

THE WESTERN PACIFIC RAILROAD COMPANY

The total number of shares which the Company shall have authority to issue is one million, seven hundred fifty thousand (1,750,000) shares, of which seven hundred fifty thousand (750,000) shares (which are to be issued in series as hereinafter provided) shall be preferred stock of the par value per share of One Hundred Dollars (\$100) and of the aggregate par value of Seventy-five Million Dollars (\$75,000,000) and of which one million (1,000,000) shares shall be common stock without nominal or par value.

PREFERRED STOCK, SERIES AND ISSUANCE

The preferred stock shall be issuable in series from time to time in the discretion of the Board of Directors of the Company, provided, however, that the concurring vote or consent of the holders of a majority of the shares of preferred stock of all series at the time outstanding, taken as a class and not by series, shall be required for the issuance of preferred stock of any series except the series designated "Preferred Stock, Series A" and shares of any series issued for purposes for which First Mortgage Bonds of the Company (other than bonds of Series A) might otherwise have been issued under the Mortgage Trust Indenture dated as of January 1, 1939 made by the Company to Crocker First National Bank of San Francisco as Trustee.

The Preferred Stock, Series A, consisting of 318,502 shares, shall be the first or initial series of preferred stock.

The Board of Directors of the Company is authorized to fix the number of preferred shares of which any subsequent series shall consist, the dividend rate, the conversion rights, redemption prices and rights, and liquidation premiums or preferences, if any, and such other rights and privileges and such limitations and restrictions as it may lawfully determine prior to the issuance of preferred stock of any such subsequent series. In the event shares of preferred stock of different series are outstanding, the earnings applicable to dividends thereon shall be apportioned among the respective series in proportion to the dividends accumulated on the shares of such series respectively.

PREFERRED STOCK, SERIES A

The Preferred Stock, Series A, shall be entitled to dividends determined as hereinafter provided, before any dividends shall be paid, declared or set apart on the common stock. Dividends on said Preferred Stock, Series A shall accrue to the extent earned in respect of each calendar year, commencing with the year 1944, at the rate of 5 per cent in respect of each such calendar year, and shall be cumulative only to the extent that the same are earned but not paid in respect of any calendar year. The extent to which dividends are earned in any calendar year shall be determined in accordance with the accounting rules or practice at the time in force of the Interstate Commerce Commission, or such Federal regulatory body or tribunal as may have jurisdiction, or to the extent not governed by such rules in accordance with sound accounting practice; provided, however, that as long as any income mortgage bonds are outstanding, under the Indenture dated as of January 1, 1939 made by the Company to The Chase National Bank of the City of New York, dividends shall only be deemed earned to the extent that income is available therefor under the applicable provisions of said Indenture.

In the event that in respect of any calendar year dividends at the rate of 5 per cent shall have been paid, declared or set apart on the common stock, each share of Preferred Stock, Series A, shall be entitled to share equally with each share of common stock in any further dividends paid, declared, or set apart in respect of such year. All dividends declared in any calendar year (whether or not payable in such calendar year) shall be deemed payable from the earnings of the last preceding calendar year, unless specifically declared to be payable from the earnings of other designated calendar years.

In the event of any dissolution, liquidation or distribution of the assets of the Company, whether voluntary or involuntary, the holders of shares of Preferred Stock, Series A, shall be entitled to receive and be paid the par value of such shares,

and in addition the amount of accrued and unpaid cumulative dividends thereon, if any, before any distribution is made to or upon the common stock of the Company.

The Preferred Stock, Series A, shall be subject to redemption in whole or in part from time to time at the option of the Company, acting through its Board of Directors at the par value thereof (\$100 a share), plus any accrued and unpaid cumulative dividends for the period ending December 31st of the preceding year, and proportionate dividends with respect to the calendar year in which such redemption is effective at the rate of 5 per cent per annum. In case of a partial redemption, the shares to be redeemed shall be selected by lot. Notice of redemption shall be mailed at least thirty (30) days prior to the date of redemption to the holders of record of all shares selected for such redemption.

The Company shall not, without the vote or consent of the holders of at least two-thirds in par value of its outstanding preferred stock of all series, taken as a class and not by series, (1) create or permit to be created any mortgage or other lien upon any of its properties, except the Indenture dated as of January 1, 1939, made by the Company to Crocker First National Bank of San Francisco, as trustee, the Indenture dated as of January 1, 1939, made by the Company to The Chase National Bank of the City of New York, as trustee, or purchase money liens (including equipment obligations) upon property hereafter acquired, given for not more than 75 per cent of the purchase price of such property; (2) create or issue any bonds, notes, or other evidences of indebtedness maturing more than two years from their date, except bonds under the aforesaid indentures and except purchase money obligations given for not more than 75 per cent of the purchase price of property hereafter acquired; (3) create any stock ranking, either as to assets or dividends, in priority to, or on a parity with, its preferred stock; or (4) permit any subsidiary, all of the stock of which, except directors' shares, shall be owned by the Company, to create any mortgage or other lien upon any of its properties or issue any such bonds, notes, or other evidences of indebtedness (except purchase money liens or obligations limited as aforesaid), or issue any additional stock of any class, unless the obligations secured by such mortgage or other lien or such other obligations or such stock shall be acquired by the Company.

COMMON STOCK

After preferential dividends in respect of any and all series of preferred stock, at the rates per annum respectively provided, have been paid or declared and set apart for payment with respect to any calendar year, and after all accumulated and unpaid dividends, if any, upon any and all series of preferred stock which may be cumulative, have been paid or declared and set apart for payment, the common stock shall receive all further dividends in respect of such calendar year, subject, however, to the right hereinabove provided for the Preferred Stock, Series A, to share in dividends with the common stock to the extent that such dividends to the common stock exceed the rate of \$3.00 per share in respect of any calendar year.

In the event of any dissolution, liquidation, winding up or distribution of the assets of the Company, whether voluntary or involuntary, after payment of the total amounts to be received and paid upon the shares of any and all series of preferred stock which may at the time be issued and outstanding, the balance of the assets of the Company shall be distributed to the holders of the shares of common stock.

VOTING RIGHTS

PREFERRED AND COMMON

Holders of preferred stock of any and all series and holders of common stock shall, unless otherwise provided in these Articles of Incorporation, be entitled to vote, and shall have one vote for each share of stock of any class or series held, and such vote shall not, unless otherwise required by law or provided in these Articles of Incorporation, be taken by classes or series of stock; provided, however, that in any election of Directors each shareholder shall have the right to cumulate his votes as provided by law.

For Value Received, *TRANSFER ONLY AS DIRECTED ON CERTIFICATE* *sell, assign and transfer unto*

 TIONS OF SPENCER TRASK & CO. ATTACHED
 TO CERTIFICATE No. 10,990 *Shares*
 of the Capital Stock represented by the within Certificate, and do
hereby irrevocably constitute and appoint
 _____ *Attorney*
to transfer the said stock on the Books of the within-named
Company with full power of substitution in the premises.
 Dated OCT 24 1950

[Signature]

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

It is hereby certified that the transfer of the attached shares is made under such circumstances as to come within one of the exemptions specified in section 1802 of the Internal Revenue Code and section 270-5 of the Tax Law of the State of New York and that evidence in proof of the exemption is maintained by the undersigned and is available for inspection by Internal Revenue officers and representatives of the New York State Tax Commission.

[Signature]
 SPENCER, TRASK & CO