

MATT PARROTT & SONS CO., WATERLOO, IOWA F12292

IN THE
 DISTRICT COURT OF THE UNITED STATES
 For the Northern District of Illinois
 Eastern Division
 In Proceedings for the Reorganization of a Railroad

In the Matter of
 THE CHICAGO, ROCK ISLAND AND PACIFIC
 RAILWAY COMPANY,
 Debtor

No. 53209

#18

Filed for record this 3 day of January

A. D. 1948, at 11:50 o'clock A. M.

Wilma M. Wade
 Register of Deeds, Recorder, ~~County Clerk~~

, Deputy

Fee \$14.30 VC

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 FOR THE NORTHERN DISTRICT OF ILLINOIS
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CONSUMMATION ORDER AND FINAL DECREE

This cause coming on for hearing on the petition of the Reorganization Managers for the consummation order and final decree, and due notice of said petition and of this hearing having been served and published as directed in the order entered by the Court in these proceedings on December 19, 1947, the Court, being fully advised in the premises,

FINDS:

A. The Plan of Reorganization for The Chicago, Rock Island and Pacific Railway Company, Debtor, a consolidated corporation of the States of Iowa and Illinois, and for the following Subsidiary Debtors:

- The Chicago, Rock Island and Gulf Railway Company, a corporation of the State of Texas;
- Choctaw, Oklahoma and Gulf Railroad Company, a corporation of the United States of America;
- Peoria Terminal Company, a corporation of the State of Illinois;
- Rock Island, Arkansas and Louisiana Railroad Company, a consolidated corporation of the States of Arkansas and Louisiana;

Rock Island Memphis Terminal Railway Company, a corporation of the State of Tennessee;
 Rock Island Omaha Terminal Railway Company, a corporation of the State of Nebraska;
 Rock Island, Stuttgart and Southern Railway Company, a corporation of the State of Arkansas; and
 St. Paul and Kansas City Short Line Railroad Company, a corporation of the State of Iowa;
 was duly confirmed by the order of the Court entered in these proceedings on May 23, 1947, and said order has become final in all respects.

B. Pursuant to the Plan, Edward E. Brown, Mark A. Brown, William E. Fay, Roy C. Ingersoll, and Charles D. Wiman were duly designated as Reorganization Managers in the manner provided by the Plan, and such designations were approved by the order of the Court entered in these proceedings on June 26, 1947. The persons so designated and approved will hereinafter be referred to as the Managers.

C. By order entered December 4, 1947, the Court approved the determination of the Managers that the reorganized company should be a corporation of the State of Delaware under the name Chicago, Rock Island and Pacific Railroad Company, approved the proposed Certificate of Incorporation and the By-Laws, with certain modifications specified in said order, and directed that the proposed corporation be organized under the laws of the State of Delaware and qualified to transact business as a foreign railroad corporation in such states as might be required by law. Pursuant to said order the Managers have caused the Certificate of Incorporation of Chicago, Rock Island and Pacific Railroad Company (hereinafter referred to, in distinction from the Debtor, as the Reorganized Com-

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pany) to be duly executed and acknowledged, and filed and recorded in the proper offices in the State of Delaware; the By-Laws have been duly adopted; and the Reorganized Company has filed in these proceedings a statement of adopting the Plan and submitting to the jurisdiction of this Court, has filed with the Interstate Commerce Commission a joinder in the Managers' application for authority to consummate the Plan, and is prepared to perfect its qualification as a foreign corporation, immediately upon the entry of this order, in such states as may be required by law.

D. On December 8, 1947, the Managers filed with the Interstate Commerce Commission an application for an order approving and authorizing the transfer to and acquisition by the Reorganized Company of the Debtor's property, the properties of the Subsidiary Debtors other than Peoria Terminal Company, the property of Morris Terminal Railway Company, and the property of Rock Island Improvement Company (except its coal properties), the transfer to and acquisition by Peoria Terminal Company, one of the Subsidiary Debtors, of its property held by the Trustees, the assumption by the Reorganized Company of certain obligations and liabilities, and the issuance of certain securities, all as contemplated by the Plan and the order of the Court entered June 15, 1945, approving the Plan. A joinder in said application was filed on the same date by Morris Terminal Railway Company and Rock Island Improvement Company, and the Managers filed an amendment to their application on December 19, 1947. The report and order of the Commission, issued December 23, 1947, approved and authorized the steps proposed to be taken in consummation of the Plan as set forth in the Managers' application, as amended.

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and \$1,000 bonds. Since this procedure would result ultimately in the presentation of only \$9,983,000 principal amount of bonds, whereas the Plan makes provision for \$9,983,755, it is proposed that the new securities allotted on account of said excess of \$755, which results from the purchase by the Trustees of the Debtor's property of \$17,000 principal amount of bonds instead of \$16,245, be delivered to the treasury of the Reorganized Company in exchange for the cancellation of said bonds.

G. The Plan estimated that general unsecured claims allowed by the Court might amount to a maximum of \$500,000, and allotted 2,483.53 shares of Common Stock to the holders of such claims, at the rate of 4.967051 shares per \$1,000 amount of claim. The actual amount of general unsecured claims allowed by the Court, however, and not disposed of, which therefore remain to be satisfied in Common Stock, is \$120,670.19, computed as follows:

Claims of stockholders of Burlington, Cedar Rapids and Northern Railway Company against the Debtor on account of Debtor's unsecured promise to pay dividends, allowed by the Court on the basis of 80% of the par value of their stock plus interest at the rate of 5% per annum from July 1, 1933 to December 31, 1947—principal (\$51,040) and interest (\$37,004) totalling	\$ 88,044
Other claims allowed by the Court.....	32,626.19
	<u>\$120,670.19</u>

For the satisfaction of the foregoing amount of claims, 599.37 shares of Common Stock will be required, or 1,884.16 shares less than the number estimated by the Plan. Since the Plan figure was an estimate, subject to reduction in the event the amount of allowed claims proved to be less than

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E. The claim of Reconstruction Finance Corporation having been paid in cash pursuant to the order entered herein on November 8, 1944, the 10-year note, which the Plan provided should be issued to Reconstruction Finance Corporation in part payment of its claim, will not be issued, and the other new securities that were allocated to Reconstruction Finance Corporation in respect of its claim will instead become treasury securities of the Reorganized Company to the extent authorized by the Interstate Commerce Commission in its aforesaid report and order of December 23, 1947.

F. The Plan assumed that publicly held St. Paul and Kansas City Short Line First Mortgage Bonds in the amounts of \$9,458,500 and £108,300 would participate in the exchange of securities, or a total of \$9,983,755, taking the sterling bonds at \$4.85 a pound, and allotted new securities against that total dollar amount. Since the effective date of the Plan, January 1, 1944, the Trustees of the Debtor's property have permitted the conversion of sterling bonds into dollar bonds as provided in the mortgage, to-wit, a \$500 bond in exchange of a £100 bond and \$15 in cash and a \$1,000 bond in exchange for a £200 bond and \$30 in cash. Complete conversion would increase the dollar bonds outstanding by the amount of cash received, \$16,245, making a total of \$10,000,000. The Trustees of the Debtor's property have therefore purchased \$17,000 of the publicly held bonds, reducing the maximum dollar amount possible, assuming complete conversion, to \$9,983,000. It is proposed to permit conversion, as heretofore, until the Consummation Date, and thereafter to require the holders of any remaining sterling bonds, when presenting them in exchange for new securities, to pay cash at the rates above stated, thus in effect converting their £100 and £200 bonds so as to entitle them to receive new securities at the same rates as the \$500

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\$500,000, it is proposed to deduct the unneeded 1,884.16 shares from the number of shares originally called for by the Plan and to issue in consummation of the Plan only the number of shares of Common Stock actually required.

