

This Certificate of Satisfaction, Discharge and Release of Mortgage (the "Release") is made as of September 19, 1997, from BANKERS TRUST COMPANY, a corporation duly organized and existing under the laws of the United States (hereinafter called "Trustee") to SOUTHERN PACIFIC TRANSPORTATION COMPANY, a corporation organized and existing under the laws of the State of Delaware (hereinafter called "Railroad Company"), which is successor to Southern Pacific Company, which was successor to the Central Pacific Railway Company;

WHEREAS, Central Pacific Railway Company (now Southern Pacific Transportation Company) heretofore executed, acknowledged and delivered to Bankers Trust Company, as Trustee, an indenture dated as of August 1, 1958, originally known as its "General Mortgage", as supplemented by Supplemental Indenture dated as of June 30, 1959; Second Supplemental Indenture dated as of November 26, 1969; Third Supplemental Indenture dated as of July 15, 1976, Fourth Supplemental Indenture dated as of December 1, 1976; Fifth Supplemental Indenture dated as of August 1, 1983; Sixth Supplemental Indenture dated as of January 1, 1984; Seventh Supplemental Indenture dated as of January 1, 1985; Eighth Supplemental Indenture dated as of April 8, 1988; Ninth Supplemental Indenture dated as of August 30, 1989; and Tenth Supplemental Indenture dated as of March 28, 1990 thereto, (such General Mortgage, together with said Supplements being herein referred to as the "First and Refunding Mortgage") mortgaging certain lines of railroad, premises, income, rents, issues, real and personal properties, rights, franchises, estates and appurtenances, all as more fully described therein, to

secure the payment of the principal of and interest on the First and Refunding Mortgage Bonds issued and to be issued from time to time thereunder in accordance with the provisions thereof; and

WHEREAS, by Agreement dated as of November 21, 1958, Central Pacific Railway Company was merged on June 30, 1959 into Southern Pacific Company, which became the corporate successor of Central Pacific Railway Company; and

WHEREAS, by execution and delivery to the Trustee of the Supplemental Indenture dated as of June 30, 1959, Southern Pacific Company succeeded to the property of Central Pacific Railway Company and assumed the obligations of Central Pacific Railway Company under the First and Refunding Mortgage; and

WHEREAS, by execution and delivery to the Trustee of the Second Supplemental Indenture dated as of November 26, 1969, Railroad Company succeeded to the property of Southern Pacific Company and assumed the obligations of Central Pacific Railway Company and Southern Pacific Company under the First and Refunding Mortgage; and

WHEREAS, Article Eleven of the First and Refunding Mortgage provides that Railroad Company may cause to be paid, the whole amount of the principal, premium, if any, and interest due or to become due upon all of the First and Refunding Mortgage Bonds and coupons then outstanding and pay to the Trustee all other sums now due and payable under the First and Refunding Mortgage ("Full Payment");

CLAWBACK BANK TRUST REL

WHEREAS, on October 21, 1996, Chase Manhattan Bank as Paying Agent received \$31,469,700 representing payment for all outstanding bonds of the First and Refunding Mortgage.

WHEREAS, Article Eleven provides that the Trustee, upon receipt of the written request of the Railroad Company, a resolution of the Board of Directors of the Railroad Company expressing the Company's election that action be taken, and an opinion of counsel that all conditions precedent have been complied with, shall execute and deliver to the Railroad Company at the cost and expense of the Railroad Company such instruments as shall be necessary to enable the Railroad Company to enter satisfaction of the First and Refunding Mortgage upon the record so that all property, rights and interests conveyed or assigned under the First and Refunding Mortgage and all the Supplement Indentures thereto shall revert to the Railroad Company.

