence South 00°34'00" East 10.00 feet to a point; thence South 88°09'01" West 184.88 feet; thence North 02°18'44" West 373.49 feet to a point on the South line of Market Rd. No. 47; thence North 59°30'00" East along said South line of Market Rd. No. 47, 11.35 feet; thence South 02°18'44" East 368.92 feet to the Southwest corner of Small's Addition to Silverton Cemetery; thence North 88°09'01" East 175.18 feet to the place of beginning.

SUBJECT TO: The rights of the public in and to that portion of the premises herein described lying within the limits of roads, streets and highways.

No. 13:

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SILVERTON ABIQUA REMOTE

Beginning at a point where the North Section line of Section 13, Township 7 South, Range 1 East intersects the center of County Road No. 362; thence following the center line of said road in a Southerly direction 222 feet; thence West 160 feet, more or less, to the center of Abiqua Creek; thence meandering downstream to the North Section line of Section 13, Township 7 South, Range 1 East; thence East along said Section line to the place of beginning. All situate in Section 13, Township 7 South, Range 1 East of the Willamette Meridian, Marion County, Oregon.

SUBJECT TO:

1. The rights of the public in and to that portion of the premises herein described lying within the limits of roads, streets and highways.
2. Right of the public and of governmental bodies in and to that portion of the premises herein described lying below the high water mark of Abiqua Creek.
3. Any adverse claim based on the assertion that some portion of said land is now or at any time has been within the boundaries of Abiqua Creek, or the assertion that any portion of said land has been created by artificial means or has accreted to such portions so created.

No. 14:

SILVERTON SCOTTS MILL REMOTE

All of Block (15) Fifteen, Scotts Mills, Marion County, Oregon, save and except the Easterly 10.00 feet along the Crooked Finger Road for road purposes.

No. 15:

TURNER PROPERTY

Lots 1 and 2, Block 2, East Addition to Turner in Marion County, Oregon.

Yamhill County

BOOK 133 PAGE 937

No. 16:DAYTON C.O.

Lot 224 and the Northeasterly 20' of lot 223 Original Town of Dayton in Yamhill County, Oregon, as recorded in Vol. 92 pages 2031 thru 2032, and described as follows:

A part of Lot Numbered 223. Beginning at the most Easterly corner of said Lot 223; thence Northwesterly along the division line of said Lot 223 and Lot 224, a distance of 80 feet to a point, said point being the most Northerly Point of a certain tract of land conveyed to Hurley W. Whitmore et al., by deed recorded May 3, 1951 in Book 161, Page 354, Deed Records; thence Southwesterly along the line of said Whitmore tract, said line being parallel with the Southeasterly line of said Lot 223, a distance of 20 feet to a point; thence Southeasterly parallel with the said division line of said Lot 223 and 224, a distance of 80 feet to a point on the Southeasterly line of said Lot 223; thence Northeasterly along the lot line of said Lot 223, a distance of 20 feet to the place of beginning.

A part of Lot No. 223. Beginning at the most Northerly corner of said Lot 223, thence Southwesterly along the lot line of said Lot 223, a distance of 20 feet to a point, thence Southerly parallel to the division line of said Lot 223 and Lot 224 a distance of 40 feet to a point on the Northwesterly line of a certain tract of land conveyed to Hurley W. Whitmore, et al., by deed recorded May 3, 1951 in Book 161, Page 354, Deed Records; thence Northerly along the Northwesterly line of said Whitmore tract, 20 feet to a point situated on the division line of said Lots 223 and 224, said point being the more Northerly point of said Whitmore tract; thence Northwesterly along said division line 40 feet to the point of beginning.

Lot No. 224 in the Original Town of Dayton in Yamhill County, Oregon.

No. 17:GRAND ISLAND C.O.

