

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

Iowa Power and Light Company

to

Harris Trust and Savings Bank

and

M. H. MacLean, Trustees

Filed for record the 31 day
of March, A. D., 1928, at 2:40
o'clock P. M.

#1068

Fee \$40.00 ✓

Gladys B. DeVault, Recorder,
Ercell M. Knott, Deputy.

Mortgage Record 94 Page 454

Release
For Assignment of Annexed Mortgage See
Trust Indenture

THIS INDENTURE, dated the first day of March, A. D. 1928, but actually executed and entered into the 20th day of March, A. D. 1928, between IOWA POWER AND LIGHT COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Iowa with its principal office in the City of Des Moines in said State, party of the first part (hereinafter termed the "Company"), and HARRIS TRUST AND SAVINGS BANK, a corporation organized and existing under and by virtue of the laws of the State of Illinois, with its principal office and place of business at Number 115 West Monroe Street, in the City of Chicago, Illinois, and W. H. MacLean, whose postoffice address is at Number 115 West Monroe Street, in the City of Chicago, in said State, parties of the second part (hereinafter for convenience termed the "Trustees;" Harris Trust and Savings Bank, wherever hereinafter referred to separately, being termed the "Trust Company"), WITNESSETH that:

WHEREAS, the Company in and about its business has acquired the properties hereinafter described and intends to acquire other properties and securities from time to time, and to add to, improve, extend, better and develop the property now owned by it, as well as such after-acquired property; and

WHEREAS, the Company is duly authorized to borrow money from time to time for its corporate purposes and to issue therefor its bonds or other obligations and to secure the prompt payment thereof by mortgage and/or pledge of its franchises, rights and privileges, and of all or any of its properties, real, personal and mixed, and for the purpose of refunding its existing indebtedness, and adding to, enlarging, extending and developing its property, as well that now owned by it as that which it shall hereafter acquire, and for other corporate purposes, the Company has determined to make and issue its bonds, as hereinafter provided, all of which bonds are to be payable in gold coin of the United States of America of the standard of weight and fineness existing on March 1, 1928; and

WHEREAS, any of said bonds may be coupon bonds payable to bearer, with privilege of registration as to principal (hereinafter called "coupon bonds"), in the denominations of \$1,000 and \$500; and at the option of the Company also in the denomination of \$100, or be issued in fully registered form without interest coupons (hereinafter called "fully registered bonds") in such denominations as may be determined prior to the issuance thereof; and

WHEREAS, said bonds are to be in one or more series, each series to be dated as of such date or dates, to bear such rate of interest, to mature at such time or times, to bear such designation and to contain such other specifications and provisions as are hereinafter in this Indenture provided or permitted; and

WHEREAS, the Company, under and pursuant to the power and authority aforesaid, has determined to secure the prompt payment of the principal of and interest on all the said bonds by executing and delivering to the Trustees a mortgage or deed of trust in the terms of this Indenture, mortgaging and pledging the hereinafter described property; and

WHEREAS, the issuance of said bonds from time to time and the execution and delivery of this Indenture have been authorized and consented to by resolutions duly adopted by the stockholders and by the Board of Directors of the Company at meetings of such

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

stockholders and Board of Directors, respectively, duly and regularly called and held, and a mortgage or deed of trust securing said bonds, substantially in the form of this Indenture, was duly approved by the stockholders and Board of Directors of the Company at their respective meetings, and the President or a Vice-President and the Secretary or an Assistant Secretary of the Company were duly authorized on behalf of the Company as its act and deed and under its corporate seal to execute and deliver the same to the Trustees; and

WHEREAS, the initial series of bonds created under this Indenture is to be known as Series A and is to consist of coupon bonds in the denomination of \$1,000 and \$500, subject, nevertheless, to the right of the Company, as provided in Section 8 of Article II of this Indenture, to provide hereafter for the issuance of fully registered bonds of Series A; and

WHEREAS, the coupon bonds of Series A, with the interest coupons to be attached thereto and the certificate to be signed by the Trust Company for the authentication thereof, are to be substantially in the form and of the tenor following, to wit:

(Form of Bond)

No.....

UNITED STATES OF AMERICA
State of Iowa

\$.....

IOWA POWER AND LIGHT COMPANY
First Mortgage Gold Bond Series A 4 $\frac{1}{2}$ %

Dated March 1, 1928

Due March 1, 1958

IOWA POWER AND LIGHT COMPANY, a corporation of the State of Iowa (hereinafter called the "Company"), for value received, hereby promises to pay, on the first day of March, 1958, (unless this bond be sooner redeemed as hereinafter provided), to bearer, or, if registered, to the registered owner of this bond, at the office of Harris Trust and Savings Bank, in the City of Chicago, Illinois, or, at the option of such bearer or registered owner, at the office of Guaranty Trust Company of New York, in the Borough of Manhattan, in the City and State of New York, the principal sum of.....
...Dollars (\$.....), in gold coin of the United States of America of the standard of weight and fineness existing on March 1, 1928, and, until such principal sum shall have been paid, to pay interest thereon from March 1, 1928, at the rate of four and one-half (4 $\frac{1}{2}$) per centum per annum, such interest to be payable, at the option of the bearer of the interest coupons, at either of the places hereinbefore specified for payment of the principal of this bond, in like gold coin, semi-annually on the first day of March and the first day of September in each year, such interest to the date of the fixed maturity of this bond being payable only upon presentation and surrender, as they severally mature, of the coupons for such interest hereto annexed.

All payments on this bond, both of principal and interest, shall be made without deduction for any tax, assessment or other governmental charge, (except succession and inheritance taxes, state income taxes and that portion of any Federal income tax which may be in excess of two per centum of such interest per annum) which the Company, its successors or assigns, may be required or permitted to pay thereon, or to deduct or retain therefrom, under any present or future law or requirement of the United States of America or of any state, county, municipality or other taxing authority therein, all of which taxes, except as above provided, the Company agrees to pay.

This bond is one of a duly authorized issue of bonds of the Company, of the series and designation indicated on the face hereof. Said issue of bonds consists, ^{or} may consist, of several series of varying denominations, dates and tenor, all of which bonds have been issued, or are to be issued, under and in pursuance of, and (except as to any

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

sinking fund which may be established for the exclusive benefit of one or more particular series of such bonds) are all equally and ratably secured by, an Indenture of mortgage or deed of trust dated March 1, 1928, duly executed by the Company to Harris Trust and Savings Bank and M. H. MacLean, as Trustees, to which Indenture reference is hereby made for a description of the property thereby mortgaged and pledged, the nature and extent of the security thereby created, and the rights of the holders of said bonds in respect of such security.

As provided in said Indenture, coupon bonds of the denomination of \$1,000 or \$500 of the same issue, series and maturity at any time outstanding, when surrendered with all unmatured coupons attached, and upon the payment of charges, may be exchanged for an equal aggregate principal amount of coupon bonds of the other denomination of the same issue, series and maturity, of numbers not contemporaneously outstanding, with all unmatured coupons attached.

In case of default in the payment of any installment of interest on any bond of said issue, and the continuance thereof for a period of sixty days, the principal of all the bonds of said issue may be declared due and payable prior to their regular maturity, in the manner and upon the conditions expressed in said Indenture, and may otherwise be declared due and payable prior to such maturity upon the occurrence and continuance of other defaults as in said Indenture provided.

This bond may, at the option of the Company, be redeemed on any interest date prior to its regular maturity, after at least sixty days' notice published in the manner provided in said Indenture, by paying the principal hereof and the interest accrued hereon to the date fixed for such redemption, plus a premium equal to the following percentage of the principal, to wit: If such redemption date occur on or prior to September 1, 1945, three per centum of such principal, which premium shall decrease on each March first thereafter until and including March 1, 1957, in an amount equal to one-fourth of one per centum of such principal, and on and after March 1, 1957, without premium; all in the manner and upon the conditions provided in said Indenture. The bonds of said issue are entitled to the benefit of the improvement fund established by said Indenture.

No recourse shall be had for the payment of the principal of or interest on this bond against any incorporator, stockholder, director or officer of the Company, past, present or future, either directly or through the Company, by virtue of any statute or constitution, or by the enforcement of any assessment or penalty, or otherwise howsoever, any and all liability of incorporators, stockholders, directors and officers of the Company being hereby waived and released by each successive holder of this bond.

This bond shall pass by delivery unless registered in the owner's name on registration books of the Company, to be kept at the office of Harris Trust and Savings Bank, or of its successor as Trustee under said Indenture; such registration being noted hereon by the Bond Registrar of the Company, after which no transfer shall be valid unless made on said books in the manner prescribed in said Indenture and similarly noted hereon, but the same may be discharged from registry by being transferred in like manner to bearer, after which transferability by delivery shall be restored, and again, from time to time, it may be registered or transferred to bearer as before. Such registration, however, shall not affect the transferability of the coupons for the interest hereon by delivery merely, and payment to the bearer thereof shall discharge the Company in respect of the interest therein mentioned, whether or not the bond shall have been registered.

Neither this bond, nor any of the coupons for interest hereto annexed, shall become or be valid until this bond shall have been authenticated by the certificate endorsed hereon, duly signed by Harris Trust and Savings Bank, one of the Trustees under

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

said Indenture, or by its successor in said trust.

IN WITNESS WHEREOF Iowa Power and Light Company has caused this bond to be signed by its President or a Vice President, and its corporate seal to be hereunto affixed and to be attested by its Secretary or an Assistant Secretary, and the coupons for such interest, bearing the facsimile signature of its Treasurer, to be attached hereto, as of the first day of March, A. D. 1926.

IOWA POWER AND LIGHT COMPANY

By.....
President.

ATTEST:

.....
Secretary.

(Form of Interest Coupon)

\$.....

No.....

On the first day of, 19....., Iowa Power and Light Company will pay the bearer hereof, at the office of Harris Trust and Savings Bank, in the City of Chicago, Illinois, or, at the option of such bearer, at the office of Guaranty Trust Company of New York, in the Borough of Manhattan, in the City and State of New York,Dollars (\$.....), in gold coin of the United States of America of the standard of weight and fineness existing on March 1, 1928, without deduction for taxes (except succession and inheritance taxes, state income taxes and that portion of any Federal income tax which may be in excess of two per centum hereof), being semi-annual interest then due upon its First Mortgage Gold Bond, Series A 4½%, No....., unless said bond shall have been duly called for previous redemption.

.....
Treasurer.

(Form of Trustee's Certificate)

It is hereby certified that this bond is one of the bonds, of the series designated thereon, mentioned and described in the Indenture within referred to.

HARRIS TRUST AND SAVINGS BANK,
Trustee,

By.....

and

WHEREAS, all other series of bonds which may be issued under this Indenture are to be in substantially the same form as the Series A bonds subject to such variations, additions, omissions and substitutions as are provided or permitted by the terms of this Indenture; and

WHEREAS, in pursuance of the resolutions of the stockholders and Board of Directors of the Company duly adopted as aforesaid, and in pursuance of all and every legal power and authority in it vested, the Company proposes to make, execute and deliver bonds hereby secured as hereinabove and hereinafter more fully set forth; and

WHEREAS, all requirements essential to the valid issuance of said bonds and the valid execution of this Indenture have been duly complied with;

Now, THEREFORE, THIS INDENTURE WITNESSETH, that to secure the payment of the principal of and interest on such bonds as may at any time be issued and outstanding under this Indenture according to their tenor and effect, and the due performance of the covenants, agreements and provisions herein contained, and to declare the terms and conditions upon which said bonds are to be issued, the Company, party of the first part, in consideration of the premises and of the purchase and acceptance of said bonds by the holders thereof, and of the sum of One Dollar (\$1.00) lawful money of the United States of America to it duly paid by the Trustees at or before the ensealing and delivery of these presents, the

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9281

receipt whereof is hereby acknowledged, has executed and delivered these presents, and has granted, bargained, sold, warranted, aliened, remised, released, conveyed, confirmed, assigned, transferred, mortgaged, pledged and set over, and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, confirm, assign, transfer, mortgage, pledge and set over, unto the parties of the second part, and to their successor or successors in the trust hereby created, all and singular the following (hereinafter sometimes called the "trust property"), to wit:

I.

All of the real estate, leaseholds, chattels real, and equitable interests and other interests in real estate, which the Company now owns or may hereafter acquire, including particularly but not exclusively the following real estate now owned by the Company, to wit:

IN DALLAS COUNTY, IOWA.

(1) Lots one (1), two (2), three (3) and four (4) of Block thirty-four (34) and the north one-half ($\frac{1}{2}$) of Lots one (1) and two (2) of Block thirty-five (35) of the East Addition to the Town of Adel, in Dallas County, and State of Iowa, the same being located upon and forming a part of the west half ($\frac{1}{2}$) of the southeast quarter ($\frac{1}{4}$) of section twenty-nine (29) of township seventy-nine (79) north of range twenty-seven (27) west of the fifth principal meridian, in said County and State.

(2) Beginning at northeast corner of Lot one (1), Block thirty-five (35), East Addition to Town of Adel, Iowa, thence west to west line of what is known as Benton Street in said Town of Adel, thence north forty-six (46) rods, thence east to east line of west half ($\frac{1}{2}$) of southeast quarter ($\frac{1}{4}$), thence south forty-six (46) rods, thence west to beginning.

Also all that portion of west half ($\frac{1}{2}$) of southeast quarter (P), north of Grove Street in Town of Adel, and east of west bank of Mill Slough.

And the northeast quarter ($\frac{1}{4}$) of the southeast quarter ($\frac{1}{4}$) except beginning forty-four (44) rods west of the one-half ($\frac{1}{2}$) mile stake on east side of said section, thence south four (4) rods, ^{thence west ten (10) rods} thence west ten (10) rods to beginning.

And north half ($\frac{1}{2}$) of southeast quarter ($\frac{1}{4}$) of southeast quarter ($\frac{1}{4}$), except beginning at southwest corner thereof, thence north forty (40) feet, thence east about seventy (70) feet, to middle of Coon River, thence south forty (40) feet, thence west to beginning; and except beginning at southeast corner thereof, thence north nineteen (19) rods to middle of Coon River, thence southwesterly down middle of said river to about thirty-two (32) rods west of beginning, thence east to beginning.

All of the real estate described in this sub-paragraph (2) being located in and forming a part of the southeast quarter ($\frac{1}{4}$) of section twenty-nine (29) of township seventy-nine (79) north of range twenty-seven (27) west of the fifth (5th) principal meridian in Dallas County and State of Iowa.

(3) Beginning at the southeast corner of the southwest quarter ($\frac{1}{4}$) of the southeast quarter ($\frac{1}{4}$), of section eighteen (18), township seventy-nine (79), range twenty-seven (27), thence west seventy-two (72) rods, thence north fifth-eight (58) rods, thence to a point twenty-one (21) rods north of beginning, thence south to beginning.

And beginning twenty-one (21) rods north of the southeast corner of the southwest quarter ($\frac{1}{4}$) of the southeast quarter ($\frac{1}{4}$) of section eighteen (18) township seventy-nine (79), range twenty-seven (27), thence north three and thirty-seven one-hundredths (3.37) rods, thence in a northwesterly direction to a point sixty-five and forty-seven one-hundredths (65.47) rods north of the southwest corner of said forty (40) acre tract, thence south to southwest corner of said forty (40) acre tract, thence

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

east eight (8) rods, thence north fifty-eight (58) rods, thence in a southeasterly direction to place of beginning, all being in the southwest quarter ($\frac{1}{4}$) of the southeast quarter ($\frac{1}{4}$) of section eighteen (18), township seventy-nine (79), range twenty-seven (27), in Dallas County, Iowa, subject to condition in deed dated July 15, 1872, recorded in Book V, page 33.

- (4) The north one-half ($\frac{1}{2}$) of that part of the northwest quarter ($\frac{1}{4}$) of the northeast quarter ($\frac{1}{4}$) of section nineteen (19) of township seventy-nine (79) north of range twenty-seven (27) west of the fifth (5th) principal meridian, lying east of North Raccoon River and east of the Mill Slough, in Dallas County, Iowa.
- (5) All of Out Lot twenty-five (25), and the north half ($\frac{1}{2}$) of Out Lot twenty-six (26) of the Town of Adel, Iowa, the same being located upon and forming a part of the west half ($\frac{1}{2}$) of the southeast quarter ($\frac{1}{4}$) of section twenty-nine (29), township seventy-nine (79) north of range twenty-seven (27) west of the fifth principal meridian, in Dallas County, Iowa.
- (6) Out Lots twenty-seven (27) and twenty-eight (28) of the Town of Adel, Iowa, the same being located upon and forming a part of the west half ($\frac{1}{2}$) of the southeast quarter ($\frac{1}{4}$) of section twenty-nine (29), township seventy-nine (79) north of range twenty-seven (27) west of the fifth principal meridian, in Dallas County, Iowa.
- (7) Commencing thirty-six (36) rods west of the northeast corner of the northeast quarter ($\frac{1}{4}$) of the southeast quarter ($\frac{1}{4}$) of section nineteen (19), township seventy-nine (79) north range twenty seven (27), west of the 5th principal meridian, Dallas County, Iowa, running thence west ten (10) rods, thence south ten (10) rods, thence east ten (10) rods, thence north ten (10) rods to place of beginning.

The real estate hereinbefore specifically described in sub-paragraphs (1), (2), (5) and (6), is conveyed subject to the rights conferred by the following instrument in so far as such instrument affects any of such real estate, to-wit:

Instrument dated March 10, 1919, executed by the Adel Light and Power Company to H. A. Kohl and filed for record in the Recorder's Office of Dallas County, Iowa, in Book 286 at page 102, on the 16th day of June, 1925.

The real estate described in sub-paragraph (2) is conveyed subject to the rights conferred by the following instrument in so far as such instrument affects any of such real estate, to-wit:

Instrument dated April 10, 1923, executed by the Adel Light and Power Company to the Town of Adel, Iowa, and filed for record in the Recorder's Office of Dallas County, Iowa, on the 17th day of April, 1923, and recorded in Book 262 at page 407.

IN MARION COUNTY, IOWA:

- (8) Lots 7 and 8 in Block 1 in North West Knoxville sometimes known as Jones and Hanks Addition to Knoxville, in Marion County, Iowa.
- (9) The west 71 feet of Lot 5 in Block 29 in the Town of Melcher, Marion County, Iowa, together with a perpetual easement for an open roadway for ingress and egress purposes, to be jointly used by the Iowa Power and Light Company, its successor and assigns, and Bellamy Telephone Company, its successors and assigns, over a strip of land 20 feet wide on the north side of the east 73 feet of said Lot 5.

(10) A part of the Northeast quarter of the Southwest quarter of Section 6, Township 75 North, Range 19 West of the Fifth Principal Meridian, in Marion County, Iowa, more fully described as follows, to-wit:

Commencing at the Northeast corner of said Northeast quarter of the Southwest quarter of said section, thence west 150 feet, thence south 75 feet, thence east 150 feet, thence north 75 feet to the place of beginning.

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

IN POLK COUNTY, IOWA:

- (11) The South Two-thirds ($2/3$) of Lot One (1) in Block ("N") in Scott and Dean's Addition to Ft. Des Moines, now included in and forming a part of the City of Des Moines, Iowa.
- (12) That part of the North Half ($N\frac{1}{2}$) of Lot Twenty (20) of the Official Plat of Government Survey of Lots Four (4), Five (5) and Six (6) of Section (20), Township Seventy-eight (78) North, Range Twenty-three (23) West of the Fifth (5th) Principal Meridian, lying Northerly of a Line Fifty (50) feet normally distant from, northeasterly of and parallel to the main track of the Chicago, Burlington and Quincy Railroad Company, containing Three and Eighty-eight Hundredths (3.86) Acres, more or less.
- (13) The Southwest quarter of the Southeast Quarter, except that portion thereof occupied by the Chicago, Burlington and Quincy Railroad as its right of way, in Section Seventeen (17), Township Seventy Eight (78) North, Range Twenty-Three (23), West of the 5th P. M., also Lot No. Fifteen (15) of the Official Plat of the Southeast Quarter, except that part thereof heretofore conveyed to the Chicago, Burlington and Quincy Railroad Company, in Section 17, Township 78 North, Range 23, West of the 5th P. M.; also all that part of Lot No. Fourteen (14) of the Official Plat of the Southeast Quarter of the Southwest Quarter lying East of the right of way of the Chicago, Burlington and Quincy Railroad Company, in Section 17, Township 78 North, Range 23, west of the 5th P. M; also all that part of Government Lot No. One (1) in Section 20, Township 78 North, Range 23, West of the 5th P. M. lying West of the Public Highway, except right of way of Chicago, Burlington and Quincy Railroad Company.
- (14) That part of Lot Eighteen (18) of the Official Plat of Government Lots Four (4), Five (5) and Six (6) in Section Twenty (20), Township Seventy-eight (78) North, Range Twenty-three (23), West of the Fifth P. M., lying North and East of the Right of Way of the Chicago, Burlington and Quincy Railroad.

Together with all of the right, title and interest of the Company now owned or hereafter acquired in and to any and all plants, buildings, structures, erections and constructions, with their fixtures and appurtenances, now or hereafter placed on any of the real estate described or referred to in this subdivision I, and the tenements, hereditaments and appurtenances appertaining or belonging to such real estate, and the reversion and reversions, remainder and remainders thereof.

II.

The electric generating plants, electric distributing systems and electric transmission lines now owned by the Company, and any electric generating plants, electric distributing systems and/or electric transmission lines hereafter constructed or acquired by the Company, and any additions to or extensions of any such existing or future electric generating plants, electric distributing systems and/or electric transmission lines, together with the engines, boilers, turbines, generators, pole lines, poles, towers, wires, cross-arms, insulators, transformers, meters, buildings, erections, structures, stations, substations, power houses, power producing and power transmitting equipment, cables, conduits, tools, instruments, apparatus, appliances, machinery, facilities and other property used or provided for use in the construction, maintenance, repair and/or operation thereof, both that now owned and that which may be hereafter acquired by the Company, and together also with all the rights, privileges, franchises, easements, licenses, ordinances, rights-of-way, liberties, immunities and permits of the Company, howsoever conferred or acquired.

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

and whether now owned or hereafter to be acquired, with respect to the construction, maintenance, repair and/or operation of said electric generating plants, electric distributing systems and electric transmission lines, and each of them, and any additions thereto and extensions thereof.

And there is included herein particularly but not to the exclusion of any property now owned or hereafter acquired by the Company the following:

(a) IN DALLAS COUNTY, IOWA:

A hydro-electric generating plant and distributing system in the town of Adel, and substations and distributing systems in the towns of Booneville, Dallas Center, De Soto (leasehold estate), Panther and Van Meter (leasehold estate), and electric distributing system in Waukee.

(b) IN MADISON COUNTY, IOWA:

Substation and electric distributing system in the town of Earlham.

