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Vol. 77 Page 1077

SOUTHERN PACIFIC TRANSPORTATION COMPANY
TO
BANKERS TRUST COMPANY,
Trustee.

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

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

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Dated as of December 1, 1976

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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-

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:

SOUTHERN PACIFIC TRANSPORTATION COMPANY

No.

§

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-

ever, that payment of interest may be made at any time by check mailed to the address of the person to whose address shall appear on the transfer register of the foregoing, if the date hereof is after May 1, 1976, in any case may be, and before the following June 1, 1976, shall bear interest from such June 1 or December 1, 1976. However, that if the Company shall default in the payment of on such June 1 or December 1, then this Bond shall bear the next preceding December 1 or June 1, 1976, if not paid or, if no interest has been paid on such date, on December 1, 1976. The interest so payable on the Bond will, subject to certain exceptions provided in the Bond, on the reverse hereof, be paid to the person to whom registered at the close of business on the May 1, 1976, in any case may be, next preceding such June 1 or December 1, 1976, if not such day shall be a business day.

Reference is made to the further provisions on the reverse hereof. Such further provisions have the same effect as though fully set forth

This Bond shall not be valid or become
until the certificate of authentication hereof
the Trustee under the Indenture referred to

Indenture, such
Mortgage 8.20%
Series B Bonds)
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COMPANY

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8.20% BOND,

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er for the payment of
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the case may be, next
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1976, until payment of
ded for; provided, how-

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.

Dated:

By _____ President

By _____ Secretary

BANKERS TRUST COMPANY, as Trustee

By _____
Authorized Officer

SERIES B, DUE 20

This Bond is one of a duly authorized iss Mortgage Bonds (herein referred to as the gregate principal amount, issuable in serie under and equally and ratably secured by August 1, 1958, between Central Pacific Rail Trust Company, as Trustee (herein refe originally known as the Central Pacific Mortgage, as supplemented and amended third of, three supplemental indentures th 1959, November 26, 1969, and July 15, 19 supplemented, amended and restated, is n Pacific Transportation Company First and is one of a series of such Bonds designat Mortgage 8.20% Bonds, Series B, Due 2 the Series B Bonds), limited to the aggr \$100,000,000 created by the Fourth Suppl of December 1, 1976, executed and delive Trustee. The term "Indenture" as used he Southern Pacific Transportation Company gage, as supplemented and amended by Indenture and as it may hereafter be su any further supplemental indenture. The suable under the Indenture may be for amounts, and the Bonds of any one serie of any other series as to maturity, inter sion and sinking fund provisions, if any, denture provided. Reference is hereby n description of the franchises and properti part of the trust estate thereunder, the n rity afforded thereby and the rights, limi duties and immunities thereunder of the T holders of the Bonds and any coupons appu

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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 sinking fund retirements in any year by an amount equal to the mandatory sinking fund for such year. In lieu of any mandatory or optional sinking fund payment, the Company may at its option receive credit in an amount equal to the amount of Series B Bonds acquired in the open market and surrendered to the Trustee for cancellation, or may be redeemed otherwise than through the optional sinking fund.

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

Upon due presentment for registration of a Series B Bond at the office or agency of the Company in the Borough of Manhattan, The City and State of New York, the Series B Bond or Bonds of authorized denomination and the aggregate principal amount will be issued to the transferee, for, subject to the limitations provided in the Indenture, except for any tax or other governmental charges thereon.

Prior to due presentment for registration of a Series B Bond, the Company, the Trustee, any paying agent and any Bond registrar may deem and treat the Company as the absolute owner of this Bond (whether or not overdue and notwithstanding any notation to the contrary hereon), for the purpose of receiving payments on account hereof, and for all other purposes, and the Trustee nor any paying agent nor any Bond registrar shall be affected by any notices or demands made to or upon the order of such registrar to the extent of the sum or sums paid, effectually discharging the liability for moneys payable on this Bond.

the Company,
to maturity,
80 nor more
the holders of
provided in the
expressed in
either in each

December 1,

Percentage

103.76
103.42
103.07
102.73
102.39
102.05
101.71
101.37
101.02
100.68
100.34
100.00

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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.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than 66 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 of 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.

WHEREAS, all acts and things prescribed of the Company have been duly performed, the Company has executed this Fourth Supplemental Indenture to exercise of legal right, power and authority necessary to make the Series B Bonds, which are hereby made a part of the Indenture provided and authenticated by the signatures and seals of the duly authorized officers and binding obligations of the Company entered into by and under the Fourth Supplemental Indenture and of the acts and things therein provided and performed; and

WHEREAS, for the purposes hereinabove recited, the Company has duly delivered to the Trustee a supplemental indenture supplementing and amending the First and Refunding Mortgage as hereby supplemented (herein referred to as the Indenture);

Now, THEREFORE, this Fourth Supplement

WITNESSET

That for and in consideration of the pre-
acceptance of the Series B Bonds by the holder
of Ten Dollars (\$10.00) lawful money of the
to the Company duly paid by the Trustee
of this Fourth Supplemental Indenture, the
acknowledged, the Company does hereby cove-
Trustee as follows: