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SOUTHERN PACIFIC TRANSPORTATION COMPANY  
TO  
BANKERS TRUST COMPANY,  
*Trustee.*

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**Fourth Supplemental Indenture**

*Dated as of December 1, 1976*

TO

SOUTHERN PACIFIC TRANSPORTATION COMPANY  
FIRST AND REFUNDING MORTGAGE

(Formerly known as the Central Pacific Railway Company  
General Mortgage)

Dated as of August 1, 1958

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First and Refunding Mortgage 8.20% Bonds,  
Series B, Due 2001

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\* This Table of Contents shall not for any purpose be deemed to be a part of the Indenture or of the Fourth Supplemental Indenture.

#### FOURTH SUPPLEMENTAL INDENTURE

**THIS FOURTH SUPPLEMENTAL INDENTURE** dated as of December 1, 1976, by and between SOUTHERN PACIFIC TRANSPORTATION COMPANY, a corporation duly organized and existing under the laws of the State of Delaware (hereinafter called the Company), party of the first part, and BANKERS TRUST COMPANY, a corporation organized and existing under the laws of the State of New York, as Trustee (hereinafter called the Trustee), party of the second part;

WHEREAS Central Pacific Railway Company, a corporate predecessor of the Company, executed and delivered to the Trustee its Indenture, dated as of August 1, 1958, known as its General Mortgage, which General Mortgage, as supplemented and amended by two supplemental indentures thereto dated as of June 30, 1959, and as of November 26, 1969 (providing for the assumption of the obligations under the General Mortgage of the party thereto of the first part by the former Southern Pacific Company and by Southern Pacific Transportation Company, respectively, as successors of Central Pacific Railway Company), and as further supplemented, amended and restated by the Third Supplemental Indenture, dated as of July 15, 1976, between the Company and the Trustee, is now known as the Southern Pacific Transportation Company First and Refunding Mortgage (such mortgage, as so supplemented, amended and restated, being hereinafter called the First and Refunding Mortgage); and

WHEREAS, the First and Refunding Mortgage provides for the issuance from time to time thereunder, in series, of First and Refunding Mortgage Bonds for the purposes and subject to the limitations therein specified; and

WHEREAS, Bonds of a series designated as "General Mortgage Bonds, Series A" have heretofore been issued under the aforesaid General Mortgage, as supplemented and amended by the first of the aforesaid supplemental indentures and are the only Bonds now outstanding under the First and Refunding Mortgage; and

WHEREAS, the Company desires, by this Fourth Supplemental Indenture, to create a new series of First and Refunding Mortgage Bonds to be issuable under the First and Refunding Mortgage, as supple-

mented and amended by this Fourth Supplemental Indenture, such Bonds to be designated as its "First and Refunding Mortgage 8.20% Bonds, Series B, Due 2001" (hereinafter called the Series B Bonds) limited to an aggregate principal amount of one hundred million dollars (\$100,000,000), the further terms and provisions of which are as hereinafter and in the Indenture (as hereinafter defined) set forth; and

WHEREAS, the texts of the Series B Bonds and of the Trustee's Certificate of Authentication to be borne by the Series B Bonds are to be substantially in the following forms, respectively:

[FORM OF FACE OF SERIES B BOND]

**SOUTHERN PACIFIC TRANSPORTATION COMPANY**

No. ....

\$.....

**FIRST AND REFUNDING MORTGAGE 8.20% BOND,  
SERIES B, DUE 2001**

Southern Pacific Transportation Company, a corporation duly organized and existing under the laws of the State of Delaware (herein referred to as the Company), for value received, hereby promises to pay to or registered assigns, the principal amount of                      Dollars, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, on December 1, 2001, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts, and to pay interest on said principal sum at the rate per annum set forth in the title of this Bond, at said office or agency, in like coin or currency, semi-annually on June 1 and December 1 of each year, from the December 1 or June 1, as the case may be, next preceding the date of this Bond to which interest has been paid, unless the date hereof is a date to which interest has been paid, in which case from the date of this Bond, or unless no interest has been paid on the Series B Bonds, in which case from December 1, 1976, until payment of said principal sum has been made or duly provided for; provided, how-