(c) IN MAHASKA COUNTY, IOWA:

Substation and electric distributing system in the town of Barnes City.

(d) IN MARION COUNTY, IOWA:

Electric distributing systems in the towns of Attica, (unincorporated), Dallas, Knoxville, Melcher, Pershing, Pleasantville and Swan.

(e) IN POLK COUNTY, IOWA:

1. Substations and electric distributing systems in the towns of Altoona, Commerce and Mitchellville.

2. A steam electric generating power plant in concrete, brick and steel construction building, located at Ball's Ford on the Des Moines River, on the real estate described in sub-paragraphs (12), (13) and (14) in Subdivision I of the granting clauses of this Indenture, with an installed capacity of 60,300 K. V. A., said plant being sometimes hereinafter referred to as Des Moines Power Station.

(f) IN WARREN COUNTY, IOWA:

Electric distributing system in the unincorporated Town of Beech, Iowa.

ALSO THE FOLLOWING INTER-URBAN TRANSMISSION LINES:

Line 1. A 13,200 volt, 3-phase, 2-circuit, wood pole, electric transmission line approximately six miles in length, extending from Des Moines Power Station northwesterly into the city of Des Moines along the northerly side of the Chicago, Burlington and Quincy Railroad right-of-way to Southeast 30th Street in the city of Des Moines; thence northerly to Maury Street; thence westerly to Southeast 28th Street; thence continuing as a single circuit, 3-phase, line along Maury Street to Southeast 20th Street; thence north to Scott Street; thence on Scott Street to Southeast 11th Street; thence north to Raccoon Street and westerly across the Des Moines River, connecting with underground cable under 1st Street.

Line 2. A 44,000 volt, 3-phase, double circuit, electric transmission line extending from Des Moines Power Station to the power plant of the Des Moines Electric Light Company, at First and Chestnut Streets in the city of Des Moines, said transmission line extending northwestwardly from Des Moines Power Station, on the right of way of the Chicago, Burlington and Quincy Railroad Company, on steel towers, approximately five miles to a substation, and thence one and one-eighth miles to its terminus by an underground cable and conduit.

Line 3. A 44,000 volt, 3-phase, double circuit, steel tower, electric transmission line extending from Des Moines Power Station northwardly a distance of approximately four and one-quarter miles to a connection with the transmission line of the Des Moines Electric Light Company running between the city of Des Moines and

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

Prairie City.

Line 4. A 44,000 volt, 3-phase, single-circuit, wood pole, electric transmission line, extending from Knoxville to the Rousseau Bridge over the Des Moines River in Marion County, Iowa, connecting at that point with the electric transmission line belonging to the Des Moines Electric Light Company.

Line 5. A 22,000 volt, 3-phase, single-circuit, wood pole, electric transmission line, extending from Pershing through Knoxville to Pleasantville, with a branch line of like voltage extending to Melcher and Dallas.

Line 6. A 6600 volt, 3-phase, single-circuit, wood pole, electric transmission line, extending from Mitchellville to Altoona and continuing at a voltage of 13,200 volts to a point near the northeasterly limits of the city of Des Moines, connecting therewith an electric transmission line belonging to the Des Moines Electric Light Company.

Line 7. A 44,000 volt, 3-phase, single circuit, wood pole, electric transmission line extending from Valley Junction to Waukee, thence continuing at 22,000 volts to Adel, Iowa and on westwardly a distance of five miles to a connection with transmission lines of other companies.

Line 8. A 13,200 volt, 3-phase, single-circuit, wood pole, electric transmission line extending from Commerce northwardly to a connection with Line 7 above.

Line 9. A 6600 volt, 3 phase, single circuit, wood pole, electric transmission line extending from Earlham through De Soto and Adel, with branches to Panther and Dallas Center.

Line 10. A 6600-volt, 3-phase, single circuit, wood pole, electric transmission line extending from Adel through Van Meter to Booneville.

Line 11. A 6600-volt, single-phase, single circuit, wood pole, electric transmission line extending from Beech through Pleasantville to Swan.

Line 12. A 2,300 volt, single phase, wood pole, electric transmission line extending from Pershing to Attica.

III.

All the rights, interest, benefits and advantages of the Company in and to a certain Indenture of Lease dated December 15, 1924, and recorded in Polk County, Iowa, entered into by and between the Company as lessor and Des Moines Electric Light Company, a Maine corporation qualified to do business in Iowa, as lessee, leasing said steam electric generating power plant at Ball's Ford in Polk County, Iowa, hereinafter sometimes referred to as Des Moines Power Station, and said electric transmission lines extending to Des Moines, Iowa, and other points, all as more fully set forth in said lease; and, subject to the provisions of this Indenture, all rentals and other moneys receivable by the Company under such lease; said lease running for a period of fifty years subject to renewal; said lease is herein sometimes called the "Des Moines Power Station Lease."

IV.

All of the incomes, revenues, contributions, receipts, electric and other rents, contracts, leases, claims, accounts, demands, choses in action, bonds, shares of stock and other securities, books of account and contract rights of all kinds belonging to the Company, and all stores, repair parts, stock in trade, materials and supplies, and all other property, rights, privileges, franchises, licenses, easements and permits of any and every kind and description, real, personal and mixed, now owned by the Company wheresoever the same may be situated and not hereinbefore specified or referred to

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

(except only merchandise held by the Company for the purpose of sale to its customers), with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and remainders thereof.

V.

All property, real, personal and mixed, including rights, privileges, ordinances, ^{easements, licenses} concessions, permits, immunities and franchises, and including also bonds, shares of stock and other securities, which the Company may hereafter acquire or to which it may hereafter become entitled (except only merchandise acquired by the Company for the purpose of sale to its customers) whether acquired pursuant to its present charter powers or pursuant to such powers as they may be enlarged or hereafter exist; it being intended that all property, real, personal and mixed (except only merchandise held by the Company for the purpose of sale to its customers) of any and every kind or character, which the Company now owns, or which it may hereafter acquire, shall be subject to the lien of this Indenture with like effect as though now owned by the Company and as though covered and conveyed hereby by specific and apt descriptions.

VI.

Any and all property, of every name and nature, which may from time to time hereafter by delivery or writing of any kind, for the purposes hereof, be conveyed, mortgaged, pledged, transferred or assigned by the Company, or by any person, firm or corporation in its behalf, to the Trustees, who are hereby authorized to receive any such property at any and all times, as and for additional security, and also, when and as hereafter provided, as substitute security, for the payment of said bonds, and to hold and apply such property subject to the terms hereof.

VII.

All of the rents, issues, income and profits of the property hereinabove described or referred to.

TO HAVE AND TO HOLD the trust property, together with any substitutes therefor or proceeds thereof hereafter received by the Trustees hereunder, unto the Trustees, and their successor or successors in the trust hereby created, but in trust, nevertheless, for the equal and proportionate benefit and security of any and all bonds issued and to be issued hereunder, without preference of any bond over any other bond by reason of priority in date of issuance, negotiation, time of maturity, or for any other cause whatsoever, except as hereinafter otherwise expressly provided; and it is hereby covenanted and agreed that all of said bonds hereby secured shall be issued, authenticated and delivered, received and negotiated, and that the trust property is conveyed, assigned and transferred to the Trustees, subject to the following farther covenants, conditions, provisions, uses and trusts hereinafter set forth; and it is covenanted and agreed between the parties hereto, for themselves, their successors and assigns, as follows:

ARTICLE I.

For all purposes of this Indenture unless the context otherwise requires:

(1) The term "pledged securities" shall be deemed to mean any bonds, shares of stock, evidences of indebtedness and/or other securities which shall for the time being be owned by the Company and be (a) on deposit with the Trust Company as security for the bonds outstanding hereunder or (b) on deposit with the trustee or trustees under any fundable underlying lien, pursuant to the requirements thereof, with a written direction from the Company that upon the satisfaction of such lien such securities shall be delivered to the Trust Company; and the term "mortgaged property" shall be deemed to mean all property, securities and/or cash for the time being subject to the lien of this Indenture except

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

(x) pledged securities as hereinbefore defined and (y) cash held by the Trust Company hereunder; and the term "trust property" shall be deemed to mean the mortgaged property, the pledged securities, and cash for the time being held by the Trust Company as security for any of the bonds outstanding hereunder; and

(2) The term "subsidiary" shall be deemed to mean and include any corporation, and its corporate successor in business, owning and operating a public utility property as hereinafter defined, all of whose total outstanding capital stock of each class and all of whose total outstanding indebtedness of each class (exclusive of current indebtedness, fundable underlying obligations, fundable preferred stock, customer-ownership shares and non-pledged shares as defined in subdivisions (4), (10), (11), (12) and (13) of this Article) shall for the time being be owned by the Company and constitute a part of the pledged securities. The cash sums actually expended and/or owing by the Company in acquiring such securities of any subsidiary as shall be originally deposited as a part of the pledged securities in order to qualify such corporation as a subsidiary hereunder plus the principal amount of the then outstanding fundable underlying obligations and/or the aggregate par value of the fundable preferred stock of such subsidiary, as defined in Subdivision (11) and in Clause (b) of Subdivision (12) of this Article, shall be deemed to be the "cash cost" of such deposited securities. The "fair value" of such deposited securities shall be deemed to be the fair value as fixed by an engineer appointed by the Company and approved by the Trust Company of the property of such subsidiary at the time of such deposit less such portion of such fair value as shall in the certificate of such engineer be allocated to its non-pledged shares, as defined in Subdivision (10) of this Article; and

(3) The term "fair value" as used in respect of (a) property additions or (b) the property owned by a subsidiary at the time it is initially qualified as such shall be deemed to mean the value, less accrued depreciation, of the physical property (other than physical property constituting current assets as defined in Subdivision (6) of this Article) of such subsidiary or constituting such property additions, as the case may be; and

(4) The term "current indebtedness," as used in respect of any subsidiary, unless expressly otherwise stipulated, shall be deemed to mean such current floating ^{exclusive of (a) any indebtedness} indebtedness of such subsidiary constituting a part of the pledged securities and (b) outstanding fundable underlying obligations as is ordinarily carried by a well managed corporation conducting a like business, which indebtedness shall in no event exceed the current assets, as hereinafter defined, of such subsidiary; and

(5) The term "indebtedness," as used in respect of any subsidiary, shall be deemed to include not only indebtedness incurred or executed by such subsidiary, but also all other indebtedness howsoever incurred for which such subsidiary is in any way liable or which is secured by a lien upon any of its property, except (a) claims for damages not reduced to judgment or if reduced to judgment secured by bond on appeal or otherwise to the satisfaction of the Trust Company, and (b) line and meter deposits, and (c) current taxes, and (d) accrued but not overdue interest on fundable underlying obligations, and (e) unaccrued rentals, and (f) any claim for the payment of money based upon any contract or obligation while the same shall be disputed or litigated by such subsidiary in good faith, but excluding from this exception any part of such claim not so in dispute or litigation; and the terms "indebtedness" and "evidences of indebtedness" shall be deemed to include an open account, and the receipt, deposit or delivery of an assignment of such account shall be deemed to be the receipt, deposit or delivery of such

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

(6) The term "current assets" shall be deemed to include only United States Government bonds and certificates of indebtedness and other high-grade investment securities of a readily realizable market value, stocks of merchandise and materials and supplies, all inventoried at cost or at market value, whichever is the lower, and prepaid insurance, cash on hand and in bank and good and collectible bills receivable and accounts receivable representing current transactions with customers due in not more than one year from their respective dates; and

(7) The term "property additions" shall be deemed to mean any permanent extensions, improvements, enlargements and additions acquired or constructed by the company subsequent to ^{March 1, 1928, or by and subsidiary subsequent to} the date when by deposit of securities such subsidiary shall have become initially qualified as such under the provisions hereof, of and to the physical property then owned or thereafter acquired by the Company or by such subsidiary, including any additional public utility property, acquired as an entirety or substantially as an entirety, but not including (a) any shares of stock or bonds or securities, or (b) any items properly constituting repairs or maintenance, or (c) property constructed or acquired as renewals or replacements of old or worn out property except to the extent that the cash cost or fair value, whichever is the lesser, of such replacements or renewals shall be in excess of the original cost of the property so replaced or renewed; but there shall not be included in any such property additions or in securities deposited to initially qualify a subsidiary hereunder any items (A) which shall have been previously made the basis for the issuance of bonds or the payment of cash under Section 3 or Section 4 of Article III of this Indenture, or for the payment of insurance moneys, sinking fund moneys, improvement fund moneys, proceeds of released property, proceeds of pledged securities or any other moneys under the provisions of this Indenture or of any fundable underlying lien, or which shall have been acquired as substituted property under the provisions of this Indenture or of any fundable underlying lien with respect to the release of property from the lien hereof or thereof, or which shall have been acquired by the use of any of the pledged securities, or (B) which shall have been constructed or acquired by any subsidiary in substitution or exchange for any of the property of such subsidiary, or by the use of insurance moneys, or the proceeds of the sale of any of the fixed property or capital assets, of such subsidiary.

The cash cost of such property additions shall be deemed to be equal to the aggregate of the cash sums expended and/or owing by the Company or by a subsidiary for the construction or acquisition thereof, including the principal amount of any indebtedness not theretofore constituting fundable underlying obligations as specified in Subdivision (12) of this Article secured by any lien or liens upon such property additions prior in rank to the lien of or the security afforded by this Indenture, but exclusive of any such indebtedness held uncanceled in any sinking fund established for the benefit of other indebtedness of the same issue or held in pledge under any instrument securing any other fundable underlying obligations; and

(8) The term "public utility property" shall be deemed to mean any property, the major portion of which is located in any one or more of the States of Iowa, Minnesota and Nebraska, used or held for purchasing, storing, generating, manufacturing, utilizing, transmitting, supplying or disposing of electricity, artificial gas, water, heat, steam, ice and/or refrigeration; and may with (but shall not without) the written consent of Harris Trust and Savings Bank, an Illinois corporation, Halsey, Stuart & Company, Inc., an Illinois corporation, Field, Glore & Company, an Illinois corporation, E. H. Rollins & Sons, a Maine corporation, and/or their respective successor or successors in business, include other

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

public utility properties or other facilities deemed desirable in the efficient conduct of the Company's business. In the event that at any time any of said corporations or its successor is no longer in business, or by instrument duly executed waives its right to so act, the remaining corporation or corporations or their respective successors may appoint a successor to such corporation or successor so out of business or so waiving its right to act; and

(9) The term "earnings applicable to bond interest" shall be deemed to mean the combined earnings of the Company and its subsidiaries from the operation, rental and/or use of their respective physical properties (after eliminating all inter-company, duplicate and/or offsetting items, and that part of any such earnings apportionable to the non-pledged shares of any such subsidiary, all in accordance with standard accounting methods employed to ascertain the consolidated earnings of a corporation and its affiliated companies) in excess of operating expenses, including in such operating expenses insurance, rentals, damages, license fees, reasonable expenditures for or allowances to provide for repairs and maintenance and for depletion of coal mining properties, natural gas properties and/or other properties constituting similar natural resources (but without any arbitrary deduction for depreciation), interest on all indebtedness (other than indebtedness comprised in the pledged securities and other than fundable underlying obligations) of each subsidiary, and all taxes except income or other like taxes payable only in respect of earnings remaining after all interest charges, but including such taxes in respect of any subsidiary whose earnings are not for such tax purposes consolidated with those of the Company.

There may also be included in earnings applicable to bond interest any income (not otherwise taken into account in computing such earnings) derived from cash on deposit with the Trust Company as a part of the trust property and/or securities on deposit with the Trust Company as the proceeds of property previously released from the lien of this Indenture under the provisions of Article XI hereof; and

(10) The term "non-pledged shares" shall be deemed to mean (a) any shares of stock as defined in Subdivision (13) of this Article) of any subsidiary, not exceeding in the aggregate more than five per centum of each class of stock (other than fundable preferred stock) of any such subsidiary, which shall have remained outstanding unacquired by the Company at the time such subsidiary shall have become by deposit of securities initially qualified as such under the provisions of this Indenture, and which shall not have been subsequently acquired by the Company, including accretions thereto by way of stock dividends, and (b) any additional shares which shall have been acquired by the holders of the shares mentioned in the preceding clause (a) under pre-emptive subscription rights appurtenant thereto. The fair value of the shares mentioned in clause (a) shall be the value allocated to such shares in the certificate of the engineer provided for in Subdivision (2) of this Article, the fair value of the shares mentioned in clause (b) shall be the sum received by the issuing Company therefor and the cash cost of any such shares shall be the cash sums actually expended and/or owing by the Company for the acquisition thereof; and

(11) The term "fundable preferred stock" shall be deemed to mean any preferred stock as defined in Subdivision (13) of this Article of any subsidiary which shall have remained outstanding unacquired by the Company at the time such subsidiary shall have become initially qualified as such by deposit of securities under the provisions of this Indenture, and which shall have been included in computing the cash cost of such deposited securities, as specified in Subdivision (2) of this Article; and

(12) The term "fundable underlying obligations" shall (except as otherwise provided in Subdivision (b) of Section 6 of Article III of this Indenture) be deemed to mean (a) any indebtedness not for the time being constituting a part of the pledged secur-

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

afforded by this Indenture upon property additions hereafter acquired or constructed by the Company or by any subsidiary and which shall have been included in computing the cash cost of property additions as specified in Subdivision (7) of this Article, and (b) any indebtedness of any subsidiary (other than current indebtedness) which shall have remained outstanding unacquired by the Company at the time when such subsidiary shall have become initially qualified as such by deposit of securities under the provisions of this Indenture and which shall have been included in computing the cash cost of such securities as specified in Subdivision (2) of this Article; and the term "fundable underlying lien" shall be deemed to mean and include any mortgage, deed of trust or other instrument securing any fundable underlying obligations.

Provided, that if any obligation which shall have constituted a fundable underlying obligation shall, by reason of the release of property or securities from the lien of this Indenture or the sale of any of the property of any subsidiary, or otherwise, cease to be secured by a lien covering at least some property of the Company or of a subsidiary, and if no corporation then constituting a subsidiary shall be in any way liable for the payment of such obligation, then such obligation shall cease to be included in the term "fundable underlying obligations" or in the term "indebtedness" as defined in Subdivision (5) of this Article; and

(13) The term "customer-ownership shares" shall be deemed to mean any shares of its own preferred stock which shall have been sold by any subsidiary (operating properties the major part whereof are located outside the State of Iowa) directly to its customers and/or to the public generally and which shall have been so sold by such subsidiary subsequent to the date when it shall have become qualified as such.

No stock shall be deemed to be preferred stock within the meaning of Subdivision (2), Subdivision (10), Subdivision (11) or Subdivision (13), of this Article, or of any other provision of this Indenture, unless it shall conform to the following conditions:

(a) It shall have a definite par value, or, if without par value, shall entitle the holder thereof to receive upon the liquidation, dissolution or winding up of the issuing corporation only a fixed amount (which may be in addition to accrued dividends) in which event such fixed amount shall be deemed to be the par value of such preferred stock;

(b) It shall not entitle the holders thereof to receive dividends in excess of eight per centum per annum upon the par value of such preferred stock (which dividends may be cumulative), or to receive upon liquidation, dissolution or winding up of the corporation issuing the same, or upon the redemption of such preferred stock or through any sinking fund which may be established for its benefit, more than 110 per centum of its par value plus unpaid accrued dividends;

(c) It shall possess no greater voting right per share in respect of the election of directors than shall be possessed by the common stock of such corporation;

(d) The amount of such preferred stock at any time outstanding shall always be so limited that the shares of stock of said corporation constituting a part of the pledged securities shall always be able to elect at least a majority of the Board of Directors of said corporation;

(e) In the case of customer-ownership shares issued by a subsidiary under the provisions of this Indenture, such preferred stock shall net such subsidiary in cash not less than ninety per centum of its par value.

The issuance by a subsidiary from time to time of customer-ownership shares, subject, nevertheless, to all the restrictions and provisions of this Indenture, is hereby

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

expressly permitted; and

(14) The term "fundable acquisitions" shall be deemed to mean (a) the securities of a subsidiary acquired by the Company after March 1, 1928, and deposited as a part of the pledged securities to initially qualify it as such subsidiary as more fully specified in Subdivision (2) of this Article and (b) property additions as specified in Subdivision (7) of this Article and (c) non-pledged shares as specified in Subdivision (10) of this Article; and

(15) The term "engineer" shall mean an individual, copartnership or corporation engaged in an engineering business, and the term "engineer's certificate" shall mean a certificate signed by an engineer appointed by the Board of Directors of the Company and approved by the Trust Company and who, unless otherwise expressly provided, may be an employee of the Company, but in case such engineer shall be an employee of the Company, such certificate shall likewise be signed by the President or a Vice-President of the Company; and

(16) The term "opinion of counsel" shall mean an opinion in writing, signed by counsel (who may be of counsel to the Company), appointed by the Board of Directors of the Company and approved by the Trust Company; and

(17) The term "resolution" shall mean a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company; and

(18) The terms "the lien hereof" and "the lien of this Indenture" shall mean the lien created by these presents (including the after-acquired property clauses hereof) and the lien created by any subsequent conveyance to the Trustees hereunder (whether made by the Company or any other individual, copartnership or corporation) in respect of any property whatsoever; and

(19) The term "current taxes" shall mean taxes and/or installments of special assessments, payment whereof is not in default.

ARTICLE II.

SECTION 1. All bonds to be secured hereby shall be signed by the President, or a Vice-President, of the Company, and the corporate seal of the Company shall be thereto affixed and attested by its Secretary, or an Assistant Secretary. In case any officer who shall sign or seal any bond as aforesaid shall cease to be such officer before the bond so signed or sealed shall have been actually authenticated and delivered by the Trust Company, such bond may, nevertheless, upon the request of the Company, be issued, authenticated and delivered as though such person had not ceased to be an officer of the Company. Any bond secured hereby may be signed or sealed by any person who may be an officer of the Company at the time of such signing or sealing, although such person may not have been such officer at the date of such bond.

SEC. 2. The coupon bonds to be issued hereunder shall be in the denominations of \$1,000 and \$500, and at the option of the Company also in the denomination of \$100; fully registered bonds to be issued hereunder may be in any denomination or denominations, all as may be from time to time specified in the order for the authentication thereof. Of the coupon bonds to be presently authenticated under the provision of Section 1 of Article III of this Indenture, those in the denomination of \$1,000 shall be numbered and lettered from M-1 upward, and those in the denomination of \$500, shall be numbered and lettered from D-1 upward. Any other and further bonds which may be authenticated under this Indenture shall be numbered and/or lettered in such manner as may be determined by the Company and approved by the Trust Company. Any such bond may bear such additional letter or letters

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

and/or other designation or designations and may contain therein or have imprinted thereon such provisions as may be required to comply with the rules of any brokers' board or exchange or with the order of any governmental body having jurisdiction in the premises or to conform to usage.