H. The Managers have determined, subject to the approval of this Court: (1) that the new First Mortgage 4% Bonds, Series A, shall be dated as of January 1, 1948, and bear interest from that date, and that cash in lieu of and equivalent to interest at the rate of 4% per annum on the principal amount of said bonds (except the amount represented by the bonds to be delivered to the treasury of the Reorganized Company) for the years 1944, 1945, 1946, and 1947 shall be distributed with the bonds; (2) that the new General Mortgage 4½% Convertible Income Bonds, Series A, shall be dated as of January 1, 1948, and bear interest from that date, and that cash in lieu of and equivalent to interest at the rate of 4½% per annum on the principal amount of said bonds (except the amount represented by the bonds to be delivered to the treasury of the Reorganized Company) for the years 1944, 1945, 1946, and 1947, which the accounts of the Trustees of the Debtor's property show to have been fully earned, shall be distributed with the bonds; and (3) that cash in lieu of and equivalent to preferential dividends on the new Series A Preferred Stock (except the shares represented by the stock certificates and scrip to be delivered to the Managers and returned to the treasury of the Reorganized Company) at the rate of \$5 a share in respect of each of the years 1944, 1945, 1946, and 1947, which the accounts of the Trustees of the Debtor's property show to have been fully earned, shall be distributed with the stock certificates and scrip. The foregoing determinations have been made pursuant to the authority contained in the Plan to cause any issue of new securities to be dated as of another

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date than January 1, 1944, the effective date of the Plan, provided that the creditors to whom such securities are distributable shall receive the same amounts in cash and the same rights in respect of accruals and accumulations of interest or dividends as if the securities had been dated as of January 1, 1944.

I. The Managers have determined, subject to the approval of this Court, that the \$944,000 principal amount of First Mortgage Four Per Cent. Thirty Year Gold Bonds, due January 1, 1937, issued under the First Mortgage, dated January 2, 1907, of Peoria Railway Terminal Company, shall be disposed of as follows:

- (1) \$240,000 principal amount of said bonds shall be surrendered to Continental Illinois National Bank and Trust Company of Chicago, successor trustee under said First Mortgage, and cancelled, to wit, the \$14,000 principal amount acquired by the Debtor and the \$2,000 principal amount acquired by Rock Island Improvement Company prior to the institution of these proceedings and the \$224,000 principal amount acquired by the Trustees of the property of Peoria Terminal Company, Subsidiary Debtor (owner of the property subject to said First Mortgage), pursuant to the order entered herein on November 29, 1945;
- (2) \$2,000 principal amount of said bonds still publicly held shall, upon surrender to the Reorganized Company, be paid by it in cash, together with accrued and unpaid interest thereon, if any, to and including March 15, 1946, in completion of the cash payment of said First Mortgage Bonds, with accrued and unpaid interest thereon to and including March 15, 1946, authorized by the order entered herein on March 7, 1946; and
- (3) \$704,000 principal amount of said bonds, including the \$2,000 principal amount referred to in clause (2) of this paragraph (I), when acquired by the

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11. Des Moines, Iowa Falls and Northern Railway Company (Iowa corporation);
12. Kansas City and Topeka Railway Company (Kansas corporation);
13. Kansas City, Rock Island Railway Company (Missouri corporation);
14. St. Louis, Rock Island Terminal Railway Company (Missouri corporation);
15. St. Louis, Kansas City and Colorado Railroad Company (Kansas corporation);
16. St. Joseph and Iowa Railroad Company (Missouri corporation);
17. Tucumcari and Memphis Railroad Company (corporation of Territory of New Mexico);
18. The Wisconsin, Minnesota and Pacific Railway Company (Minnesota corporation).

K. Bankers Trust Company, as Depositary in connection with the consummation of the Plan of Reorganization for the Debtor, dated November 14, 1916, as modified November 26, 1916, still holds certain securities for distribution upon the surrender of outstanding Certificates of Deposit, together with \$18,715.36 in cash, all as more particularly set forth in paragraph 27 of this order. Said Depositary should be relieved of further responsibility for this account. The securities held for delivery upon surrender of outstanding Certificates of Deposit, consisting of 6% and 7% Preferred Stock and Common Stock of the Debtor, should be delivered to the Reorganized Company and cancelled, and the cash should be paid to the Reorganized Company. The holders of outstanding Certificates of Deposit, upon surrendering the same to the Reorganized Company, should be paid such amounts in cash as they would have been entitled to receive from said Depositary.

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Reorganized Company, and the \$702,000 principal amount heretofore acquired and now held by the Trustees of the Debtor's property, shall be extended to mature on January 1, 1967, as provided in the Plan, and shall be deposited and pledged under the new First Mortgage of the Reorganized Company, but the Debtor's guaranty of principal and interest on said bonds shall be cancelled and the bonds shall be extended unguaranteed.

J. With respect to the dissolution of subsidiaries of the Debtor, the Managers recommend that they be authorized to cause the dissolution of the following corporations, subsidiaries of the Debtor, in accordance with applicable state laws:

1. The Chicago, Rock Island and Gulf Railway Company (Texas corporation);
2. Morris Terminal Railway Company (Illinois corporation);
3. Rock Island, Arkansas and Louisiana Railroad Company (consolidated corporation of Arkansas and Louisiana);
4. Rock Island Memphis Terminal Railway Company (Tennessee corporation);
5. Rock Island Omaha Terminal Railway Company (Nebraska corporation);
6. Rock Island, Stuttgart and Southern Railway Company (Arkansas corporation);
7. St. Paul and Kansas City Short Line Railroad Company (Iowa corporation);
8. Cadiz Realty Company (Texas corporation);
9. Chicago, Rock Island and El Paso Railway Company (New Mexico corporation);
10. Choctaw, Oklahoma and Western Railroad Company (corporation of Territory of Oklahoma);

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L. By order of the Court entered December 19, 1947, the Managers were authorized and directed to file with the Clerk of the Court copies of certain documents prepared for use in the consummation of the Plan, and said documents are now on file with the Clerk, numbered as follows:

1. Deeds to the Reorganized Company from:
 - (a) Trustees of the properties of the Debtor and the Subsidiary Debtors other than Peoria Terminal Company;
 - (b) Morris Terminal Railway Company;
 - (c) Rock Island Improvement Company.
2. Deed to Peoria Terminal Company from Trustees of the property of Peoria Terminal Company, Subsidiary Debtor.
3. Instruments of satisfaction and release of the following mortgages:
 - (a) Burlington, Cedar Rapids and Northern Railway Company First Mortgage;
 - (b) The Chicago, Decorah & Minnesota Railway Company First Mortgage;
 - (c) Chicago, Rock Island and El Paso Railway Company First Gold Bond Mortgage;
 - (d) The Chicago, Rock Island and Gulf Railway Company Main Line First Mortgage;
 - (e) The Chicago, Rock Island and Gulf Railway Company Amarillo Division First Mortgage;
 - (f) The Chicago, Rock Island and Gulf Railway Company Mexico Division First Mortgage;
 - (g) The Chicago, Rock Island and Gulf Railway Company Carrollton Branch First Mortgage;
 - (h) The Chicago, Rock Island and Gulf Railway Company Extension First Mortgage;
 - (i) The Chicago, Rock Island and Pacific Railway Company General Gold Bond Mortgage;

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- (j) The Chicago, Rock Island and Pacific Railway Company First and Refunding Gold Bond Mortgage;
 - (k) The Chicago, Rock Island and Pacific Railway Company Secured Gold Bond Trust Indenture;
 - (l) The Chicago, Rock Island and Pacific Railway Company Convertible Gold Bond Indenture;
 - (m) Chicago, Rock Island and Texas Railway Company First Mortgage;
 - (n) Choctaw, Oklahoma and Gulf Railroad Company Consolidated Mortgage;
 - (o) Peoria Terminal Company General Mortgage;
 - (p) Rock Island, Arkansas and Louisiana Railroad Company First Mortgage;
 - (q) Rock Island Memphis Terminal Railway Company Depot First Mortgage;
 - (r) Rock Island Memphis Terminal Railway Company Terminal First Mortgage;
 - (s) Rock Island Omaha Terminal Railway Company First Mortgage;
 - (t) Rock Island, Stuttgart and Southern Railway Company First Gold Bond Mortgage;
 - (u) St. Paul and Kansas City Short Line Railroad Company First Mortgage;
 - (v) Tucumcari and Memphis Railway Company First Gold Bond Mortgage.
4. Partial Release of Little Rock and Hot Springs Western Railroad Company First Mortgage.
 5. Instrument of assumption of The Peoria and Bureau Valley Railroad Company Lease.
 6. Extension Agreement between Peoria Terminal Company and Continental Illinois National Bank and Trust Company of Chicago, Successor Trustee, including therein the form of the extension legend to be stamped on Peoria Railway Termi-

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Bankruptcy Act, and the authorization for such issuance granted by the Interstate Commerce Commission in the report and order entered in its Finance Docket No. 10028 on December 23, 1947, satisfies the requirements of said Section 20a and Section 77(f).