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ever, that payment of interest may be made at the option of the Company by check mailed to the address of the person entitled thereto as such address shall appear on the transfer register. Notwithstanding the foregoing, if the date hereof is after May 15 or November 15, as the case may be, and before the following June 1 or December 1, this Bond shall bear interest from such June 1 or December 1; provided, however, that if the Company shall default in the payment of interest due on such June 1 or December 1, then this Bond shall bear interest from the next preceding December 1 or June 1 to which interest has been paid or, if no interest has been paid on the Series B Bonds, from December 1, 1976. The interest so payable on any June 1 or December 1 will, subject to certain exceptions provided in the Indenture referred to on the reverse hereof, be paid to the person in whose name this Bond is registered at the close of business on the May 15 or November 15, as the case may be, next preceding such June 1 or December 1, whether or not such day shall be a business day.

Reference is made to the further provisions of this Bond set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee under the Indenture referred to on the reverse hereof.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed by facsimile by its President or one of its Vice Presidents and by its Secretary or an Assistant Secretary, and has caused a facsimile of its corporate seal to be affixed hereunto or imprinted hereon.

Dated:

SOUTHERN PACIFIC  
TRANSPORTATION COMPANY

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds, of the series designated therein, referred to in the within-mentioned Indenture.

BANKERS TRUST COMPANY, as Trustee

By \_\_\_\_\_  
Authorized Officer

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[FORM OF REVERSE OF SERIES B BOND]

**SOUTHERN PACIFIC TRANSPORTATION COMPANY****FIRST AND REFUNDING MORTGAGE 8.20% BOND,****SERIES B, DUE 2001**

This Bond is one of a duly authorized issue of First and Refunding Mortgage Bonds (herein referred to as the Bonds), unlimited in aggregate principal amount, issuable in series, issued and to be issued under and equally and ratably secured by an Indenture dated as of August 1, 1958, between Central Pacific Railway Company and Bankers Trust Company, as Trustee (herein referred to as the Trustee), originally known as the Central Pacific Railway Company General Mortgage, as supplemented and amended by, and as restated by the third of, three supplemental indentures thereto, dated as of June 30, 1959, November 26, 1969, and July 15, 1976, which Indenture, as so supplemented, amended and restated, is now known as the Southern Pacific Transportation Company First and Refunding Mortgage, and is one of a series of such Bonds designated as First and Refunding Mortgage 8.20% Bonds, Series B, Due 2001 (herein referred to as the Series B Bonds), limited to the aggregate principal amount of \$100,000,000 created by the Fourth Supplemental Indenture dated as of December 1, 1976, executed and delivered by the Company to the Trustee. The term "Indenture" as used herein refers to the aforesaid Southern Pacific Transportation Company First and Refunding Mortgage, as supplemented and amended by said Fourth Supplemental Indenture and as it may hereafter be supplemented and amended by any further supplemental indenture. The several series of Bonds issuable under the Indenture may be for varying aggregate principal amounts, and the Bonds of any one series may differ from the Bonds of any other series as to maturity, interest rate, redemption, conversion and sinking fund provisions, if any, and otherwise as in the Indenture provided. Reference is hereby made to the Indenture for a description of the franchises and properties mortgaged and pledged as part of the trust estate thereunder, the nature and extent of the security afforded thereby and the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Bonds and any coupons appurtenant thereto.

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The Series B Bonds may be redeemed at the option of the Company, as a whole or from time to time in part, on any date prior to maturity, upon mailing a notice of such redemption not less than 30 nor more than 60 days prior to the date fixed for redemption to the holders of Series B Bonds at their last registered addresses, all as provided in the Indenture, at the following optional redemption prices (expressed in percentages of the principal amount to be redeemed) together in each case with accrued interest to the date fixed for redemption:

If redeemed during the twelve month period beginning December 1,

Year	Percentage	Year	Percentage
1976 .....	108.20	1989 .....	103.76
1977 .....	107.86	1990 .....	103.42
1978 .....	107.52	1991 .....	103.07
1979 .....	107.17	1992 .....	102.73
1980 .....	106.83	1993 .....	102.39
1981 .....	106.49	1994 .....	102.05
1982 .....	106.15	1995 .....	101.71
1983 .....	105.81	1996 .....	101.37
1984 .....	105.47	1997 .....	101.02
1985 .....	105.12	1998 .....	100.68
1986 .....	104.78	1999 .....	100.34
1987 .....	104.44	2000 .....	100.00
1988 .....	104.10		

provided, however, that no such redemption may be effected prior to December 1, 1986, directly or indirectly from or in anticipation of money borrowed by or for the account of the Company at an interest cost (calculated in accordance with generally accepted financial practice) of less than 8.20% per annum.