SEC. 3. The coupons to be attached to said coupon bonds shall be authenticated by the facsimile signature of the present Treasurer or any future Treasurer of the Company, it being intended that the Company may adopt and use for that purpose the facsimile signature of any such Treasurer notwithstanding that he may have ceased to be the Treasurer of the Company at the time when said bonds shall be authenticated and delivered.

SEC. 4. All bonds, when executed by the Company, shall be delivered to the Trust Company, to be authenticated by it and the Trust Company shall authenticate and deliver the same only as provided in this Indenture. Only such bonds as shall bear thereon the certificate of the Trust Company, duly signed, shall be secured by this Indenture, or entitled to any lien or benefit hereunder, and such certificate of the Trust Company upon any such bond executed on behalf of the Company shall be conclusive evidence that the bond so authenticated has been duly issued hereunder and is entitled to the benefits of the trust hereby created.

SEC. 5. The holder of any coupon bond or bonds outstanding hereunder shall have the right to exchange the same for a like principal amount of coupon bonds hereby secured of any other authorized denomination, out of the same date, series, tenor and maturity, upon payment of a reasonable charge to the Company, and upon surrender of any such outstanding bonds to the Trust Company for cancellation, with all unmatured coupons thereto appertaining, the Company shall execute, and the Trust Company shall authenticate and deliver, new bonds hereby secured for the same aggregate principal amount and of the same date, series, tenor and maturity, with all unmatured coupons thereto appertaining, and said new bonds so authenticated and delivered shall be entitled to the same security under this Indenture as the bonds in exchange for which they were so issued.

SEC. 6. The coupon bonds of Series A, with the coupons for the interest thereon and the certificate of the Trust Company for the authentication thereof, shall be substantially in the form and of the tenor hereinbefore set forth. The bonds and coupons of any other series which may be issued hereunder, and the certificate of the Trust Company for the authentication thereof, shall be in the same forms as the forms hereinbefore set forth with respect to the bonds of Series A, subject to such variations, additions, substitutions and omissions as are required or permitted by this Indenture. The bonds of any such other series may (1) be dated as of such date or dates, (2) bear such rate of interest, not exceeding seven per centum per annum, payable at such times, (3) mature at such time, and in the case of bonds of serial maturities at such times, not more than thirty years from their date of issue, (4) be fully registered bonds or coupon bonds, (5) be payable and/or subject to registration and transfer at such place or places, (6) contain such provisions as to payment of, or payment without deduction for, or reimbursement for, any tax or taxes, (7) contain such provisions respecting any sinking fund and/or exchangeability for or convertibility into stock or other junior securities, (8) be redeemable upon such terms, (9) bear such title or designation not inconsistent with the character of such bonds, and (10) contain such other provisions not inconsistent with the terms of this Indenture, as may be specified in such bonds and in the resolution of the Board of Directors and in the supplemental indenture, if any, providing for the issuance of such series. All bonds of any one series shall be identical in all respects, except that (a) they may differ as to date and denomination, and, in the case of bonds with serial

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

maturities, as to time of maturity and redemption price, and (b) any series of bonds may comprise both coupon bonds and fully registered bonds which may but need not be interchangeable.

SEC. 7. No series of bonds issued hereunder shall have any preference as to the security afforded by this Indenture over any other series of bonds issued or to be issued hereunder and no bond of any series shall have any such preference over any other bond of the same or any other series: Provided, however, that the Company may at any time establish a sinking fund or sinking funds for the exclusive benefit of any particular series (one or more) of such bonds, and the holders of any bonds other than those for whose exclusive benefit any such sinking fund or sinking funds shall have been so established shall have no interest therein or benefit therefrom whether upon default under the provisions of this Indenture or otherwise.

SEC. 8. Whenever the Company shall determine to create a new series of bonds secured by this Indenture, it shall file with the Trust Company a certified copy of a resolution duly adopted by its Board of Directors describing such series, and the Company may, and if requested by the Trust Company shall, execute, acknowledge and deliver a supplemental indenture likewise describing such series and containing such other provisions as may be necessary or appropriate in the premises, and thereafter bonds of such series may be issued from time to time in accordance with the provisions of this Indenture. Whenever the Company shall be entitled under any provision of this Indenture to issue additional bonds, it may, except as hereinafter otherwise provided, issue bonds of any one or more series then or theretofore created up to the aggregate amount which it is so entitled to issue, provided that the aggregate principal amount of bonds, or of any particular series (one or more) of bonds, which may be issued, authenticated and delivered under this Indenture may at any time, at the election of the Company, evidenced from time to time by instrument supplemental hereto executed by the Company and delivered to the Trust Company, reciting that it has been authorized by a resolution adopted by the Board of Directors of the Company, be limited to such definite aggregate principal amount not less than the aggregate principal amount of bonds, or of such particular series (one or more) of bonds, as the case may be, then outstanding hereunder, as may be specified in such instrument.

In respect of any series of bonds (including Series A) which for the time being consists of coupon bonds only, the Company, by a resolution of its Board of Directors a certified copy whereof shall be filed with the Trust Company and the execution of such indenture supplemental hereto as the Trust Company may deem requisite in the premises, may provide for the issuance of fully registered bonds of such series, which fully registered bonds, except that they shall be payable as to both principal and interest only to a designated person or registered assigns and shall have no interest coupons attached thereto and may, if desired, be made exchangeable for other registered bonds of different denominations and/or for coupon bonds of the same series, shall be in all respects substantially of the same tenor as the coupon bonds of said series.

SEC. 9. Pending the preparation of any definitive bonds to be issued under and secured by this Indenture the Company may execute and deliver temporary printed or typewritten bonds without any or with one or more interest coupons, substantially of the tenor of the definitive bonds, in any authorized denomination and/or any multiple or multiples thereof. Any such temporary bonds shall be authenticated by the Trust Company in the same manner as the definitive bonds and such authentication shall constitute conclusive evidence that the temporary bonds so authenticated have been duly issued under this Indenture and

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

that the holders thereof are entitled to the benefits of the trust hereby created. Such temporary bonds issued and authenticated as aforesaid shall be exchangeable without expense to the holder for definitive bonds to be issued under and secured by this Indenture, and upon any such exchange such temporary bonds shall be forthwith canceled by the Trust Company and delivered to the Company. Any such temporary bonds may also be exchanged for other temporary bonds of the same series and maturity and for the same aggregate principal amount. Until so exchanged, said temporary bonds shall be in all respects entitled to the lien and security of this Indenture as bonds issued and authenticated hereunder. Without unnecessary delay the Company will execute and will furnish such definitive bonds to be exchanged for such temporary bonds upon surrender of such temporary bonds at any place or places designated therein for that purpose.

SEC. 10. In case any bond or coupon issued hereunder shall be mutilated, lost, stolen or destroyed, the Company may in its discretion issue and deliver a new bond or coupon of like tenor and date and of the same or a different serial number (and the Trust Company shall thereupon authenticate such new bond) in exchange and substitution for and upon cancellation of the mutilated bond or coupon, or in lieu of and substitution for the bond or coupon so lost, stolen or destroyed, upon receipt of evidence satisfactory to the Company and the Trust Company of the loss, theft or destruction of such bond or coupon, and upon receipt also of satisfactory indemnity. The Trust Company shall incur no liability for anything done by it under this Section.

ARTICLE III.

SECTION. 1. Bonds of Series A to the aggregate principal amount of Six Million Dollars (\$6,000,000), in the denominations of \$1,000 and \$500 as may be specified in the order hereinafter mentioned, shall forthwith be executed by the Company and delivered to the Trust Company for authentication, and the Trust Company shall forthwith (and without awaiting the recording of this Indenture) authenticate and deliver the same upon the order of the Company signed by its President or a Vice-President, and its Secretary or an Assistant Secretary, under its corporate seal, without any obligation on the part of the Trust Company to see to the use or application of said bonds or their proceeds.

SEC. 2. Additional bonds may be issued by the Company and shall be authenticated and delivered from time to time by the Trust Company on the order of the Company signed by its President or a Vice-President and its Secretary or an Assistant Secretary under its corporate seal, accompanied by a resolution of the Board of Directors of the Company directing the authentication and delivery of such bonds and an opinion of counsel conforming to clauses (b) and (f) of subdivision (3) of Section 3 of this Article, to a principal amount not exceeding (a) the principal amount of any fundable underlying obligations which shall subsequent to the execution of this Indenture have been paid, purchased or redeemed or delivered to the Trust Company by the Company for exchange for the bonds secured hereby; or (b) the aggregate par value of any fundable preferred stock of any subsidiary which shall subsequent to the execution of this Indenture have been redeemed by such subsidiary or acquired by the Company. Provided that such fundable underlying obligations shall not have been paid, purchased or redeemed, and that such fundable preferred stock shall not have been redeemed or acquired, by the use of funds applicable to the payment, purchase or redemption thereof by virtue of any insurance, sinking fund, improvement fund, partial release or other similar provisions contained in any instrument securing such fundable underlying obligations or in this Indenture, or by the use of insurance moneys or the proceeds of the sale of any fixed property or capital assets of any subsidiary.

Any and all matters of fact mentioned in this Section shall be conclusively evidenced to

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

the Trust Company by a certificate of the trustee under the instrument securing any such fundable underlying obligations and/or the certificate of the Treasurer or Assistant Treasurer of the Company and/or in such other manner as shall be satisfactory to the Trust Company. Each such fundable underlying obligation acquired by purchase or for exchange, and each share of such preferred stock acquired by the Company, so made the basis for the authentication of bonds under this Section, shall be deposited as a part of the pledged securities. Any fundable underlying obligation shall be deemed to have been paid if it shall have been surrendered to and canceled by the trustee under the instrument securing the same (unless such surrender shall have been deposited with the trustee under such instrument or with the Trust Company hereunder, to be applied for that purpose, a sum of money sufficient to pay the principal of such obligation and the interest thereon to its maturity, or to effect the redemption thereof before maturity, with interest to the redemption date and a call or an effective provision for a call thereof on such redemption date. Any fundable preferred stock shall be deemed to have been redeemed if it shall have been duly called for redemption and the money necessary to effect its redemption shall have been deposited in a manner satisfactory to the Trust Company. Nothing in this Indenture contained shall be construed to permit the issuance of additional bonds against the acquisition of customer-ownership shares.

The provisions of this Section are subject to the provisions of Subdivision (b) of Section 6 of this Article.

SEC. 3. Additional bonds may be issued, authenticated and delivered from time to time, subject to the provisions of Section 5 and to the reductions provided in Section 6 of this Article, to a principal amount not exceeding seventy-five per centum of the cash cost or fair value, whichever is the lesser, of fundable acquisitions as defined in Subdivision 14 of Article I of this Indenture.

Provided, however, that no additional bonds shall be issued, authenticated or delivered pursuant to the provisions of this Section 3, nor shall any cash be withdrawn pursuant to the provisions of Section 4 of this Article III, on account or in respect of fundable acquisitions, unless and until the cash cost or fair value, whichever is the lesser, of fundable acquisitions not made the basis for the authentication of bonds or the withdrawal of cash as aforesaid shall have amounted in the aggregate to not less than \$500,000, and the writings and other instruments delivered to the Trust Company as a basis for the initial and original authentication of bonds pursuant to the provisions of this Section 3 or the initial and original withdrawal of cash pursuant to the provisions of Section 4 of this Article III (accordingly as such authentication of bonds or such withdrawal of cash shall be first applied for), on account or in respect of fundable acquisitions, shall state and disclose, in addition to the other matters herein provided to be therein set forth and contained, that the cash cost or fair value, whichever is the lesser of fundable acquisitions not made the basis (and the same shall never be made the basis) for the authentication of bonds or the withdrawal of cash, but which, save for the provisions of this paragraph, might have been made the basis for the authentication of bonds or the withdrawal of cash, amounts in the aggregate to not less than \$500,000; provided, further, that nothing in this paragraph contained shall be deemed to restrict, modify or otherwise affect any provision of this Indenture in respect of payments to the Company out of the improvement fund or from the proceeds of released property.

The bonds mentioned in this Section shall be authenticated by the Trust Company and delivered only upon receipt by the Trust Company of:

(1) A resolution of the Board of Directors of the Company, requesting the Trust

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

called for, the series thereof, the manner in which they shall be numbered, lettered and/or otherwise designated, and the officer or officers of the Company to whom or upon whose written order such bonds shall be delivered.

(2) A certificate signed and verified under oath by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company which shall set forth in reasonable detail all such matters in respect of such fundable acquisitions as are specified in Subdivisions (2) and (7) of Article I of this Indenture. Each such certificate shall describe any such fundable acquisitions in reasonable detail, and shall state the cash cost and fair value thereof,--all of which shall be computed in the manner provided in Article I of this Indenture--and such certificate shall show, in reasonable detail, how such computation has been made. Said certificate shall also specifically show that there is not included in such certificate any items required to be excluded by Subdivision (7) of Article I of this Indenture. It shall further be stated that such certificate includes or reports (and it shall include or report) all property additions made or acquired by the Company or by any subsidiary, and all customer-ownership shares, as defined in Subdivision (13) of Article I of this Indenture, issued by any subsidiary, (except such property additions and/or customer-ownership shares as shall have been included or reported in previous certificates) to some date specified in such certificate, which date shall not be more than three months prior to the date of filing such certificate with the Trust Company: provided, however, that such certificate may, at the option of the Company, also include any public utility property acquired by the Company or a subsidiary as an entirety or substantially so subsequent to the date first mentioned in this Subdivision (2).

Each such (current) certificate shall state whether any, and if so what, fundable acquisitions, comprised in any certificate previously made the basis for the issuance of bonds or the payment of cash under any provision of this Indenture shall, subsequent to the date of such certificate, have been made the basis for the payment of insurance moneys or the proceeds of released property under the provisions of any fundable underlying lien (other than those previously reported and deducted as in this paragraph provided), and thereupon the cash cost or fair value of such fundable acquisitions (whichever is the lesser) so made the basis for the payment of such insurance moneys or the proceeds of released property shall be deducted from the cash cost or fair value (whichever is the lesser) of the fundable acquisitions comprised in such current certificate, and only the residue after making such deduction may be made the basis for the issuance of bonds or the payment of cash under the provisions of this Indenture, but such deduction shall be reduced by an amount equal to any sum which shall have been deducted in any previous certificate, in order to arrive at net fundable acquisitions, upon account of the retirement from capital account of the property in respect whereof such insurance moneys or proceeds were realized.

(3) An opinion or opinions of counsel (it being understood that opinions of different counsel may cover different matters) to the effect (a) that the certificates mentioned in Subdivisions (2), (6) and (7) of this Section are in due form and set forth all matters of fact required by the provisions of this Indenture to be contained therein, and (b) that the issuance of the bonds so applied for has been in all respects duly authorized by the Company and by all governmental bodies (if any) whose authority is requisite to such issuance, accompanied by duly authenticated copies of any such governmental authorization, and (c) that all securities to be deposited with the Trust Company as specified in the next following Subdivision (4) have been in all respects lawfully issued and are valid, and that any mortgages or other instruments by which any of them purport to be

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

secured have been in all respects duly and regularly authorized, executed, acknowledged and recorded, or that they are not required by law to be so recorded, and are legally sufficient to create the lien which they respectively purport to so create, and that, upon the deposit of such securities with the Trust Company, title thereto will be vested in the Trust Company, and (d) if such certificate relates to property additions in respect of the Company or a subsidiary, that the Company or such subsidiary, as the case may be, has good title thereto and that the same are not subject to any lien prior in rank to the lien of or the security afforded by this Indenture except current taxes and liens securing only pledged securities and fundable underlying liens, all of which shall be specified in detail in such opinion, and (e) if the bonds applied for are issued in respect of the deposit as a part of the pledged securities of securities initially qualifying a corporation as a subsidiary, that such subsidiary has good title to its property and whether the same is subject to any, and if so what, liens, specifying the same in reasonable detail; that it has lawful authority to carry on the business which it is conducting; that such securities are sufficient to constitute such corporation a subsidiary within the meaning of all the provisions of this Indenture, and that such securities are free from all liens except the lien of this Indenture and fundable underlying liens, and (f) that all mortgage, registration and other like taxes in respect of the bonds applied for have been paid or that no such payment is required by law.

(4) (a) Certificates of stock and evidences of indebtedness sufficient (with those then constituting a part of the pledged securities and/or constituting non-pledged shares, fundable preferred stock and/or customer-ownership shares as defined in Subdivisions (10), (11) and (13) of Article I of this Indenture), to constitute all the outstanding capital stock and all the outstanding indebtedness (other than current indebtedness and fundable underlying obligations) of each subsidiary, endorsed or assigned in such manner as to vest title in the Trust Company.

(b) No bonds shall be issued in respect of property additions of any subsidiary unless contemporaneously with the authentication of such bonds there shall be deposited as a part of the pledged securities bonds, debentures or notes of such subsidiary equal in principal amount to the principal amount of the bonds to be authenticated in respect of such property additions, which bonds, debentures or notes so deposited shall be payable on demand or at a fixed date, and shall bear interest (payable at least annually) at the rate of not less than six per centum per annum, provided, however, that if in any instance, in the opinion of counsel, all or any of the bonds, debentures or notes in this Sub-paragraph (b) hereinbefore required to be deposited may not lawfully be issued by such subsidiary, or if it shall be stated in such opinion that consent to issue the same shall have been refused by some governmental body having jurisdiction in the premises upon proper application therefor, then and in any such event the deposit of such bonds, debentures or notes, or of such part thereof as may not lawfully be issued or in respect whereof such consent shall have been refused, need not be made.

(5) Such instruments of assignment, transfer and conveyance as, in the opinion of counsel mentioned in Subdivision (3) hereof, shall be necessary effectually to subject to the lien of this Indenture any property additions of the Company, or the opinion of such counsel that no such conveyance is necessary.

(6) The certificate required by the provisions of Section 5 of this Article.

(7) A certificate of an engineer (who (a) in the case of property additions of the Company or of any subsidiary not constituting a public utility property acquired as an entirety or substantially so, or (b) in the case of any other fundable acquisitions

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

the cash cost whereof does not exceed the sum of \$200,000, may be an employee of the Company, and who, in any case other than those specified in clauses (a) and (b) aforesaid shall be an independent engineer appointed by resolution of the Board of Directors of the Company and approved by the Trust Company), setting forth, in the opinion of such engineer, the fair value of such fundable acquisitions, showing that such fair value has been computed in the manner provided in Subdivision (3) of Article I of this Indenture, and stating that such acquisitions were desirable in the efficient conduct or expansion of the Company's business.

SEC. 4. The Trust Company shall authenticate and deliver bonds at any time, subject, nevertheless, to the provisions of Section 5 of this Article, upon the Company filing with the Trust Company (a) a resolution conforming to Subdivision (1) of Section 3 of this Article and (b) an opinion of counsel conforming to clauses (b) and (f) of Subdivision (3) of Section 3 of this Article and the certificate required by the provisions of Section 5 of this Article, and upon the Company depositing with the Trust Company a sum in cash equal to the full principal amount of the bonds so authenticated, which cash shall be held as a part of the trust property until paid over as hereinafter provided. The Trust Company shall thereafter, on the request of the Company expressed in a resolution of its Board of Directors, a certified copy whereof shall be filed with the Trust Company, and in lieu of authenticating and delivering bonds under Section 2 and/or Section 3 of this Article in respect of any fundable underlying obligations and/or fundable preferred stock and/or fundable acquisitions, pay to the Company out of the funds so on deposit with the Trust Company cash equal to the principal amount of bonds which would be issuable under Section 2 and/or Section 3 of this Article in respect thereof if such fundable underlying obligations and/or fundable preferred stock and/or fundable acquisitions were made the basis for the authentication of bonds under either of said Sections, but only upon the deposit with the Trust Company of the same securities and the delivery to the Trust Company of the same writings and other instruments (except those specified in Subdivision (1) and Clauses (b) and (f) of Subdivision (3) of Section 3 of this Article and in Clauses (x) and (y) of Section 5 of this Article) as would be required if such fundable underlying obligations and/or fundable preferred stock and/or fundable acquisitions were then made the basis for the authentication of bonds under Section 2 and/or Section 3 of this Article, whichever is appropriate.

SEC. 5. No bonds shall be authenticated and delivered (a) under Section 3 or Section 4 of this Article, or (b) under Section 7 of this Article in respect of any retired bonds if the bonds so authenticated and delivered be so authenticated more than two years prior to the regular maturity (by lapse of time and not by call for redemption) of such retired bonds and bear a greater rate of interest than such retired bonds, unless in each such case--(a) or (b)--the earnings applicable to bond interest, ascertained and computed in accordance with the provisions of Subdivision (9) of Article I of this Indenture, for a period of twelve consecutive calendar months ending not more than three months prior to the receipt by the Trust Company of the application for the authentication and delivery of such bonds, shall have been at least one and three-fourths times the annual interest and/or dividend charge upon (a) all bonds then outstanding under this Indenture, including those applied for, and (b) all fundable underlying obligations, and (c) all other indebtedness secured by a lien or liens equal or prior in rank to the lien of this Indenture upon all or any part of the trust property, and (d) all fundable preferred stock and/or customer-ownership shares of any subsidiary, exclusive, however, of any such obligations, indebtedness, preferred stock and/or customer-ownership shares then constituting a part

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

of the pledged securities. If any public utility property acquired as an entirety or substantially so, owned by the Company or by any subsidiary at the time of such application, shall have been so owned during none or for a part only of said entire period of twelve months, the earnings of such property likewise computed for the whole of such period may be included in earnings applicable to bond interest in the same manner as though such property had been so owned during the whole of such period. Each application for the authentication and delivery of bonds under Section 3 or Section 4 of this Article, or under Section 7 of this Article if so required, shall be accompanied by a certificate signed and verified under oath by the Treasurer or Assistant Treasurer of the Company showing (x) the earnings applicable to bond interest for the period and computed in the manner hereinbefore provided, dividing the earnings and expenses of the Company and its subsidiaries under their respective headings as recognized by approved practices of accounting, showing separately the amounts expended for repairs and maintenance, and (y) the principal amount of and annual interest charge on items (a), (b) and (c) aforesaid and the aggregate par value of, and the annual dividend charge on, item (d) aforesaid, and (z) as of the latest available date, not more than three months prior to the date of filing such certificate with the Trust Company, the amount, description and classes of all outstanding capital stock, current and other indebtedness and current assets of each subsidiary and the amount thereof which constitutes a part of the pledged securities; the matters referred to in this clause (z) and shown in said certificate shall be deemed to have continued unchanged to the date of filing such certificate with the Trust Company. The provisions of this Section are subject to the provisions of Subdivision (b) of Section 6 of this Article.