A tract of land in the Henry Hewitt Donation Land Claim, Notification No. 1629, Claim No. 56, in Township 5 South, Range 3 West of the Willamette Meridian in Yamhill County, Oregon, more particularly described as follows:

Commencing at a stone marking the Northeast corner of the Samuel Angell Donation Land Claim in Township 5 South, Range 3 West of the Willamette Meridian in Yamhill County, Oregon, and running thence

South 89° West along North line of said Angell Claim and South line of Hewitt Claim, 1935.88 feet to the center of Oregon State Highway No. 150, and thence North 2° 10' East along center of said Highway, 168.3 feet to the true place of beginning of this description from which an iron pipe set on Highway right of way line bears South 89° West 30.05 feet; thence South 89° West 90.05 feet to an iron pipe; thence North 2° 10' East parallel with center line of Highway, 40.0 feet to an iron pipe set on the North line of the property of the grantor herein; thence North 89° East along said North line, 90.05 feet to a point in the center of said State Highway, from which an iron pipe set on Highway right of way line bears South 89° West 30.05 feet; thence South 2° 10' West along center of Highway, 40.0 feet to the true place of beginning, subject, however, to the rights of the Public in and to any portions of the above described tract lying within the limits of any Public Road and/or Highway.

No. 18:

YAMHILL C.O.

The West 30 feet of the North 1/2 of Lot 1 in Block 1, FRANCIS HAUSWIRTH'S FIRST ADDITION to North Yamhill, in Yamhill County, Oregon.

The East 160 feet of the North Half of Lot 1, Block 1 of FRANCIS HAUSWIRTH'S FIRST ADDITION to North Yamhill, in Yamhill County, Oregon.

LESS the East 120 feet of said lot, as recorded in Yamhill County, File No. 002629.

SCHEDULE "B"

BOOK 133 PAGE 939

REAL PROPERTY SITUATED IN THE STATE OF IDAHO,
PURCHASED FROM CONTEL OF THE WEST, INC.

Adams CountyNo. 1:

That portion of Lots 18 and 19, Block 22, of the Original Townsite of New Meadows, in Adams County, State of Idaho, according to the official plat thereof on file and of record in the office of the Recorder of Adams County, Idaho, more particularly described as follows:

Commencing at the Southeast Corner of said Lot 19;

Thence, North a distance of 37 feet;

Thence, West and parallel to the North side of said Lot 19 a distance of 37 feet;

Thence, South a distance of 37 feet to the South boundary of said Lot 19;

Thence, East along the south boundary of said Lot 19 a distance of 37 feet to the place of beginning.

Bingham CountyNo. 2:

Lot 4 in Block 120 of the City of Aberdeen, Bingham County, Idaho, according to the recorded plat thereof.

EXCEPT: The right of way for State Highway 39 along the South boundary thereof.

No. 3:

The N1/2 of Lot 16 and all of Lot 17 in Block 120 of the City of Aberdeen, Bingham County, Idaho, according to the recorded plat thereof.

EXCEPT: The right of way for State Highway 39 along the South boundary thereof.

BOOK 133 PAGE 940

No. 4:

Beginning at a point 9.5 feet North and 395 feet West of the Southeast corner of the SE1/4 SW1/4 of Section 11, Township 4 South, Range 32, East of the Boise Meridian, in Bingham County, Idaho, running thence North 150 feet; thence West 36 feet; thence South 150 feet; thence East 36 feet to the Place of Beginning.

EXCEPT: The right of way for State Highway 39 along the South boundary thereof.

Blaine CountyNo. 5:

Township 1 South of Range 21 East of the Boise Meridian, Blaine County, State of Idaho:

Section 27: A parcel of land in the NW1/4 SE1/4 described as follows:

Commencing at a point 275 feet South and 33 feet East from the Northwest corner of the SE1/4 of Section 27, Township 1 South of Range 21 East of the Boise Meridian; running thence East 150 feet; thence South 50 feet; thence West 150 feet; thence North 50 feet to the Place of Beginning, designated as Tax Lot 1954 on Blaine County Tax Assessor's Rolls.

EXCEPTING THEREFROM the Highway Right-of-Way.

Boise CountyNo. 6:

Lot 22, Block 6, TOWNSITE OF HORSESHOE BEND, according to the official plat thereof, filed in Book 5 of Miscellaneous Records at Page 356, records of Boise County, Idaho.