The Series B Bonds are also subject to redemption in part, through the operation of the sinking fund provided for in the Indenture, in the aggregate principal amount of \$5,000,000 on each December 1 commencing on December 1, 1982, and continuing to and including December 1, 2000, on notice as set forth above and at 100% of the principal amount thereof (the sinking fund redemption price), together with accrued interest to the date fixed for redemption. In

addition, the Company has the non-cumulative right to increase sinking fund retirements in any year by an amount not in excess of the mandatory sinking fund for such year. In lieu of making all or part of any mandatory or optional sinking fund payment in cash, the Company may at its option receive credit in an amount equal to the principal amount of Series B Bonds acquired in the open market or otherwise and surrendered to the Trustee for cancellation or previously optionally redeemed otherwise than through the optional sinking fund.

The Series B Bonds are issuable in registered form without coupons in denominations of \$1,000 and any integral multiple of \$1,000. In the manner and subject to the limitations provided in the Indenture, but without charge except for any stamp tax or other governmental charge or any other expenses connected therewith, Series B Bonds may be exchanged for an equal aggregate principal amount of Series B Bonds of other authorized denominations at the office or agency of the Company for such exchange in the Borough of Manhattan, The City and State of New York.

Upon due presentment for registration of transfer of this Series B Bond at the office or agency of the Company for such registration in the Borough of Manhattan, The City and State of New York, a new Series B Bond or Bonds of authorized denominations for an equal aggregate principal amount will be issued to the transferee in exchange herefor, subject to the limitations provided in the Indenture, without charge except for any tax or other governmental charge imposed in connection therewith.

Prior to due presentment for registration of transfer of this Series B Bond, the Company, the Trustee, any paying agent, any transfer agent and any Bond registrar may deem and treat the registered holder hereof as the absolute owner of this Bond (whether or not this Bond shall be overdue and notwithstanding any notation of ownership or other writing hereon), for the purpose of receiving payment hereof, or on account hereof, and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any transfer agent nor any Bond registrar shall be affected by any notice to the contrary. All payments made to or upon the order of such registered holder shall, to the extent of the sum or sums paid, effectually satisfy and discharge liability for moneys payable on this Bond.

In case an Event of Default, as defined in the Indenture, shall have happened and be continuing, the principal hereof may be declared, and upon such declaration shall become, due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than 66 $\frac{2}{3}$ % in aggregate principal amount of the then outstanding Bonds to be affected by any action proposed to be taken and represented at any Bondholders' meeting (but in no event less than a majority in principal amount of the then outstanding Bonds to be so affected), to (1) make any change in the lien of the Indenture or any other modification in or addition to any provisions thereof or the rights and obligations of the Company or the rights of the holders of all or any series of the Bonds and appurtenant coupons thereunder, (2) sanction any compromise of the rights of the Bondholders against the Company or against any of its property, (3) release from the lien of the Indenture any of the trust estate, (4) sanction any plan for the reorganization, readjustment or liquidation of the Company, or (5) authorize the acceptance, in satisfaction or partial satisfaction for the sale or transfer of all or any part of the trust estate, of any securities of any corporation or, with the consent of the holders of not less than 50% in aggregate principal amount of the Bonds then outstanding to be affected thereby, to waive any default on the part of the Company, other than a default in payment of principal or interest on Bonds; provided, however, that no such action shall (a) reduce the principal amount of any Bond or the rate of interest thereon or otherwise modify the terms of payment of principal thereof or interest thereon without the consent of the holder of each Bond to be affected by such action or (b) without the consent of the holders of all Bonds, reduce the aforesaid percentage of Bonds the consent of the holders of which is required for any such action.

