

and southeast quarter (SE $\frac{1}{4}$) of northeast quarter (NE $\frac{1}{4}$), Section twelve (12), Township two (2) north, range five (5) east, Willamette Meridian.

Together with all and singular the tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining.

This grant includes and shall include all of the franchises, contracts, rights of way, easements and privileges, traffic agreements, rolling stock, cars and engines, now owned by said Company, or which may hereafter be acquired by it.

It is the intention of these presents, and it is hereby agreed that all future acquired property, real or personal, including all future extensions, improvements, or betterments of the property hereafter acquired by said Company shall be as fully embraced within the provisions hereof and subject to the lien hereby created for securing the payment of all said bonds, together with the interest thereon, as if the said property were now owned by said Company and were specifically mentioned herein.

And for the consideration aforesaid the Company does further sell, assign, transfer and set over and deliver to said Trustee a certain principal promissory note of the sum of One Hundred and Fifty Thousand Dollars (\$150,000), dated November 14, 1908, made by said Cape Horn Railroad Company and made payable to its own order and by it endorsed and delivered, bearing interest at the rate of six (6) per centum per annum, payable semi-annually, together with a certain Trust Deed executed by said Cape Horn Railroad Company (hereinafter sometimes referred to as the "Collateral Mortgage"), conveying to the American Trust and Savings Bank, and Frank H. Jones, Trustees, all property, real, personal and mixed, now owned and hereafter acquired by said Railroad Company, to secure the payment of the indebtedness above described, the said Trustee to hold said principal note above described and the Trust Deed securing the same, to secure the prompt payment of the principal and interest of the bonds above described and the fulfillment of the covenants and agreements herein contained by the Company to be kept and performed. Said note to said Railroad Company to be due on demand.

The Company has delivered to and deposited with said Trustee the certain principal promissory note of the Railroad Company, together with the Trust Deed securing the same, as hereinbefore set forth, which said principal promissory note and Trust Deed are received and held by said Trustee as further and collateral security for the bonds and each and all of them issued hereunder and secured hereby. said principal promissory note and Trust Deed shall be held by said Trustee upon the further covenants, conditions, terms, uses and trusts, to-wit:

(a) On the maturity of the principal promissory note aforesaid, and if at such time any of the bonds issued hereunder shall be outstanding and unpaid, then said Trustee may in its own name or by such person or persons to whom it may transfer said principal promissory note, enforce the payment thereof and proceed to the collection of said principal promissory note by suit at law or in equity and by foreclosure of the lien of said Trust Deed upon the property of said Railroad Company, or in any other way which it may see fit, and all proceeds of collection of the principal promissory note aforesaid shall be held and applied by said Trustee in accordance with the provisions of this indenture.

(b) On the payment in full of the bonds hereby secured, with all interest thereon, and all other sums which may be due hereunder by said Company, said Trustee shall deliver to said Company the principal promissory note and Trust Deed above described, together with any funds remaining in its hands by reason of the collection of the principal promissory note aforesaid or any part thereof, or of the interest thereon.

To Have and to Hold the same with the appurtenances unto the said Trustee and their successors and assigns, in trust, subject to the possession by the said Company, until default as hereinafter provided, in trust, nevertheless, for the equal pro rata benefit and security of each and every person or corporation who may be or become holders of said bonds without