No. 7:

That portion of the SE1/4 of the NW1/4 of Section 26, Township 9 North Range 4 East, Boise Meridian, Boise County, Idaho, described as follows:

Beginning at a point that is South 40°12' East 1170.16 feet, and South 24°18' East 300 feet from the Northwest corner of said SW1/4 of the NW1/4 being a point on the East line of State Highway 17; thence South 24°18' East along the Easterly line of State Highway

17; 100 feet; thence North 65°42' East 208.8 feet; thence North 24°18' West 100 feet; thence South 65°42' West 208.8 feet to the point of beginning.

Camas County

No. 8:

Lots 5, 6, 7, and 8, Block 21 in the City of Fairfield as the same appears on the official plat on file in the office of the County Recorder of Camas County, Idaho.

Canyon County

No. 9:

Lots 7 and 8, Block 14 of STOCKTON'S SOUTHSIDE ADDITION to Parma, Canyon County, Idaho, according to Plat filed in Book 4 of Plats, page 26, records of said County.

No. 10:

That part of the NE1/4 SW1/4 of Section 9, Twp. 5 N., R. 5 W. B. M., in Parma, Canyon County, Idaho, described as follows: BEGINNING at the point of intersection of the SWrly boundary line of Grove Street extended with the SErly boundary of 4th Street extended according to the Plat of the Town of Parma, Canyon County, Idaho, filed in Book 1 of Plats, page 31, records of Canyon County, Idaho; thence SErly along the SWrly boundary line of Grove Street extended a distance of 100 feet; thence at right angles run in a SWrly direction 50 feet; thence at right angles run in a NWrly direction 100 feet to a point in the extended SErly boundary line of 4th Street; thence NErly 50 feet to the Point of Beginning.

No. 11:

Lots 12, 13, 14, 15 and 16, Block 2 of WILDER TOWNSITE, as shown on the Plat thereof on file and of record in the office of the recorder for Canyon County, Idaho, EXCEPTING the East 75 feet thereof.

No. 12:

Commencing at a point in the SErly side of Fourth Street 370 feet in a NErly direction from the point of intersection of the said

Serly line of Fourth Street with the center line of a right of way of the Oregon Short Line Railway; running thence in a Nerly direction along said line 30 feet; thence Serly at right angles a distance of 100 feet; thence Swrly at right angles a distance of 30 feet; thence NWrly at right angles a distance of 100 feet to the point of beginning; the said property being also what would be a portion of Lots 1 and 2 of Block 29 if the NE portion of Block 29 were platted into lots as appears by the Plat on file and of record in the office of the County Recorder of Canyon County, Idaho, in Book 1 of Plats, at page 31.

Gem County

No. 13:

The South 37 feet of Lot 18, in the Townsite of Sweet, as shown by the plat thereof on file in Book 1 of Plats, at Page 37, of the records of the County Recorder of Gem County, Idaho.

No. 14:

Starting at a point 300 feet South of the Northwest corner of Section 25, Township 10 North, Range 1 East, B.M., Gem County, Idaho; run thence East 25 feet; thence North 30 feet; thence West 25 feet; thence South 30 feet, to said point of beginning.

Idaho County

No. 15:

The land referred to is situated in the State of Idaho, County of Idaho, and is described as follows: Lot 9 of Block 2 of Village of Elk City.

No. 16:

The land referred to is situated in the State of Idaho, County of Idaho, and is described as follows: Commencing at a point 5 feet NE of the NE corner of Block 4 of Tract 7, the point of beginning Thence 22 feet Northeasterly along the east line of Tract 7

Thence 90° left, 112 feet Northwesterly

Thence 90° left, 22 feet Southwesterly

Thence 90° left, 112 feet Southeasterly to the point of beginning, being in Riggins.

No. 17:

The land referred to is situated in the State of Idaho, County of Idaho, and is described as follows: The Northerly 93 feet of Lot 2, Block "A" Original Townsite of Whitebird, Idaho County, Idaho.