No reference herein to the Indenture and no provision of this Bond or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Bond at the places, at the respective times, at the rate and in the coin or currency herein prescribed.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture, or in any Bond or coupon, or because of any indebtedness evidenced thereby, shall be had against any incorporator, or against any past, present or future stockholder, officer or director, as such, of the Company or of any successor corporation, either directly or through the Company or any such successor corporation, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of this Bond and as part of the consideration for its issuance.

WHEREAS, all acts and things prescribed by law and by the by-laws of the Company have been duly performed and complied with and the Company has executed this Fourth Supplemental Indenture in the exercise of legal right, power and authority in it vested and all things necessary to make the Series B Bonds, when executed as herein and in the Indenture provided and authenticated by the Trustee, the valid and binding obligations of the Company entitled to the benefits of this Fourth Supplemental Indenture and of the Indenture have been done and performed; and

WHEREAS, for the purposes hereinabove recited, and pursuant to due corporate action, the Company has duly determined to execute and deliver to the Trustee a supplemental indenture in the form hereof supplementing and amending the First and Refunding Mortgage (the First and Refunding Mortgage as hereby supplemented and amended, being herein referred to as the Indenture);

NOW, THEREFORE, this Fourth Supplemental Indenture

WITNESSETH:

That for and in consideration of the premises, of the purchase and acceptance of the Series B Bonds by the holders thereof and the sum of Ten Dollars (\$10.00) lawful money of the United States of America to the Company duly paid by the Trustee at the time of the delivery of this Fourth Supplemental Indenture, the receipt whereof is hereby acknowledged, the Company does hereby covenant and agree with the Trustee as follows:

## PART ONE

## CREATION OF SERIES B BONDS

§1.01. The Company hereby creates a series of First and Refunding Mortgage Bonds under the Indenture in an aggregate principal amount of \$100,000,000. Such Bonds shall be designated as First and Refunding Mortgage 8.20% Bonds, Series B, Due 2001. The terms and provisions of the Series B Bonds shall be as set forth in this Fourth Supplemental Indenture and in the Indenture. The Series B Bonds shall be limited to one hundred million dollars (\$100,000,000) aggregate principal amount except as provided in Section 11 of Article One of the Indenture. The Series B Bonds shall be dated as provided in Section 4 of Article One of the Indenture and §1.03 of this Fourth Supplemental Indenture. The Series B Bonds shall mature December 1, 2001; shall bear interest at the rate of 8.20% per annum payable semi-annually on each June 1 and December 1; and shall be redeemable at the option of the Company and entitled to the benefits of a sinking fund, all as herein and in the Indenture provided.

§1.02. The Series B Bonds and the Trustee's certificate of authentication shall be substantially in the form as in this Supplemental Indenture above recited. Any of the Series B Bonds may have imprinted thereon such legends or endorsements as the officers of the Company executing the same may approve (execution thereof to be conclusive evidence of such approval) and as are not inconsistent with the provisions of the Indenture, or as may be required to conform to usage or to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which the Series B Bonds may be listed.

§1.03. The Series B Bonds shall be issuable as registered Bonds without coupons in denominations of \$1,000 and any integral multiple of \$1,000, and shall be numbered, lettered or otherwise distinguished in such manner or in accordance with such plan as the officers of the Company may determine with the approval of the Trustee.

Every Series B Bond shall be dated the date of its authentication and, except as provided in this §1.03, shall bear interest, payable semi-annually on June 1 and December 1 of each year, from the December

1 or June 1, as the case may be, next preceding the date of such Series B Bond to which interest has been paid, unless the date of such Series B Bond is a date to which interest has been paid, in which case from the date of such Series B Bond, or unless no interest has been paid on the Series B Bonds, in which case from December 1, 1976. Notwithstanding the foregoing, when there is no existing default in the payment of interest on the Series B Bonds, all Series B Bonds authenticated by the Trustee after the close of business on the record date (as hereinafter in this §1.03 defined) for any interest payment date (June 1 or December 1, as the case may be) and prior to such interest payment date shall be dated the date of authentication but shall bear interest from such interest payment date; provided, however, that if and to the extent that the Company shall default in the interest due on such interest payment date then any such Series B Bond shall bear interest from the June 1 or December 1, as the case may be, next preceding the date of such Series B Bond to which interest has been paid, unless no interest has been paid on the Series B Bonds, in which case from December 1, 1976.