SEC. 6. (a) In case there shall be comprised in the cash cost of fundable acquisitions included in any certificate made the basis for the authentication of bonds under Section 3 of this Article (or for the payment of cash under any provision of this Indenture in lieu of the authentication of bonds), any fundable preferred stock and/or fundable underlying obligations, as defined in Subdivisions (11) and (12) of Article I of this Indenture, or in case any such certificate shall disclose the issuance by any subsidiary of customer-ownership shares not included in previous certificates, then, and in every such case, the principal amount of bonds issuable in respect of the fundable acquisitions included in such certificate (whether such amount be determined as a basis for the authentication of bonds or for the payment of cash in lieu thereof) shall be deemed to be equal to the amount by which seventy-five per centum of the cash cost or fair value, whichever is the lesser, of such fundable acquisitions exceeds the aggregate par value of such fundable preferred stock and/or customer-ownership shares and/or the principal amount of such fundable underlying obligations. In any such case action shall be taken, in such manner as may be approved by counsel selected by the Trust Company (who may be counsel for the Company), so as to effectively provide that no indebtedness of the issue of which any such fundable underlying obligations constitute a part, other than that so included in computing such cost, shall ever be outstanding unless such additional indebtedness be forthwith upon its issuance deposited as a part of the pledged securities.

(b) In case at any time the Company or any subsidiary shall, as a part of the purchase price of fundable acquisitions, incur or assume any indebtedness (herein called "junior indebtedness"), for which junior indebtedness other indebtedness owned or acquired by the Company or such subsidiary (herein called "senior indebtedness") is held in pledge (but which junior indebtedness shall not otherwise be secured by any lien upon such fundable acquisitions), then, and in every such case, notwithstanding any provisions to

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

(1) In computing the cash cost of such fundable acquisitions there shall be included therein the principal amount of the junior indebtedness and not of the senior indebtedness, and

(2) The senior indebtedness and not the junior indebtedness shall be deemed to be fundable underlying obligations which (x) may be made the basis for the issuance of bonds under Section 2 of this Article and (y) shall be taken into account by way of a deduction in determining the principal amount of bonds issuable in respect of such fundable acquisitions as specified in Subdivision (a) of this Section, and

(3) In determining the annual interest requirements referred to in Section 5 of this Article, the interest on the junior indebtedness shall be taken into account and the interest on the senior indebtedness (but only while so pledged) disregarded, and

(4) No such senior indebtedness shall, while so pledged, be deemed to be outstanding indebtedness of any subsidiary.

SEC. 7. The Company may from time to time issue, and the Trust Company shall authenticate and deliver, upon the Company filing with the Trust Company a resolution conforming to subdivision (1) of Section 3 of this Article and an opinion of counsel conforming to clauses (b) and (f) of subdivision (3) of Section 3 of this Article and the certificate mentioned in Section 5 of this Article if by the provisions of said Section so required, bonds of any one or more series to an aggregate principal amount not exceeding the principal amount of any bonds previously issued hereunder which shall have been retired, provided that no bond shall be issued in respect of any such retired bond which shall have been retired out of insurance moneys or the proceeds of released property or of pledged securities or out of any sinking fund applicable to its retirement, or out of any improvement fund or other similar fund established under any provision of this Indenture. Any bond previously issued under this Indenture shall be deemed to have been retired if it shall have been paid or redeemed or surrendered to the Trust Company and cancelled (unless such surrender shall have been made in exchange for another bond or bonds of the same series and evidencing the same indebtedness), or if the money necessary to effect its payment or redemption shall have been deposited for that purpose with the Trust Company hereunder, and, in the case of redemption, if it shall have been called or an effective provision shall have been made for its call for payment on the redemption date.

SEC. 8. Before delivering any coupon bonds under any provision of this Indenture the Trust Company shall detach therefrom and cancel all matured interest coupons thereto appertaining. The Trust Company shall not be required to authenticate any bonds or to make payment of any cash under any provision of this Article at any time when the Company shall to the knowledge of the Trust Company be in default under any provision of this Indenture.

SEC. 9. The Company covenants that it will not issue, exchange, sell or dispose of any bonds hereunder, in any manner other than in accordance with the provisions of this Indenture and the covenants and agreements in that behalf herein contained.

SEC. 10. The various resolutions, certificates, opinions, approvals, directions, orders, consents and other writings or instruments mentioned in this Article III shall be conclusive in favor of the Trustees as to all matters therein stated, and each of them, and shall constitute full and complete authority to the Trust Company for the authentication and delivery of bonds, the payment of cash and/or the taking of any other action on the faith thereof, without any obligation on the part of either of the Trustees to make any investigation in the premises.

SEC. 11. In case at any time there shall be outstanding any indebtedness of any subsidiary or which is secured by a lien prior to the lien of this Indenture upon

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

fundable acquisitions, or any preferred stock of any subsidiary, the Company may deposit with the Trust Company, to be held until used or applied as hereinafter provided, as a part of the trust property, or with such other banking institution and in such other manner as shall be satisfactory to the Trust Company, a sum of money sufficient (1) to pay the principal of said indebtedness and the interest thereon to its maturity, or (2) to effect the redemption of such preferred stock or of such indebtedness before maturity, if subject to redemption, and a call or an effective provision for a call of such indebtedness or preferred stock on such redemption date. Upon any such deposit being made, said indebtedness and/or preferred stock shall, for all purposes of this Indenture, except the application of said deposit as herein provided, be deemed to have been paid or redeemed and shall not be deemed to be outstanding. Any such money so deposited shall, on the written request of the Company, and may at any time in the discretion of the Trust Company, be applied from time to time to the payment of the principal and interest or to the redemption of such indebtedness and/or preferred stock or paid over to the Company proportionately as such indebtedness and/or preferred stock shall be acquired by the Company and be deposited with the Trust Company as a part of the pledged securities.

SEC. 12. If at any time the Company shall acquire any property, and shall issue any of its own capital stock in whole or partial payment, or in exchange, for such property, and shall desire for any purpose of this Indenture to have such stock treated as the cash cost, in whole or in part, as the case may be, of the property so acquired, the Company may so elect, by an instrument signed by its President or a Vice-President and filed with the Trust Company, within but not after six months from the date of the issuance of such stock.

Upon any such election being so filed, the Company, subject to the approval of the Trust Company, shall appoint one or more persons to be employed for that purpose by the Company, but who shall not otherwise be in the employ of the Company, to determine the fair cash market value of such stock on the date or dates of its issuance, which determination shall be evidenced by a certificate signed by such person or persons so appointed, and filed with the Trust Company; and thereupon, for all purposes of this Indenture, the Company shall be deemed to have expended for such property (in addition to any expenditures therefor otherwise constituting cash cost) a sum in cash equal to such fair cash market value of said stock so determined as aforesaid.

ARTICLE IV.

SECTION 1. Any bond issued hereunder which is subject to redemption by its terms may be redeemed by the Company in accordance with such terms, provided that no bond shall be subject to redemption except on an interest payment date. If the Company shall elect to redeem any of the bonds hereunder it shall notify the Trust Company, at least seventy days prior to the interest date on which it is proposed to redeem any such bonds, of the aggregate principal amount and of the particular series (one or more), and in the case of serial bonds with different maturities of the particular maturities, of bonds which the Company desires to redeem. If it is desired to redeem less than all the bonds of any particular maturity in the case of serial bonds with different maturities, the bonds of such particular series or maturity to be redeemed shall be selected by the Trust Company by lot, and it shall certify to the Company the numbers of the bonds so selected and the names and addresses of any registered owners thereof, if it be the Registrar of such bonds. The Company or the Trust Company shall thereupon publish a notice that said bonds are called for payment on the day fixed for the redemption thereof,

at least once a week for four successive weeks in a newspaper printed in English and published and of general circulation in the city of Chicago, in the State of Illinois

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

and in a like newspaper in the Borough of Manhattan, in the City and State of New York, the first publication of said notice to be made at least sixty days before the date fixed for the redemption of such bonds. If less than all the bonds of a series are to be redeemed, such notice shall state the serial numbers of the bonds to be so redeemed. Within five days after the first publication thereof, and at least sixty days before the date fixed for such redemption, the Company or the Trust Company shall mail a copy of such notice to the owner of any registered bond so called for redemption whose address is shown on the bond register.

In respect of any series of bonds (other than Series A), the Company may at the time of the creation of such series provide, in such bonds and/or in any supplemental indenture executed pursuant hereto, for a different notice of the redemption of the bonds of any such series, and/or for a different method of selecting the bonds of such series to be so redeemed, in which event such provisions shall be observed in lieu of those hereinbefore provided.

Upon the deposit with the Trust Company, on or prior to the redemption date, of the amount necessary to redeem any bonds, and the interest accrued thereon to such redemption date, and the giving of the required notice, the bonds so called for payment shall cease to bear interest after such redemption date, anything in said bonds, or the coupons appertaining thereto, or this Indenture, to the contrary notwithstanding, and such deposit with the Trust Company shall constitute full payment of said bonds to the holders thereof in so far as the same may be entitled to the benefit and security of the trust property. As and when said bonds are surrendered to the Trust Company they shall be canceled and delivered to the Company. If any bond called for payment shall not be presented for payment on the redemption date, the amount payable in respect of such bond shall be held by the Trust Company for account of the holder thereof, and shall be paid to the holder of such bond, upon presentation for cancellation of such bond in negotiable form and the appropriate coupons. The Trust Company shall not be chargeable with interest on moneys deposited with it for the redemption of bonds.

As to any bonds which shall have been called for redemption and in respect whereof notice of such redemption shall have been given, the Company shall be irrevocably bound to redeem such bonds on the date fixed for the redemption thereof, and failure to deposit the necessary funds to effect such redemption shall constitute a default under the provisions of this Indenture with the same effect as though the Company had failed to pay said bonds at their regular maturity.

SEC. 2. For the purpose of maintaining the security afforded by this Indenture against the effects upon the mortgaged property of age, wear, obsolescence, inadequacy or other factors causing the lessening in value of said properties, the Company covenants that, on the first day of March, 1929, and on the first day of March in each year thereafter, while any bonds are outstanding under this Indenture, the Company will pay to the Trust Company as an improvement fund, a sum equal to two per centum (2%) of the principal amount of (a) all bonds then outstanding under this Indenture, and (b) all fundable underlying obligations, and (c) all other indebtedness secured by a lien or liens equal or prior in rank to the lien of this Indenture upon all or any part of the trust property, and (d) all fundable preferred stock and/or customer-ownership shares of any subsidiary (which percentage shall be reckoned upon the par value thereof as herein defined), exclusive, however, of any such obligations, indebtedness, preferred stock and/or customer-ownership shares then constituting a part of the pledged securities, but, as against each amount so required annually to be paid, the Company shall be entitled to credit in an amount equal to the

of all payments made during the then next preceding calendar year as and for

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

sinking fund payments required by the provisions of fundable underlying liens. With each such payment there shall be filed with the Trust Company a certificate signed by the Treasurer or Assistant Treasurer of the Company (which certificate shall be conclusive in favor of the Trust Company) showing in reasonable detail that the amount of such payment has been computed in accordance with the provisions of this Section.

The moneys in such fund from time to time shall, at the option of the Company expressed in a writing signed by its President or a Vice-President and from time to time delivered to the Trust Company, be applied in any one of the following ways, or partly in one such way and partly in one or more of the others, as may be specified in such writing, namely:

(1) to reimburse the Company for expenditures (other than maintenance expenditures) made subsequent to the actual execution of this Indenture for replacements or renewals properly chargeable to depreciation or other similar reserve accounts, upon the certificate of an officer of the Company familiar with the facts and of an engineer satisfactory to the Trust Company (who may be an employee of the Company) as to the existence, character and extent of such expenditures, which certificate shall state that such expenditures have not previously been made the basis for the payment of cash under this Section or under any other provision of this Indenture or of any fundable underlying lien, or

(2) to the payment to the Company, in lieu of the authentication of bonds in respect of fundable acquisitions, of amounts equal to one and one-third times the principal amount of bonds which would be issuable under Section 3 of Article III of this Indenture in respect of such fundable acquisitions if such fundable acquisitions were made the basis for the authentication of bonds under said Section, but only upon deposit with the Trust Company of the same securities and the delivery to the Trust Company of the same writings and other instruments as would be required if such fundable acquisitions were then made the basis for the payment of cash under Section 4 of Article III of this Indenture; or

(3) to the retirement of bonds outstanding under this Indenture, or to the retirement by purchase or redemption of fundable underlying obligations or of fundable preferred stock.

In the event of any such request for application of any such moneys to the retirement of bonds outstanding hereunder, the Trust Company shall apply the same to the purchase in the open market or the redemption of such bonds in the manner provided in Section 3 of this Article. In the event of any such request for application of any such moneys to the retirement of fundable underlying obligations or fundable preferred stock, the Trust Company shall apply the same toward the purchase in the open market or to the redemption of such particular issue or issues of such fundable underlying obligations or fundable preferred stock as the Company may in writing request, subject to substantially the same general limitations as are provided in Section 3 of this Article with respect to the like application of such moneys to the retirement of bonds outstanding under this Indenture.

The Trust Company is hereby expressly authorized and empowered, on its own initiation or on that of the Company, by agreement with the Company, in order from time to time to make this fund adequate for the purpose thereof, to revise and redetermine the percentage provided for by this Section and to fix for succeeding years a new and different percentage, either greater or less than said 2%, or greater or less than any subsequently determined percentage. The first such revision or redetermination may be made at any time,

but neither the second nor any subsequent revision or redetermination shall be made earlier than three years from the date of the effectiveness of the then last preceding revision or redetermination, unless mutually consented to by the Trust Company and the Company.

The Trust Company may, in any action taken by it under the provisions of this Section, rely upon the certificate or opinion of any person satisfactory to the Trust Company.

In the event that the Trust Company and the Company fail to agree as to the revision and redetermination of such percentage, the Trust Company and the Company respectively covenant and agree that the question of such revision and redetermination shall be submitted to two arbitrators, one of whom shall be appointed by the Trust Company and the other by the Company. The appointment shall be made by the Trust Company or the Company respectively on or before twenty (20) days following the mailing by registered mail of a notice by the Trust Company to the Company, or by the Company to the Trust Company, as the case may be, which notice shall (1) recite the disagreement, (2) name the arbitrator appointed by the party sending said notice, and (3) request the appointment of an arbitrator by the party to whom said notice is sent. Notice of said appointment shall be mailed by registered mail to the party requesting such appointment. The decision of said arbitrators shall be binding upon the Trust Company and the Company. In the event that the said two arbitrators cannot agree on the question so submitted within thirty (30) days after the appointment of the second arbitrator, the said two arbitrators shall then select a third arbitrator, and, in case the two arbitrators so selected shall within forty (40) days after the appointment of the one last named fail to agree upon such third arbitrator, then, upon the application of either party, any person who shall be the Circuit Judge of the United States for the Federal District and Division within which the City of Des Moines, Iowa, is located, senior in service, shall have the power to appoint such third arbitrator, five (5) days' notice of the application to said Circuit Judge being given to the other party by the party applying. The decision of any two of said three arbitrators appointed in any of the manners aforesaid, which decision shall be made within sixty (60) days after such appointment of the third arbitrator, shall be binding upon the Trust Company and the Company. In the event that either the Trust Company or the Company fails to appoint an arbitrator in accordance with the request in the notice above provided for, then the decision of the arbitrator appointed by the other party shall be binding on the Trust Company and the Company. In the event that either party fails to appoint an arbitrator as hereinabove provided, then the one arbitrator appointed by the other party shall render his decision within thirty (30) days after the failure of the Trust Company or the Company, as the case may be, to appoint an arbitrator. The decision of the arbitrators, or of the one arbitrator, in the event only one arbitrator is appointed, shall be in writing, and an original counterpart thereof shall be delivered or mailed to each the Trust Company and the Company. The Company covenants to pay all fees and expenses of the arbitrators. In case any arbitrator shall die, resign or refuse or be unable to act a successor shall be appointed in the same manner as is herein provided with respect to appointment of such predecessor arbitrator.

All moneys paid into said fund shall, until used or applied as herein provided, constitute a part of the trust property.

SEC. 3. Inasmuch as the bonds issued under this Indenture may be issued in several series, maturing at different times, bearing interest at different rates and being subject to redemption on different terms, it is agreed that in purchasing or redeem-

ing bonds under any provision of this Indenture by the use of insurance moneys, improvement fund moneys, or the proceeds of the sale of released property or the proceeds of any of the pledged securities, or any other moneys applicable to the purchase or redemption of all, as distinguished from any particular part, of the bonds secured by this Indenture, the Trust Company shall purchase or redeem, as the case may be, those bonds the purchase or redemption whereof (taking into consideration the interest rate, time of maturity and other terms appertaining to all the bonds outstanding under this Indenture and the prices at which they can respectively be purchased or redeemed) will, in the absolute discretion of the Trust Company, be most advantageous to the Company; provided that (1) no bond shall be purchased for a sum in excess of its current redemption price; and (2) no bond of any particular series shall be purchased at a higher price than that at which any other bond of the same series, maturing at the same time, and subject to redemption on the same terms, shall at the moment be available for purchase under unaccepted, outstanding offers of sale then or theretofore made to the Trust Company; and (3) where less than all of any bonds which shall mature at the same time, bear the same rate of interest and be subject to redemption on the same terms are to be redeemed, those thereof to be so redeemed shall be selected by the Trust Company by lot.

SEC. 4. All bonds redeemed, and all bonds hereby secured purchased, under any provision of this Article, with all unmatured coupons thereto appertaining, shall be forthwith canceled. All fundable underlying obligations and/or fundable preferred stock purchased under any provision of this Article shall forthwith become a part of the pledged securities.

ARTICLE V.

SECTION 1. The Company covenants that it will duly and punctually pay the principal of and interest on every bond issued hereunder and secured hereby, at the dates and place or places and in the manner specified in such bond, or in the coupons thereunto appertaining, according to the true intent and meaning thereof. The interest on coupon bonds to the date of their fixed maturity shall be payable only in accordance with and upon presentation of the several coupons for such interest as they respectively mature, and, when paid, such coupons shall forthwith be canceled. The Company also agrees to pay interest at the coupon rate on all overdue principal and/or installments of interest in respect of each bond hereby secured. The Company covenants that it will not directly or indirectly assent to the extension of the time for the payment of any bond, or of any coupon or claim for interest on any bond, hereby secured, and that it will not directly or indirectly be a party to or approve of any arrangement for any such extension by purchasing any such bond, coupon or claim or in any other manner.

SEC. 2. The Company, at the office of the Trust Company, in the City of Chicago, Illinois (which is hereby appointed Registrar for the Series A coupon bonds), and/or at such other or different place or places as may be specified in any bond issued hereunder, will keep a register or registers for the registration and transfer of coupon bonds issued hereunder, in which the Bond Registrar or Registrars of the Company will register, subject to such reasonable regulations as they may respectively prescribe (but without expense to the holder), any coupon bond issued hereunder and secured hereby which is subject to registration at such place or places.

Upon presentation to the Bond Registrar of any such registered coupon bond, accompanied by the delivery of a written instrument of transfer in form approved by such Registrar, executed by the registered owner, such bond may be transferred upon such register by the registered owner, in person or by attorney, and such transfer shall be noted by the Bond Registrar upon the bond. The registered owner of any such registered coupon bond shall

also have the right to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored and thereafter the principal of such bond, when due, shall be payable to the person presenting the bond, but any such bond registered as payable to bearer may be registered again in the name of the owner, with the same effect as a first registration thereof. Successive registrations and transfers as aforesaid may be made, from time to time as desired, and each registration of a coupon bond shall be noted by the Registrar on the bond. Registration of any coupon bond, however, shall not affect the transferability of any coupon thereunto appertaining, by delivery merely, and payment to the bearer of any such coupon shall discharge the Company in respect of the interest therein mentioned, whether or not such bond shall have been registered.

SEC. 3. The Company covenants that it will keep an office or agency in the City of Chicago, Illinois, while any bonds issued hereunder are outstanding, and at such other place or places as may be specified in any such bond, where notice, presentation and demand to or upon the Company in respect of said bonds or their coupons or this Indenture may be given or made, and for the payment of the principal of such bonds and the interest thereon. The Company will from time to time give the Trust Company written notice of the location of such offices or agencies, and in case the Company shall fail to maintain such offices or agencies or to give to the Trust Company written notice of the location thereof, any such notice, presentation or demand in respect of said bonds or coupons or this Indenture may be given or made at the office of the Trust Company in the City of Chicago, Illinois, or at any place designated in such bond for the payment of the principal and/or interest thereof.

SEC. 4. The Company covenants and agrees that it will, and that each subsidiary shall, respectively, at any and all times upon the written request of the Trustees, or either of them, (a) furnish to them, or either of them, in such manner as may reasonably be required, a statement or statements in writing showing accurately the financial condition of the Company or of such subsidiary, with detailed information as to its assets and liabilities and its earnings and operating expenses and all other charges against income, and (b) permit them, or either of them, by clerks, agents or auditors for that purpose duly authorized, to inspect the plants and property as well as the books, accounts, papers, documents and memoranda of the Company or of such subsidiary, and to take therefrom such extracts as may be deemed expedient, and (c) furnish to them, or either of them, a detailed statement of any construction work being carried on by or for the Company or by or for any subsidiary, with full information as to the amounts expended and estimated to be expended in and about the same, and (d) furnish to them, or either of them, an accurate and detailed list of all or any specified parts of the property subject to the lien of this Indenture; and the Company further covenants that it will on or before the first day of April in each year (beginning with the year 1928) file with the Trust Company a complete audit made by an independent accountant or accountants approved by the Trust Company showing in reasonable detail the current assets and current liabilities of the Company and of each Subsidiary, charges of the Company and of each subsidiary for maintenance, replacements, renewals, depreciation, amortization of securities discount, charges in respect of all property added to and/or retired from capital account and all such other information as is customarily covered in a complete annual audit of a public utility corporation. Each such audit shall disclose all such matters as to each subsidiary separately, and shall also combine the same in a consolidated statement of the Company and its subsidiaries.

SEC. 5. The Company, from time to time, on written demand of the Trust Company

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

shall make, execute, acknowledge and deliver all such further and supplemental instruments, and will take all such further action, as may be reasonably required to effectuate the intention of these presents and to provide for the payment of said bonds and the interest thereon, and to better assure and confirm unto the Trustees the trust property hereby conveyed and transferred to the Trustees, or intended so to be, as well that now owned by the Company as that which shall hereafter be acquired by it, all according to the intent and purposes herein expressed.

