

MORTGAGE RECORD 85

(hereinafter sometimes called the "Bonds") for an aggregate principal amount, at any one time outstanding, of Two Hundred Million Dollars (\$200,000,000), issuable from time to time in the form or forms hereby authorized and upon the conditions hereinafter set forth; and

WHEREAS, the Bonds are to be issued in series and the Bonds of the initial series, known as the "Refunding Mortgage Bonds, Series A" (hereinafter referred to as the "Bonds of Series A") and the interest coupons to be attached to the coupon Bonds of Series A, and the Trustee's certificate of Authentication to be endorsed on all Bonds are to be substantially in the following forms, respectively:

(FORM OF COUPON BOND OF SERIES A.)

No.

\$1000

UNION PACIFIC RAILROAD COMPANY
REFUNDING MORTGAGE BOND, SERIES A, $3\frac{1}{2}\%$
Due June 1, 1980

Union Pacific Railroad Company, a corporation organized and existing under the laws of the State of Utah (hereinafter called the "Railroad Company"), for value received, hereby promises to pay to the bearer, or, if this Bond be registered, to the registered owner of this Bond, on June 1, 1980, the principal sum of One Thousand Dollars (\$1,000) 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, at the office or agency of the Railroad Company in the Borough of Manhattan, City of New York, and to pay interest thereon from June 1, 1940, until such principal shall be paid in like coin or currency, at such office or agency, at the rate of three and one-half per cent. ($3\frac{1}{2}\%$) per annum, semi-annually on June 1 and December 1 in each year, but only, until maturity hereof, upon presentation and surrender, as they severally mature, of the coupons therefor annexed hereto.

This Bond is one of the Refunding Mortgage Bonds of the Railroad Company, limited to the principal amount of \$200,000,000 at any one time outstanding (which may be issued in two or more series and which may vary as to date of maturity, interest rate and otherwise), and all equally secured by a mortgage and deed of trust, dated June 1, 1940, (hereinafter called the "Refunding Mortgage") executed by the Railroad Company to The Chase National Bank of the City of New York, as Trustee. Reference is hereby made to the Refunding Mortgage for a statement of the property and franchises mortgaged, the nature and extent of the security, the rights of the holders of the Bonds thereunder, and the terms and conditions upon which the Bonds are secured. This Bond is one of a series of the Bonds known as Refunding Mortgage Bonds, Series A, all bearing $3\frac{1}{2}\%$ interest and due June 1, 1980, the aggregate principal amount of which may be outstanding at any one time being limited to \$81,602,000.

As provided in the Refunding Mortgage, the Bonds of Series A may be redeemed prior to maturity at the option of the Railroad Company as a whole on any date, or in part in amounts of \$5,000,000 or any multiple thereof on any interest payment date, at the principal amount thereof and unpaid interest accrued thereon to the date fixed for redemption, together with premiums equal to the following respective percentages of the principal amount, namely, $6\frac{1}{2}\%$ if redeemed on or before June 1, 1950; 5% if redeemed thereafter and on or before June 1, 1955; 4% if redeemed thereafter and on or before June 1, 1960; 3% if redeemed thereafter and on or before June 1, 1965; 2% if redeemed thereafter and on or before June 1, 1970; $1\frac{1}{2}\%$ if redeemed thereafter and on or before June 1, 1975; and $\frac{1}{2}\%$ if redeemed thereafter and on or before June 1, 1978.

As provided in the Refunding Mortgage, the Bonds of Series A are entitled, to the extent specified in the Refunding Mortgage, to the benefits of the Sinking Fund therein provided for, and any of the Bonds of Series A are subject to redemption by operation of said Sinking Fund on June 1, 1951, or any interest date thereafter at the principal amount thereof and unpaid interest accrued thereon to the date fixed for redemption, together with premiums equal to the following respective percentages of the principal amount, namely, $2\frac{1}{2}\%$ if redeemed on or before June 1, 1955; 2% if redeemed thereafter and on or before June 1, 1960; $1\frac{1}{2}\%$ if redeemed thereafter and on or before June 1, 1965; 1% if redeemed thereafter and on or before June 1, 1970; $\frac{3}{4}\%$ if redeemed thereafter and on or before June 1, 1975; and $\frac{1}{4}\%$ if redeemed thereafter and on or before June 1, 1978.

As provided in the Refunding Mortgage, notice of redemption of any Bonds of Series A shall be given by publication in a newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, City of New York, at least once in each of six successive calendar weeks, the first publication to be not less than forty-five days nor more than sixty days prior to the redemption date. If this Bond is duly called for redemption and payment duly provided for, this Bond shall cease to bear interest from and after the date fixed for such redemption.

In case an event of default, as defined in the Refunding Mortgage, shall occur, the principal of the Bonds may be declared, or may become, due and payable, in the manner and with the effect provided in the Refunding Mortgage.

As provided in the Refunding Mortgage, the Refunding Mortgage may be amended with the approval of holders of $66\frac{2}{3}\%$ in principal amount of the Bonds at the time outstanding affected by the proposed amendment at a bondholders' meeting called for the purpose, but no such amendment may affect the obligations of the Railroad Company in respect of the payment of the principal of, or the interest on, any of the Bonds or permit the creation of any lien on any of the property subject to the Refunding Mortgage prior to or equal with the lien thereon of the Refunding Mortgage.

This Bond shall pass by delivery unless registered as to principal in the name of the owner at the office or agency of the Railroad Company in the Borough of Manhattan, City of New York, such registry being noted hereon by the Railroad Company or its agent. After such registry, no transfer shall be valid unless made at said office or agency by the registered owner, in person, or by his attorney duly authorized, and similarly noted hereon, but the same may be discharged from registry by transfer in like manner to bearer, and thereupon transferability by delivery shall be restored; but this Bond may again, from time to time, be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, which shall continue to be transferable by delivery.

The coupon Bonds of Series A and the registered Bonds without coupons of Series A are interchangeable, as provided in the Refunding Mortgage, upon payment, if the Railroad Company shall so require, of a sum sufficient to reimburse the Railroad Company for any stamp tax or other governmental charge with respect thereto and an additional sum not exceeding \$2.00 for each new Bond issued upon any such exchange.

No recourse shall be had for the payment of the principal of or interest on this Bond or any part thereof, or for any claim based hereon or otherwise in respect hereof, or of the indebtedness represented hereby, or of the Refunding Mortgage, against any stockholder, officer or director, as such, past, present or future, of the Railroad Company or of any successor corporation, whether by any legal or equitable proceeding, by virtue of any statute, constitutional provision or rule of law or by the enforcement of any assessment or otherwise, all such liability being expressly waived and released as a condition of, and as part of the consideration for, the execution of the Refunding Mortgage and the issue of the Bonds and coupons.

This Bond shall not become obligatory for any purpose until it shall have been authenticated by the certificate, hereon endorsed, of the Trustee under the Refunding Mortgage.

In Witness Whereof, Union Pacific Railroad Company has caused this Bond to be signed by its President or one of its Vice-Presidents, and a facsimile of its corporate seal to be imprinted or engraved hereon, and to be attested by its Secretary or one of its Assistant Secretaries, and coupons for said interest, bearing the engraved facsimile signature of its Treasurer, to be attached hereto.

UNION PACIFIC RAILROAD COMPANY,

Attest:

By

Assistant Secretary

Vice-President

(FORM OF INTEREST COUPON FOR BONDS OF SERIES A.)

No.

\$17.50

On the first day of ___, unless the Bond hereinafter mentioned shall have been called for previous