The person in whose name any Series B Bond is registered at the close of business on any record date (as hereinafter defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such Series B Bond upon any transfer or exchange subsequent to the record date and prior to such interest payment date; provided, however, that if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, such defaulted interest shall be paid to the persons in whose names outstanding Series B Bonds are registered on a subsequent record date established by notice given by mail by or on behalf of the Company to the holders of Series B Bonds not less than 15 days preceding such subsequent record date, such subsequent record date to be not less than five days preceding the date of payment of such defaulted interest. The term "record date" as used in this §1.03 with respect to any interest payment date shall mean the May 15 or November 15, as the case may be, next preceding such interest payment date, whether or not such day is a business day.

**PART TWO****REDEMPTION OF SERIES B BONDS—MANDATORY AND  
OPTIONAL SINKING FUND**

§2.01. (a) The Company hereby reserves the right to redeem, at its option, the Series B Bonds, as a whole or from time to time in part, at the optional redemption prices specified in the form of Series B Bond hereinabove set forth and in accordance with the procedures upon redemption set forth therein and in this Part Two; provided, however, that no such redemption shall be effected prior to December 1, 1986 directly or indirectly from or in anticipation of moneys borrowed by or for the account of the Company at an interest cost (calculated in accordance with generally accepted financial practice) of less than 8.20% per annum. In the case of any redemption pursuant to this §2.01(a) prior to December 1, 1986, the Company will deliver to the Trustee on or prior to the date fixed for redemption an Officers' Certificate stating that such redemption will comply with the provisions of the proviso contained in the foregoing sentence of this §2.01(a).

(b) The Series B Bonds may also be redeemed in part on December 1, 1982 and on each December 1 thereafter to and including December 1, 2000, through the operation of the sinking fund as set forth in §2.04 of this Fourth Supplemental Indenture at the sinking fund redemption price set forth in the form of Series B Bond hereinabove recited (hereinafter referred to as the sinking fund redemption price), together with accrued interest to the date fixed for redemption.

§2.02. In case the Company shall desire to exercise the right to redeem all, or, as the case may be, any part of the Series B Bonds pursuant to §2.01(a) of this Fourth Supplemental Indenture, it shall fix a date for redemption and shall mail a notice of such redemption at least 30, but not more than 60, days prior to the date fixed for redemption to the holders of Series B Bonds so to be redeemed as a whole or in part at their last addresses as the same appear on the transfer register. Such mailing shall be by first class mail. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice. Failure to give such notice by mail or any defect in the notice to the holder of any Series B Bond designated for redemption as a whole or in part shall

not affect the validity of the proceedings for the redemption of any other Series B Bond.

Each such notice of redemption shall specify the date fixed for redemption, the redemption price at which Series B Bonds are to be redeemed, the place or places of payment, that payment will be made upon presentation and surrender of such Bonds, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon or on the portions thereof to be redeemed will cease to accrue. If less than all the Series B Bonds are to be redeemed the notice of redemption shall specify the numbers of the Series B Bonds to be redeemed. In case any Series B Bond is to be redeemed in part only, the notice of redemption shall state the portion of the principal amount thereof to be redeemed and shall state that on and after the date fixed for redemption, upon surrender of such Series B Bond, a new Series B Bond or Bonds in principal amount equal to the unredeemed portion thereof will be issued.

On or before the redemption date specified in the notice of redemption given as provided in this §2.02, the Company will deposit with the Trustee or with one or more paying agents an amount of money sufficient to redeem on the redemption date all the Series B Bonds so called for redemption at the appropriate redemption price, together with accrued interest to the date fixed for redemption.

If less than all the Series B Bonds are to be redeemed the Company will give the Trustee notice, not less than 45 days prior to the redemption date, of the aggregate principal amount of Series B Bonds to be redeemed and the Trustee shall select, in such manner as in its sole discretion it shall deem appropriate and fair, the Series B Bonds or portions thereof (in integral multiples of \$1,000) to be redeemed.