NOW, THEREFORE, in consideration of Railroad Company's payment described above, the Trustee does hereby acknowledge that the First and Refunding Mortgage has been satisfied, paid and discharged and has ceased to be of any effect, and Trustee does hereby remise, release and forever quitclaim unto Railroad Company, its successors and assigns, all of the Trustee's right, title and interest, in and to all of the property, rights and interest conveyed, assigned or pledged under the First and Refunding Mortgage and all Supplemental Indentures thereof and discharges the same from the lien of said First and Refunding Mortgage. The Trustee hereby also authorizes, requests and directs the appropriate recording officer, for each of the counties in which the First and Refunding Mortgage has been filed of record, to satisfy, discharge and release the lien of

CLAWBACK BANK TRUST

the First and Refunding Mortgage from the mortgage records of the respective county, including, but not limited to, those liens listed on Exhibit A attached hereto and made a part hereof.

TO HAVE AND TO HOLD all the property, rights and interests hereby released and conveyed to Railroad Company, its successors and assigns, to its and their own proper use, benefit and behalf forever, free and clear and discharged of and from all lien and claim under and by virtue of said First and Refunding Mortgage.

Except as herein specifically provided, this CERTIFICATE OF FULL SATISFACTION, DISCHARGE AND RELEASE OF THE FIRST AND REFUNDING MORTGAGE is made, executed and delivered without any representation, covenant or warranty whatsoever, express or implied, on the part of the Trustee, and without recourse to it in any event.

Trustee agrees to execute at the expense of the Railroad Company any other supporting documents requested by any County Recorder in order to ensure the proper satisfaction, discharge and release of the lien of the First and Refunding Mortgage.

This instrument is executed in a number of original counterparts for convenience of recording, and such counterparts together constitute but one and the same instrument which shall be sufficiently evidenced by any such original counterpart.

[SIGNATURES APPEAR ON NEXT PAGE]