N. The issuance, transfer, and exchange of securities, and the execution, delivery, filing, and recording of documents, as provided for in this order and in the documents hereinafter approved, are all pursuant to the Plan of Reorganization for the Debtor and the Subsidiary Debtors, which has been confirmed by this Court in accordance with the provisions of Section 77 of the Bankruptcy Act, and are for the purpose of carrying out and putting into effect said Plan, and no further authorization or approval thereof is required.

IT IS THEREFORE ORDERED AND DECREED:

1. *Approval of documents and forms of securities.* The documents and forms of securities referred to in paragraph L of this order are hereby in all respects approved.

2. *General Authorization to Proceed with Consummation of Plan.* The Managers and the Reorganized Company are hereby authorized and directed to proceed with and complete the consummation of the Plan in accordance with the terms and provisions thereof, of this order, and of the documents approved in paragraph 1 of this order, and to take all action necessary or appropriate to that end not inconsistent with the orders of this Court or the Plan. Pending their discharge pursuant to the further order of this Court, the Trustees of the properties of the Debtor and the Subsidiary Debtors are authorized and directed to cooperate with the Managers and the Reorganized Company to the extent necessary to facilitate the consummation of the Plan. The Managers and the Reorganized Company shall have

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- nal Company First Mortgage Four Per Cent. Thirty Year Gold Bonds and the consent of the Reorganized Company.
- 7. First Mortgage of Reorganized Company, including therein the forms of the First Mortgage 4% Bonds, Series A, to be issued thereunder.
- 8. General Mortgage of the Reorganized Company, including therein the forms of the General Mortgage 4½% Convertible Income Bonds, Series A, to be issued thereunder.
- 9. Bond Scrip Agreement, including therein the forms of First Mortgage Bond Scrip and General Mortgage Bond Scrip to be issued thereunder.
- 10. Form of certificate for Series A Preferred Stock.
- 11. Form of certificate for Series B Preferred Stock.
- 12. Form of certificate for Common Stock.
- 13. Appointment of Transfer Agents and Registrars, including authority for the issuance of Series A Preferred Stock Scrip and Common Stock Scrip.
- 14. Form of Series A Preferred Stock Scrip.
- 15. Form of Common Stock Scrip.
- 16. Exchange Agency Agreement.
- 17. Special Exchange Agency Agreement.
- 18. General Notice of Exchange of Securities.

M. The issuance by the Reorganized Company, pursuant to the Plan of Reorganization, of its First Mortgage 4% Bonds, Series A, due January 1, 1994, General Mortgage 4½% Convertible Income Bonds, Series A, due January 1, 2019, First Mortgage Bond Scrip, General Mortgage Bond Scrip, Series A Preferred Stock, Series B Preferred Stock, Common Stock, Series A Preferred Stock Scrip, and Common Stock Scrip, is subject to the provisions of Section 20a of the Interstate Commerce Act and Section 77(f) of the

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full power and authority to carry out the Plan and the orders of this Court and the Interstate Commerce Commission relative thereto, to participate in such proceedings, file such appearances, execute and file for record or otherwise such pleadings, papers, and other documents, and take any and all other such action as may be necessary or appropriate to accomplish the consummation of said Plan, the laws of any state to the contrary notwithstanding.

3. *Transfer of Properties.* (a) Except as otherwise provided in this order, at 12:01 A. M., Central Standard Time, on January 1, 1948 (referred to in this order as the Consummation Date), all of the business and affairs of the Debtor and the Subsidiary Debtors (other than Peoria Terminal Company), and all right, title, and interest of the Debtor and said Subsidiary Debtors, and of the Trustees of their properties, in and to their several properties of every kind and description, whether real, personal, or mixed, whether tangible or intangible, and whether of present or future interests, and all rights, privileges, and franchises of the Debtor and said Subsidiary Debtors shall, the laws of any state or the decisions or orders of any state authority to the contrary notwithstanding, vest in and become the absolute property of Chicago, Rock Island and Pacific Railroad Company (referred to in this order as the Reorganized Company), a corporation organized and existing under the laws of the State of Delaware, free and clear of all rights, claims, interests, liens, and encumbrances of the creditors of the Debtor and said Subsidiary Debtors and of the holders of shares of capital stock of the Debtor and said Subsidiary Debtors, and except as otherwise provided in this order the Debtor and said Subsidiary Debtors shall thereupon be released and discharged forever from all of their debts and liabilities, whether or not the same shall have been presented or allowed as claims in these proceedings.

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The Reorganized Company and its property shall also be free and clear of all such rights, claims, interests, liens, encumbrances, debts, obligations, and liabilities, except as otherwise provided in this order.

(b) The properties referred to in paragraph 3(a) above shall vest in the Reorganized Company subject to the prior rights and lien of the First Mortgage of Choctaw and Memphis Railroad Company to Girard Life Insurance, Annuity and Trust Company of Philadelphia (now Girard Trust Company), as trustee, dated January 2, 1899.

(c) On the Consummation Date all of the properties of Morris Terminal Railway Company, and all of the properties of Rock Island Improvement Company except its coal properties, shall vest in and become the absolute property of the Reorganized Company.

(d) On the Consummation Date all of the business and affairs of Peoria Terminal Company, Subsidiary Debtor, and all right, title, and interest of said Subsidiary Debtor and of the Trustees of its property in and to all of its property of every kind and description, whether real, personal, or mixed, whether tangible or intangible, and whether of present or future interests, and all of its rights, privileges, and franchises, shall, the laws of any state or the decisions or orders of any state authority to the contrary notwithstanding, vest in and become the absolute property of Peoria Terminal Company, a corporation organized and existing under the laws of the State of Illinois. Said Peoria Terminal Company shall assume and be deemed to have assumed, as of the Consummation Date, the existing lease, dated January 1, 1931, of the properties of Peoria, Hanna City and Western Railway Company.

4. *Confirmatory Deeds.* In furtherance and confirmation of the transfer and vesting of property decreed in the

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gages and the respective liens thereof, the trustees now acting under said mortgages are hereby authorized and directed, severally and respectively, to execute and deliver instruments of satisfaction and release substantially in the forms set forth for each of said mortgages and the trustees thereunder, respectively, in Documents 3(a) to 3(v), inclusive, referred to in paragraph L of this order. Whether executed before or after the Consummation Date, each such satisfaction and release shall be effective as of the Consummation Date, and as of that time each of said trustees shall be discharged as a trustee and relieved of all of its obligations, liabilities, responsibilities, and duties with respect to the particular mortgage, and all indentures and agreements supplemental thereto, under which it is acting as trustee. Except as otherwise specifically directed in this order, the trustees under each of the aforesaid mortgages are further authorized and directed to transfer, convey, and deliver or release to the Reorganized Company (or to Peoria Terminal Company, with respect to its General Mortgage) all shares of stock, evidences of indebtedness and other securities, all money, credits, choses in action, and all other property, rights, and interests of every kind or description held or claimed by them as trustees as aforesaid, and to execute and deliver upon the request of the Managers or the Reorganized Company (or Peoria Terminal Company, with respect to its General Mortgage) any additional conveyances, bills of sale, assignments, or other instruments that may be necessary or proper to accomplish and evidence the satisfaction, release, and cancellation of their respective mortgages and any indentures and agreements supplemental thereto. The said trustees are directed to execute their respective releases and other instruments as aforesaid, and to surrender property as aforesaid now held by them as trustees under their respective mortgages, for the sole and express purpose of remis-

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foregoing paragraphs 3(a) and 3(d), the Trustees of the properties of the Debtor and the Subsidiary Debtors shall execute and deliver deeds in the form of Documents 1(a) and 2 listed in paragraph L of this order. The said Trustees are further authorized and directed thereafter to execute and deliver all such other conveyances, bills of sale, assignments, and other instruments as may be necessary or proper to convey, assign, and transfer all of the right, title, and interest of the Debtor and the Subsidiary Debtors and said Trustees in and to the properties vested in the Reorganized Company and Peoria Terminal Company by paragraphs 3(a) and 3(d) of this order. The Reorganized Company, as the owner of all of the capital stock of Morris Terminal Railway Company and Rock Island Improvement Company, shall cause appropriate corporate action to be taken so that deeds in the form of Documents 1(b) and 1(c) listed in paragraph L of this order will be promptly executed and delivered by those corporations.