§2.03. If notice of redemption has been given as provided in §2.02 or §2.04 of this Fourth Supplemental Indenture, the Series B Bonds or portions of Series B Bonds with respect to which such notice has been given shall become due and payable on the date and at the place or places stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption, and on and after said date (unless the Company shall default in the payment of such Series B Bonds at the redemption price, together with interest accrued to said date) interest on the Series B Bonds or portions of Series B Bonds so called for redemption shall cease to accrue. On presentation and sur-

render of such Series B Bonds at a place of payment specified in said notice, the said Series B Bonds or the specified portions thereof shall be paid and redeemed by the Company at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption; provided, however, that semi-annual instalments of interest becoming due on the date fixed for redemption shall be payable to the holders of such Series B Bonds, or one or more previous Series B Bonds evidencing all or a portion of the same debt as that evidenced by such particular Series B Bonds, registered as such on the relevant record dates according to their terms and the provisions of §1.03 of this Fourth Supplemental Indenture.

Upon presentation of any Series B Bond redeemed in part only, the Company shall execute and the Trustee shall authenticate and deliver to the holder thereof, at the expense of the Company, a new Series B Bond or Bonds, of authorized denominations, in principal amount equal to the unredeemed portion of the Series B Bond so presented.

§2.04. As and for a sinking fund for the retirement of Series B Bonds and so long as any of the Series B Bonds remain outstanding and unpaid, the Company will pay to the Trustee or to one or more paying agents in cash, except as hereinafter provided, on or before December 1, 1982 and on or before each December 1 thereafter to and including December 1, 2000, an amount sufficient to redeem \$5,000,000 principal amount of Series B Bonds (or the principal amount then outstanding, if less) at the sinking fund redemption price. The last date on which any such payment may be made is herein referred to as a sinking fund payment date.

At its option the Company may pay into the sinking fund for the retirement of Series B Bonds, on or before each sinking fund payment date, any additional sum in cash up to but not exceeding the mandatory sinking fund payment due on such sinking fund payment date. If the Company intends to exercise its right to make any such optional sinking fund payment, it shall deliver to the Trustee at least 45 days prior to the next succeeding sinking fund payment date a certificate signed by the Treasurer or an Assistant Treasurer of the Company stating that the Company intends to exercise such optional right and specifying the amount which the Company intends to pay on such sinking fund pay-

ment date. If the Company fails to deliver such certificate at or before the time provided above, the Company shall not be permitted to make any optional sinking fund payment with respect to such sinking fund payment date. To the extent that such right is not exercised in any year it shall not be cumulative or carried forward to any subsequent year. No such optional payment shall operate to reduce the amount of any mandatory sinking fund payment.

If the sinking fund payment or payments (mandatory or optional) to be made in cash plus any unused balance of any preceding sinking fund payments made in cash shall exceed \$50,000 (or a lesser sum if the Company shall so request) on any December 1, such aggregate amount shall be applied by the Trustee or one or more paying agents on such December 1 to the redemption of Series B Bonds at the sinking fund redemption price together with accrued interest to the date fixed for redemption. The Trustee shall select, in the manner provided in § 2.02 of this Fourth Supplemental Indenture, for redemption on such December 1 a sufficient principal amount of Series B Bonds to absorb said cash, as nearly as may be, and the Trustee shall, at the expense and in the name of the Company, thereupon cause notice of redemption of such Series B Bonds to be given in substantially the manner and with the effect provided in said § 2.02 and § 2.03 of this Fourth Supplemental Indenture for the redemption of Series B Bonds in part at the option of the Company, except that the notice of redemption shall also state that the Series B Bonds are being redeemed for the sinking fund. Any sinking fund moneys not so applied or allocated by the Trustee or any paying agent to the redemption of Series B Bonds shall be added to the next cash sinking fund payment received by the Trustee or such paying agent and, together with such payment, shall be applied in accordance with the provisions of this § 2.04. Any and all sinking fund moneys held by the Trustee or any paying agent on December 1, 2000, and not held for the payment or redemption of particular Series B Bonds, shall be applied by the Trustee or such paying agent, together with other moneys, if necessary, to be deposited sufficient for the purpose, to the payment of the principal of the Series B Bonds at maturity.

On or before each sinking fund payment date, the Company shall pay to the Trustee or to one or more paying agents in cash a sum equal to all interest accrued to the date fixed for redemption on Series B Bonds to be redeemed on such date pursuant to this § 2.04.

