

The Mexican Western Railroad

COMPANY

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INCOME BOND

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For value received, The Mexican Western Railroad Company hereby promises to pay to the holder hereof, the sum of **ONE HUNDRED DOLLARS**, in lawful money of the United States of America, on the 1st day of July, 1921, with non-cumulative interest payable annually, on the first day of July, in each year, at the rate of five per cent per annum, from the net earnings of the railway, telegraph and telephone lines and other properties of the said Company during the financial year next preceding the said first day of July, the net earnings applicable to such payments being the remainder of the earnings of the said properties of the said Company for such year after deducting therefrom all necessary payments and expenditures of the said Company, including interest, and providing for the maintenance, operating, renewals, necessary repairs, additions to and improvements of said railway, telegraph, telephone lines and other properties, and their equipment and appurtenances, and also after the deduction of all interest due and payable upon a series of first mortgage bonds to be issued by the said Company, not to exceed the sum of ten thousand dollars per mile of the Company's completed lines of railroad, to bear interest at the rate of five per cent per annum, and also after the deduction of a cumulative annual dividend upon the preferred stock of the Company of not to exceed five hundred dollars per mile of the Company's completed lines of railroad. The principal sum hereby secured is payable at the Company's New York office. The interest upon these bonds shall be payable upon presentation thereof and endorsement of such payment at the Company's offices in the City of New York; and in Pacific City, Saltillo, Mexico. This bond is one of a series of bonds of consecutive numbers and same denomination, not exceeding in the aggregate the sum of twenty thousand dollars a mile of the Company's completed lines of railroad, issued for the purpose of the construction and equipment thereof. None of the said bonds are entitled to any preference over others of the same series. At any time after the expiration of ten years from date, the Company shall have the option of redeeming any of these bonds at par. The said Company will annually, upon the first day of July, in each year, upon the written request of the holders of not less than ten per cent of these outstanding bonds presented to the Company at least one month prior to the said first day of July, prepare and furnish to the holders of the said bonds a fair and just account of the earnings, expenses and payments of the said Company during the preceding financial year, so as to exhibit the true sum applicable to the payment of interest on the said income bonds, and upon the written request of the holders of such bonds, the said Company will permit any proper agent designated by them to examine the books and documents of this Company to verify any such statements. In Witness Whereof, The Mexican Western Railroad Company has caused its corporate seal to be affixed hereto and these presents to be signed by its President and attested by its Treasurer, this first day of July, A. D. 1921.

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Wm. A. Rice TREASURER

John W. Lovell PRESIDENT

NOTICE.

For the present, and until further notice, the Income Bonds of The Mexican Western Railroad Company, of which this is a sample, will be sold only at the rate of \$25 for each \$100 Bond, the proceeds to be used for the purchase of provisions, clothing, etc., for those actually engaged on the construction of the Railroad. All remittances for these Bonds to be made to John W. Lovell, 32 Nassau Street, New York City.