5. *Cancellation of Existing Mortgages.* The mortgages listed in paragraph L of this order, numbered 3(a) to 3(v), and all indentures and agreements supplemental or amendatory thereto, are hereby declared to be, as of the Consummation Date, null and void, satisfied, cancelled, and released, and the bonds and coupons secured thereby or issued thereunder shall thereafter (except as otherwise provided in paragraph 21 of this order with respect to certain unclaimed interest moneys) be void and of no effect as claims against the Debtor or any of its property, or any Subsidiary Debtor or any of its property, except to entitle the holders thereof to receive the securities and cash distributable to them in respect of such bonds and coupons under the provisions of the Plan and this order.

6. *Confirmatory Instruments of Satisfaction and Release.* In confirmation of the termination of the aforesaid mort-

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ing, releasing, conveying, and quitclaiming whatever interest such trustees have as trustees under their respective mortgages and indentures supplemental or amendatory thereto, and no personal covenant or liability shall be implied against or be assumed or undertaken by any trustee executing any such release or other instrument pursuant to this order, by reason of such execution or of any covenant in any instrument so executed, except as may be expressly provided in such instrument.

7. *Extension of Peoria Railway Terminal First Mortgage Bonds.* As of the Consummation Date, the Debtor's guaranty of the principal and interest of the Peoria Railway Terminal Company First Mortgage Four Per Cent. Thirty Year Gold Bonds, due January 1, 1937, is hereby declared to be null and void, cancelled, and released, and the Reorganized Company shall not assume the same. Pursuant to the determination of the Managers set forth in paragraph I of this order, which is hereby approved, the bonds therein proposed to be cancelled shall be surrendered to the mortgage trustee and by it cancelled; the \$2,000 principal amount of bonds still publicly held shall, upon surrender to the Reorganized Company, be paid by it in cash at par, together with accrued and unpaid interest thereon, if any, to and including March 15, 1946, and said bonds shall then be handled in the same manner as the \$702,000 principal amount hereinafter mentioned; the \$702,000 principal amount shall be extended in the manner provided in, and subject to the terms of, the Extension Agreement, which, in the form of Document 6 listed in paragraph L of this order, shall be executed and entered into by Peoria Terminal Company and Continental Illinois National Bank and Trust Company of Chicago, Successor Trustee, and to which the Reorganized Company shall execute its consent as provided therein.

8. *Issuance of Stock Certificates and Scrip.* Upon the adoption by its Board of Directors of the resolution of appointment set forth in Document 13 listed in paragraph L of this order, the Reorganized Company shall execute and deliver to The First National Bank of Chicago and The New York Trust Company, as Transfer Agents, appropriate instructions for the issuance, upon requisition pursuant to the Exchange Agency Agreement and the Special Exchange Agency Agreement, of stock certificates and scrip certificates for not more than 750,000 shares of Series A Preferred Stock and not more than 1,520,788.51 shares of Common Stock of the Reorganized Company, for distribution pursuant to and in consummation of the Plan, and shall execute and deliver to The Northern Trust Company and Bank of New York, as Registrars, appropriate instructions for the registration of such stock certificates. As authorized by the Interstate Commerce Commission in its aforesaid report and order, scrip shall be issued in lieu of fractional shares, in amounts necessary to accomplish the exchange provided for in the Plan, until the close of business on January 2, 1949, at which time the authority to issue scrip shall cease and all outstanding scrip shall become void for all purposes.

9. *Execution of Mortgages.* The Reorganized Company is hereby authorized and directed to execute and deliver, in the form of Document 7 listed in paragraph L of this order, its First Mortgage to The First National Bank of Chicago and Joseph C. Williams, Trustees, dated as of January 1, 1948, and to deposit in pledge with The First National Bank of Chicago, Trustee as aforesaid, the securities listed in Granting Clauses Sixth and Seventh of said First Mortgage, and to execute and deliver, in the form of Document 8 listed in paragraph L of this order, its General Mortgage to The Northern Trust Company and Gale F. Johnston,

become a party to said Bond Scrip Agreement as Bond Scrip Agent. As authorized by the Interstate Commerce Commission in its aforesaid report and order, there shall be issued, under and pursuant to the provisions of said Bond Scrip Agreement, scrip in lieu of First Mortgage 4% Bonds, Series A, and General Mortgage 4½% Convertible Income Bonds, Series A, in denominations less than \$50, in amounts necessary to accomplish the exchange provided for in the Plan, until the close of business on January 2, 1949, at which time the authority to issue scrip shall cease and all outstanding scrip shall become void for all purposes. Undelivered bonds remaining in the hands of the Bond Scrip Agent at the close of business on January 2, 1949, shall be cancelled, but the Reorganized Company shall be entitled, without restriction, to any undistributed cash held by the Bond Scrip Agent at that time.

12. *Issuance of First Mortgage 4% Bonds, Series A, and General Mortgage 4½% Convertible Income Bonds, Series A.* The Reorganized Company shall execute, issue, and deliver, or cause to be issued and delivered, in accordance with the provisions of the Plan and this order, the following bonds and bond scrip, which the Interstate Commerce Commission has authorized to be issued under the First Mortgage, the General Mortgage, and the Bond Scrip Agreement above referred to:

(a) Chicago, Rock Island and Pacific Railroad Company First Mortgage 4% Bonds, Series A, due January 1, 1994 (hereinafter called First Mortgage Bonds):

(i) \$26,752,650 principal amount of First Mortgage Bonds to be delivered to the Exchange Agent pursuant to paragraph 13(b) of this order;

(ii) \$93,450 principal amount of First Mortgage Bonds to be delivered to the Special Exchange Agent pursuant to paragraph 15(c) of this order;

Trustees, dated as of January 1, 1948. The First National Bank of Chicago and Joseph C. Williams, and The Northern Trust Company and Gale F. Johnston, are authorized and directed to execute and become parties to said First Mortgage and General Mortgage, respectively, as trustees.

10. *Protection of Mortgage Liens Between Consummation Date and Date of Actual Recording or Filing.* Both of the mortgages specified in paragraph 9 of this order shall be and become effective as of the Consummation Date, whether actually executed and delivered before or after that date. The lien of each of said mortgages, in the order of their priority, shall attach on the Consummation Date and be effective thereafter against, and be prior to, any other liens attaching to any of the property subjected to the respective lien of such mortgage in the interval between the Consummation Date and the recording or filing for record of such mortgage or the deposit in pledge of collateral thereunder and prior to the termination of these proceedings, unless any such other lien so attaching would be prior to the lien of such mortgage if the same were already recorded or filed for record or if the pledge thereunder were already made. This Court reserves its exclusive jurisdiction over the entire property and estate to be vested in the Reorganized Company as provided in this order, and over any claims to liens which may be asserted against the same, to the extent necessary to give effect to the provisions of this paragraph 10.