In lieu of making all or any part of any sinking fund payment in cash, the Company at its option (i) may deliver to the Trustee Series B Bonds theretofore purchased by the Company and (ii) may apply as a credit, the amount of Series B Bonds which have been redeemed pursuant to §2.01 (a) of this Fourth Supplemental Indenture, provided that such amount of Series B Bonds shall not have previously been so applied. Series B Bonds so delivered or applied shall be credited at the sinking fund redemption price. If the Company intends so to deliver or apply Series B Bonds with respect to any sinking fund payment, it shall deliver to the Trustee at least 45 days prior to the next succeeding sinking fund payment date (a) a certificate signed by the Treasurer or an Assistant Treasurer of the Company specifying the respective portions of such sinking fund payment to be satisfied by payment of cash and by the delivery or application of Series B Bonds and (b) (unless previously delivered) such Series B Bonds. All Series B Bonds so delivered to the Trustee shall be cancelled by the Trustee and no Series B Bonds shall be authenticated in lieu thereof. If the Company fails to deliver such certificate and Series B Bonds at or before the time provided above, the Company shall not be permitted to satisfy any portion of such sinking fund payment by delivery or application of Series B Bonds.

Neither the Trustee nor any paying agent shall redeem any Series B Bonds with sinking fund moneys, and the Trustee shall not mail any notice of redemption of Series B Bonds by operation of the sinking fund, during the continuance of a default in payment of interest on the Bonds of any series or of any event of default (other than an event of default occurring as a consequence of this paragraph), except that if the notice of redemption of any Series B Bonds shall theretofore have been mailed in accordance with the provisions hereof, the Trustee or any paying agent shall redeem such Series B Bonds if cash sufficient for that purpose shall be deposited with the Trustee or such paying agent for that purpose in accordance with the terms of this Part Two. Except as aforesaid, any moneys in the sinking fund at the time when any such default or event of default shall occur and any moneys thereafter paid into the sinking fund shall, during the continuance of such default or event of default, be held as security for the payment of all the Bonds; provided, however, that in case such default or event of default shall have been made good or waived as provided in the Indenture, such moneys shall

thereafter be applied on the next December 1 on which such moneys may be applied pursuant to the provisions of this §2.04.

Pursuant to Section 3 of Article Thirteen of the Indenture, default by the Company in the payment of any sinking fund payment (mandatory or optional), when the same shall become due and payable, and continuance of such default for 60 days, is hereby expressly made and constituted an additional event of default under Subdivision (c) of Section 1 of Article Six of the Indenture.

### PART THREE

#### MISCELLANEOUS

§3.01. This Supplemental Indenture is executed by the Company and the Trustee pursuant to Article Thirteen of the Indenture and shall be deemed to be part of the Indenture for any and all purposes. The Indenture, as supplemented by this Fourth Supplemental Indenture, is, except as amended by this Fourth Supplemental Indenture, in all respects hereby ratified and confirmed.

§3.02. The headings of the several Parts and Articles hereof and the statements contained in the Table of Contents prefixed hereto are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

§3.03. This Fourth Supplemental Indenture may be executed in any number of counterparts, each of which shall be and shall be taken to be an original, and all such counterparts shall together constitute one and the same instrument.

IN WITNESS WHEREOF, Southern Pacific Transportation Company, the party of the first part, has caused this Fourth Supplemental Indenture to be signed in its corporate name and acknowledged by its President, or a Vice President, and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and Bankers Trust Company, as Trustee as aforesaid, the party hereto of the second part, has caused this Fourth Supplemental Indenture to be signed in its corporate name and acknowledged by a Vice President or an Assistant Vice President, and its corporate seal to be hereunto affixed by an Assistant Secretary, all as of December 1, 1976.



SOUTHERN PACIFIC TRANSPORTATION COMPANY,

By Robert J. McLean  
Executive Vice President—Finance

[CORPORATE SEAL]

Attest:

Anthony J. Turi  
Secretary

BANKERS TRUST COMPANY,

By Edward J. Russo  
Vice President

[CORPORATE SEAL]

Attest:

Anthony J. Turi  
Assistant Secretary



Approved as to form for execution by Southern Pacific Transportation Company.

