

its successors in trust for the time being.

ARTICLE TWENTY-EIGHTH: It is hereby further covenanted and agreed that as and when from time to time any of the bonds hereby secured are paid at maturity or call and cancelled by the Trustee, a like amount par value of the bonds of the Washington Northern Railroad Company conveyed to and held by the Trustee under this mortgage deed of trust shall be canceled by the Trustee and returned to said Railroad Company or delivered to said Railroad Company uncanceled at its option.

In the event the Timber Company shall promptly pay the interest on the bonds hereby secured, as the same matures, the Trustee shall clip the coupons attached to the bonds of said Railroad Company of like maturities from time to time and deliver the same to the Timber Company for collection; or the Trustee may at the request of the Timber Company, collect the coupons on the bonds of said Railroad Company and apply the proceeds thereof to the payment of the coupons hereby secured. When both said sets of coupons are paid the Trustee shall cancel the same and deliver the coupons of the bonds hereby secured, so paid, to the Timber Company and the coupons of the bonds of the Railroad Company, so paid, to the Railroad Company.

In the event of any default in the mortgage securing said bonds of the Railroad Company, making desirable or necessary any action on the part of the holder or holders of the bonds of said Railroad Company, the Trustee is hereby fully authorized and empowered to take such action, in its discretion, with or without the request or assent of the Timber Company.

The Timber Company covenants that it is the owner of the said bonds of the Railroad Company hereby conveyed as security, and has full authority and right to make this conveyance of the same.

The Timber Company covenants that it will well and truly pay the principal and interest of the \$600,000 par value of first mortgage bonds of the Timber Company of even date herewith, and will keep and perform the covenants and conditions of the mortgage deed of trust of the Timber Company to the Mississippi Valley Trust Company, Trustee, securing the same. And in the event said Timber Company shall permit any default in the payment of said bonds or interest thereon, or in the performance of the covenants in said mortgage, such default shall be considered and shall be deemed a default under the terms of this mortgage deed of trust, and the Trustee herein may forthwith apply all the remedies, including foreclosure, granted in cases of default under this instrument, and may further declare the bonds secured hereby to be forthwith due and payable.

IN WITNESS WHEREOF, said Timber Company has caused these presents to be signed in its name by its President or a Vice-President, attested by its Secretary or Assistant Secretary, and its corporate seal to be hereunto affixed; and to evidence its acceptance of the trusts hereby created, the MISSISSIPPI VALLEY TRUST COMPANY has caused these presents to be signed by James H. Grover, its duly authorized Attorney-in-Fact; all as of the day and year first above written.

Attest: E.J. Blazier
Secretary.

(Seal of Ore.-Wash. Timber Co.)

OREGON-WASHINGTON TIMBER COMPANY,

By J.E. Blazier,
President.

Witnesses as to all signatures: }

R.E. Moody }

D.L. Robinson }

MISSISSIPPI VALLEY TRUST COMPANY, TRUSTEE,

By James H. Grover (Seal)
Attorney-in-Fact.

STATE OF OREGON }

County of Multnomah }

ss/

J.E. Blazier, being duly sworn, on his oath states: That he is