No. 18:

The land referred to is situated in the State of Idaho, County of Idaho, and is described as follows: Twp. 29 N., Rge. 8 E. B.M. Section 26: Part of NW1/4 NW1/4 described as:

Beginning at iron pin, from which pin the north 1/16 corner between Sections 26 and 27 bears South 174.2 feet and West 250 feet

Thence N.39°41'W. 75.5 feet to the south right of way line of Forest Highway 18

Thence N.50°19'E. 50.0 feet along said right of way line

Thence S.39°41'E. 100.0 feet

Thence S.50°19'W. 50.0 feet

Thence N.39°41'W. 24.5 feet to the point of beginning

Owyhee County

No. 19:

Lots 12, 13, 14, 15 and 16 of Block 70 of the Amended Townsite Plat of HOMEDALE, Owyhee County, Idaho, according to the official plat thereof on file and of record in the office of the Recorder for Owyhee County, Idaho.

No. 20:

Lot(s) 1, 2, 3, 4 of Block 67 of the Amended Townsite Plat of HOMEDALE, Owyhee County, Idaho, according to the official plat thereof on file and of record in the office of the Recorder for Owyhee County, Idaho.

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No. 21:

Lot(s) 1, 2, 3, 4, 5, 6, 7 of Block 61 of the Amended Townsite Plat of HOMEDALE, Owyhee County, Idaho, according to the official plat thereof on file and of record in the office of the Recorder for Owyhee County, Idaho.

No. 22:

Those fractional Lot(s) 23 and 24 of Block 17 of the Revised Townsite of Butte, now the City of MARSING, Owyhee County, Idaho, according to the official plat thereof on file and of record in the office of the Recorder for Owyhee County, Idaho.

Valley CountyNo. 23:

The West forty-five (45) feet off of Lots 7 and 8 of Block 5 of the Original Townsite of Cascade, Valley County, State of Idaho, according to the official plat thereof on file and of record in the office of the Recorder of Valley County, Idaho.

No. 24:

The North half of Lot 11, Block 5 of the Original Townsite of Donnelly, Valley County, State of Idaho, according to the official plat thereof on file and of record in the office of the Recorder of Valley County, Idaho.

No. 25:

Lots 15, 16, 17 and 18, Block 1 of the Amended Plat of McCall, a plat which is of record in the office of the Recorder of Valley County, Idaho.

No. 26:

A parcel of land situated in the SE1/4 NE1/4 SW1/4, Section 16, Township 18 North, Range 3 East, B. M., City of McCall, more particularly described as follows:

Commencing at the center 1/4 corner of Section 16, T. 18 N., R. 3 E., B. M., City of McCall, Valley County, Idaho, a 5/8" rebar; thence south 0°36'51" West, 797.87 feet along the center section line of said Section 16, to its intersection with the Westerly right of way line of State Highway 55; thence continuing South

0°36'51" West, 104.79 feet to the real point of beginning; thence continuing South 0°36'51" West 104.79 feet; thence North 16°46'11" West 100.00 feet; thence North 73°13'49" East 31.31 feet to the point of beginning, containing 0.036 acres, more or less.

No. 27:

Lots A, 19 and 20, Block 1 of the Amended Plat of McCall, a plat which is of record in the office of the Recorder of Valley County, Idaho.

No. 28:

A tract of land in the NW1/4 SE1/4 of Section 16, Township 18 North, Range 3 East, Boise Meridian, being more particularly described as follows:

Commencing at the SW corner of above mentioned NW1/4 SE1/4 of Section 16; thence Easterly along the South line of said NW1/4 SE1/4 163.4 feet more or less to an intersection with the West boundary of State Highway No. 15, now known as No. 55; thence Northwesterly along said West boundary of the State Highway 545.1 feet more or less to an intersection with the West line of the said NW1/4 SE1/4 of Section 16; thence Southerly along the West line of said NW1/4 SE1/4 520 feet; more or less to the place of beginning, Valley County, Idaho.

SAVE AND EXCEPT a parcel of land commencing at the Center 1/4 corner of Section 16, T. 18 N., R. 3 E., B. M., City of McCall, Valley County, Idaho, a 5/8" rebar; thence South 0°36'51" West, 797.87 feet along the center section line of said Section 16, to its intersection with the Westerly right of way line of State Highway 55, the real point of beginning; thence continuing South 0°36'51" West, 104.79 feet; thence North 73°13'49" East 31.31 feet to said Westerly right of way; thence North 16°46'11" West 100.00 feet to the point of beginning.