SEC. 6. The Company covenants that it will, and that each subsidiary shall, respectively:

(a) Pay all taxes, assessments, imposts and governmental charges lawfully imposed upon its property, or any part thereof, or upon the interest or estate of the Trustees or of the bondholders therein, or which may be assessed in respect of income or profits, subject only to its right in good faith to contest by legal proceedings any such tax, assessment, impost or governmental charge, and pending such contest to delay payment thereof, unless such delay would result in the forfeiture or sale of any part of its property;

(b) Pay, or (subject to the provisions of Section 1 of this Article) extend or renew, at or before maturity, each and all of its indebtedness now existing or hereafter to be incurred, and comply with all covenants, conditions and provisions of every instrument securing any such indebtedness; /

(c) Keep all its property, plants, appliances and equipment useful in the carrying on of its business in thorough repair, working order and condition, and, if worn out, damaged or destroyed, replace the same by other property suitable to its business and of at least equal value;

(d) Procure, keep, maintain and renew from time to time all such rights, franchises and privileges as may be necessary to effectively carry on its business in an efficient manner;

(e) Maintain and preserve its charter and corporate organization, and its right to carry on business in each state where any of its property may be located, and to that end procure from time to time all necessary renewals, extensions and/or reincorporations; it being hereby covenanted that (1) if the corporate existence of the Company shall for any cause be terminated such corporate existence shall forthwith be renewed or extended or all of the property and assets of the Company shall, subject to the lien of this Indenture, be vested in a new corporation which shall become a successor corporation as provided in Article XV of this Indenture; and (2) if the corporate existence of any subsidiary shall for any cause be terminated such corporate existence shall forthwith be renewed or extended, or all of the property and assets of such subsidiary shall be vested in the Company or in an existing or new corporation which shall at the time be, or shall forthwith become, a qualified subsidiary substantially as provided in Section 11 and/or Section 13 of Article VI of this Indenture;

(f) Comply with all valid laws, ordinances, regulations and requirements applicable to it or its property, and use all reasonable diligence to furnish the communities served by it with an adequate supply of the commodities and facilities provided for in any franchise, permit, ordinance or grant under which it may be operating;

(g) At all times keep insured in responsible insurance companies, or by maintaining, in such manner as may be approved by the Trust Company, adequate insurance reserves, such of its plants, buildings, tools, machinery, apparatus, equipment and other property provided for use in connection with its business as is usually insured by

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

companies carrying on like business, and in the same manner and to the same extent; and that each subsidiary ^{shall apply all insurance money received by such subsidiary} on account of any losses covered by such insurance and/or all insurance reserves applicable thereto, either (1) in repairing, rebuilding or replacing the damaged or destroyed property or in acquiring other fixed property or other property of like character to that so damaged or destroyed, or (2) to the purchase (at not exceeding the current redemption price) and cancellation or redemption of bonds outstanding under this Indenture, or (3) to the retirement or discharge of some of the pledged securities, or (4) as may be permitted or required by any mortgage or indenture securing any such pledged securities or any fundable underlying obligations;

(h) Keep its plants and properties in continuous operation (subject to contingencies beyond its reasonable control), but nothing in this subdivision (h) contained shall be deemed to prevent the Company or any subsidiary from permanently discontinuing, with the written approval of some person selected by the Company and approved by the Trust Company, the operation of any plant or property which it deems inadvisable to keep in further operation and which it intends to dispose of within a reasonable time;

(i) Retain all, and not dispose of any, of its fixed property by sale, lease (except under the Des Moines Power Station Lease), consolidation, merger, dissolution or otherwise; Provided, however, that nothing in this Section 6 contained shall be construed as modifying the provisions of Articles VI, XI and XV of this Indenture, or as preventing (1) the vesting of any of the property of any subsidiary in the Company or in another subsidiary or (2) the dissolution or winding up, with the written approval of some person selected by the Company and approved by the Trust Company, of any subsidiary which the Company deems it inexpedient to longer continue in existence.

Insurance moneys of any subsidiary applied to the purchase or redemption of bonds outstanding hereunder pursuant to subdivision (g) of this Section shall be paid over to the Trust Company and be by it applied to the purchase in the open market, or to the redemption, of such bonds in the manner provided in Section 3 of Article IV of this Indenture, and until so applied shall be held as part of the trust property.

SEC. 7. The Company covenants that no subsidiary shall create or suffer to be created or allow to exist any indebtedness other than current indebtedness (to an amount not exceeding the current assets of such subsidiary) and fundable underlying obligations as defined in subdivisions (4) and (12) of Article I of this Indenture, unless such indebtedness shall forthwith be deposited as a part of the pledged securities.

The Company further covenants that all indebtedness due from any subsidiary to the Company shall bear interest at not less than six per centum per annum, unless such rate is in excess of the rate allowed by law, in which event such indebtedness shall bear interest at the highest rate permitted by law.

SEC. 8. The Company covenants that no subsidiary shall ever be or become contingently liable as surety, guarantor, endorser or otherwise, in respect of the obligation of any person, firm or corporation, except in connection with the discount or negotiation of bills receivable and trade acceptances received in the regular course of its business.

SEC. 9. The Company covenants that no subsidiary shall ever have outstanding any shares of capitalstock (other than non-pledged shares, fundable preferred stock and customer-ownership shares as defined in subdivisions (10), (11) and (13) of Article I of this Indenture) unless such shares shall forthwith become a part of the pledged securities and be deposited accordingly, and that immediately upon the acquisition by the Company of any such non-pledged shares it will forthwith deposit the same as a part of the pledged securities, subject, nevertheless, to the right of the Company to make the same the basis for the authentication of bonds hereunder or for the payment of cash in lieu

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

of such authentication.

SEC. 10. The Company covenants, except as to after-acquired property, that it has good title to all the mortgaged property; that the mortgaged property is free and clear of any and all claims, liens, charges and encumbrances, except current taxes and the Des Moines Power Station Lease (which lease is, however, in all respects subject to this Indenture); that the Company has good right, full power and lawful authority to mortgage the same as in this Indenture provided; and that the Company will warrant and defend the same unto the Trustees against all lawful claims and demands whatsoever.

The Company further covenants that the Des Moines Power Station Lease has been in all respects duly authorized and executed, and is in all respects valid and binding upon the Company and the lessee therein, and that such lease shall at all times during the whole term of fifty (50) years provided for therein be and remain in full force and effect and shall not be terminated during such period by the lessor nor by the lessee nor by their respective successors or assigns, nor otherwise for any cause whatsoever; but this provision shall not be applicable to any termination of such lease which may result from a merger or arrangement for joint operation (by consolidation, conveyance, purchase, sale, lease, operating contract or otherwise) of the properties of the Company and the lessee in such lease, its successors or assigns, provided that three disinterested persons, selected and paid by the Company (but not otherwise in the employ of the Company) and approved by the Trust Company, shall certify that in their opinion such merger or arrangement is advantageous and will not impair the security for the bonds outstanding under this Indenture.

SEC. 11. The Company covenants that it will not create or suffer to be created or allow to exist any lien or charge having priority to or preference over or parity with the lien of this Indenture upon the trust property, or any part thereof, or upon the income thereof, except liens securing pledged securities and fundable underlying liens as defined in subdivision (12) of Article I of this Indenture; and that within three months after the same shall have accrued it will pay or cause to be discharged or make adequate provision for the satisfaction or discharge of all lawful claims and demands of mechanics, laborers, and others which, if unpaid, might be given by law precedence as a lien or charge upon the trust property, or any part thereof, or the income thereof; Provided, however, that nothing contained in this Section shall require the Company to pay any such claim or demand, so long as the Company in good faith and by appropriate legal proceedings shall contest the validity thereof, or its being enforceable as a lien or charge superior to this Indenture, and provided, further, that any such delay shall not subject the trust property, or any part thereof, to forfeiture or sale.

SEC. 12. The Company covenants that the policies for all fire insurance upon the mortgaged property shall be so drawn as to make any losses thereunder payable to the Trustees as their interests appear, and once each year in the month of January the Company will deposit with the Trust Company a statement, signed by its President or a Vice-President of the policies of such insurance, including the names of the insurance companies issuing such policies, the expiration dates, the amounts thereof, and to whom payable; and all such policies shall be deposited with the Trust Company upon its request; Provided, however, that such policies may be so drawn that any loss from any particular fire of not more than \$10,000 and/or any loss of five per cent (5%) or less (whether or not in excess of \$10,000)

(a) of the total amount of such insurance carried on any one building and the contents thereof, or

(b) on properties other than building and contents of the total

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

ance on such property subject to total or partial destruction by one fire, shall be payable direct to the Company without requiring the receipt or waiver of the Trustees; and provided further that if any property so insured is covered by any mortgage or other instrument the lien of which thereon shall be prior to that of this Indenture, the losses under the policies of such insurance, until the final satisfaction and release of such prior mortgage or other instrument, may be made payable and such policies may be deposited in accordance with such prior mortgage or other instrument, the Company hereby agreeing that upon final satisfaction or release of such prior mortgage or other instrument any insurance moneys then held thereunder shall be forthwith paid over to the Trust Company hereunder. All insurance moneys received by the Trust Company under any of the provisions of this Section shall be deposited with and held by the Trust Company as a part of the trust property, but (1) the Trust Company shall, out of the insurance moneys received on any policy of insurance procured by the Company, pay over to the Company sums equal to any expenditures made by the Company subsequent to such loss in the replacement, repair or rebuilding of the damaged or destroyed property, or (2) at the option of the Company, expressed in a resolution of its Board of Directors, a certified copy whereof shall be filed with the Trust Company, any such insurance moneys shall for all purposes be deemed and treated as the proceeds of released property and be used, applied and disposed of by the Trust Company accordingly, all as more fully provided in Section I of Article XI of this Indenture.

Any and all matters necessary to entitle the Company to any payment under this Section shall be conclusively established in favor of the Trustees by a certificate signed and sworn to by the President or a Vice-President of the Company, and every request for the application of any such insurance moneys for replacement, repair or rebuilding purposes shall be deemed sufficiently executed if signed in the name of the Company by its President or a Vice-President, with the seal of the Company attached. In case of any loss covered by any policy of insurance any appraisal or adjustment of such loss and settlement and payment of indemnity therefor which may be agreed upon between the Company and any insurance company may be consented to and accepted by the Trustees, and the Trustees shall not be in any way liable or responsible for the collection of any insurance in case of any loss.

SEC. 13. The Company covenants that no corporation which shall have become a subsidiary shall ever, by the issuance of additional stock, the incurring of indebtedness or otherwise (except by a release or surrender under some provision of this Indenture of the securities of such subsidiary pledged hereunder), cease to possess the qualifications of a subsidiary, as prescribed in subdivision (2) of Article I of this Indenture, and, if any such event shall in fact occur, such subsidiary shall, nevertheless, while such condition continues (without prejudice to any of the other rights arising in favor of the Trustees by reason of such default), continue to be a subsidiary within the meaning of all the provisions of this Indenture, except that no bonds shall be authenticated or cash paid in respect of fundable acquisitions, fundable underlying obligations or fundable preferred stock while such default, to the knowledge of the Trust Company, continues.

SEC. 14. The Company covenants and agrees that it will pay, as they from time to time mature, the principal of and interest on all obligations which may at any time be or become a lien prior in rank to the lien of this Indenture upon any of the trust property, and will make all payments, observe all covenants and do and perform all acts which, by the terms of such obligations and the instruments respectively securing the same, and each of them, are required to be done or performed, and will not make or suffer to be made any

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

it will not renew or extend any such obligations beyond the time of their regular maturity, and will not suffer the same to be extended or renewed. Nothing in this Section contained shall be construed as limiting the rights of the Company under Article III of this Indenture to issue bonds for the purpose of fulfilling the covenants contained in this Section, so far as the same may be permitted by said Article III; nor to prevent the Company extending from time to time, as the same may become due, any of the pledged securities.

SEC. 15. The Company covenants that no dividend, other than a stock dividend, shall be declared or paid by the Company on any of its capital stock at any time outstanding, except in the event and to the extent that the combined surplus earnings of the Company and of its subsidiaries, on the basis of a consolidated statement, shall suffice for the payment of such dividend. Such surplus earnings shall be deemed to be the earnings applicable to bond interest as defined in Subdivision (9) of Article I of this Indenture less all taxes not previously deducted, all fixed charges (including in such fixed charges interest on all funded and unfunded debt) and all other proper charges against income.

The term "surplus earnings" as used in this Section shall also include all other net earnings except (1) unrealized appreciation in value of fixed property or other capital assets, and (2) surplus created by the retirement or reduction of or change in any of the authorized and/or outstanding capital stock of the Company or of any subsidiary, and (3) earnings apportionable in respect of the securities of any subsidiary accruing prior to the date when such securities shall have been acquired by the Company.

SEC. 16. The Company covenants that it will cause this Indenture and any and all supplemental Indentures at all times to be kept recorded and filed in such manner and in such places as may be required by law in order to fully preserve the security of the bondholders and all rights of the Trustees.

SEC. 17. The Company covenants that it is duly authorized under the laws of the State of Iowa and all other applicable provisions of law to create and issue said bonds and to execute this Indenture and to mortgage and pledge the property assigned and conveyed hereunder, and that all corporate action on its part for the creation and issue of said bonds and the execution of this Indenture has been duly and effectively taken; and that said bonds in the hands of holders thereof are and will be valid and enforceable obligations of the Company in accordance with their terms and that this Indenture is and always will be a valid mortgage to secure the payment of said bonds.

SEC. 18. The Company covenants that it will not go into voluntary bankruptcy or insolvency, or apply for, or consent (on application of anyone other than the Trustees) to the appointment of a receiver of itself or of its property, or make any general assignment for the benefit of its creditors, or suffer any order (except on the application of the Trustees) for the appointment of a receiver of itself or of its property, or adjudicating it to be a bankrupt or insolvent, to be made and remain in effect for a period of more than sixty days, or allow any final judgment to be entered against it and not discharge the same or secure a stay with respect thereto or appeal therefrom or from the order, decree or process upon which or pursuant to which it was granted, within the time allowed by law for such appeal.

SEC. 19. The Company covenants and agrees that it will cause each and every subsidiary punctually to observe and perform, in all respects, as if severally made by them in respect of their own property, the covenants as to payment of labor claims, taxes and other charges, as to insurance, maintenance and repairs, and all other covenants applicable to the management and maintenance of the property of each of the subsidiaries, and in the event of default by any subsidiary in observing and performing the covenants

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

herein contained, the Trustees and the bondholders shall have in all respects the same rights and remedies hereunder as if said default had been made by the Company in its said covenants.

SEC. 20. It is agreed that in the event of the failure of the Company or of any subsidiary in any respect to comply with the covenants and conditions herein contained with respect to the procuring of insurance, the payment of insurance premiums, taxes, assessments and other charges, the keeping of the property of the Company or of any subsidiary in repair and free of liens and other claims, or to comply with any other covenant contained in this Indenture, the Trustees may, in their discretion, and upon the request of the holders of one or more of the bonds hereby secured, and upon being provided with adequate funds for that purpose, and indemnified to their satisfaction, shall (without prejudice to the rights arising by reason of such default), advance or expend moneys for the purpose of procuring such insurance, or for the payment of insurance premiums, taxes, assessments or other charges, or to save the property of the Company or of any subsidiary from sale or forfeiture for any tax or assessment, or to redeem the same from any tax sale, or to purchase any tax title thereon, or to remove or purchase any mechanic's lien or other lien or encumbrance thereon, or to make repairs, or to comply with any other covenant contained in this Indenture, or in prosecuting or defending any suit in relation to the property of the Company or of any subsidiary, or to in any manner protect the title or estate by this Indenture conveyed, or intended so to be; and all sums so advanced for any of the aforesaid purposes, with interest thereon at seven per centum per annum, shall be deemed a charge upon the trust property, prior and paramount to the bonds hereby secured, and shall be secured by this Indenture in the same manner as the said bonds are secured, and may also be forthwith sued for and recovered of the Company in an appropriate action for that purpose. In making any such advances or expenditures it shall not be obligatory upon the Trustees to inquire into the validity of any such tax title, or any of such taxes or assessments or sales therefor, or of any such mechanic's lien or other encumbrance.

ARTICLE VI.

SECTION 1. Unless there shall be some continuing default that shall have been declared against the Company, as hereinafter provided, the Company, from time to time, shall be entitled to receive and collect any and all interest, dividends and other income upon the pledged securities, and the Trust Company, on demand of the Company, shall from time to time deliver to it suitable assignments and standing orders for the payment to it of all such interest, dividends and other income, and shall pay over to it, upon the receipt of its President, Vice-President or Treasurer, any and all sums which may be received or collected by the Trust Company in respect of such interest, dividends and other income. In case default shall have been declared against the Company, as hereinafter provided, then, during the continuance of such default, in addition to the other remedies hereinafter provided, the Trust Company may revoke any such assignments and orders and may collect and receive all interest, dividends and other income on the pledged securities, and all such sums so collected or received shall be applicable to the payment of interest then or thereafter to become due on the bonds hereby secured, and until so applied shall be held by the Trust Company as a part of the trust property; but after any such default shall have been made good, or shall have been waived, the right of the Company to receive and collect such interest, dividends and other income and the duty of the Trust Company to execute such assignments and standing orders shall revive and continue as though such default had not taken place. At any time when there is no such

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

continuing default the Trust Company shall cancel and deliver to, or upon the order of, the President, Vice-President or Treasurer of the Company, any matured interest coupons attached to any of the pledged securities in the possession of the Trust Company.

SEC. 2. Unless there shall be some such continuing default the Company shall have the right to vote upon any shares of stock constituting a part of the pledged securities, with the same force and effect as though such shares were not subject to this Indenture, and the Trust Company, on the written request of the President, Vice-President or Treasurer of the Company, from time to time, shall execute and deliver to the Company, or to such person or persons as may be designated by its President, Vice-President or Treasurer, such proxies or powers of attorney as may be necessary to enable the Company, or the person or persons so designated, to vote upon the shares of stock constituting a part of the pledged securities held by the Trust Company, to the same extent and with the same effect as though such shares were absolutely owned by the Company and were not subject to this Indenture. Provided, however, that such proxies and powers of attorney shall specify that none of such shares of stock shall be voted to authorize, and the Company covenants that it will not permit any subsidiary to perform, any act contrary to the provisions of this Indenture; and provided, further, that the Trust Company may, in its discretion, but shall not be obligated so to do, impose any limitations upon such voting power (except as to the election of directors) which it may deem necessary to insure the performance of any covenants in this Indenture contained. In case default shall have been declared against the Company, as hereinafter provided, then, during the continuance of such default, in addition to the other remedies herein provided, the Trust Company may revoke any such proxies or powers of attorney, and, in its discretion, may vote upon any such shares of stock; but after any such default shall have been made good, or shall have been waived, the right of the Company to vote upon such shares, and the obligation of the Trust Company to execute such proxies and powers of attorney, shall revive and continue as though no such default had taken place.

SEC. 3. All moneys and property at any time received by the Company or the Trust Company, in respect of any of the pledged securities, whether by voluntary payment or out of the proceeds of the sale of any property, or otherwise, except payments on account of interest, dividends and other income (which shall be disposed of in accordance with the provisions of Section 1 of this Article) shall be deposited with and held by the Trust Company as a part of the trust property (or in the case of property not capable of such deposit otherwise subjected to the lien hereof) until paid over or applied as hereinafter provided, but unless there shall be some continuing default that shall have been declared against the Company as hereinafter provided, any such moneys shall for all purposes be deemed to be the proceeds of released property and shall be applied and disposed of in the same manner and upon the same conditions as the proceeds of released property deposited with the Trust Company under the provisions of Section 1 of Article XI of this Indenture; Provided, however, that moneys received by the Trust Company in payment of the principal of any of the pledged securities constituting unsecured indebtedness and representing advances or loans made subsequent to the actual execution of this Indenture by the Company to any subsidiary (still being a subsidiary) shall be paid over, unconditionally, to the Company (not being in declared default hereunder) unless such payment of such obligations shall have been made by the use of insurance moneys or the proceeds of the sale of some of the fixed property or other capital assets of such subsidiary, or unless such obligations shall have been deposited as a part of the pledged securities in compliance with the minimum requirements of Subparagraph (b) of Subdivision (4) of Section 3 of Article III

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

of some person selected or approved by the Trust Company the Company may accept and receive any property of any subsidiary in full or partial payment of any of the pledged indebtedness of such subsidiary upon suitably subjecting the property so received to the lien of this Indenture.

SEC. 4. The term "dividends" as used in this Article shall not be deemed to include stock dividends, distributions of capital or distributions made out of the proceeds of the consolidation or reorganization, or the sale as an entirety or substantially as an entirety of the properties and franchises, of any corporation any of whose bonds, shares of stock or other securities shall constitute a part of the pledged securities, but shall only be deemed to include cash dividends paid from surplus earnings.

SEC. 5. The Trust Company shall have the right in its absolute discretion to cause any of the bonds or other obligations constituting a part of the pledged securities to stand registered in its name, or in the name of its nominee, or to bearer, and to cause the certificates for any shares of stock constituting a part of the pledged securities to stand in its name, or in the name of its nominee, or in the name of the Company, making such arrangements in each case with any such nominee or with the Company as it shall deem suitable for the protection of the trust. The Trust Company may in its discretion also stamp any of the pledged securities with an appropriate notation to the effect that they are held by it under and subject to the provisions of this Indenture.

SEC. 6. The Trust Company may do whatever, in the opinion of counsel selected or approved by it, may be necessary for the purpose of maintaining, preserving, renewing or extending the corporate existence of any corporation any of the stock whereof shall constitute a part of the pledged securities, and for such purpose from time to time may sell, assign, transfer and deliver the minimum number of shares of stock of any such corporation (without, in the case of a subsidiary, thereby disqualifying it as such) which may be necessary to qualify persons to act as directors of or in any other official relation to any such corporation.

SEC. 7. In so far as all persons and corporations except the Company are concerned, the Trustees shall be deemed to be the absolute owners of all of the pledged securities for all purposes whatsoever, but the Trustees shall not be required to take any action looking towards the enforcement or protection of their rights with respect to any of the pledged securities unless requested so to do by the Company or the holders of at least twenty-five per centum in principal amount of the bonds issued and outstanding hereunder, and indemnified to their satisfaction, but they may in their discretion at any time take any such action which they shall deem necessary or convenient for the protection or enforcement of any of their rights and interests as such owners.

