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IOWA SOUTHERN UTILITIES COMPANY
OF DELAWARE
(a Delaware Corporation)

TO

THE NORTHERN TRUST COMPANY

AND

HAROLD H. ROCKWELL,
TRUSTEES

DEED OF TRUST

SECURING FIRST AND REFUNDING MORTGAGE GOLD BONDS
OF IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE

INDEXED IN CHATTEL
MORTGAGE INDEX NO. _____
STATE OF IOWA }
JACKSON COUNTY } SS

Filed for record the 20 day of May
A. D. 1940 at 5:00 o'clock P.M.

DATED FEBRUARY 1, 1923

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Pearl E. Shuttles Recorder

Deputy

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This Indenture, dated as of the 1st day of February, 1923, between **IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE**, a corporation organized and existing under the laws of the State of Delaware (hereinafter called the "Company"), party of the first part, and **THE NORTHERN TRUST COMPANY**, a corporation organized and existing under the laws of the State of Illinois, and **HAROLD H. ROCKWELL**, of Chicago, Illinois (both of whom are hereinafter referred to as the "Trustees" and the former of whom is hereinafter referred to as the "Corporate Trustee"), parties of the second part,

WITNESSETH:

WHEREAS, the Company is a duly organized and existing corporation under the laws of the State of Delaware, and has full power and authority to borrow money and to issue its bonds therefor, and to mortgage, convey, and pledge its property now owned or hereafter acquired, to secure the payment of said bonds, with the interest thereon; and

WHEREAS, the Company is the owner of certain lands and property situated in the State of Iowa, and of other property hereinafter particularly described; and

WHEREAS, the execution and delivery of this Indenture has been duly authorized and consented to by the stockholders and directors of the Company, all as required by law, for the purpose of securing issues of series of bonds of the Company, for such amounts and bearing such rates of interest, and at such maturities, as the Board of Directors of the Company may from time to time determine, subject to the provisions of this Indenture; and

WHEREAS, the Company desires by the issuance of said bonds to procure funds for refunding the indebtedness of the

Company, and to provide funds for the acquisition of property and securities, and the improvement and extension of its plants and properties, and proposes for such and other corporate purposes to borrow money and to issue its bonds therefor, and to execute this Indenture to secure the payment of the said bonds, and under which Indenture there is conveyed, or intended to be conveyed, all of the real estate, plants, machinery, equipment and other property of whatsoever kind, real or personal (except as hereinafter stated) of the Company now owned or hereafter acquired; and

WHEREAS, all acts and things prescribed by law have been duly complied with to make this Indenture a valid and lawful Indenture to secure the bonds from time to time issued thereunder, and all things necessary to make the bonds hereinafter mentioned, when authenticated by the Corporate Trustee and issued under this Indenture, valid and binding obligations of the Company, and this Indenture a valid and binding Indenture for the security of the said bonds in accordance with its terms, have been done and performed, all in accordance with the charter or certificate of incorporation and the by-laws of the Company, and all laws and statutes relating thereto; and

WHEREAS, the bonds (coupon and registered) and the coupons attached to the coupon bonds to be issued under this Indenture are to be substantially in the following forms, with such appropriate omissions, insertions, and variations as may from time to time be determined by the Board of Directors, and as authorized by this Indenture:

(Form of Coupon Bond.)

No. _____ \$ _____

UNITED STATES OF AMERICA.

STATE OF DELAWARE.

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE

First and Refunding Mortgage Gold Bond

Series _____ Per Cent. _____

Iowa Southern Utilities Company of Delaware (hereinafter called the "Company"), a corporation organized and existing under the laws of the State of Delaware, for value received, acknowledges itself indebted and hereby promises to pay to the bearer hereof (or, if this bond be registered, to the registered holder hereof), _____ Dollars (\$ _____),

on the _____ day of _____, 19____, and to pay interest thereon from the date hereof until payment of the principal hereof, at the rate of _____ per centum per annum, semi-annually, on the first day of _____ and the first day of _____ in each year, the interest thereon until the maturity hereof being payable on presentation and surrender of the interest coupons hereto annexed, as they severally become due. Both the principal of and interest on this bond are payable at the banking office of The Northern Trust Company, in the City of Chicago, State of Illinois, or its successor, or at the option of the holder, at the banking office of Bankers Trust Company, in the Borough of Manhattan, City of New York, State of New York, or its successor, in gold coin of the United States of America of or equal to the standard of weight and fineness existing on _____, without deduction for any tax or governmental charge which the Company or said Banks, or the Trustees under the Indenture hereinafter mentioned, may be required or permitted to pay thereon, or to deduct or retain therefrom, under any present or future law of the United States of America, except inheritance or succession taxes and such portion of any Federal Income Tax in respect of such interest as shall be in excess of two per cent.

This bond is one of an issue of coupon and registered bonds of the Company, designated as its First and Refunding Mortgage Gold Bonds, Series, issued and to be issued under and in accordance with the terms and conditions of and equally secured to be paid by a Deed of Trust (herein termed the Indenture), dated as of February 1, 1923, executed by the Company to The Northern Trust Company and Harold H. Rockwell, as Trustees. For a statement of the nature and extent of the security, the rights of the holders of the bonds and coupons of the Company, and the terms and conditions upon which said bonds are, and are to be, executed, authenticated, delivered and secured, reference is made to said Indenture, to all of the provisions whereof the holder hereof and of any coupon hereto belonging, by accepting this bond, or any such bond or coupon, assents.