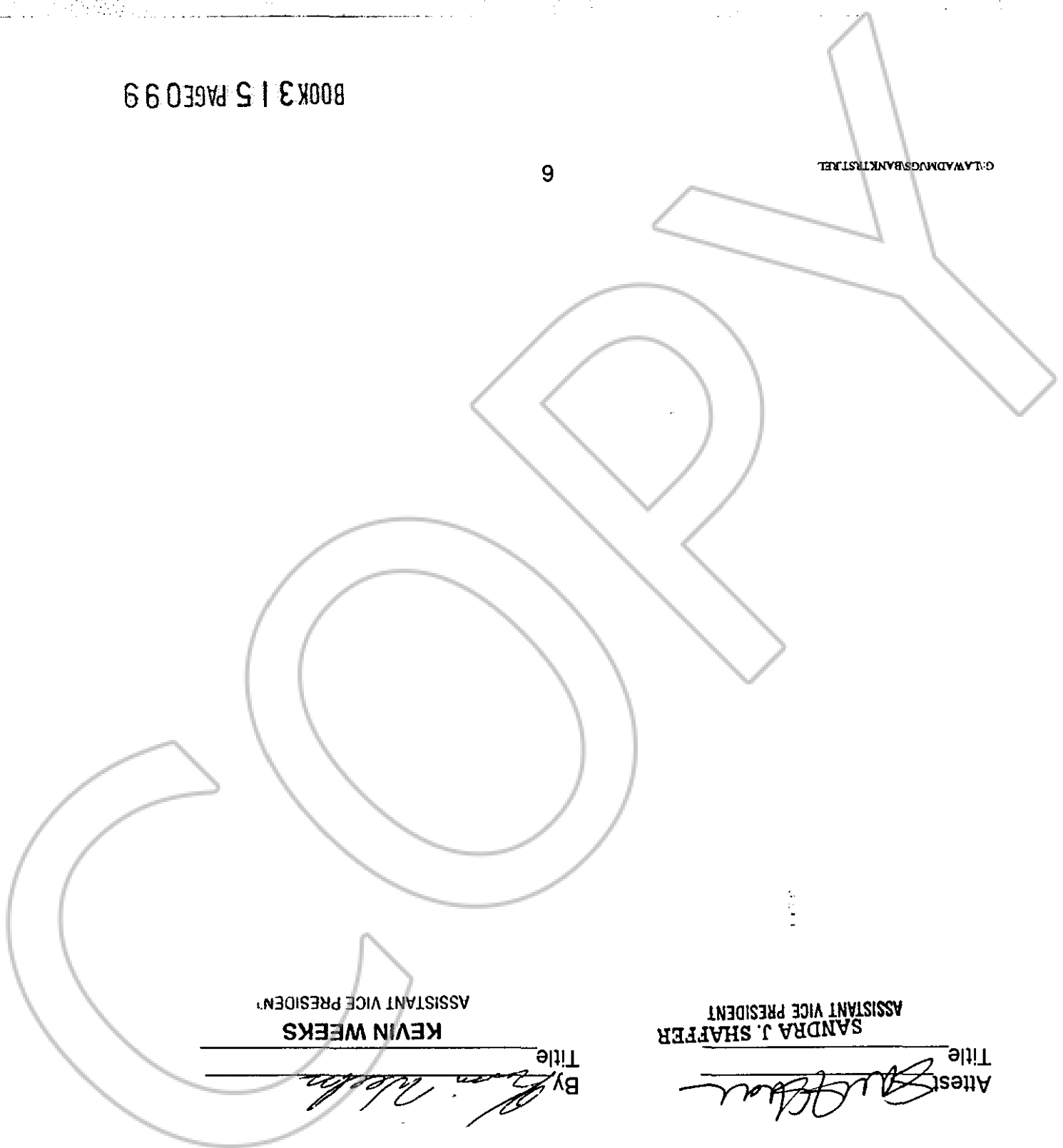
CLAWSON BANK TRUSTEE

IN WITNESS WHEREOF, Bankers Trust Company, as Trustee, has caused these presents to be executed by its officer hereunto duly authorized, under its corporate seal, the day and year first above written:

BANKERS TRUST COMPANY
as Trustee

By *Kevin Weeks*
Title
KEVIN WEEKS
ASSISTANT VICE PRESIDENT

Attest *Sandra J. Shaffer*
Title
SANDRA J. SHAFFER
ASSISTANT VICE PRESIDENT



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STATE OF NEW YORK)
(ss:
(COUNTY OF NEW YORK)

On this 16TH day of September, 1997, before me, MARGARET BERZA

a Notary Public, duly commissioned, qualified and acting within and for said County and State, appeared in person the within named KEVIN WELLS and

SANDRA J. SHAFER, being the ASSISTANT VICE PRESIDENT and

ASSISTANT VICE PRESIDENT, respectively, of BANKERS' TRUST COMPANY, a

corporation, and who had been designated by said corporation to execute the foregoing

instrument, to me personally well known, who stated they were the ASSISTANT VICE PRESIDENT

and ASSISTANT VICE PRESIDENT of said BANKERS' TRUST COMPANY, a corporation,

and were duly authorized in their respective capacities to execute the foregoing instrument

for and in the name and behalf of said corporation, as Trustee as aforesaid, and further

stated and acknowledged that they had so signed, executed and delivered said foregoing

instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal this 16TH

day of September, 1997.

My Commission Expires:

Notary Public

MARGARET BERZA
Notary Public, State of New York
No. 31-5023900
Qualified in New York County
Commission Expires 2/22/98

(NOTARY SEAL)

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EXHIBIT A

**CENTRAL PACIFIC RAILWAY COMPANY
(NOW SOUTHERN PACIFIC TRANSPORTATION COMPANY)**

to

BANKERS' TRUST COMPANY, Trustee

FIRST AND REFUNDING MORTGAGE

Dated as of August 1, 1958

(Originally Known as General Mortgage)

FILING AND RECORDING DATA

Filed

Nevada

On December 17, 1958, in the Office of the County Recorder
of Washoe County, Nevada (CP No. 47)

Recorded

California

On January 7, 1959, in Book 8894, Page 543, Official Records
of Alameda County, California (CP No. 8)

On December 31, 1958, in Volume 973, Page 194,
Official Records of Butte County, California (CP No. 9)

On December 31, 1958, in Liber 3291, Page 201,
Records of Contra Costa County, California (CP No. 10)

On December 31, 1958, in Book 4155, Page 456,
Fresno County, California (CP No. 11)

On December 19, 1958, in Volume 144, Page 19,
Official Records of Lassen County, California (CP No. 12)

On January 2, 1958, in Book 732, Page 537,
Official Records of Madera County, California (CP No. 13)