11. *Execution of Bond Scrip Agreement and Issuance of Bond Scrip.* The Reorganized Company is hereby authorized and directed to execute and enter into its Bond Scrip Agreement with The First National Bank of Chicago, as Bond Scrip Agent, in the form of Document 9 listed in paragraph L of this order, and The First National Bank of Chicago is hereby authorized and directed to execute and

(iii) \$4,070,900 principal amount of First Mortgage Bonds to be delivered to the Reorganized Company pursuant to paragraph 16 of this order.

(b) Chicago, Rock Island and Pacific Railroad Company General Mortgage 4½% Convertible Income Bonds, Series A, due January 1, 2019 (hereinafter called General Mortgage Bonds):

(i) \$73,791,750 principal amount of General Mortgage Bonds to be delivered to the Exchange Agent pursuant to paragraph 13(b) of this order;

(ii) \$215,300 principal amount of General Mortgage Bonds to be delivered to the Special Exchange Agent pursuant to paragraph 15(c) of this order;

(iii) \$5,992,950 principal amount of General Mortgage Bonds to be delivered to the Reorganized Company pursuant to paragraph 16 of this order.

13. *Execution of Exchange Agency Agreement and Delivery of New Securities and Cash to Exchange Agent.*

(a) The Reorganized Company is hereby authorized and directed to execute and enter into its Exchange Agency Agreement with The First National Bank of Chicago, as Exchange Agent, substantially in the form of Document 16 referred to in paragraph L of this order, and The First National Bank of Chicago is hereby authorized and directed to execute and become a party to said Exchange Agency Agreement as Exchange Agent, to receive the securities entitled to participate in the Plan and deliver the new securities and cash distributable in respect of such securities on the bases stated in paragraph 14 of this order, and otherwise to conduct the exchange in accordance with said Exchange Agency Agreement. Upon the termination of the Exchange Agency Agreement the Reorganized Company shall take over all undelivered securities and cash remaining in the possession of the Exchange Agent, hold the same in trust, and continue the exchange of securities and distri-

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bution of cash payments in accordance with the applicable provisions of the Plan, this order, and the Exchange Agency Agreement.

(b) First Mortgage Bonds and General Mortgage Bonds in the principal amounts of \$26,752,650 and \$73,791,750, respectively, shall be delivered to or upon the order of the Exchange Agent for distribution under the Plan. The principal amount of all First Mortgage Bonds to be issued being \$60 less than the exact principal amount authorized by the Plan, the Reorganized Company is authorized and directed to deposit with the Exchange Agent, at its request, cash in that amount for the purpose of supplying such deficiency.

(c) The Reorganized Company shall deposit with the Exchange Agent the following amounts in cash for the purposes here specified:

(i) \$4,280,424 in lieu of and equivalent to interest on \$26,752,650 principal amount of First Mortgage Bonds for the years 1944, 1945, 1946, and 1947;

(ii) \$13,282,515 in lieu of and equivalent to interest on \$73,791,750 principal amount of General Mortgage Bonds for the years 1944, 1945, 1946, and 1947;

(iii) \$14,072,790.40, in lieu of and equivalent to preferential dividends on 703,639.52 shares of Series A Preferred Stock in respect of the years 1944, 1945, 1946, and 1947.

The determination of the managers that the First Mortgage Bonds and General Mortgage Bonds shall bear interest from January 1, 1948, and that cash in lieu of and equivalent to interest and dividends shall be paid as above specified, is hereby approved, and the Exchange Agent is authorized and directed to distribute the aforesaid amounts of cash at the rates specified in paragraphs 14(c) and (d)

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(d) Cash payments in lieu of dividends on the Series A Preferred Stock for the years 1944, 1945, 1946, and 1947 shall be made by the Exchange Agent at the rate of \$20 per share, including fractional shares.

15. *Partial Release of Little Rock and Hot Springs Western First Mortgage; Execution of Special Exchange Agency Agreement and Delivery of New Securities and Cash to Special Exchange Agent; Distribution of New Securities and Cash by Special Exchange Agent.* (a) The First Mortgage of Little Rock and Hot Springs Western Railroad Company, dated July 19, 1899, to St. Louis Trust Company (now St. Louis Union Trust Company), Trustee, is hereby declared to be, as of the Consummation Date, and with respect only to that portion of the mortgaged property owned on the Consummation Date by Rock Island, Arkansas and Louisiana Railroad Company, Subsidiary Debtor, and the Trustees of its property, null and void and the lien thereof on said portion cancelled and released. In confirmation of the partial cancellation of the lien of said mortgage, St. Louis Union Trust Company, as trustee, is hereby authorized and directed to execute and deliver an instrument of partial release in the form of Document 4 listed in paragraph L of this order, but only upon receipt of the new securities and cash and authorization to requisition securities specified in paragraph 15(c) of this order. Said trustee is further authorized and directed to execute and deliver upon the request of the Managers or the Reorganized Company any additional conveyances, bills of sale, assignments, or other instruments that may be necessary or proper to accomplish and evidence the partial satisfaction, release, and cancellation of said mortgage as aforesaid. Said trustee is directed to execute said partial release and other instruments as aforesaid for the sole and express purpose of remising, releasing, conveying, and quitclaiming whatever interest it

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of this order and in accordance with the applicable provisions of the Exchange Agency Agreement.

14. *Distribution of New Securities and Cash by Exchange Agent.* (a) The new securities deliverable by the Exchange Agent shall be distributed to the persons entitled thereto at the following rates per \$1,000 (or £200) principal amount of outstanding security or total amount of general unsecured claim entitled to participate in the Plan:

Outstanding Securities and Claims	New Securities			
	First Mtge. Bonds	General Mtge. Bonds	Pfd. Shares	Common Shares
C., R. I. & P. First & Ref. 4%....	\$ 91.9424	\$232.7177	2.096219	5.248489
C., R. I. & P. General 4%.....	143.7263	454.1424	4.459779	3.363736
C., R. I. & P. Secured 4½%.....	103.4352	261.8075	2.358247	5.904549
C., R. I. & P. Thirty-Year Convertible 4½%				4.967051
B., C. R. & N. Cons. First 5%....		100	2.5	5.281666
C., O. & G. Cons. 5%.....	93.8564	487.7514	5.209601	1.897962
R. I., A. & L. First 4½%.....	116.0551	267.3893	2.163685	4.615805
St. P. & K. C. Short Line First 4½%*	99.1064	161.3330	1.285858	5.744674
General unsecured claims.....				4.967051

*Sterling bonds of this issue shall be accompanied by cash payments at the rate of \$15 per £100 principal amount and will then be entitled to new securities and cash at the same rates as the dollar bonds of this issue. Sterling bonds may be converted into dollar bonds on the basis stated in the mortgage securing this issue until the Consummation Date but not thereafter.

(b) The Exchange Agent shall deliver scrip issued under the Bond Scrip Agreement in lieu of First Mortgage Bonds and General Mortgage Bonds in denominations less than \$50 and scrip issued under the Reorganized Company's instructions to the Transfer Agents in lieu of stock certificates representing fractional shares.

(c) Cash payments in lieu of interest for the years 1944, 1945, 1946, and 1947 shall be made by the Exchange Agent at the following rates:

(i) \$8.00 per \$50 principal amount of First Mortgage Bonds delivered;

(ii) \$9.00 per \$50 principal amount of General Mortgage Bonds delivered.

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has as trustee under said mortgage in that portion of the mortgaged property described in said Document 4, and no personal covenant or liability shall be implied against or be assumed or undertaken by said trustee by reason of such execution or by reason of any covenant in any instrument so executed, except as may be expressly provided in such instrument.

(b) The Reorganized Company is hereby authorized and directed to execute and enter into its Special Exchange Agency Agreement with St. Louis Union Trust Company, as Special Exchange Agent, in the form of Document 17 listed in paragraph L of this order, and St. Louis Union Trust Company is hereby authorized and directed to execute and become a party to said Special Exchange Agency Agreement as Special Exchange Agent, to receive the First Mortgage 4% Gold Bonds of Little Rock and Hot Springs Western Railroad Company, stamp said bonds as provided in the Special Exchange Agency Agreement, return the same to the holders thereof together with the new securities and cash distributable in respect of said First Mortgage 4% Gold Bonds on the bases stated in paragraph 15(c) of this order, and otherwise to conduct the special exchange in accordance with said Special Exchange Agency Agreement.