SEC. 8. In case at any time (1) any corporation any of whose shares of capital stock or indebtedness shall constitute a part of the pledged securities shall be dissolved or liquidated, or (2) all or any of the property of any such corporation shall be sold at any judicial or other sale, or (3) any of the property covered by any mortgage securing any indebtedness constituting a part of the pledged securities shall be sold in foreclosure proceedings, or otherwise, then and in any such event if the property of such dissolved or liquidating corporation or the property sold can be acquired by crediting on the stock and/or indebtedness of such corporation then held by the Trust Company hereunder any sum accruing or to be received thereon out of the proceeds of such property, and by paying not more than ten per centum of the price of such property in cash (or more than ten per centum if the Company or the holders of a majority in amount of the bonds outstanding hereunder shall so request), the Trust Company in its discretion may, and, if requested in writ-

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

ing by the Company or the holders of a majority in amount of the bonds outstanding hereunder and upon being provided with the amount of cash necessary therefor (whether such amount be more or less than ten per centum of the price of such property), shall, purchase, or cause to be purchased, such property, either in the name or on behalf of the Trustees or of the Company or of purchasing trustees, as the Trust Company may determine, and shall use, or permit the Company to use, such indebtedness and/or stock so far as may be permissible to make payment for such property, and in case of any such purchase the Trust Company shall take such steps as it may deem proper to cause such property to be vested either in the Company or in some other corporation organized or to be organized with power to acquire and manage such property, provided that at least ninety-five per centum in principal amount of all the bonds and other indebtedness and at least ninety-five per centum of each class of outstanding capital stock thereof (excepting the number of shares required to qualify directors), and in any event all thereof acquired by the use of the pledged securities, shall be deposited with the Trust Company and held by it as a part of the pledged securities.

With the written consent of the Company, the Trust Company at any time may vote any shares of stock that shall be held by it hereunder and, with or without such consent, may take such other action as in its discretion it shall deem advisable to protect its interests and the interests of the bondholders hereunder in respect of any of the pledged securities, and with such consent of the Company the Trust Company may join in any plan of reorganization or recapitalization in respect of any such pledged securities, or may authorize the trustee under any indenture constituting a prior lien thereon so to do, and may accept or authorize the acceptance of new securities issued in exchange therefor under any such plan. In case the Company shall have been declared in default hereunder the Trust Company shall be entitled to take such steps without the consent of the Company.

The Company covenants that on demand of the Trust Company it forthwith will pay or will, satisfactorily to the Trust Company, provide for all expenditures incurred by the Trust Company under any of the provisions of this Section, including all sums required to obtain and perfect the ownership and title to any property which the Trust Company shall cause or authorize to be purchased either at the request of the Company, or where not more than ten per centum of the price of such property shall be required to be paid in cash; and in any case, without impairment of or prejudice to any of its rights hereunder by reason of any default of the Company, the Trust Company in its discretion may advance all such expenses and such other moneys required, or may procure such advances to be made by others, and for such advances made by the Trust Company or by others at its request with interest thereon, the Trust Company or such others shall have a first lien under this Indenture in priority to the lien of the bonds issued hereunder upon all the trust property.

SEC. 9. Nothing in this Indenture contained shall prevent (1) the renewal or extension, if without impairment of lien or security, at the same or a lower or a higher rate of interest, of any bond or obligation, secured by mortgage upon the property of any subsidiary, or of any other bonds or obligations, which are now or shall hereafter constitute a part of the pledged securities; or (2) the issue in place of and in substitution for any such bonds or obligations of other bonds or obligations for equivalent amounts, bearing the same or a lower or a higher rate of interest, and (if the replaced bonds were secured) adequately secured by a similar mortgage or lien upon the same property (unless in any instance the creation of such lien shall be prohibited by law or prevented by the refusal of any governmental body having jurisdiction in the premises to give its assent or authorization thereto); or (3) the issue or creation of an original issue of bonds or

or (3) the issue or creation of an original issue of bonds or

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

this Indenture, secured by a mortgage or other lien upon the property of such corporation, or unsecured by any direct charge upon such property; or (4) the capitalization through the issuance of stock by any subsidiary of any indebtedness of such subsidiary for the time being constituting a part of the pledged securities, in any case in which any governmental body having jurisdiction in the premises shall have refused to authorize or consent to the refunding, at or within one year next preceding the maturity thereof, of such indebtedness; provided, however, that in case any bonds or obligations subject to this Indenture shall be so renewed or extended, such bonds or obligations as so renewed or extended shall continue subject to this Indenture to the same extent and shall be lodged and held in the same manner as theretofore; and in case any bonds or obligations subject to this Indenture shall be exchanged for bonds or obligations substituted as aforesaid, the substituted bonds and obligations shall ipso facto forthwith become subject to this Indenture to the same extent, and shall be lodged and held in the same manner, as those for which they were substituted; and in case of the capitalization through the issuance of stock by any subsidiary of any indebtedness, as hereinbefore provided, all capital stock issued in consideration and/or exchange for any such indebtedness shall ipso facto forthwith become subject to this Indenture to the same extent, and shall be lodged and held in the same manner, as the indebtedness for which such capital stock was substituted; and in case of an original issue or creation of bonds or other obligations of any subsidiary, adequate provision shall be made at the time the issue or creation of such bonds or other obligations is authorized that such bonds or other obligations, and the evidences thereof, forthwith, upon the issue or creation thereof, shall be delivered and pledged as a part of the pledged securities.

At any time in its discretion the Trust Company may, and, if requested in writing by the Company (provided that it shall not then be in default hereunder), shall, consent to any such original issue or creation, renewal, extension or substitution. The Trust Company may receive the opinion of any counsel approved by it as conclusive evidence that any such original issue or creation, renewal, extension or substitution is in compliance with the provisions of this Section.

SEC. 10. Whenever all of any issue of obligations, except those constituting a part of the pledged securities, secured by a lien prior to the lien of this Indenture upon any of the mortgaged property or pledged securities, shall have been paid or redeemed or surrendered and canceled, the Trust Company shall, upon the request of the Company expressed in a resolution adopted by its Board of Directors a certified copy whereof shall be filed with the Trust Company, and upon receipt of an opinion of counsel satisfactory to the Trust Company (who may be counsel for the Company) that there are no liens intervening between the lien securing such pledged securities and the lien of this Indenture, cancel and surrender all the obligations of such issue constituting a part of the pledged securities upon the execution and delivery of a release of the mortgage or other instrument securing the same. Prior to such cancellation and surrender, provision satisfactory to the Trust Company shall be made for the delivery to it of all moneys and/or property held in pledge by the mortgagee or trustee under such mortgage or other instrument.

SEC. 11. If at any time the Company shall take over and acquire the entire property and business of any subsidiary and shall, in such manner and form as may be approved by counsel satisfactory to the Trust Company (who may be counsel for the Company), subject to the lien of this Indenture all of the property of such subsidiary, except merchandise held for sale to its customers, so that in the opinion of such counsel this Indenture shall constitute a valid lien on said property to the same extent as it then

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

constitutes a lien on the other property of the Company, subject only to the lien of current taxes, liens securing pledged securities and fundable underlying liens, as defined in Subdivision (12) of Article I of this Indenture, then, and in that event, the Trust Company shall, upon the request of the Company expressed in a resolution adopted by its Board of Directors, a certified copy whereof shall be filed with the Trust Company, cancel and surrender to the Company all of the shares of stock and indebtedness of any such subsidiary then constituting a part of the pledged securities (not including any indebtedness secured by any fundable underlying lien unless the cancellation and surrender thereof be required or authorized by some other provision of this Indenture), such surrender and cancellation to be made either after or contemporaneously with such taking over and acquisition of the property and business of any such subsidiary.

SEC. 12. If at any time under the provisions of any mortgage or other instrument securing any of the pledged securities, there shall be applicable to the purchase and cancellation of bonds or other obligations secured by such mortgage or other instrument, any moneys derived from insurance or from any sinking fund or from the proceeds of released property or otherwise, the Trust Company, upon the written request of the Company signed by its President or a Vice-President, shall offer to sell to the trustee or trustees under such mortgage any of the pledged securities secured by such mortgage or other instrument at such price or prices, not less than eighty per centum of par, and accrued interest, as the Company may specify, and if the pledged securities so offered are purchased shall deliver the same upon receipt of the purchase price. All moneys received upon any such sale shall be used and applied by the Trust Company, if received from sinking fund moneys, to the purchase in the open market or to the redemption of fundable underlying obligations and/or fundable preferred stock and/or bonds outstanding hereunder in the manner provided in Sections 2 and 3 of Article IV of this Indenture, at the option of the Company expressed in a writing signed by its President or a Vice-President; or, if received from any other source, such moneys shall for all purposes be deemed to be the proceeds of released property, and shall be used, applied and disposed of by the Trust Company accordingly, all as more fully provided in Section 1 of Article XI of this Indenture.

SEC. 13. Any subsidiary may, with the written approval of some person selected by the Trust Company, by consolidation, merger, dissolution, purchase and sale, conveyance or otherwise, merge into or with any other corporation or corporations, provided that the corporation remaining after or resulting from such merger shall be a subsidiary qualified as such within the meaning of this Indenture, and that all bonds, indebtedness, moneys and/or other consideration accruing in respect of any of the pledged securities shall be forthwith deposited as a part of the pledged securities; but any such moneys so deposited with the Trust Company shall be deemed to be proceeds of released property and shall be used, applied and disposed of by the Trust Company accordingly, all as more fully provided in Section 1 of Article XI of this Indenture; provided, however, that such merger shall be upon such terms as fully to preserve and in no respect to impair the lien, efficiency or security of this Indenture or any of the rights or powers of the Trustees or the bondholders hereunder. The Trust Company may accept, as conclusive evidence of any matters necessary to be ascertained by it in connection with any such merger, a certificate signed and verified in the manner provided in Subdivision (2) of Section 3 of Article III of this Indenture and an opinion of counsel, appointed by the Company and approved by the Trust Company, and who may be counsel for the Company, as to any and all legal matters respecting any such merger, the status created thereby and/or the securities issued in respect thereof. Upon any such merger the Trust Company may cancel and/or surrender any

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

of the pledged securities of any corporation which as a result of such merger will retire from or go out of business or cease to be active, if, in the opinion of such counsel, the security afforded by this Indenture will not thereby be impaired.

SEC. 14. In respect of any subsidiary all of the stock whereof of all classes constitutes a part of the pledged securities, the Trustees shall, upon the written request of the Company expressed in a resolution of its Board of Directors, a certified copy whereof shall be filed with the Trust Company, permit any preferred stock of such subsidiary to be converted into or exchanged for an equal or greater or lesser number of shares of additional common stock of such subsidiary, such additional common stock to forthwith become a part of the pledged securities. Nothing in this Indenture shall be deemed to prevent the conversion of common stock of any subsidiary into an equal or greater number of shares of stock without par value, but otherwise of the same character as the stock so converted.

ARTICLE VII.

SECTION 1. No coupon belonging to any coupon bond hereby secured, which in any way, at or after maturity, shall have been transferred or pledged, separate or apart from the bond to which it relates (unless it be accompanied by such bond), and no bond, coupon or claim for interest which shall in any manner have been kept alive after maturity by extension or by the purchase thereof on behalf of the Company or of any subsidiary, shall be entitled, in case of a default hereunder, to any benefit of or from this Indenture, except after the prior payment in full of all bonds, coupons and claims for interest not so transferred, pledged or kept alive.

SEC. 2. In case default shall be made (a) in the payment of the principal of or any interest on any bond or bonds hereby secured and outstanding, and any such default, if in respect of the payment of interest, shall continue for a period of sixty days; or (b) in the due observance or performance of any other covenant, condition or agreement herein contained to be observed or performed by the Company or by any subsidiary, and any such default shall continue for a period of sixty days after written notice from the Trustees to the Company and to the lessee under the Des Moines Power Station Lease (if such lease be then in force); then, in every such case, the Trustees may, and, upon the written request of the holders of twenty-five per centum in principal amount of (1) all the bonds hereby secured and then outstanding in respect of which such default in the payment of principal and/or interest exists or (2) all the bonds hereby secured and then outstanding in case of any other default, shall, by notice in writing delivered to the Company and to the lessee under the Des Moines Power Station Lease (if such lease be then in force), declare the Company in default hereunder, and/or declare the principal of all the bonds hereby secured and then outstanding to be due and payable immediately; and upon such declaration, the same shall become and be due and payable immediately, anything in this Indenture or in said bonds to the contrary notwithstanding; provided, however, that the Trustees shall have given the lessee under the Des Moines Power Station Lease (if such lease be then in force) at least thirty days' previous written notice of their intention to make such declaration.

This provision, however, is subject to the condition that if, at any time, the principal of said bonds shall have been declared due and payable, and all arrears of interest upon such bonds, and the principal of all said bonds which shall have matured by lapse of time and not by declaration, with interest on the overdue principal and/or installments of interest at the coupon rate or rates, shall either be paid by the Company or be collected out of the trust property, before any sale of the mortgaged property and/or pledged

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

securities shall have been made, and all the other covenants and agreements herein contained shall have been performed by the Company, or their performance shall have been waived, and all expenses or liabilities incurred by reason of any action taken by the Trustees, or either of them, upon account of any such default shall either have been paid or secured to the satisfaction of the Trustees, then, and in every such case, the Trustees may, in their discretion, or if the holders of a majority in principal amount of the bonds hereby secured and then outstanding shall by written notice to the Trustees so request, the Trustees shall, waive such default and its consequences; but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SEC. 3. In case (1) default shall be made in the payment of the principal of or any interest on any bond or bonds hereby secured and outstanding, and any such default, if in respect of the payment of interest, shall continue for a period of sixty days; or (2) default shall be made in the due observance or performance of any other covenant, condition or agreement hereby required to be observed or performed by the Company or by any subsidiary, and any such default shall continue for sixty days after written notice from the Trustees to the Company and to the lessee under the Des Moines Power Station Lease (if such lease be then in force), then, and in every such case, the Trustees personally or by attorney, and in their discretion (having given at least thirty days' prior notice in writing to the lessee under the Des Moines Power Station Lease--if such lease be then in force):

(a) May enter into and upon the mortgaged property, and each and every part thereof, and may exclude the Company therefrom, and, having and holding the same, may use, operate, manage and control the same; execute any and all contracts and undertakings, and make new contracts and undertakings; collect and receive all incomes, credits, outstanding accounts and bills receivable of the Company, and, in general, carry on and conduct the business of the Company as fully as it might do if in possession thereof; and exercise all lawful franchises and powers of the Company; and upon every such entry the Trustees, at the expense of the trust estate, from time to time, either by purchase, repairs or construction, may maintain and restore, and insure or keep insured, the property whereof they shall have become possessed as aforesaid, and in the same manner and to the same extent as is usual with companies of like character; and make all necessary and proper repairs, renewals, replacements, alterations, additions, betterments and improvements thereto and thereon as to them may seem judicious; and in such case the Trustees shall have the right to manage such property and carry on the business and exercise all the rights and powers of the Company, either in the name of the Company or otherwise as the Trustees shall deem best; and they shall be entitled to collect and receive all tolls, earnings, income and rents, issues and profits of the same, and every part thereof, and, after deducting the expenses of operating said properties, and of conducting the business thereof, and of all repairs, maintenance, renewals, replacements, alterations, additions, betterments and improvements, and all payments which may be made for taxes, assessments and insurance, or prior or other proper charges upon said premises and property, or any part thereof, and all liabilities incurred by them hereunder, as well as just and reasonable compensation for their own services, and for all attorneys, agents, clerks, servants and other employees by them properly engaged and employed, they shall employ the moneys arising as aforesaid as follows: (1) In case the principal of all the bonds hereby secured shall not have become due by declaration or otherwise, first, to the payment of the interest in default in order of maturity, with interest thereon at the coupon rate or rates, and, next, to the payment of the principal of any of said bonds which shall have

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

matured by lapse of time and not by declaration, with like interest, all such payments to be made ratably to the persons entitled thereto without distinction or preference; (2) in case the principal of all of the bonds hereby secured shall have become due by declaration or otherwise, to the payment of the principal and accrued interest in the manner provided in Section 7 of this Article. Upon the payment in full of whatever may be due for the principal and interest of the said bonds or be payable for other purposes, the premises shall be returned to the Company; and/or,

(b) May, with or without entry, sell to the highest and best bidder all or any part of the mortgaged property and/or pledged securities, and all right, title, interest, claim and demand therein, and the right of redemption thereof, in one lot as an entirety, or in separate lots, as the Trustees shall deem best, and in one sale, or any number of separate sales, held at one time, or any number of times, which said sale or sales shall be made at public auction at some convenient place or places in any state or states wherein any of such property may be located, and at such time or times and upon such terms as the Trustees may fix and briefly specify in the notice of sale to be given as herein provided, or as may be required by law; provided, always, that such sale or sales may be made at such other place or places and in such other manner as may be authorized by law; and/or

(c) May, and upon the request of the holders of one-fourth in amount of (1) all the bonds outstanding hereunder ^{in respect of which such default in payment of principal and/or interest exists or shall exist} in case of any other default, and in either case upon being first indemnified to their satisfaction, shall, proceed to protect and enforce their rights and the rights of the bondholders under this Indenture by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for any foreclosure hereunder, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustees, being advised by counsel learned in the law, shall deem most effectual to protect and enforce the rights aforesaid.

In case the Trustees shall have proceeded to enforce any right under this Indenture by foreclosure, sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of any waiver, or for any other reason, or shall have been determined adversely to the Trustees, then, and in every such case, the Company and the Trustees shall be restored to their former positions and rights hereunder in respect of the trust property and all rights, remedies and powers of the Trustees shall continue as though no such proceedings had been taken.

SEC. 4. Notice of any sale by the Trustees, pursuant to any provision of this Indenture, shall state the time and place when and where the same is to be made, and shall contain a brief general description of the property to be sold, and shall be sufficiently given by publishing the same once in each week for four successive weeks prior to such sale in one daily newspaper printed in English and published and of general circulation in the City of Chicago, in the State of Illinois, and in one similar daily newspaper published in the City and State of New York (Borough of Manhattan), the first publication to be at least four weeks before the date fixed for such sale, provided that, if other and different notice shall be required by law, the notice thus required shall be given.

The Trustees from time to time may adjourn any sale or sales by them to be made under the provisions of this Indenture by announcement at the time and place appointed for such sale, or adjourned sale or sales, and, without farther notice or publication, they may make such sale or sales at the time and place to which the same shall be adjourned.

The Company, for itself and all persons and corporations hereafter claiming

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

the lien of this Indenture, hereby expressly waives and releases all right to have the properties and estate comprised in the security intended to be created by this Indenture marshalled upon any foreclosure or other enforcement hereof, and the Trustees, or any court in which the foreclosure of this Indenture or administration of the trusts hereby created is sought, shall have the right as aforesaid to sell the entire property of every description comprised in or subject to the trusts created by this Indenture as a whole or in a single parcel.

SEC. 5. Upon the completion of any sale or sales under this Indenture, the Trustees shall execute all such deeds, conveyances, bills of sale or other instruments in writing as may be requisite, convenient, necessary or desirable to vest in the purchaser or purchasers title to the property so sold, and shall deliver to such purchaser or purchasers any of such property so sold which may be in the possession of the Trustees, or either of them.

The Trustees and their successors hereby are appointed the true and lawful attorney or attorneys irrevocable of the Company, in its name and stead, or otherwise, to make, execute, acknowledge and deliver all such deeds, conveyances, bills of sale or other written instruments, the Company hereby ratifying and confirming all that its said attorney or attorneys shall lawfully do by virtue hereof.

Any sale or sales made under or by virtue of this Indenture, or under and by virtue of any judicial proceeding taken hereunder, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company, of, in and to the property so sold, and shall be a perpetual bar, both at law and in equity, against the Company, its successors and assigns, and against any and all persons claiming or to claim the property sold, or any part thereof, from, through or under the Company, its successors or assigns; and the receipt of the Trust Company or of the officer conducting such sale for the consideration money paid at any such sale or sales shall be a sufficient discharge to the purchaser, without any liability on the part of the purchaser to see to the application of the purchase money, or to be bound to inquire as to the authorization, necessity, expediency or regularity of any such sale or sales.

SEC. 6. In case of any such sale, the principal sums of all bonds hereby secured, if not previously due, shall immediately thereupon become due and payable, anything in said bonds or in this Indenture contained to the contrary notwithstanding.

SEC. 7. The purchase money, proceeds and avails of any such sale or sales, together with any sums which then may be held by the Trustees, or either of them, under any of the provisions of this Indenture, as part of the trust property, or the proceeds thereof (including any unappropriated sinking fund moneys, subject, however, to any exclusive rights which may have been conferred upon the holders of any particular series of bonds in respect of any sinking fund established for their exclusive benefit), shall, subject to the provision of Section 1 of this Article, be applied as follows:

First: To the payment of the costs and expenses of such sale, including a reasonable compensation to the Trustees, their agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustees, and all other charges which, by the terms hereof or otherwise, are prior to the bonds hereby secured, except any charges subject to which said sale shall have been made.

Second: To the payment of the interest on said bonds accrued and unpaid in the order of maturity, with interest on overdue installments of interest at the coupon rate or rates, and if such proceeds be insufficient to make payment in full, then pro rata.

Third: To the payment of the whole amount then owing and unpaid upon the bonds

hereby secured and then outstanding, for principal; and in case such proceeds shall be insufficient to pay in full the principal amount so due and unpaid upon the said bonds, then to the payment of such principal ratably.

Fourth: To the payment of the surplus, if any, to the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

SEC. 8. In case of any sale hereunder, any purchaser, for the purpose of making settlement or payment for the property purchased, shall be entitled to use and apply any bonds and any matured and unpaid coupons hereby secured by presenting said bonds and coupons in order that there may be credited thereon the sums applicable to the payment thereof out of the net proceeds of such sale to the owner of such bonds and coupons, as his ratable share of such net proceeds, such net proceeds being the amount remaining after making any deductions from the gross purchase price which may be made for the costs, expenses, compensation and other charges, and thereupon such purchaser shall be credited on account of such purchase price payable by him, with the sums applicable out of such net proceeds to the payment of and credited upon the bonds and coupons so presented and, at any such sale, any bondholders may bid for and may purchase, and upon compliance with the terms of sale may hold, retain, possess and dispose of, such property in their own absolute right, without further accountability.

SEC. 9. In case there shall be any existing judgment against the Company or any subsidiary unsatisfied or unsecured by bond on appeal or otherwise for thirty days after demand from the Trustees that it be paid or secured by such bond; or in case the Company or any subsidiary shall make any assignment for the benefit of its creditors or (except as expressly permitted by this Indenture) be dissolved or go into voluntary liquidation; or in case in any judicial proceeding, a receiver, or an assignee, or a trustee in bankruptcy, shall be appointed of the Company or of any subsidiary, or a judgment or order entered for the sequestration of the property of the Company or of any subsidiary, then, and in every such case, the Trustees may, and upon the request of the holders of a majority in amount of the bonds outstanding hereunder, shall, upon being first indemnified to their satisfaction, proceed to exercise any and all rights and powers herein conferred and provided to be exercised by the Trustees upon the occurrence and continuance of default, as hereinbefore provided (and whether or not any such default has in fact occurred), including the right to declare the principal of the bonds hereby secured to be due and payable, and as a matter of right the Trustees shall thereupon be entitled to the appointment of a receiver of all or any of the trust property, and of the rents, incomes, issues and profits thereof, with such powers as the court making such appointment shall confer.

