

Sec.2. If, when the first mortgage gold bonds shall have become due and payable, the Railway Company shall well and truly pay, or cause to be paid, the whole amount of the principal and interest due upon all first mortgage gold bonds and coupons then outstanding, or shall provide for the payment of such bonds and coupons by depositing with the Trustee hereunder the entire amount due thereon for principal and interest, and also shall pay, or cause to be paid, all other sums payable hereunder by the Railway Company, and shall well and truly keep and perform all the things herein required to be kept and performed by it according to the true intent and meaning of this indenture, then and in that case all property, rights and interests hereby conveyed or assigned or pledged shall revert to the Railway Company, and the estate, rights, title and interest of the Trustee shall thereupon cease, determine and become void, and the Trustee in such case, on demand of the Railway Company, and at its cost and expense, shall enter satisfaction of this indenture upon the record; otherwise the same shall be, continue and remain in full force and virtue.

ARTICLE TWELVE.

Sundry Provisions.

Section 1. All the covenants, stipulations, promises and agreements in this indenture contained by or in behalf of the Railway Company shall bind its successors and assigns, whether so expressed or not.

Sec.2. Nothing contained in this indenture, or in any first mortgage gold bonds, shall prevent any lease, subject to the continuing lien of this indenture and to all the provisions thereof, of all the property subject to this indenture, to a railway corporation at that time existing under and by virtue of the laws of any state or states, or of the United States, and empowered to take such a lease; provided, however, that such lease shall be made subject to termination by the Railway Company or by the Trustee hereunder in case of the happening of an event of default, or by the purchaser at any sale of the mortgaged and pledged premises made in enforcement of this indenture.

Sec.3. Nothing contained in this indenture, or in any first mortgage gold bond, shall prevent any consolidation or merger of the Railway Company with any other corporation, or any sale, subject to the continuing lien of this indenture and to all the provisions thereof, of all the property subject to this indenture, as an entirety, to a railway corporation at that time existing under and by virtue of the laws of any state or states, or of the United States and empowered to acquire the same; provided, however, that such consolidation, merger or sale shall be upon such terms as to preserve and not to impair the lien and security of this indenture, or any of the rights or powers of the Trustee or of the holders of the first mortgage gold bonds.

In case the Railway Company shall be consolidated or merged with any other corporation, or shall sell all the property subject to this indenture as an entirety, as aforesaid, the corporation formed by such consolidation, or the corporation into which the Railway Company shall have been merged, which shall have purchased as aforesaid, upon executing and causing to be recorded an instrument satisfactory to the Trustee whereby such successor or purchasing corporation shall assume the due and punctual payment of the principal and interest of the first mortgage gold bonds and the performance of all the covenants and conditions of this indenture, shall succeed to and be substituted for, the Railway Company, party of the first part hereto, with the same effect as if it had been named herein as such party of the first part; and such successor or purchasing corporation thereupon may cause to be signed, and may issue either in its own name or in the name of the Spokane, Portland and Seattle Railway Company any or all such bonds which theretofore shall not have been signed by the Spokane, Portland and Seattle