

any might be required to pay thereon or to retain therefrom, under any present or future laws of the United States, or of any state, county or municipality therein, and which bonds shall be entitled to the benefits of a sinking-fund, and shall be subject to redemption at a premium of five per cent. (5%) and accrued interest on any interest day, upon giving sixty (60) day's previous notice, as provided in the mortgage or deed of trust securing the same, and the Railway Company did further determine to make, execute and deliver unto The New York Trust Company, as Trustee, its mortgage or deed of trust upon all of its railways, property and franchises, now owned, and which it may hereafter acquire, including all the railways, property and franchises, acquired and to be acquired by it from the Portland Consolidated Railway Company, as aforesaid, subject, however, to the prior liens of the mortgages upon the said railways, property and franchises, or any part thereof, to secure the payment of bonds issued under said several mortgages, and outstanding at the date of the said sale and conveyance to the Railway Company, being the underlying bonds hereinafter enumerated, and did authorize and direct the execution of such mortgage or deed of trust in the form of this indenture; and

WHEREAS, the said bonds and the coupons thereto annexed and the certificate of the Trustee thereon are to be substantially of the tenor and effect following, namely:

(Form of Bond.)

UNITED STATES OF AMERICA.

State of Oregon.

No-----

\$1,000.

PORTLAND RAILWAY COMPANY.

FIRST AND REFUNDING MORTGAGE FIVE PER CENT. SINKING FUND GOLD BOND.

For value received, Portland Railway Company, hereinafter called "Company", promises to pay to the bearer, or if registered, to the registered owner of this bond, the sum of One Thousand Dollars (\$1,000) in gold coin of the United States of or equal to the present standard of weight and fineness, on the first day of November, in the year Nineteen hundred and thirty, at its office or agency in the City of New York, and to pay interest thereon from the first day of November, 1905, at the rate of Five Per Cent. (5%) per annum, in like gold coin, semi-annually, on the first days of May and November in each year, at said office or agency, but only upon presentation and surrender, as they severally mature, of the interest coupons hereto annexed.

Both the principal of and interest on this bond are payable without deduction for a any tax or taxes which the Company may be required to pay thereon or to retain therefrom under any present or future laws of the United States or of any state, county or municipality therein, the Company hereby agreeing to pay all tax or taxes.

This bond is one of a series of bonds known as "First and Refunding Bonds" of the Company, authorized to be issued to an amount not exceeding in the aggregate the principal sum of Ten Million Dollars (\$10,000,000) at any time outstanding, all of which bonds are of like tenor, date and amount herewith, and are consecutive numbered from I upwards, and are issued and to be issued under and equally secured by a mortgage or deed of trust dated as of November 1, 1905, executed by the Company to The New York Trust Company, as Trustee, to which mortgage or deed of trust reference is hereby made for a description of the property and franchises mortgaged, the nature and extent of the security, the rights of the holders of the bonds, and the terms and conditions upon which bonds of said series may be issued and are secured.

This bond is entitled to the benefit of the sinking-fund provided for in said mortgage, and is also subject to redemption at a premium of Five Per Cent. (5%) and accrued