SEC. 10. The Company covenants that (1) in case default shall be made in the payment of any interest on any bond or bonds at any time outstanding and secured by this Indenture, and any such default shall continue for a period of sixty days, or (2) in case default shall be made in the payment of the principal of any such bond when the same shall become payable, whether by the regular maturity of said bond, or by declaration as authorized by this Indenture, or by sale as provided in Section 6 of this Article, or otherwise, then, upon demand of the Trustees, the Company will pay to the Trustees, for the benefit of the holders of the bonds and coupons hereby secured then outstanding, the whole amount due and payable on all such bonds and coupons then outstanding, for interest or principal, or both, as the case may be, with interest upon the overdue principal and/or installments of interest of each such bond at the coupon rate, and in case the Company shall fail to pay the same forthwith upon such demand, the Trustees in their own names, and as trustees

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

of an express trust, shall be entitled to recover judgment for the whole amount so due and unpaid.

The Trustees shall be entitled to recover judgment as aforesaid, either before or after or during the pendency of any proceeding for the enforcement of the lien of this Indenture upon the trust property, and the right of the Trustees to recover such judgment shall not be affected by any sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture, or for the foreclosure of the lien hereof, and in case of a sale of the mortgaged property and/or pledged securities, and of the application of the proceeds of such sale to the payment of the debt, the Trustees, in their own names and as trustees of an express trust, shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all bonds issued hereunder and then outstanding for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery of any such judgment by the Trustees, and no lien of any execution upon property subject to the lien of this Indenture, or upon any other property, shall in any manner or to any extent affect the lien of the Trustees upon the trust property, or any part thereof, or any rights, powers or remedies of the Trustees or of the holders of the bonds hereby secured; but such liens, rights, powers and remedies shall continue unimpaired as before.

Any moneys thus collected by the Trustees under this Section shall be applied by the Trustees, first, to the expenses, disbursements and compensation of the Trustees, their agents and counsel, and, second, toward payment, in the manner provided in Section 7 of this Article, of the amounts then due and unpaid upon such bonds and coupons in respect of which such moneys shall have been collected, according to the amounts due and payable upon such bonds and coupons respectively, at the date fixed by the Trustees for the distribution of such moneys, upon presentation of the several bonds and coupons, and stamping thereon such payment if only partially paid, and upon surrender thereof if fully paid.

SEC. 11. In the event that the Trustees shall commence any appropriate proceedings at law or in equity for the purpose of foreclosing the security of this mortgage or deed of trust, the Trustees shall, as a matter of right, be entitled to the appointment of a receiver of and for all or any of the trust property, and by and through said receiver to take possession thereof and operate the same and receive the tolls, rents, incomes, issues and profits thereof.

SEC. 12. The Company will not at any time insist upon or plead or in any manner whatever claim or take the benefit or advantage of any stay or extension law now or at any time hereafter in force, nor will it claim, take or insist upon any benefit or advantage from any law now or hereafter in force providing for valuation or appraisement of the trust property, or any part thereof, prior to any sale or sales thereof to be made in pursuance of any provision herein contained, or to the decree, judgment or order of any court of competent jurisdiction, nor after any such sale or sales will it claim or exercise any right under any statute enacted by any state or otherwise to redeem the property so sold or any part thereof, and it hereby expressly waives all benefit and advantage of any such law or laws, and it covenants that it will not hinder, delay or impede the execution of any power herein granted and delegated to the Trustees, but that it will suffer and permit the execution of every such power, as though no such law or laws had been made or enacted.

SEC. 13. No holder of any bond or coupon secured hereby shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of this Indenture, or for the execution of any trust thereof, or for the appointment of a receiver,

or for any other remedy hereunder, unless such holder shall previously have given to the Trustees written notice of default and of the continuance thereof as hereinbefore provided; nor unless, also, the holders of such proportion as is hereinbefore specified of the bonds hereby secured then outstanding shall have made written request upon the Trustees and shall have afforded to them a reasonable opportunity, either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding, in their own names (and the Trustees shall have refused or unreasonably delayed to comply with such request); nor unless, also, they or some one or more of the holders of said bonds shall have offered to the Trustees security and indemnity to the satisfaction of the Trustees against the costs, expenses and liabilities to be incurred therein or thereby, and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustees, to be conditions precedent to the execution of the powers and trusts of this Indenture for the benefit of the bondholders, and to any action or cause of action for foreclosure, or for the appointment of a receiver, or for any other remedy hereunder, it being understood and intended that no one or more holders of bonds and coupons shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this Indenture, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided, and for the equal benefit of all holders of such outstanding bonds and coupons.

Nothing in this Section or elsewhere in this Indenture or in said bonds or in the coupons attached thereto shall affect or impair the obligation of the Company which is unconditional and absolute to pay the principal and interest of said bonds to the respective holders thereof and of the coupons appertaining thereto at the respective due dates therein stated, nor affect or impair the right of action which is absolute and unconditional of such holders to enforce such payment.

SEC. 14. Except as herein expressly provided to the contrary, no remedy herein contained, conferred upon or reserved to the Trustees or to the holders of the bonds hereby secured, is intended to be exclusive of any other remedy or remedies; but each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SEC. 15. No delay or omission of the Trustees, or of any holders of the bonds hereby secured, to exercise any right or power accruing upon any default as aforesaid, shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein; and every power and remedy given by this Article to the Trustees or to the bondholders may be exercised from time to time, and as often as may be deemed expedient by the Trustees or by the bondholders.

SEC. 16. All rights of action in favor of the Trustees arising under this Indenture in respect of said bonds or coupons or otherwise may be enforced by the Trustees without possession of any of said bonds or coupons, or the production thereof in any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustees shall be brought in their names as Trustees, and any recovery of judgment shall be for the equal benefit of the holders of said bonds and coupons.

ARTICLE VIII.

No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any bond or coupon, or because of the creation of any indebtedness, hereby secured, shall be had against any past, present or future incorporator, stockholder, officer or director of the Company, or of any successor corporation, either directly or

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

through the Company, or any such successor corporation, by the enforcement of any assessment or penalty or by any legal or equitable proceeding by virtue of any statute or otherwise; it being especially agreed and understood that this Indenture, and the obligations hereby secured, are solely corporate obligations, and that no personal liability whatever shall attach to, or be incurred by, incorporators, stockholders, officers or directors of the Company, or of any successor corporation, or any of them, because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture, or in any of the bonds or coupons hereby secured, or implied therefrom; and that any and all personal liabilities of every name and nature of, and any and all rights and claims against, every such incorporator, stockholder, officer or director, whether arising at common law or in equity, or created by statute or constitution, are hereby expressly released and waived as a condition of, and as a part of the consideration for, the execution of this Indenture, and the issuing of the bonds and interest obligations secured hereby.

ARTICLE IX.

SECTION 1. From time to time the holders of four-fifths in amount of all the bonds hereby secured for the time being outstanding (not including bonds owned or controlled directly or indirectly by the Company or by any corporation which directly or indirectly controls the Company), by an instrument or instruments in writing signed by such holders, shall have power (1) to assent to and authorize the release of any part of the trust property without prejudice to the powers conferred upon the Trustees and the Company by Articles VI and XI hereof, and (2) to waive any default, and any rights arising by reason of any default, under any provision of this Indenture, and (3) to assent to and authorize any modification of any of the provisions of this Indenture that shall be proposed by the Company, and consented to by the Trust Company; and any action herein authorized to be taken with the assent or authority given as aforesaid of the holders of four-fifths in amount of the bonds hereby secured for the time being outstanding shall be binding upon the holders of all of the bonds hereby secured and upon the Trustees, as fully as though such action were specifically and expressly authorized by the terms of this Indenture; provided, always (a) that the obligation of the Company to pay the principal of said bonds at their respective maturities, and the interest thereon, shall continue unimpaired, and (b) that no modification hereof shall give to any bond or bonds hereby secured any preference over any other bond or bonds hereby secured, and (c) that no waiver of any default shall extend to or affect any subsequent default or impair any right consequent thereon, and (d) that no waiver or modification of any rights which shall have been specially provided in respect of any particular series of bonds shall be effective unless assented to by the holders of four-fifths in amount of the bonds of such particular series, and (e) that no such modification shall authorize the creation of any lien prior to the lien of this Indenture upon any of the trust property. Any modification of the provisions of this Indenture so made as aforesaid shall be set forth in a supplemental indenture between the Trustees and the Company which shall be recorded in the same manner as this Indenture.

SEC. 2. Without prejudice to the provisions of Section 1 of this Article or to any other provision of this Indenture, the Company may from time to time by a supplemental indenture executed by the Company pursuant to a resolution of its Board of Directors and by the Trustees, and recorded in like manner as this Indenture,

(a) Create one or more sinking funds for the benefit of all the bonds hereby secured, or of any particular series (one or more) of such bonds, and/or

(b) Impose upon the Company conditions or restrictions which in the opinion of

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

the Trust Company are additional to, but not in diminution of, those contained in this Indenture, respecting the issuance of additional bonds, the release of property from the lien of this Indenture and/or the application of the proceeds of insurance moneys and/or the proceeds of released property, and/or of pledged securities, and/or

(c) Undertake covenants which in the opinion of the Trust Company are additional to but not inconsistent with those contained in this Indenture, and/or

(d) Extinguish or curtail any right or privilege reserved to the Company under any provision of this Indenture, and/or

(e) Make such provision in regard to matters or questions arising under this Indenture as may be necessary or desirable and not inconsistent with this Indenture.

The Trustees are hereby authorized to join with the Company in the execution of any such supplemental indenture, to make the further agreements and stipulations which may be therein contained, and to accept the conveyance, transfer and assignment of any property which may be covered thereby. Every such supplemental indenture shall be in form approved by counsel selected by the Company and approved by the Trust Company (who may be counsel for the Company).

SEC. 3. From and after the execution of any such supplemental indenture in accordance with the provisions of Section 1 or Section 2 of this Article the covenants and provisions contained therein shall be deemed a part of this Indenture and shall bind and benefit the Company, the Trustees and the bondholders as effectually as the covenants and provisions contained in this Indenture at the time of its execution, and the Trustees and the bondholders shall have the same remedies for a breach thereof as are provided in respect of a breach of the provisions and covenants now contained in this Indenture.

SEC. 4. If by the provisions of any present or future law a meeting of the bondholders shall be authorized or required to be called or held, any such meeting may be called by the Company or by either of the Trustees; and for the purpose of determining the right to vote at any such meeting the ownership of bonds shall be established (unless some other method be provided by law) in the manner set forth in Article X of this Indenture. Unless otherwise provided by law (a) any such meeting shall be held at the office of the Trust Company in the City of Chicago, Illinois, and (b) notice of such meeting shall be published once a week for two consecutive weeks in a newspaper regularly published in Chicago, Illinois, and in a newspaper regularly published in New York City, New York, and (c) at any such meeting any bondholder may vote in person or by attorney.

ARTICLE X.

Any request, direction or other instrument required or authorized by this Indenture to be signed and executed by bondholders may be in any number of concurrent writings of similar tenor, and may be signed or executed by such bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument, or of the writing appointing any such agent, and of the ownership of bonds, if made in the following manner, shall be sufficient for any purpose of this Indenture, and shall be conclusive in favor of the Trustees with regard to due action taken by them under such request:

The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within said jurisdiction, to the effect that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of a witness to such execution.

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

The fact of the holding of bonds hereunder by any bondholder, and the amount and issue numbers of any such bonds, and the date of his holding the same (unless such bonds be registered), may be proved by the affidavit of the person claiming to be such holder, if such affidavit shall be deemed by the Trustees to be satisfactory, or by a certificate executed by any trust company, bank, banker or any depository (wherever situated), if such certificate shall be deemed by the Trustees to be satisfactory, showing that at the date therein mentioned such person had on deposit with such trust company, bank, banker or other depository the bonds described in such certificate. The holding of registered bonds shall be proved by the bond register.

But nothing in this Article contained shall be construed as limiting the Trustees to the proof hereinbefore specified, it being intended that the Trustees may accept any other evidence of the matters herein stated which to them may seem sufficient.

ARTICLE XI.

SECTION 1. If at any time any part of the mortgaged property and/or pledged securities cannot be advantageously used or retained in the proper and judicious operation of the business of the Company, or if the sale or disposition thereof has become necessary or advisable for any cause, the same, or any interest therein, may be sold, or exchanged for other property of such a character that such property if otherwise acquired by the Company would constitute fundable acquisitions (provided that no obligation secured by a lien prior to the lien of this Indenture upon any part of the trust property shall be sold or exchanged unless all of the trust property covered by such lien shall be so sold or exchanged, and that none of the stock or indebtedness of any subsidiary shall be sold or exchanged); and upon the request of the Company, evidenced by a resolution of its Board of Directors, a certified copy whereof shall be filed with the Trust Company, the Trustees shall release the same from the lien and effect of this Indenture, but any such sale or exchange and/or release shall be made only upon the following further provisions and conditions:

(a) There shall be filed with the Trust Company a statement, signed and sworn to by the President or a Vice-President of the Company and also signed by an engineer (who may be an employee of the Company) appointed by a resolution of its Board of Directors and approved by the Trust Company, which statement shall be conclusive in favor of the Trustees, to the effect (1) that the Company has sold or exchanged, or contracted to sell or exchange, such property or securities, and setting forth all the terms and conditions of such sale or exchange, (2) that the price to be received for such property or securities is the full fair value thereof, or, as the case may be, that the property to be received in exchange therefor is of at least equal value to the property or securities sought to be released, (3) that the property or securities sought to be disposed of cannot be advantageously used or retained in the proper and judicious operation of the business of the Company, or, as the case may be, that the sale or disposition thereof has become necessary or advisable for some other cause set forth in said statement, (4) in any case where the property sought to be disposed of includes or comprises any franchise, permit or special privilege, that the sale or disposition thereof will not in any substantial way impair the value or utility of any remaining franchise, permit or privilege or the right of the Company to operate its remaining properties, and (5) whether or not the property sought to be disposed of is subject to any lien prior to the lien of this Indenture, other than the lien of current taxes, and, if so subject a copy of the instrument creating such lien shall accompany such statement.

(b) In case of the sale or exchange of any public utility property as an

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

entirety or substantially so, or of the stock or stock and indebtedness of any subsidiary, there shall also be filed with the Trust Company a certificate of some person or persons selected by the Trust Company and paid by the Company but not otherwise in the employ of the Company, that in the opinion of such person or persons such sale or exchange is advantageous to the Company and the holders of the bonds outstanding hereunder and will not impair the security for said bonds.

(c) In case of any such sale of any such property or securities, or of any interest therein, the price or proceeds of sale (which may consist of cash and/or obligations secured by a purchase money lien upon the property released and/or other obligations of any municipality or other governmental subdivision purchasing any such property) not less than the value of such property as aforesaid, or of such interest (less the actual and necessary expenses of such sale), shall, on or before the delivery of such release, be deposited with the Trust Company as a part of the trust property until paid over or applied as hereinafter provided, or if the property or securities sold be subject to a mortgage or other instrument constituting a lien thereon prior to this Indenture, such proceeds may be disposed of in such manner as shall be required by the terms of such prior mortgage or other instrument, the Company agreeing that upon final satisfaction or release of any such prior mortgage or other instrument any such proceeds then held thereunder shall be forthwith deposited with the Trust Company under this Indenture to be held as a part of the trust property.

(d) In case of any exchange, the property received in exchange shall be subjected to the lien and operation of this Indenture and shall be forthwith transferred to the Trustees for that purpose, and the Trustees shall concurrently be furnished with the opinion of counsel satisfactory to the Trustees, who may be the counsel for the Company, that the Company has good title to such property subject to no lien other than the lien of this Indenture, except current taxes, and that this Indenture is a valid first lien thereon subject only to such taxes; provided, however, that if the property disposed of be subject to a mortgage or other instrument constituting a lien thereon prior to that of this Indenture the property received in exchange therefor may be subjected to the lien of such prior mortgage or other instrument, and conveyed to the Trustees under this Indenture subject thereto.

The net proceeds realized by the Company from any property taken or damaged in eminent domain proceedings, or acquired by any municipality or other governmental subdivision pursuant to the right of purchase provided by law, ordinance or franchise, shall be for the purposes of this Article XI treated as though realized from a voluntary sale thereof made in conformity to the provisions of this Section.

The moneys received by the Trust Company upon any such sale or condemnation, or from any purchase money or other obligations received as part of the consideration of released property, shall be applied as and when directed by the Company, in a resolution adopted by its Board of Directors, a certified copy whereof shall be filed with the Trust Company, in any one or more of the following ways, as may be specified in such direction or directions, namely:

(1) The Trust Company shall pay over to the Company (in lieu of authenticating bonds in respect of any fundable acquisitions) out of such proceeds from time to time sums equal to one and one-third times the principal amount of bonds which would be issuable in respect of such fundable acquisitions under Section 3 of Article III of this Indenture if such fundable acquisitions were made the basis for the authentication of bonds under said Section, but only upon the deposit with the Trust Company of the same securities and

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

the delivery to the Trust Company of the same writings and other instruments as would be required if such fundable acquisitions were then made the basis for the payment of cash under section 4 of Article III of this Indenture.

(2) The Trust Company shall apply such proceeds, or any part thereof, in purchasing in the open market or in redeeming any of the bonds secured by this Indenture and/or fundable underlying obligations and/or fundable preferred stock in the manner and upon the conditions provided in Sections 2 and 3 of Article IV of this Indenture.

All purchase money or other obligations received by the Trust Company under this Section (unless released under the preceding provisions hereof) shall be held and collected by the Trust Company, which shall, however, be under no liability or accountability whatsoever for the collection thereof, or be required to take any steps by legal proceedings or otherwise toward such collection, which in its judgment may involve it in expense or liability, unless requested so to do in writing and adequately indemnified, as provided in Article XIII hereof.

The resolutions, certificates, directions, consents, opinions and statements referred to and provided for in this Article shall be full warrant to the Trustees for their action on the faith thereof, and they shall incur no liability for anything done by them pursuant to this Article.

SEC. 2. So long as the Company shall not have been declared in continuing default under the provisions of this Indenture, the Company shall also have full power in its discretion from time to time, without compliance with the provisions of Section 1 of this Article, (a) to sell, exchange, pledge or otherwise dispose of in good faith and for an adequate consideration, free from the lien of this Indenture, any bonds, shares of stock, evidences of indebtedness and/or other securities not deposited, and not by any provision of this Indenture specifically required to be deposited, as a part of the pledged securities; and (b) to dispose, free from the lien of this Indenture, of any portion of its machinery, equipment, tools, appliances, furniture, fixtures and other movable property which may have become unfit for use, upon replacing the same by or substituting for the same, new machinery, equipment, tools, appliances, furniture, fixtures and other property of equal value, which shall forthwith become subject to the provisions of this Indenture; and (c) to use and consume materials and supplies; and (d) to exercise any and all rights under choses in action and contracts; and (e) to modify leases and contracts, all such modified leases and contracts to become forthwith subject to the provisions of this Indenture; provided that no modification of the Des Moines Power Station Lease shall be made without the written approval of some independent person selected by the Company and approved by the Trust Company; and (f) to surrender or assent to the modification of any franchise under which it may be operating, provided, that in the event of any such surrender or modification the Company shall still have (subject to the provisions of this Indenture to the same extent as those previously existing), under some other franchise, or under the modified franchise, or under a new franchise, license or permit received in exchange for the surrendered franchise, or otherwise, authority, in the opinion of counsel, to conduct the same or an extended business in the same or extended territory for at least the same or an extended or an unlimited period of time. The words "opinion of counsel," as used in this Section, shall be construed to be the written opinion, filed with the Company and with the Trust Company, of counsel, who may be of counsel to the Company, appointed by the Company, and approved by the Trust Company.

SEC. 3. No subsidiary shall sell or otherwise dispose of any of its property (other than merchandise held for purposes of sale to its customers) except in substantially

the same manner and upon substantially the same conditions as are hereinbefore provided

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

in this Article in respect of the like disposition of property of the Company; provided, however, that (a) any proceeds of any such sale deposited with the Trust Company shall be a part of the trust property and subject to the lien of this Indenture only, if and to the extent that such subsidiary can lawfully make the same so subject, and (b) payment out of such proceeds in respect of property additions of such subsidiary may be made to such subsidiary instead of to the Company, and (c) any such proceeds may be used to purchase or redeem any indebtedness of such subsidiary constituting pledged securities, and (d) upon any exchange, title to the property received in exchange may be vested in such subsidiary.

SEC. 4. No purchaser in good faith of property purporting to have been released under the terms of this Article XI, shall be bound to ascertain the authority of the Trustees to execute the release or to inquire as to any facts required by the provisions hereof for the exercise of this authority, nor shall any purchaser or grantee of any property or rights permitted by Article XI of this Indenture to be sold, granted, exchanged or otherwise disposed of, be under obligation to ascertain or inquire into the authority of the Company to make any such sale, grant, exchange or other disposition.

SEC. 5. At any time or times during which the trust estate shall be in the possession of a receiver lawfully appointed, all the powers in and by this Article XI conferred upon the Company may be exercised by such receiver with the approval of the Trust Company, and whenever and during any time or times the Trustees shall be in possession thereof under any provision of this Indenture, then all the powers by this Article XI conferred upon the Company may, in the discretion of the Trustees, be exercised by the Trustees.

SEC. 6. Nothing in this Article contained shall be construed as a limitation of the provisions of Article VI of this Indenture.

ARTICLE XII.

SECTION 1. Until some default shall have been made in the due and punctual payment of the interest, or of the principal, of the bonds hereby secured, or of some part of such interest or principal, or in the due and punctual performance and observance of some covenant or condition hereof obligatory upon the Company, and until such default shall have continued beyond the period of grace herein provided with respect thereto, if any, the Company, its successors and assigns, shall be suffered and permitted to retain the actual possession of all the mortgaged property, and to manage, operate and use the same, and every part thereof, with the rights and privileges appertaining thereto, and to collect, receive, take, use and enjoy the tolls, earnings, income, rents, issues and profits thereof, including the right to collect as they become due (but not in advance of their maturity) the several installments of rent accruing from time to time under the Des Moines Power Station Lease; and the Trustees shall from time to time, upon the request of the Company, execute and deliver to the Company suitable orders for the payment of such rent to the Company. In the event of a default in the payment of the principal or interest of the bonds secured hereby, or any part thereof, or in the observance or performance of any other covenant or condition herein contained to be observed or performed by the Company, and the continuance of such default beyond the period of grace herein provided with respect thereto, if any, the Trustees may (without prejudice to their right to then or at any time thereafter terminate the Des Moines Power Station Lease, or to any other rights accruing by reason of such default) revoke any such orders and may collect any and all rents then or thereafter becoming due under the Des Moines Power Lease, and all such sums so collected shall be applicable to making good such

default and/or to the payment of principal and interest upon the bonds hereby secured, and until so applied shall be held as a part of the trust property. After any such default shall have been made good, or shall have been waived, the right of the Company to collect the rents under said Des Moines Power Station Lease, and the duty of the Trustees to execute such orders for the payments of such rents to the Company, shall revive and continue as though such default had never taken place, and any residue of such rentals then held by the Trustees shall be paid over to the Company.