(c) Against delivery of the partial release referred to in paragraph 15(a) of this order, the Reorganized Company shall deliver to or upon the order of the Special Exchange Agent, for distribution under the Plan, First Mortgage Bonds and General Mortgage Bonds in the principal amounts of \$93,450 and \$215,300, respectively, and shall deposit with the Special Exchange Agent the following amounts in cash for the purposes here specified:

\$14,952 in lieu of and equivalent to interest at the rate of 4% per annum for the years 1944, 1945, 1946,

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and 1947 on the above-mentioned \$93,450 principal amount of First Mortgage Bonds;

\$33,754 in lieu of and equivalent to interest at the rate of 4½% per annum for the years 1944, 1945, 1946, and 1947 on the above-mentioned \$215,300 principal amount of General Mortgage Bonds;

\$34,848.20 in lieu of and equivalent to preferential dividends on 1,742.41 shares of Series A Preferred Stock at the rate of \$5 a share in respect of each of the years 1944, 1945, 1946, and 1947.

The Special Exchange Agent shall distribute the aforesaid First Mortgage Bonds and General Mortgage Bonds, and Series A Preferred Stock and Common Stock obtained on requisition from the Reorganized Company's Chicago Transfer Agent as authorized by the Special Exchange Agency Agreement, to the holders of Little Rock and Hot Springs Western Railroad Company First Mortgage 4% Gold Bonds at the following rates per \$1,000 principal amount of such bonds:

First Mortgage Bonds	General Mortgage Bonds	Shares Preferred Stock	Shares Common Stock
\$81.9825	\$188.8842	1.52843	.634403

In lieu of new bonds in denominations less than \$50, the Special Exchange Agent shall deliver First Mortgage Bond Scrip and General Mortgage Bond Scrip obtained on requisition from the Reorganized Company's Chicago Bond Scrip Agent, and in lieu of stock certificates for fractional shares shall deliver Preferred Stock Scrip and Common Stock Scrip obtained on requisition from the Reorganized Company's Chicago Transfer Agent, all as more particularly set forth in the Bond Scrip Agreement, the Reorganized Company's instructions to the Transfer Agents, and the Special Exchange Agency Agreement. The aforesaid cash in lieu of interest and dividends shall be paid out by the Special Exchange Agent as follows:

securities, once or from time to time, as they may deem advisable, in each of the following newspapers:

- New York
 - Times
 - Wall Street Journal (including San Francisco edition)
- Chicago
 - Daily News
 - Herald American
 - Journal of Commerce
 - Tribune
 - Sun
- Boston
 - Herald Traveler
- Philadelphia
 - Inquirer
- Minneapolis
 - Star Tribune
- Des Moines
 - Register Tribune
- Kansas City
 - Star Times
- Denver
 - Post
- Fort Worth
 - Star Telegram

Such notice shall be substantially in the form of Document 18 referred to in paragraph L of this order. The Managers shall also make available to holders of securities entitled to participate in the exchange, by mailing or otherwise, the information contained in said notice, together with letters of transmittal and instructions for the surrender of securities and claims for exchange.

\$8.00 per \$50 principal amount of First Mortgage Bonds delivered;

\$9.00 per \$50 principal amount of General Mortgage Bonds delivered;

\$20 per share, including fractional shares, of Series A Preferred Stock delivered.

16. *Treasury Securities.* The new securities originally allotted by the Plan to Reconstruction Finance Corporation, and the new securities distributable in respect of the \$755 principal amount of St. Paul and Kansas City Short Line First Mortgage Bonds referred to in paragraph F of this order, shall become treasury securities. Accordingly, the \$4,070,900 principal amount of First Mortgage Bonds referred to in paragraph 12(a)(iii) of this order, and the \$5,992,950 principal amount of General Mortgage Bonds referred to in paragraph 12(b)(iii), shall be delivered to the treasury of the Reorganized Company, and Series A Preferred Stock Certificates and Scrip for 44,618.07 shares and Common Stock Certificates and Scrip for 111,442.02 shares shall be issued to the Reorganization Managers and by them delivered to the treasury of the Reorganized Company after endorsement of the stock certificates in blank, and all such securities shall be held by the Reorganized Company in its treasury subject to the further order of the Interstate Commerce Commission as provided in its aforesaid report and order of December 23, 1947. The \$17,000 principal amount of St. Paul and Kansas City Short Line First Mortgage Bonds heretofore purchased and now held by the Trustees of the Debtor's property shall be surrendered to the mortgage trustee and cancelled by it concurrently with the execution and delivery of the release of the mortgage.

17. *Notice of Exchange.* The Managers are authorized and directed to publish timely notice of the exchange of

18. *Assumption of Peoria and Bureau Valley Lease.* The Reorganized Company is hereby authorized and directed to execute and deliver, in the form of Document 5 listed in paragraph L of this order, an instrument of assumption of the lease between Chicago and Rock Island Railroad Company and The Peoria and Bureau Valley Railroad Company, dated April 14, 1854, provided that The Peoria and Valley Railroad Company shall consent to and accept such assumption in writing as set forth in said Document 5.

19. *Assumption of Executory Contracts.* The Reorganized Company shall assume and be deemed to have assumed, as of the Consummation Date, all executory contracts of the Debtor, of all Subsidiary Debtors except Peoria Terminal Company, of the Trustees of the properties of the Debtor and said Subsidiary Debtors, of all other subsidiaries of the Debtor to be dissolved pursuant to paragraph 26 of this order, and of Rock Island Improvement Company in respect of properties of that company to be conveyed to the Reorganized Company pursuant to paragraph 4 of this order, which by their terms do not terminate at or prior to the Consummation Date and which shall have been affirmed, or shall not have been disaffirmed, by the Trustees of the properties of the Debtor and said Subsidiary Debtors prior to May 23, 1947, the date of the confirmation of the Plan, except the following executory contracts and obligations, which are not to be assumed by the Reorganized Company:

(a) Lease dated June 30, 1900, between White & Black River Valley Railway Company and Choctaw, Oklahoma and Gulf Railroad Company, heretofore disaffirmed;

(b) Contract dated September 7, 1920, between St. Louis-San Francisco Railway Company and the Debtor, with respect to the operating deficits of Crawford Mining Company, heretofore disaffirmed;

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(c) All contracts and leases between the Debtor and any of the Subsidiary Debtors other than Peoria Terminal Company, or between any of the Subsidiary Debtors, or between Rock Island Improvement Company and the Debtor or any of the Subsidiary Debtors, all of which are hereby cancelled as of the Consummation Date;

(d) All bonds that are to be surrendered in exchange for new securities, and all guaranties thereof, which are cancelled for all purposes as of the Consummation Date, except as stated in paragraph 21 of this order;

(e) The Debtor's guaranties of Galveston Terminal Railway Company First Mortgage Bonds, White & Black River Valley Railway Company First Mortgage Bonds, which are hereby cancelled as of the Consummation Date, and the Debtor's guaranty of Peoria Railway Terminal Company First Mortgage Four Per Cent. Thirty Year Gold Bonds, due January 1, 1937, which is cancelled by paragraph 7 of this order;

(f) Any obligation of the Debtor to pay dividends on the capital stock of Burlington, Cedar Rapids and Northern Railway Company and Rock Island and Peoria Railway Company, which obligations are hereby cancelled as of the Consummation Date;

(g) Any obligation of the Debtor and the Subsidiary Debtor, Rock Island, Arkansas and Louisiana Railroad Company, in respect of \$453,600 principal amount of Little Rock and Hot Springs Western Railroad Company Notes, dated October 11, 1911, due July 1, 1939, and the interest thereon, which obligation, if it exists, is hereby cancelled as of the Consummation Date;

provided, however, that the Reorganized Company, within six months after the entry of this order, may disaffirm contracts and leases of the Debtor or the Trustees of the Debtor's property entered into after June 7, 1933, except such as shall have been made binding upon the Reorganized Company by order or orders of this Court, as to which there shall be no right to disaffirm, including specifically the contracts for the purchase of certain equipment from Fair-

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in order to be entitled to such priority, must have been filed with the Court prior to May 1, 1934, as required by Order No. 37, unless filed later, but prior to January 1, 1944, by special permission of the Court.

