

and contracts conveyed hereby, now owned or hereafter acquired; and all rents, issues and profits, earnings, and income from the property hereby conveyed; it being the intention hereby to convey, and said Timber Company does hereby convey, transfer and assign, all property of the above kind, nature and description, which it now owns and all which it may hereafter own or acquire in any manner.

And for the consideration aforesaid, the Timber Company does further sell, assign, transfer and set over and deliver to said Trustee, four hundred thousand dollars (\$400,000) par value, of First Mortgage 6% Gold Bonds of the Washington Northern Railroad Company, dated June 4th, 1910, maturing May 1st 1928, together with all rights attached to said bonds under that certain mortgage or deed of trust executed by said Washington Northern Railroad Company, conveying to the Mississippi Valley Trust Company, as Trustee, all property real, personal and mixed, then owned or thereafter acquired by said Railroad Company, to secure the payment of the aforesaid bonds.

To Have and to Hold said property, with all privileges and appurtenances thereto belonging, unto said Trustee, the party of the second part, its successors in trust and assigns forever;

IN TRUST, for the uses and purposes, and upon the terms, limitations and conditions herein set forth, and for the equal pro rata benefit and security of the holders of all of said bonds at whatever period and sum they may be issued, and without preference or priority of one bond over another for any reason whatsoever; it being intended that the lien and security hereof shall take effect from and as of the date hereof and without regard to the date of the actual execution hereof, or of the actual authentication, issue, sale or disposition of said bonds, and with the same legal effect as if upon the day of such date all of said bonds had been actually authenticated, issued and sold, and were delivered to and in the hands of innocent holders thereof for value:

PROVIDED, HOWEVER, and these presents are upon the express condition that if said Timber Company shall well and truly pay or cause to be paid to the holders of said bonds and coupons all the principal and interest to become due thereon, at the time and in the manner mentioned in said bonds and coupons, according to the true intent and meaning thereof, and keep and perform its covenants and undertakings herein set forth, then these presents and the estate hereby granted shall determine and be void; and upon proof being given to the reasonable satisfaction of the Trustee, and upon payment of all costs, charges, compensations and expenses incurred by, or due to, the Trustee in relation thereto, the Trustee shall deliver to the Timber Company, or to whomever may be entitled thereto, all property in its hands subject to this indenture, and shall cancel and satisfy this indenture of record; otherwise, this indenture shall be continue and remain in full force and effect: Provided, further, that upon maturity of the last maturing of the bonds hereby secured, or upon maturity by call of the entire issue of bonds outstanding, the Timber Company shall have the right to deposit with the Trustee, to the Credit of the holder or holders of all bonds which shall not then be presented for payment, the amount due thereon for principal and interest; and thereupon, on payment of all said costs, charges, compensations and expenses incurred by, or due to, the Trustee, the Trustee shall so deliver to the Timber Company all property in its hands subject to this indenture, and shall cancel and satisfy this indenture of record; and in case the owner of any such outstanding unpaid bonds, within five years after such deposit, shall not claim the amount so deposited for payment whereof, the Trustee shall, upon demand, pay over such amount so deposited to the said Washington Northern Railroad Company, a corporation organized under the laws of the State of Oregon.