Howard C. Wetherill

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STATE OF CALIFORNIA,  
CITY AND COUNTY OF SAN FRANCISCO, } ss.:

BE IT REMEMBERED that on this 10<sup>th</sup> day of December, in the year 1976, before me, GENE H. ELLINGER, a notary public for the State of California, residing therein, duly commissioned and sworn, personally appeared and came ROBERT J. MCLEAN, to me personally known and known to me to be and who acknowledged himself to be a Vice President of Southern Pacific Transportation Company, a corporation of the State of Delaware, one of the corporations that is a party to and which executed the within and foregoing instrument, and also known to me to be the person who executed said instrument on behalf of said corporation, who being by me duly sworn, did, on oath, depose and say and acknowledge that he resides at 530 Patrick Way, Los Altos, California 94022; that he is a Vice President of Southern Pacific Transportation Company, a corporation described in and which executed the above and foregoing instrument as party of the first part; that said instrument was signed and sealed on behalf of said corporation by authority of and pursuant to a resolution of its Board of Directors and that his act of sealing, executing and delivering said instrument was duly authorized by like authority, and said ROBERT J. MCLEAN, acknowledged to me said instrument to be his own act and deed and the voluntary act and deed of said corporation and that said corporation executed the same; that his signature as Executive Vice President —Finance is in his own proper handwriting; that he knows and is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation and was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order; that the signatures to said instrument were made upon like order by officers of said corporation as indicated after their signatures and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

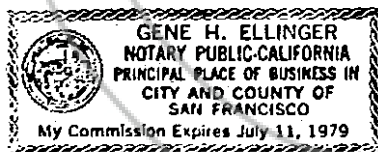
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the City and County of San Francisco, State of California, on the day and year first above written.

*Gene H. Ellinger*  
Notary Public

GENE H. ELLINGER  
Notary Public

in and for the State of California.  
Principal place of business in the  
City and County of San Francisco.  
My commission expires July 11, 1979.

[NOTARIAL STAMP]



BOOK 58 PAGE 204

STATE OF NEW YORK, }  
COUNTY OF NEW YORK, } ss.:

BE IT REMEMBERED that on this 13<sup>th</sup> day of December, in the year 1976, before me, LYLE TEMPLE, a notary public for the State of New York, residing therein, duly commissioned and sworn, personally appeared and came ROMANO I. PELUSO, to me personally known and known to me to be and who acknowledged himself to be a Vice President of Bankers Trust Company, a corporation organized and existing under the laws of the State of New York, one of the corporations that is a party to and which executed the within and foregoing instrument; and also known to me to be the person who executed said instrument on behalf of said corporation, who being by me duly sworn, did, on oath, depose and say and acknowledge that he resides at 38 East 85th Street, New York, New York, 10028; that he is a Vice President of Bankers Trust Company, a corporation described in and which executed the above and foregoing instrument as party of the second part; that said instrument was signed and sealed on behalf of said corporation by authority of and pursuant to a resolution of its Board of Directors and that his act of sealing, executing and delivering said instrument was duly authorized by like authority, and said ROMANO I. PELUSO acknowledged to me said instrument to be his own act and deed and the voluntary act and deed of said corporation and that said corporation executed the same; that his signature as a Vice President is in his own proper handwriting; that he knows and is acquainted with the seal of said corporation and that the seal affixed to said instrument is the corporate seal of said corporation and was so affixed by order of the Board of Directors of said corporation and that he signed his name thereto by like order; that the signatures to said instrument were made upon like order by officers of said corporation as indicated after their signatures and that the said corporation executed the said instrument freely and voluntarily and for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County of New York, State of New York, on the day and year first above written.

*Lyle Temple*  
Notary Public

[NOTARIAL SEAL]

RECORDED AT THE REQUEST OF  
South Pacific Transportation Co.  
on January 20, 1977 LYLE TEMPLE  
at 10 mins. past 11 A. M. Notary Public, State of New York  
in Book 58 of OFFICIAL 30-3948960  
RECORDS, page 184-205 Qualified in Nassau County  
OF EUREKA COUNTY, NEVADA Certificate filed in New York County  
WILL A. DeFACCI Commission Expires March 30, 1977  
Recorder  
File No. 62659 Page 24 of 24

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