Coupon Bonds of Series C are issuable in the denomination of $1,000 only. Registered Bonds without coupons of Series C are issuable in denominations of $1,000 and in multiples of $1,000. Upon presentation thereof for that purpose at the office or agency maintained by the Company in said City of Chicago or in said Borough of Manhattan and in the manner, subject to the limitations, and upon payment of the charges provided in the Mortgage, coupon Bonds of Series C, with all unmatured coupons and any matured coupons in default appertaining thereto, may be exchanged for a like aggregate principal amount of registered Bonds without coupons of Series C of authorized denominations, and registered Bonds without coupons of Series C may be exchanged for a like aggregate principal amount of coupon Bonds of Series C bearing all unmatured coupons and any matured coupons in default appertaining thereto or for a like aggregate principal amount of registered Bonds without coupons of Series C of other authorized denominations.

As provided in the Mortgage, no recourse shall be had for the payment of the principal of or the premium if any or interest on this Bond, or for any claim based hereon, or because of the creation of the indebtedness represented hereby, or otherwise in respect hereof, or based on or in respect of the Mortgage or any indenture supplemental thereto, against any past, present or future incorporator, stockholder, officer or director, as such, of the Company or of any successor corporation, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released.

This Bond shall not be valid or become obligatory for any purpose unless and until the certificate of authentication hereon shall have been signed by the Corporate Trustee under the Mortgage.

In Witness Whereof, Chicago, Rock Island and Pacific Railroad Company has caused this Bond to be signed by the manual or facsimile signature of its President or one of its Vice Presidents and its corporate seal to be affixed hereto or a facsimile thereof

to be imprinted or engraved hereon and attested by the manual signature of its Secretary or an Assistant Secretary.

Dated ....

Chicago, Rock Island and Pacific Railroad Company

By ....
President

Attest:

....
Secretary

ARTICLE II

Redemption of Bonds of Series C

Bonds of Series C shall be redeemable as a whole at any time, or in part from time to time, on any date prior to the maturity thereof, at the option of the Company, at a redemption price equal to the principal sum to be redeemed plus (i) all accrued interest on such principal sum to the date fixed for redemption, and (ii), in case of redemption prior to February 1, 1982, a premium equal to a percentage of such principal sum as follows: