

When recorded, please return to: McCord Company
1581 Mission Street
San Francisco, CA 94103

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SOUTHERN PACIFIC TRANSPORTATION COMPANY

TO

BANKERS TRUST COMPANY,
Trustee.

NINTH SUPPLEMENTAL INDENTURE

Dated as of August 30, 1989

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 11 $\frac{1}{2}$ Bonds,
Series F, Due 1997

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Ninth Supplemental Indenture, dated as of August 30, 1989, 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, recorded on December 17, 1958, in Volume 187, Page 46 of Mortgages, Klamath County, Oregon (CP No. 44).

'89 SEP 11 AM 11 50

TABLE OF CONTENTS*

NINTH SUPPLEMENTAL INDENTURE

Dated as of August 30, 1989

	<u>Page</u>
Parties	1
Recitals.	1
PART ONE -- SUBSTITUTION OF TERMS	3
§1.01. Substitution of Terms of Supplemental Indenture	3
and Text of Series F Bonds	3
§1.02. Legend and Endorsement of Series F Bonds. . . .	3
PART TWO -- MISCELLANEOUS	3
§2.01. Execution and Status of Supplemental Indenture.	3
§2.02. Table of Contents and Headings.	3
§2.03. Execution in Counterparts	3
Testimonium	3
Signatures	4
Acknowledgements	

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

NINTH SUPPLEMENTAL INDENTURE

THIS NINTH SUPPLEMENTAL INDENTURE dated as of August 30, 1989, 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 an indenture, dated as of August 1, 1958, originally known as its "General Mortgage", which General Mortgage, as supplemented and amended by, and restated by the third of eight supplemental indentures thereto, dated as of June 30, 1959, November 26, 1969, July 15, 1976, December 1, 1976, August 1, 1983, January 1, 1984, January 1, 1985 and April 8, 1988 (hereinafter, each a "Supplemental Indenture" and collectively the "Supplemental Indentures") is now known as the "Southern Pacific Transportation Company First and Refunding Mortgage" (such mortgage, as supplemented, amended and restated by the Supplemental Indentures, being hereinafter called the "First and Refunding Mortgage") and

WHEREAS, the First and Refunding Mortgage provides for the issuance in series from time to time thereunder of certain bonds (hereinafter called the "First and Refunding Mortgage Bonds") for the purposes and subject to the limitations specified in the First and Refunding Mortgage; 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 Supplemental Indenture and are now retired; and

WHEREAS, bonds of a series designated as "First and Refunding Mortgage, 8.20% Bonds, Series B, Due 2001" have heretofore been issued under the fourth Supplemental Indenture and are now outstanding and held publicly under the First and Refunding Mortgage; and

WHEREAS, bonds of a series designated as "First and Refunding Mortgage, 12-3/4% Bonds, Series C, Due 1993" (hereinafter called the "Series C Bonds") have heretofore been issued under the fifth Supplemental Indenture and have been retired; and

WHEREAS, bonds of a series designated as "First and Refunding Mortgage, 13-3/8% Bonds, Series D, Due 1993" (hereinafter called the "Series D Bonds") have heretofore been issued under the sixth Supplemental Indenture and have been retired; and

WHEREAS, bonds of a series designated as "First and Refunding Mortgage, 13% Bonds, Series E, Due 1993" (hereinafter called the Series E Bonds") have heretofore been issued under the seventh Supplemental Indenture and have been retired; and

WHEREAS, bonds of a series designated as "First and Refunding Mortgage 11% Bonds, Series F Bonds) have heretofore been issued under the eighth Supplemental Indenture and are now outstanding and held privately under the First and Refunding Mortgage; and

WHEREAS, a first-priority security interest in the Series F Bonds was granted by the Company to secure the Company's obligations pursuant to a Credit Agreement dated as of April 4, 1988 between the Company and five Banks ("Banks") (hereinafter referred to as the "Credit Agreement"); and

WHEREAS, Section 1.03 of the eighth Supplemental Indenture and the text of the Series F Bonds contain references to said Credit Agreement; and

WHEREAS, the Company desires to amend and restate the Credit Agreement in its entirety and, for that purpose, enter into an Amended and Restated Credit Agreement to be effective as of August 30, 1989 ("Amended Credit Agreement"); and, accordingly, to substitute references to the Amended Credit Agreement for the existing references to the Credit Agreement in the eighth Supplemental Indenture and the text of the Series F Bonds; 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;

NOW, THEREFORE, this Ninth Supplemental Indenture

W I T N E S S E T H :

That for and in consideration of the premises and the sum of ten dollars (\$10.00) lawful money of the United States of America duly paid by the Trustee to the Company at the time of the delivery of this Ninth Supplemental Indenture, the receipt whereof is hereby acknowledged, the Company does hereby covenant and agree with the Trustee as follows:

PART ONE

Substitution of Terms

§1.01. All references in the Eighth Supplemental Indenture and in the text of the Series F Bonds to a Credit Agreement dated as of April 4, 1988 among the Company and five banks defined therein as the "Credit Agreement" shall be deemed to be stricken and replaced by references to an Amended and Restated Credit Agreement, dated as of August 30, 1989 among the Company and four banks, as the same may be amended from time to time, to be defined hereafter as the "Amended Credit Agreement."

§1.02. The Series F Bonds shall have imprinted thereon a legend or endorsement, in such form as the officers of the Company executing the same and the Trustee may approve, referencing the Amended Credit Agreement in lieu of the Credit Agreement consistent with the provisions of this ninth Supplemental Indenture.

PART TWO

Miscellaneous

§2.01. This Ninth 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, except to the extent amended hereby, is in all respects hereby ratified and confirmed and shall be and remain in full force and effect without change.

§2.02. The headings of the several parts and sections 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.

§2.03. This Ninth 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 Ninth Supplemental Indenture to be signed in its corporate name and acknowledged by its Chairman, any Vice Chairman, its President, its Vice President-Finance or its Treasurer, and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and Bankers Trust Company, as Trustee, the party

17015

hereto of the second part, has caused this Ninth Supplemental Indenture to be signed in its corporate name and acknowledged by a Vice President or an Assistant Vice President thereof, and its corporate seal to be hereunto affixed by a Secretary or an Assistant Secretary thereof, all as of August 30, 1989.

SOUTHERN PACIFIC
TRANSPORTATION COMPANY,

By: *E. E. Seely*
Title: Treasurer

Attest:
G. F. Kaimull
Secretary

BANKERS TRUST COMPANY,

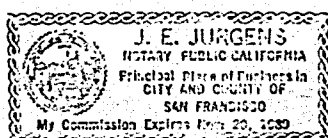
By: *Guillermo*
Vice President

Attest:
Linda Alvey
Assistant Secretary

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

BE IT REMEMBERED that on this 30th day of August, in the year 1989, before me, JOHN E. JURGENS, a notary public for the State of California, residing therein, duly commissioned and sworn, personally appeared and came E. F. GRADY, to me personally known and known to me to be and who acknowledged himself to be a Treasurer 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 26 Dior Terrace, Los Altos, CA 94022; that he is a Treasurer 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 E. F. GRADY 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 Treasurer 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.



Notary Public

[Signature]

STATE OF NEW YORK)
COUNTY OF NEW YORK)

ss.:

BE IT REMEMBERED that on this 29th day of August, in the year 1989, before me, Desiree Marshall, a notary public for the State of New York, residing therein, duly commissioned and sworn, personally appeared and came Eric W.M. Yee, 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 300 Albany St New York, New York 10280; 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 Eric W.M. Yee 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 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.

Notary Public

Desiree Marshall

DESIREE MARSHALL
Notary Public, State of New York
No. 24-485294
Qualified in Kings County
Certificate filed in New York County
Commission Expires February 17, 1991

STATE OF OREGON, ss.
County of Klamath

Filed for record at request of:

on this 11th day of September A.D. 19 89
at 11:50 o'clock A M. and duly recorded
in Vol. M89 of Mortgages Page 17010

EVELYN BIEHN

County Clerk

By

Desiree Marshall

Deputy.

Fee, \$43.00