

the several lines of railway and other property and franchises heretofore owned by the Debtor and by Joseph B. Fleming and Aaron Colson, as trustees of the Debtor's property, by virtue of appropriate conveyances from said trustees, and has acquired by appropriate conveyances and now owns the several lines of railway and other property and franchises heretofore owned by The Chicago, Rock Island and Gulf Railway Company, a corporation of the State of Texas, Choctaw, Oklahoma and Gulf Railroad Company, a corporation organized under an Act of Congress approved August 24, 1894, as amended by an act approved March 28, 1900, Rock Island, Arkansas and Louisiana Railroad Company, a 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, and by Joseph B. Fleming and Aaron Colson, as trustees of their several properties, and by Morris Terminal Railway Company, a corporation of the State of Illinois, and certain properties heretofore owned by Rock Island Improvement Company, a corporation of the State of New Jersey; and

WHEREAS, in order to comply with the provisions of the Plan and orders of the Court and to provide funds for its lawful corporate purposes, the Company has duly determined to issue its General Mortgage Bonds, not limited in aggregate principal amount except as hereinafter provided, to be secured by the Mortgage on the real and personal property of the Company hereinafter described or referred to as being or to become subject to the lien hereof, such Bonds to be issued in one or more series from time to time, the Bonds of each series

to be issued originally either as coupon Bonds convertible as to principal or as registered Bonds without coupons, or both, and all such Bonds to be authenticated by the certificate of the Corporate Trustee, all as hereinafter provided; and

WHEREAS, in accordance with the Plan, the Reorganization Managers designated pursuant thereto have duly determined the form and provisions of the Mortgage and of the Bonds of Series A to be issued thereunder and of the coupons appertaining thereto; and

WHEREAS, the Bonds of Series A, the interest coupons to be attached to the coupon Bonds of Series A, and the Corporate Trustee's certificate of authentication to be endorsed on the Bonds of all series, are to be substantially in the following forms, respectively:

(Form of Coupon Bond of Series A)

No. _____
CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY
GENERAL MORTGAGE 4½% CONVERTIBLE INCOME BOND
SERIES A, DUE JANUARY 1, 2019

CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY, a corporation existing under the laws of the State of Delaware, and having its principal office in the City of Chicago, State of Illinois (herein referred to as the "Company"), for value received, hereby promises to pay to bearer or, if this Bond be registered as to principal, then to the registered holder hereof, on January 1, 2019, the principal sum of _____ Dollars (\$ _____) in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts; and (except as herein otherwise provided) to pay interest on said principal sum in like coin or currency at the rate of 4½% per annum from January 1, 1948, until said principal sum becomes due and payable as

herein provided and, if default be made in the payment of said principal sum when so due and payable, thereafter (to the extent permitted by law) at the highest rate of interest allowed by any of the Bonds outstanding under the Mortgage herein, after referred to until the Company's obligation with respect to the payment of said principal sum shall be discharged as provided in the Mortgage, but only, in the case of interest due on or before the date said principal sum becomes due and payable, upon presentation and surrender of the appropriate interest coupons hereto appertaining.

Until said principal sum becomes due and payable as herein provided or until interest on said principal sum becomes fixed as hereinafter provided, interest on this Bond with respect to each calendar year prior to the calendar year immediately preceding the date of maturity of this Bond will be payable on the first April 1 following such calendar year when and to the extent that the Available Net Income of the Company, as defined and made applicable to the payment of such interest, is adequate therefor under the terms and provisions of the Mortgage. Interest of 4½% on the principal sum of this Bond for the calendar year 2018 will be paid on January 1, 2019, whether or not the Available Net Income of the Company for the calendar year 2018 is adequate for the payment of such interest. To the extent that the Available Net Income of the Company applicable to the payment of interest on this Bond for any calendar year prior to the year 2019 shall be less than 4½% of such principal sum, such interest shall accrue and accumulate up to but not exceeding 13½% of such principal sum. When said principal sum becomes due and payable or when an event of default as defined in the Mortgage shall occur, any interest on this Bond that has accumulated as aforesaid and that remains unpaid, plus interest reserved as hereinafter provided, and interest (to the extent not otherwise payable) at the rate of 4½% per annum from January 1 of the preceding calendar year to the date when said principal sum becomes due and payable or when such event of default occurs, shall then be due and payable. Accumulations of interest on this Bond shall not bear interest.

Except as aforesaid, no interest shall be required to be paid on this Bond on any interest payment date, if the amount then payable would be less than 1% of 1% of the principal sum hereof, and any amount available for interest not payable because of this provision shall be reserved and added to the amount available for, or payable on account of, interest on the next date on which interest shall be paid.

The principal of premium if any, and interest on this Bond are payable at the office or agency of the Company in the City of Chicago, State of Illinois, or at the option of the holder hereof, at the office or agency of the Company in the Borough of Manhattan, City and State of New York.

This Bond is one of the General Mortgage Bonds of the Company (herein referred to as the "Bonds"), and constitutes an aggregate principal amount except as provided in the Mortgage, issued and to be issued under, and all equally and ratably secured by, a mortgage and deed of trust dated as of January 1, 1948, (herein referred to as the "Mortgage"), duly executed and delivered by the Company to The Northern Trust Company and Fidelity P. Johnston, as Trustees, and their successors in trust (which Trustees and their successors in trust are hereinafter referred to as the "Trustees"), to which Mortgage and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of and restrictions upon the Company and the holders of the Bonds and coupons in respect of such security the rights, duties and immunities of the Trustees and the terms and conditions under which the Bonds are, and may be, issued and secured. By the terms of the Mortgage, the Bonds may be for various principal sums and are issuable in series, and the Bonds of any series may differ from the Bonds of any other series as to denomination, date maturity, interest rate, redemption, sinking fund provisions and otherwise, all as in the Mortgage provided. Bonds of Series A, of which this is one, are designated as the "General Mortgage 4½% Convertible Income Bonds, Series A, due January 1, 2019," and the aggregate principal amount thereof is limited to \$80,000,000.