21. *Assumption and Payment of Certain Interest Coupons.* The Reorganized Company shall pay in cash all interest coupons on bonds of the Debtor and the Subsidiary Debtors, and on bonds issued under mortgages constituting liens on their respective properties, outstanding in the hands of the public, which by their terms became due and payable prior to June 7, 1933, but have not been paid, and all interest coupons on such bonds which by their terms became due and payable after June 7, 1933, and which the Court by orders entered herein has heretofore authorized the Debtor or the Trustees of the Debtor's property to pay or to pay in part in cash, such payments to be made by the Reorganized Company upon presentation of such coupons for payment; provided, however, that no coupons appurtenant to Little Rock and Hot Springs Western Railroad Company First Mortgage 4% Gold Bonds shall be paid. All special deposits of funds for the payment or partial payment of such coupons held on the Consummation Date by The Chase National Bank of the City of New York, The First National Bank of the City of New York, Marine Midland Trust Company of New York, Guaranty Trust Company of New York, and Speyer & Company shall at that time vest absolutely and without restriction in the Reorganized Company and be payable thereafter by said depositaries to or upon its order.

22. *Assumption and Payment of Taxes Due to the United States.* The Reorganized Company shall on the Consummation Date assume the liability for and pay in full in due course any and all taxes due to the United States of America from the Debtor or the Trustees of the Debtor's property for any taxable period prior to the Consummation Date,

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banks Morse and Company and Pullman Standard Car Manufacturing Company, entered into by the Trustees of the Debtor's property pursuant to the order of this Court entered May 2, 1947, as to which there shall be no right to disaffirm and which the Reorganized Company shall assume and carry out so as to complete the purchase and acquisition of said equipment pursuant to said contracts and the order of this Court entered in these proceedings on May 2, 1947. The current obligations of the Trustees of the Debtor's property shall be assumed by the Reorganized Company, as of the Consummation Date, with the same relative priority as they shall have immediately prior to said date with respect to other obligations of the Debtor and the Subsidiary Debtors.

20. *Assumption and Payment of Claims in Classes 1, 2, and 3.* The Reorganized Company shall assume on the Consummation Date and pay in cash, to the extent allowed but not theretofore paid, the following claims:

- (a) Claims against the Debtor and the Subsidiary Debtors, or any of them, that would have been entitled to priority over existing mortgages if a receiver in equity of the property of such debtors had been appointed by a federal court on the date of the filing of the respective petitions in bankruptcy (designated Class 1 by order of the Court);
- (b) Claims for personal injuries to employees, and claims of personal representatives of deceased employees, of the Debtor or any Subsidiary Debtor, arising under federal or state law (designated Class 2 by order of the Court); and
- (c) Claims entitled to priority in payment by virtue of the laws of any state or of the United States (designated Class 3 by order of the Court);

all of which shall be assumed with the same relative priority as they now have with respect to the other obligations of the Debtor; provided, however, that claims in Classes 1 and 3,

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without requiring proof thereof in these proceedings and without prejudice by reason of not having been proved herein, subject, however, to the statute or statutes of limitations normally applicable to the assessment and collection of such taxes; provided, however, that the liability of the Reorganized Company for any taxes that are the subject of litigation on the Consummation Date, or which may become the subject of litigation thereafter and prior to the expiration of the applicable statute of limitations, shall be determined pursuant to law, and provided, further, that this provision shall not be deemed to preclude either the Debtor, the Trustees of the Debtor's property, or the Reorganized Company from contesting the merits of any such tax in the manner provided by law.

23. *Assumption and Payment of Pensions.* The Reorganized Company shall assume and pay all pensions granted by the Debtor, the Subsidiary Debtors, or the Trustees of the properties of the Debtor and the Subsidiary Debtors to their employees prior to the Consummation Date.

24. *Assumption of Equipment Obligations.* As authorized by the Interstate Commerce Commission in its aforesaid report and order of December 23, 1947, the Reorganized Company shall assume, and be deemed to have assumed, as of the Consummation Date, the following obligations and liabilities, to the extent not paid or otherwise discharged prior to the Consummation Date:

Obligations to Be Assumed with Respect to Equipment Trust Certificates (Unpaid Balances Shown as of November 1, 1947)

- (a) An unpaid principal balance of \$369,000 under Equipment Trust, Series T, dated as of November 1, 1940, due in equal semiannual installments beginning May 1, 1941, with final installment due May 1, 1949, bearing interest at the rate of 2% per annum, payable

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semiannually, payment of principal and interest having been assumed by the Trustees of the property of the Debtor.

(b) An unpaid principal balance of \$333,000 under Equipment Trust, Series S, dated as of February 1, 1940, due in equal semiannual installments beginning August 1, 1940, with final installment due February 1, 1950, bearing interest at the rate of 2¾% per annum, payable semiannually, payment of principal and interest having been assumed by the Trustees of the property of the Debtor.

Obligations to Be Assumed with Respect to Conditional Sale Agreements (Unpaid Balances Shown as of November 1, 1947)

(c) An unpaid balance of purchase price of \$4,139,478.57 under Conditional Sale Agreement, dated as of June 1, 1944, between Rock Island Improvement Company and the Trustees of the property of the Debtor, assigned to The First National Bank of Chicago, covering 10 steam freight locomotives, 10 Diesel freight locomotives, and 500 steel box cars.

(d) An unpaid balance of purchase price of \$4,928,481.88 under Conditional Sale Agreement, dated as of September 1, 1945, between Rock Island Improvement Company and the Trustees of the property of the Debtor, assigned to The First National Bank of Chicago, covering the purchase of 8 Diesel passenger locomotives, 12 Diesel freight locomotives, 500 50-ton steel box cars, and 10 steam freight locomotives.

Miscellaneous Obligations

(e) Any other equipment obligations which may have been or may be issued by the Trustees of the Debtor's property after the aforesaid dates and prior to Consummation Date and any equipment obligations which may arise because of delivery of equipment after said dates or otherwise under equipment obligations which may exist prior to the Consummation Date.

all such action as shall be required or appropriate under applicable state laws to accomplish the dissolution of said subsidiaries.

27. *Disposition of Securities and Cash Distributable Under Plan of Reorganization of 1916.* Bankers Trust Company, as Depositary for the Debtor in connection with the Debtor's Plan of Reorganization dated November 14, 1916, as modified November 26, 1916, is hereby authorized and directed to deliver and pay to the Reorganized Company the following securities and cash, which it holds as Depositary for distribution under said Plan of Reorganization in exchange for outstanding Certificates of Deposit for 2 shares of Capital Stock and \$19,000 principal amount of Twenty-Year 5% Debentures of the Debtor (\$8,000 principal amount stamped and \$11,000 principal amount unstamped):

	<u>Shares</u>
6% Preferred Stock of the Debtor	190
7% Preferred Stock of the Debtor	7
Common Stock of the Debtor	2
	<u>Amount</u>
Cash in lieu of 2 coupons missing from Twenty-Year 5% Debentures when deposited with said Depositary.....	\$ 50
Cash representing dividends received by said Depositary on 6% and 7% Preferred Stock of the Debtor held by it for exchange	16,660
Cash representing dividends received by said Depositary on Common Stock of the Debtor held by it for exchange.....	63.25
Cash for payment at the rate of \$1.00 per share on the 7% Preferred Stock of the Debtor upon delivery of the same pursuant to said 1916 Plan of Reorganization	8
Cash for distribution upon surrender of Certificates of Deposit for Twenty-Year 5% Debentures of the Debtor.....	1,660.48

25. *Assumption and Payment of Reorganization Expenses.* The Reorganized Company is authorized and directed to pay the reasonable and necessary expenses (exclusive of the fees and expenses of the attorneys for the Managers) incurred and to be incurred by the Managers in carrying out and putting into effect the Plan of Reorganization, to the extent that the same shall not have been paid prior to the Consummation Date, within the maximum limit of allowance for such expenses heretofore determined by the Interstate Commerce Commission and approved by this Court. The Reorganized Company shall also pay, in such amounts as have heretofore been or shall hereafter be allowed by this Court, but only to the extent that the same shall not have been paid prior to the Consummation Date, all other expenses and costs of the administration of these proceedings, including allowances of fees or compensation for services and reimbursement of expenses heretofore or hereafter rendered or incurred in connection with these proceedings or the Plan by or on behalf of parties to these proceedings. For the purposes of this paragraph 25, all compensation for services rendered and all expenses incurred by the trustees now acting under the mortgages referred to in paragraph L of this order, under the numbers 3 and 4, which would have been secured, respectively, by the liens of such mortgages, if such mortgages had not been satisfied, cancelled, and released by, or pursuant to, this order, shall be deemed to be expenses incurred in connection with these proceedings or the Plan.

