

to be severally and respectively substantially as follows, to-wit:

(FORM OF COUPON BOND.)

NO.....

\$1,000.

UNITED STATES OF AMERICA.

SPOKANE, PORTLAND AND SEATTLE RAILWAY COMPANY.

First Mortgage Gold Bond.

Spokane, Portland and Seattle Railway Company (hereinafter called the Railway Company); for value received, hereby promises to pay to bearer, or, if registered, to the registered holder of this bond, one thousand dollars, in gold coin of the United States of America or of equal to the present standard of weight and fineness, on the first day of March, in the year 1961, at its office or agency in the City of New York, and to pay interest thereon from March 1, 1911, at the rate ofper cent.per annum, at such office or agency in like gold coin, semi-annually on the first day of March and the first day of September in each year, upon presentation and surrender of the interest coupons hereto annexed as they severally mature.

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

This bond is one of a duly authorized series of coupon bonds and registered bonds of the Railway Company known as its First Mortgage Gold Bonds, limited to the principal amount of \$125,000,000 at any one time outstanding, and all issued and to be issued under and equally secured by a mortgage or deed of trust dated March 1, A.D. 1911, executed by the Railway Company to the Central Trust Company of New York, as Trustee. For a description of the properties and franchises mortgaged and pledged, the nature and extent of the security, the rights of holders of the bonds, and the terms and conditions upon which the bonds are, and are to be, issued and secured, reference is made to said mortgage or deed of trust. The bonds of this issue are subject to redemption at the option of the Railway Company at a premium of 5 per cent. and accrued interest, on any interest day subsequent to March 1, 1931, in manner as provided in said mortgage or deed of trust.

This bond shall pass by delivery unless registered in the name of the owner on the books of the Railway Company, such registry being noted on the bond by the Railway Company. After such registry, no transfer shall be valid unless made on said books by the registered holder in person or by his attorney duly authorized in writing, and similarly noted on the bond, but the same may be discharged from registry by a transfer thereon to bearer, and thereupon transferability by delivery shall be restored; but this bond may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, which shall continue to be transferable by delivery.

The coupon bonds are for \$1,000 each, but the Railway Company, in its discretion, from time to time, may issue coupon bonds for \$500 each or for \$100 each, as provided in said mortgage or deed of trust. The holder of any coupon bond for \$1,000 at his option, may surrender the same for cancellation with all unmatured coupons thereto appertaining in exchange for a registered bond without coupons and registered bonds of the denomination of \$1,000, or any multiple thereof, may be exchanged for coupon bonds, as provided in said mortgage or deed of trust.