SEC. 2. If when the bonds hereby secured shall have become due and payable (whether by lapse of time or by declaration or by exercise of the privilege of redemption or otherwise), the Company shall well and truly pay, or cause to be paid, the whole amount of the principal moneys and interest due upon all of the bonds and coupons for interest thereon hereby secured then outstanding, or shall provide for such payment by depositing with the Trust Company hereunder for the payment of such bonds and coupons the entire amount then due thereon for principal and interest, and shall also pay, or cause to be paid, all other sums payable hereunder by the Company, and shall well and truly keep and perform all the things herein required to be kept and performed by it, according to the true intent and meaning of this Indenture, the Trustees shall, then, and in that case, pay to the Company all moneys and other property then held by them, or either of them, hereunder (other than moneys so deposited for the payment of said bonds and coupons), and all the property, rights and interests hereby conveyed or pledged shall revert to the Company, and the estate, right, title and interest of the Trustees shall thereupon cease, determine and become void; and the Trustees in such case upon demand of the Company, and at the Company's cost and expense, shall execute proper instruments acknowledging satisfaction of this Indenture, and such deeds of release, or conveyance as shall be necessary, proper or requisite to re-vest in the Company the property then subject to this Indenture free and discharged from the lien thereof. The deposit of such moneys with the Trust Company shall, as to the Company, be deemed a payment of such bonds for the purposes hereof, and shall discharge the liability of the Company hereunder, but the Trust Company shall not be chargeable with interest on any such deposit.

ARTICLE XIII.

Each Trustee, for itself or himself and its or his successors, hereby accepts the trusts and assumes the duties herein created and imposed upon such Trustee, but only upon the following terms and conditions, to wit:

(a) Each Trustee shall be protected in any action taken by such Trustee upon any notice, resolution, vote, request, consent, certificate, affidavit, statement, bond, coupon or other paper or document believed by such Trustee to be genuine and to have been passed or signed by the proper parties.

(b) Each Trustee may select and employ in and about the execution of this trust suitable agents and attorneys, whose reasonable compensation shall be paid by the Company, or, in default of such payment, shall be a charge upon the trust property and the proceeds thereof, paramount to the bonds hereby secured, and neither Trustee shall be answerable for the default or misconduct of any agent or attorney selected by either of the Trustees in pursuance hereof.

(c) Neither Trustee, save for his or its own individual gross negligence or wilful default, shall be personally liable for any loss or damage, and neither Trustee shall be liable for any act or omission of the other.

(d) It shall be no part of the duty of either Trustee to file or record or refile, re-record, register or re-register this Indenture as a mortgage or conveyance of real

estate, or as a chattel mortgage, or as a conveyance or transfer of personal property, or to renew such mortgage, or to procure any further, other or additional instruments of further assurance, or to do any other act which may be necessary to be done for the continuance of the lien hereof, or for giving notice of the existence of such lien, or for extending or supplementing the same, the Company hereby covenanting to attend to all such matters, so as to keep unimpaired the lien hereof upon all the trust property as it shall be constituted from time to time. Neither Trustee shall be liable for the exercise of any discretion or power hereunder or for mistakes or errors of judgment, nor otherwise in connection with this trust except for his or its own wilful misconduct or gross negligence. Neither Trustee shall be obliged to take notice of any default until receipt of written notice thereof, signed by the holders of such proportion of the bonds as is hereinbefore specified, and unless and until the Trustees shall have received such written notice distinctly specifying the default the Trustees, and each of them, may conclusively assume that no default has occurred hereunder.

(e) Each Trustee shall have a first lien upon the trust property for the reasonable expenses, counsel fees and compensation of such Trustee, and for all liabilities incurred in and about the execution of the trust hereby created, and the exercise and performance of the powers and duties of such Trustee hereunder, which expenses, counsel fees and compensation the Company covenants and agrees to pay on demand.

(f) Neither Trustee shall be under any obligation or duty to perform any act hereunder, or to defend any suit in respect hereof, unless reasonably indemnified, and whenever such indemnity is inadequate such Trustee may require further indemnity from time to time; nor shall either Trustee be required to take any action with respect to any default hereunder, or to take any action towards the execution or enforcement of the trust hereby created, unless requested by an instrument in writing signed by the holders of such proportion of the bonds hereby secured as is hereinbefore specified. Excepting as herein expressly otherwise provided, neither Trustee shall be bound to recognize any person as a bondholder unless and until his bonds are submitted for inspection, if required, and his title satisfactorily established if disputed.

(g) The recital of facts and representations herein and in said bonds and coupons appertaining thereto contained shall be taken as made by the Company, and shall not be construed as made by either Trustee, save that the Trust Company's authentication upon the bonds shall be taken as made by the Trust Company.

(h) Neither Trustee shall be personally liable for any debts contracted, nor for damages to persons or property injured, nor for salaries or non-fulfillment of contracts, during any period in which such Trustee shall manage or operate the mortgaged property upon entry as hereinbefore provided.

(i) It shall be no part of the duty of either Trustee to procure any fire or other insurance, or to renew any insurance policies by whomsoever procured, or to require the filing of any statements with such Trustee, or to procure the delivery of any policies of insurance, nor shall such Trustee be under any obligation to pay or to see to the payment of any rentals, taxes, assessments or other levies, or to pay or to see to the payment of any tax, assessment or other charge which may be levied against the Company, or against the interest of either of the Trustees or of the bondholders, or to keep informed with respect to any such matters.

(j) In case at any time it shall be necessary or proper for either Trustee to make any investigation respecting any fact or matter preparatory to taking or not taking any action or doing or refraining from doing anything under this Indenture, as such

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

Trustee, the certificate of the Company, under its corporate seal, signed and sworn to by its President or a Vice-President, shall (except as otherwise explicitly provided in this Indenture) be conclusive evidence of all statements therein contained and sufficient to protect such Trustee in any action such Trustee may take or refrain from taking by reason of the supposed existence of such fact or matter.

(k) Neither Trustee shall have any responsibility for, and makes no representation with respect to, the validity of this instrument, or of the execution or acknowledgment thereof, or of any bond or coupon issued hereunder; nor for the form, genuineness, validity, sufficiency or effect of any pledged securities; nor for the nature, extent or amount of the security afforded hereby; nor be responsible for any breach by the Company or any subsidiary of any covenant in this Indenture contained, nor shall either Trustee be under any duty to see to the performance or observance of any of the covenants or agreements hereof on the part of the Company, or of any subsidiary, or to see that any property intended to be conveyed or assigned to such Trustee is properly and legally subjected to the lien hereof.

(l) Each Trustee may in his or its discretion advise with legal counsel (who may be of counsel to the Company) to be selected by such Trustee and to be employed at the expense of the Company; and anything done or suffered in good faith by such Trustee in accordance with the opinion of such counsel shall be conclusive in favor of such Trustee, and binding on the holders of the bonds and coupons secured hereby.

(m) Should any suit or other proceeding be brought against either Trustee by reason of any matter or thing connected with the trust hereby created, or by reason of being such Trustee, such Trustee may require the Company to indemnify it or him, and the Company hereby covenants and agrees so to do on demand; and neither Trustee shall be under any obligation to enter any appearance by counsel or in any way appear in or defend such suit or proceeding until indemnified to the full satisfaction of such Trustee for so doing, but such Trustee may in his or its discretion appear and defend such suit or proceeding without indemnity if such Trustee elects so to do, and in such case shall be compensated therefor from the trust property.

(n) Either Trustee, and any successor or successors hereafter appointed, may resign and be discharged of the trust hereby created by written notice thereof to the Company specifying the date when such resignation shall take effect and delivering the same to the Company thirty days (or such shorter time as the Board of Directors of the Company may accept as adequate) before such resignation takes effect, and by publication at least once in each week for four successive weeks in a daily newspaper published in the City of Chicago, Illinois, and in a like newspaper published in the City of New York, New York, the last publication to be made prior to the date the resignation is to take effect. Such resignation shall take effect on the day specified in said writing unless previously a successor Trustee shall be appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment and qualification of such successor Trustee.

(o) Each Trustee may buy, sell, own, hold and deal in bonds and coupons hereby secured and may join in any action which any bondholder may be entitled to take, with like effect as though such Trustee were not a party to this Indenture.

(p) Notwithstanding anything in this Indenture contained to the effect that any matter necessary to be ascertained by either Trustee shall be conclusively established by any certificate, statement or other paper filed with such Trustee, such Trustee may nevertheless (but shall under no circumstances be obligated so to do) make such independent investigation as may seem fit with respect to any such matter, and the expense thereof

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

shall be borne by the Company, or, if paid by either Trustee, shall be repaid by the Company upon demand, with interest at the rate of seven per centum per annum.

ARTICLE XIV.

SECTION 1. The Trust Company, or any successor to the Trust Company hereafter appointed, may be removed at any time by an instrument or concurrent instruments in writing signed by the holders of not less than three-fourths in amount of the bonds hereby secured and then outstanding. In case at any time the Trust Company, or any successor to the Trust Company hereafter appointed, shall resign or shall be removed or otherwise shall become incapable of acting, a successor Trust Company may be appointed by the holders of a majority in amount of the bonds hereby secured and then outstanding by an instrument, or concurrent instruments, signed by such bondholders, or their attorneys in fact duly authorized. Provided, nevertheless, and it is hereby agreed and declared, that in any such case the Company, by an instrument executed by order of its Board of Directors, may appoint a successor Trust Company until a successor Trust Company shall be appointed by the bondholders as herein authorized. The Company shall publish a notice of any such appointment by it made once in each week for four successive weeks, in a daily newspaper published in Chicago, Illinois, and in a daily newspaper published in the City of New York, New York. Any successor Trust Company so appointed by the Company shall immediately, and without further act, be superseded by a successor Trust Company appointed by the bondholders in the manner above provided. If neither the Company nor the bondholders shall appoint a successor Trust Company within a reasonable time, such appointment may be made by any court of competent jurisdiction upon application of any bondholder, or of the Trust Company last in office, or of the individual Trustee. Every successor to the Trust Company, whether appointed by the bondholders, or by the Company, or by the decree of any court, shall always be a Trust Company in good standing, having a capital and surplus aggregating at least Five Million Dollars.

In case the Trust Company shall consolidate with or merge into any other corporation, the corporation remaining after or resulting from such consolidation or merger shall ipso facto, and without the execution or filing of any papers or other documents, succeed to and be substituted for the Trust Company with like effect as though originally named as such.

SEC. 2. The individual Trustee may be removed at any time by an instrument in writing executed by the person who shall at the time be the President of the Trust Company and acknowledged and filed in each place where this Indenture shall have been recorded and filed. In the event of the death, removal, resignation or incapacity to act of the individual Trustee, a successor to such individual Trustee may be appointed by an instrument in writing signed by the person who shall at the time be the President of the Trust Company, and acknowledged and filed for record in each place where this Indenture shall have been recorded and filed; and in the event of the failure of the President of the Trust Company to make such appointment within a reasonable time after such death, removal, resignation or incapacity to act of the individual Trustee, and such failure still continuing, a successor individual Trustee may be appointed in the same manner as is provided in Section 1 of this Article with respect to the appointment of a successor Trust Company. Any notice to or demand upon the individual Trustee authorized or required by any provision of this Indenture shall be deemed sufficiently given or made if addressed to such individual Trustee and mailed to or left for him at the office of the Trust Company.

The individual Trustee may, as to the execution of releases, or as to any other

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

action hereunder, whether discretionary or otherwise, act by attorney in fact. For the purpose of executing releases under the terms of this Indenture the Trust Company shall be and is hereby appointed attorney in fact for the individual Trustee, and any and all releases signed by the Trust Company and by the Trust Company as attorney in fact for the individual Trustee shall be effective to release the lien hereof in respect of the property therein described.

SEC. 3. Every successor to the individual Trustee or to the Trust Company appointed hereunder shall execute, acknowledge and deliver to his or its predecessor last in office, and also to the Company, an instrument accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts, duties and obligations of his or its predecessor in trust hereunder, with like effect as if originally named as the individual Trustee or the Trust Company herein, but the individual Trustee or the Trust Company ceasing to act shall, nevertheless, on the written request of the Company, or of his or its successor Trustee, execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver all properties and moneys held by such Trustee to such successor. Should any deed, conveyance or instrument in writing from the Company be required for more fully vesting in and confirming to such successor Trustee such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall upon request be made, executed, acknowledged and delivered by it.

ARTICLE XV.

Nothing contained in this Indenture, or in any bond hereby secured, shall prevent any consolidation or merger of the Company with or into any other corporation or the consolidation or merger of any other corporation with or into the Company, or any sale, conveyance, transfer or lease, subject to the continuing lien of this Indenture and to all the provisions hereof, of all of the trust property as an entirety to a corporation at that time existing under and by virtue of the laws of the United States or of any state or states or territories therein, and entitled to acquire, lease, own, maintain and operate the same; provided, however,

(1) That such consolidation, merger, sale, conveyance, transfer or lease shall not impair the lien and security of this Indenture, or any of the rights or powers of the Trustees or of any bondholder hereunder, and that, upon any such consolidation, merger, sale, conveyance or transfer, the due and punctual payment of the principal and interest of all the bonds secured hereby according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of this Indenture, shall be assumed by the corporation (hereinafter called "successor corporation") formed by such consolidation or merger or purchasing the trust property as aforesaid; and

(2) That such successor corporation shall execute and cause to be recorded an Indenture to the Trustees, satisfactory to the Trustees, whereby such successor corporation shall assume the due and punctual payment of the principal and interest of the bonds secured hereby and the performance of all the covenants and conditions of this Indenture on the part of the Company to be performed.

Such successor corporation thereupon, provided the conditions specified in paragraphs numbered (1) and (2) aforesaid shall have been complied with, shall succeed to, and be substituted for, the Company, with the same effect as if it had been named herein as party of the first part, except to issue and/or cause the authentication of

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

bonds hereunder; provided, however, that any such successor corporation which shall have been incorporated solely for the purpose of acquiring the properties and continuing the business of the Company, or with the approval of the Trust Company (which approval the Trust Company may give or withhold in its absolute discretion) any other such successor corporation, may cause to be signed, and may issue, either in its own name or in the name of the Company, any or all of the bonds authorized to be issued hereunder which shall not theretofore have been issued; and upon the order of said successor corporation in lieu of the Company, and subject to all the terms, conditions and restrictions herein prescribed, the Trust Company shall authenticate and deliver any of such bonds which shall have been previously signed and delivered by the officers of the Company to the Trust Company for authentication, and any of such bonds which such successor corporation shall thereafter cause to be signed and delivered to the Trust Company for that purpose. All the bonds so issued shall in all respects have the same legal rank and security as the bonds theretofore or thereafter issued in accordance with the terms of this Indenture. The word "Company" wherever used in this Indenture shall include any such successor corporation so complying with the provisions of this Article, and in any such case the certificates of the officers and/or resolutions of the Board of Directors of the Company required by the provisions of this Indenture may be made or adopted by the like officers or board of such successor corporation. Any matter of fact material to the right of any successor corporation to issue additional bonds under this Indenture, by virtue of any provision of this paragraph, may be conclusively established in favor of the Trustees in and by an opinion of counsel satisfactory to the Trustees.

ARTICLE XVI.

SECTION 1. All of the covenants, stipulations, promises, undertakings and agreements herein contained, by or on behalf of the Company, shall bind its successors and assigns, whether so specified or not. For all purposes of this Indenture, including the execution, issue and use of any of the bonds hereby secured, the term "Company" includes ^{corporation complying with the provisions of Chapter 47, Revised, provided however that no bonds hereby secured shall be executed, issued, or recorded by any such successor} and means not only the party of the first part hereto, but also any successor corporation except as is expressly permitted by the provisions of said Article XV.

SEC. 2. The words "Trustee" and "Trustees" mean the Trustee or Trustees for the time being, whether one or more, and whether original or substituted. The term "Trust Company" means Harris Trust and Savings Bank, and its successors in trust hereunder. The term "Individual Trustee" means M. H. MacLean and his successors in trust hereunder. The words "Trustee," "bond" and "bondholder" shall include the plural as well as the singular number, unless otherwise specified. The word "coupon" refers to the coupons attached to the coupon bonds secured hereby. The word "holder" or "bondholder" shall include, unless the context otherwise requires, the registered owner of a fully registered bond or of a registered coupon bond. The word "Indenture" shall be deemed to include all supplemental indentures executed pursuant to the provisions hereof. The term "coupon rate" as applied to a bond shall be deemed to mean the annual rate of interest payable upon such bond as evidenced by the interest coupons therefor in the case of a coupon bond or by the regular periodical installments of interest in case of a fully registered bond.

SEC. 3. Each and every estate, right, title, interest, lien, claim, demand, and cause of action expressed or intended by this Indenture to be vested in or conveyed to the Trustees shall (whether or not the same shall be lawfully conveyed to or vested in Harris Trust and Savings Bank and its successors in trust hereunder) in any event hereby vest in and be conveyed to M. H. MacLean and his successors in trust hereunder, and each and every covenant or obligation expressed or intended by this Indenture to run in favor of.

Mortgage Record, No. 81, Madison County, Iowa

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

and each and every right, power, remedy and duty expressed or intended by this Indenture to be conferred upon or enforceable by, the Trustees, shall (whether or not the same shall lawfully run in favor of or be conferred upon or be enforceable by Harris Trust and Savings Bank and its successors in trust hereunder) in any event run in favor of, be conferred upon and be enforceable by, M. H. MacLean and his successors in trust hereunder, with like effect, in each and every case of any incapacity of Harris Trust and Savings Bank and its successors in trust hereunder, as though this Indenture were originally entered into between the party of the first part and the said M. H. MacLean as sole Trustee.

SEC. 4. Nothing in this Indenture, expressed or implied, is intended or shall be construed to confer upon any person, firm or corporation, other than the parties hereto, and the holders of the bonds issued under and secured by this Indenture, any right, remedy or claim, legal or equitable, under or by reason of this Indenture, or any covenant, condition or stipulation hereof; this Indenture, and all its covenants, conditions and stipulations, being intended to be, and being, for the sole and exclusive benefit of the parties hereto and of the holders from time to time of the bonds hereby secured.

This Indenture may be executed in any number of counterparts, each of which is, and shall be taken, accepted and received by the parties named and recited herein, and by all public officers for recording deeds and other instruments, and by all other persons whomsoever, in any business or proceeding whatever, legal or otherwise, based hereon or transacted in connection herewith as, an original and all of which shall together evidence but one and the same undertaking.

IN WITNESS WHEREOF, Iowa Power and Light Company has caused this Indenture to be signed in its name and behalf by its President, and its corporate seal to be hereunto affixed and to be attested by itsSecretary; and Harris Trust and Savings Bank, to evidence its acceptance of the trust hereby created, has caused this Indenture to be signed in its name and behalf by its Vice-President, and its corporate seal to be hereunto affixed and to be attested by its Secretary, and the said M. H. MacLean, to evidence his acceptance of the trust hereby created, has hereunto set his hand and seal, all on the day and year above written.

(Corporate Seal of Iowa Power
and Light Company)

IOWA POWER AND LIGHT COMPANY,

By Clement Studebaker, Jr. President.

Attest: D. H. Holmes Secretary.

Executed, signed, sealed and delivered by Iowa Power and Light Company in the presence of:

L. E. Nieman
L. C. Codigan

Witnesses.

(Corporate Seal of Harris Trust
and Savings Bank)

HARRIS TRUST AND SAVINGS BANK,

By John S. Broeksmit Vice-President.

Attest: Harold Eckhart Secretary

Executed, signed, sealed and delivered by Harris Trust and Savings Bank in the presence of:

George H. Arnold
F. O. Mann

Witnesses.

STATE OF ILLINOIS, County of Cook, ss.

I, Aagot Skrogstad a Notary Public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me Clement Studebaker, Jr. and D. H. Holmes personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and personally known to me to be the President and Secretary, respectively, of IOWA POWER AND LIGHT COMPANY, a corporation, and acknowledged

JENKINS-FERGEMANN CO., WATERLOO, IOWA, NO. 9231

that they signed, sealed and delivered said instrument as their free and voluntary act as such President and Secretary, respectively, and as the free and voluntary act of said IOWA POWER AND LIGHT COMPANY, for the uses and purposes therein set forth. And the said Clement Studebaker, Jr. and D. H. Holmes so appearing before me, being to me personally known, and being by me duly sworn, did say that the said Clement Studebaker, Jr. is the President and the said D. H. Holmes is the Secretary, of IOWA POWER AND LIGHT COMPANY, the corporation that executed the foregoing instrument, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed, sealed and delivered in the name and behalf of said corporation by authority of its stockholders and board of directors, and said Clement Studebaker, Jr. and D. H. Holmes acknowledged said instrument to be the free and voluntary act and deed of said corporation.

Given under my hand and Notarial Seal this 20th day of March, A. D. 1928.

My commission expires Sept. 18, 1928

Aagot Skrogstad
Notary Public, Cook County, Illinois.

STATE OF ILLINOIS, County of Cook, ss.

I, Wm. S. Brown a Notary Public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me John S. Broeksmit and Harold Eckhart personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and personally known to me to be the Vice-President and Secretary, respectively, of HARRIS TRUST AND SAVINGS BANK, a corporation, and acknowledged that they signed, sealed and delivered said instrument as their free and voluntary act as such Vice-President and Secretary, respectively, and as the free and voluntary act of said HARRIS TRUST AND SAVINGS BANK, for the uses and purposes therein set forth. And the said John S. Broeksmit and Harold Eckhart so appearing before me, being to me personally known, and being by me duly sworn, did say that the said John S. Broeksmit is the Vice-President and the said Harold Eckhart is the Secretary, of HARRIS TRUST AND SAVINGS BANK, the corporation that executed the foregoing instrument, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed, sealed and delivered in the name and behalf of said corporation by authority of its board of directors, and said John S. Broeksmit and Harold Eckhart acknowledged said instrument to be the free and voluntary act and deed of said corporation.

Given under my hand and Notarial Seal this 20 day of March, A. D. 1928.

My commission expires Jan. 15, 1930.

Wm. S. Brown
Notary Public, Cook County, Illinois.

STATE OF ILLINOIS, County of Cook, ss.

I, Wm. S. Brown, a Notary Public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me M. H. MacLean, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed, signed, sealed and delivered said instrument as his free and voluntary act and deed for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 20 day of March, A. D. 1928.

My commission expires Jan. 15, 1930

Wm. S. Brown
Notary Public, Cook County, Illinois.