26. *Dissolution of Subsidiaries.* The determination of the Managers with respect to the dissolution of certain subsidiaries of the Debtor, as set forth in paragraph J of this order, is hereby approved. Promptly after the Consummation Date the Reorganized Company, under the supervision of the Managers, shall take, or cause to be taken by the several subsidiaries that are to be dissolved,

	<u>Amount</u>
Cash representing proceeds of sale of rights received by said Depositary in 1930 with respect to above-mentioned shares of stock held by it for exchange.....	273.63

Upon making such delivery and payment, Bankers Trust Company shall be discharged and relieved of its obligations and liabilities as Depositary as aforesaid. The Reorganized Company shall cancel the Certificates for 6% and 7% Preferred Stock and Common Stock, but upon surrender of any outstanding Certificate of Deposit it shall pay to the holder thereof the amount of cash, without interest, distributable in respect thereof in accordance with the terms of said Plan of Reorganization of 1916.

28. *Termination of Trustees' Possession and Operation of Debtors' Properties; Indemnification of Trustees.* Until the Consummation Date, the Trustees of the properties of the Debtor and the Subsidiary Debtors shall continue to have all of the title and, subject to the control of the Court, shall exercise all of the powers heretofore vested in them by the orders of this Court. From and after the Consummation Date, said Trustees shall continue in office until the further order of this Court, and their compensation as heretofore fixed by the Court shall be paid by the Reorganized Company, but they shall be relieved of all further duties, responsibility, and control in respect of the operation of the properties and business of the Debtor and the Subsidiary Debtors, and the Reorganized Company shall possess its assets free from the control of this Court, except as otherwise expressly provided in this order. Said Trustees shall prepare and file with the Court, with reasonable dispatch, a final statement of account covering the period of their operation of the properties and business of the Debtor and the Subsidiary Debtors. From and after the Consummation Date there shall be no liability upon said

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Trustees, or either of them, for any obligations incurred by them in their official capacity as such Trustees during the period in which they have operated the properties and business of the Debtor and the Subsidiary Debtors pursuant to the authority of this Court, and the Reorganized Company shall be and become liable for any and all such obligations and shall indemnify and hold said Trustees harmless against such obligations.

29. *Trustees' Checks; Payments for Periods Overlapping Consummation Date.* All checks and vouchers of the Trustees of the Debtor's property signed prior to the Consummation Date shall be honored, and said Trustees are authorized to draw checks and vouchers on the funds of the Reorganized Company after the Consummation Date and deliver the same as may be requested by the Reorganized Company to facilitate any payments to be made by the Reorganized Company, and all such checks and vouchers shall be similarly honored. Wage, salary, rental, tax, and other payments in respect of periods commencing before and terminating after the Consummation Date may be made by single checks or vouchers, whether of the Trustees of the Debtor's property or of the Reorganized Company.

30. *Pending Litigation.* The Reorganized Company shall have the right, if it so elects, to be substituted at its own cost and expense as a party in lieu of the Debtor, any Subsidiary Debtor other than Peoria Terminal Company, or the Trustees of the properties of the Debtor and any Subsidiary Debtor other than Peoria Terminal Company, in any or all litigation or proceedings by or against the Debtor, any Subsidiary Debtor other than Peoria Terminal Company, or said Trustees, now pending on appeal or otherwise, or to continue such litigation or proceedings in the name or names of the present parties thereto.

taking steps to interfere with said Reorganized Company, its officers and agents, or the operation of the lines of railroad or properties or conduct of the business of said Reorganized Company, by reason or on account of any claim or interest as holder or owner of any share or shares of stock of any class or any certificate representing such share or shares of stock of the Debtor or any Subsidiary Debtor, or as holder or owner of any beneficial interest therein, or by reason or on account of any obligation or obligations incurred by the Debtor, any Subsidiary Debtor, or the Trustees of the properties of the Debtor and the Subsidiary Debtors.

34. *Reservation of Jurisdiction for Certain Purposes; Termination of Proceedings.* The Court hereby reserves jurisdiction to allow fees or compensation for services and reimbursement for expenses heretofore or hereafter rendered or incurred in connection with these proceedings or the Plan, to pass on the final statement of account of the Trustees of the properties of the respective Debtors, to pass on the final report of the Managers, and to take such further action as may be necessary to put into effect the Plan, this order, and any other order heretofore entered by this Court relative thereto; provided, however, that nothing in this paragraph 34 shall be construed as a reservation of jurisdiction to change the Plan or any of the rights vested thereunder or any of the rights of the holders of the new securities or persons entitled to receive them, and, except as otherwise provided in this order, these proceedings, and the jurisdiction of this Court in or by virtue thereof, are hereby terminated, effective at the Consummation Date, and the case is closed.

ENTER:

MICHAEL L. IGOE
District Judge

31. *Disposition of Old Securities.* All unissued or blank bonds now held by the trustees under the mortgages referred to in paragraph L of this order, under the number 3, shall be delivered to or upon the order of the Reorganized Company and shall thereafter be cremated or otherwise disposed of in a manner consistent with any rules and regulations of the Interstate Commerce Commission applicable thereto. All securities surrendered for exchange pursuant to this order shall be cancelled and delivered to or upon the order of the Reorganized Company. The \$676,335.10 principal amount of notes of St. Paul and Des Moines Railroad Company, owned by St. Paul and Kansas City Short Line Railroad Company and pledged under its First Mortgage, shall be cancelled when released by the trustee under said mortgage upon the satisfaction and release thereof pursuant to paragraph 6 of this order.

32. *Recording and Filing Documents.* Upon payment of their proper recording and filing fees, all recording officers of states and counties in which the properties of the Reorganized Company shall be located after the Consummation Date shall record or file for record all such documents provided in this order, or in the documents herein approved, to be recorded, or filed for record, as may be tendered to them for recording or filing, the laws of any state to the contrary notwithstanding.

33. *Injunctive Provisions.* All persons, firms, and corporations whatsoever, and wheresoever situated, located, or domiciled, are hereby restrained and enjoined from interfering with the carrying out of the Plan of Reorganization by attaching, garnishing, levying upon, enforcing liens against or upon, or in any manner whatsoever disturbing any portion of the property, real, personal, or mixed, of any kind or character, belonging to or in the possession of, Chicago, Rock Island and Pacific Railroad Company, the Reorganized Company, and from interfering with or

UNITED STATES OF AMERICA }
NORTHERN DISTRICT OF ILLINOIS } ss.

I, ROY H. JOHNSON, Clerk of the District Court of the United States of America for the Northern District of Illinois, do hereby certify the above and foregoing to be a true and correct copy of an order made and entered in said Court on the 30th day of December, A. D. 1947, as fully as the same appears of record in my office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said Court at my office in Chicago, in said District, this 30th day of DECEMBER, A. D. 1947.

(U.S. District Court Seal)

ROY H. JOHNSON
Clerk

COMPARED

By Gizella Butcher
Deputy Clerk