

shares of stock which the Railway Company by this indenture has assigned or agreed to assign and transfer to the Trustee, shall come into the possession of the Railway Company or under its control, the Railway Company forthwith shall deliver the same to the Trustee, together with proper instruments of assignment and transfer thereof to the Trustee or to its nominee or nominees.

Sec.2. Whenever the Railway Company:

(a) shall own and hold, directly subject to the lien of this indenture, all the property, whether railways or bonds or shares of capital stock, conveyed, mortgaged, transferred or pledged to secure any series of bonds, all, or part of which, shall have been acquired by the Railway Company by the use of bonds issued under Section 2 of Article Two of this indenture, and all of which series of bonds (except lost or destroyed bonds, for which satisfactory indemnity may have been given,) shall then be pledged with the Trustee under and subject to the lien of this indenture; or

(b) shall deliver to the Trustee such conveyance or conveyances as, in the judgment of the Trustee, shall be sufficient to subject directly to the lien of this indenture all the property, whether railways or bonds or shares of capital stock, conveyed, mortgaged, transferred or pledged to secure any series of bonds, all, or part of which, shall have been acquired by the Railway Company by the use of bonds issued under Section 2 of Article Two of this indenture, and all of which series of bonds (except lost or destroyed bonds, for which satisfactory indemnity may have been given,) shall then be pledged with the Trustee under and subject to the lien of this indenture; the Trustee, at the request of the Railway Company, shall cancel all bonds of such series, so pledged with the Trustee, and shall take all steps desirable or proper to cause the mortgage, trust deed or trust agreement securing the same to be canceled or discharged of record, or the mortgaged or pledged premises and property embraced therein to be released from such mortgage, trust deed or trust agreement, and thereupon all bonds, shares of capital stock or other personal property mortgaged or pledged hereunder, shall be delivered to and held by the Trustee as further security for the bonds issued hereunder.

Sec.3. The Trustee is authorized in its discretion (1) to cause to be registered in its name as Trustee, or in the name of its nominee or nominees, any and all coupon bonds which at any time hereafter may be received by it under and in accordance with any of the provisions of this indenture, or (2) to cause the same to be exchanged for registered bonds without coupons of any denomination, or (3) to cause any such bonds to be stamped "Not negotiable. Held by Central Trust Company of New York, as Trustee, under the First Mortgage of the Spokane, Portland and Seattle Railway Company, dated March 1, 1911". The Trustee shall cause to be transferred into its name, as Trustee hereunder, or into the name of its nominee or nominees, all registered bonds which shall have been delivered and assigned to it hereunder.

The Trustee at any time may transfer into its name, as Trustee hereunder, all or any shares of stock, the certificates for which shall have been pledged with and delivered to it hereunder, or in its discretion the Trustee may hold such certificates in the name of the registered holder thereof at the time of such pledge, or in the name of a nominee of the Trustee, provided that in either case the same be endorsed in blank for transfer, or be accompanied by proper instruments of assignment in blank duly executed by such registered holder.

The Trustee may do whatever may be necessary in its opinion for the purpose of