On December 18, 1958, in Volume 1396, Page 256,
Official Records of Merced County, California (CP No. 14)

On December 18, 1958, in Liber 161, Page 181,
Official Records of Modoc County, California (CP No. 15)

On December 31, 1958, in Volume 255, Page 100,
Official Records of Nevada County, California (CP No. 16)

On December 31, 1958, in Volume 781, Page 477,
Official Records of Placer County, California (CP No. 17)

On January 5, 1959, in Book 2390, Page 195,
Official Records of Riverside County, California (CP No. 18)

On January 2, 1959, in Volume 3669, Page 1,
Official Records of Sacramento County, California (CP No. 19)

On December 31, 1958, in Book 7436, Page 223,
County of San Francisco, California (CP No. 20)

On December 31, 1958, in Book 2131, Page 170,
Official Records of San Joaquin County, California (CP No. 21)

On January 7, 1959, in Volume 3523, Page 376,
Official Records of San Mateo County, California (CP No. 22)

On January 7, 1959, in Book 4282, Page 388,
Official Records of Santa Clara County, California (CP No. 23)

On January 8, 1959, in Book 587, Page 230,
Official Records of Shasta County, California (CP No. 24)

On January 14, 1959, Volume 21, Page 149,
Official Records of Sierra County, California (CP No. 25)

On December 17, 1958, in Volume 415, Page 29,
 Official Records of Siskiyou County, California (CP No. 26)

On January 2, 1959, in Volume 1521, Page 113,
 Official Records of Stanislaus County, California (CP No. 27)

On January 2, 1959, in Volume 501, Page 297,
 Official Records of Sutter County, California (CP No. 28)

On December 31, 1958, in Book 341, Page 1,
 Official Records of Tehama County, California (CP No. 29)

On December 31, 1958, in Volume 2094, Page 90,
 Official Records of Tulare County, California (CP No. 30)

On December 17, 1958, in Book 266, Page 434,
 Official Records of Yuba County, California (SP No. 31)

Nevada

On December 29, 1958, in Book 29, Page 462 of Mortgages,
 Churchill County, Nevada (CP No. 32)

On December 19, 1958, in Book 33, Page 83 of Real Mortgages,
 Elko County, Nevada (CP No. 33)

On January 7, 1959, in Liber 1, Page 22 of Real Mortgages,
 Eureka County, Nevada (CP No. 34)

On December 18, 1958, in Book T, Page 251 of Mortgages,
 Humboldt County, Nevada (CP No. 35)

On December 18, 1958, in Book 9, Page 129 of Mortgages,
 Lander County, Nevada (CP No. 36)

On January 2, 1959, in Book Y, Page 432 of Mortgages,
 Lyon County, Nevada (CP No. 37)

On December 31, 1958, in Book 13, Page 167 of Real Mortgages
 Mineral County, Nevada (CP No. 38)

On December 18, 1958, Book 9, Page 151 of Official Records,
 Pershing County, Nevada (CP No. 39)

On December 17, 1958, recorded in Book Q, Page 149 of Mortgages,
Story County, Nevada (CP No. 40)

On December 17, 1958, in Book 79, Page 475 of Mortgages,
Washoe County, Nevada (CP No. 41)

Utah

On January 2, 1959, Book 122, Page 1,
Box Elder County, Utah (CP No. 42)

On January 5, 1959, Book 599, Page 504 of Records,
Weber County, Utah (CP No. 43)

Oregon

On December 17, 1958, in Volume 187, Page 46 of Mortgages,
Klamath County, Oregon (CP No. 44)

On December 18, 1958, Book 48, Page 107, Records of
Real Estate Mortgages, Lake County, Oregon (CP No. 45)

On January 2, 1959, Reel 124'59M, Official Records,
Lane County, Oregon (CP No. 46)

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OFFICIAL RECORDS

RECORDED AT THE REQUEST OF

Union Pacific Railroad Co.

97 OCT 20 AM 8:39

FUREKA COUNTY NEVADA
H.M. REBELEATI, RECORDER

FILE NO.
FEES \$17.00

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