In the event of certain defaults specified in said Indenture, the principal of the bonds issued thereunder may become or be declared due and payable before maturity, in the manner and with the effect provided in said Indenture.

This bond shall pass by delivery, unless registered in the name of the owner at the office of the Corporate Trustee under said Indenture, on registry books to be kept for the purpose, such registration being noted hereon by said Trustee, as registrar. After such registration no transfer shall be valid unless made on said books by the registered holder in person or by his attorney duly authorized, and similarly noted on the bond; but the same may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored; but this bond may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, which shall continue to be transferable by delivery and be payable to bearer.

No recourse shall be had for the payment of the principal of or the interest upon this bond, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the said Indenture, against any incorporator, stockholder, officer, or director, past, present, or future, of the Company, or of any successor, or predecessor.

sor corporation, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any assessment or penalty, or otherwise.

The Company reserves the option to pay this bond on any interest payment date, in the manner and upon the notice provided in said Indenture, upon payment of the principal of such bond, with the accrued interest, to the date of redemption, and upon payment of the following premiums upon the principal thereof when called for redemption and payment during the following periods, viz: Seven and one-half per cent ($7\frac{1}{2}\%$) during the period from the date of this bond to and including January 1, 1928; five per cent (5%) during the period from and including January 2, 1928, to and including July 1, 1933, and thereafter two and one-half per cent ($2\frac{1}{2}\%$).

This bond shall not become valid or be obligatory for any purpose, until it shall have been authenticated by the execution by the Corporate Trustee under said Indenture, of the certificate endorsed hereon.

IN WITNESS WHEREOF, IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE has caused this bond to be signed in its corporate name by its proper corporate officers thereunto duly authorized, and its corporate seal to be hereunto affixed, and the interest coupons hereto attached to be executed in its behalf by the facsimile signature of its Treasurer, as of the day of, 19.....

IOWA SOUTHERN UTILITIES COMPANY
OF DELAWARE,

By.....
President.

Attest:

.....
Secretary.

(Form of Interest Coupon.)

No. \$.....

On the first day of, 19....., unless the bond hereinafter mentioned shall have been called for previous redemption, Iowa Southern Utilities Company of Delaware will pay to bearer, at the banking

office of The Northern Trust Company, in the City of Chicago, State of Illinois, or its successor, or at the option of the holder at the banking office of Bankers Trust Company, in the Borough of Manhattan, City and State of New York, or its successor, Dollars (\$.....) in gold coin of the United States of America of or equal to the standard of weight and fineness existing on, 19....., without deduction for Federal taxes (except Income taxes in excess of two per cent (2%) and Inheritance and Succession taxes), being the semi-annual interest due on that date on its First and Refunding Mortgage Gold Bonds, Series, No.

IOWA SOUTHERN UTILITIES COMPANY
OF DELAWARE,

By.....
Treasurer.

(Form of Registered Bond.)

No. \$.....

UNITED STATES OF AMERICA,

STATE OF DELAWARE.

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE.

First and Refunding Mortgage Gold Bond.

Series Per Cent.

Iowa Southern Utilities Company of Delaware (hereinafter called the "Company"), a corporation organized and existing under the laws of the State of Delaware, for value received, acknowledges itself indebted and hereby promises to pay to, or registered assigns, Dollars (\$.....) on the day of, 19....., and to pay interest thereon from the date hereof until payment of the principal hereof, at the rate of per centum per annum, semi-annually, on the first day of and on the first day of in each year. Both the principal of and interest on this bond are payable at the banking office of The Northern Trust Com-

pany, in the City of Chicago, State of Illinois, or its successor, or at the option of the holder, at the banking office of Bankers Trust Company, in the Borough of Manhattan, City of New York, State of New York, or its successor, in gold coin of the United States of America of or equal to the standard of weight and fineness existing on _____, 19_____, without deduction for any tax or governmental charge which the Company, or said Banks, or the Trustees under the Indenture hereinafter mentioned, may be required or permitted to pay thereon or to deduct or retain therefrom under any present or future law of the United States of America, except inheritance or succession taxes, and such portion of any Federal income tax in respect of such interest as shall be in excess of two per cent.

This bond is one of an issue of coupon and registered bonds of the Company, designated as its First and Refunding Mortgage Gold Bonds, Series _____, issued and to be issued under and in accordance with the terms and conditions of and equally secured to be paid by a Deed of Trust (herein termed the "Indenture"), dated as of February 1, 1923, executed by the Company to The Northern Trust Company and Harold H. Rockwell, as Trustees. For a statement of the nature and extent of the security, the rights of the holders of the bonds of the Company, and the terms and conditions upon which said bonds are, and are to be, executed, authenticated, delivered and secured, reference is made to said Indenture, to all of the provisions whereof the holder hereof by accepting this bond assents.

In the event of certain defaults specified in said Indenture, the principal of the bonds issued thereunder may become or be declared due and payable before maturity, in the manner and with the effect provided in said Indenture.

This bond is transferable by the registered holder hereof, at the office of the Corporate Trustee, in the City of Chicago, Illinois, as registrar for the Company, upon surrender and cancellation of this bond, and a new registered bond will be issued to the transferee in exchange therefor.

No recourse shall be had for the payment of the principal of or the interest upon this bond, or for any claim

based hereon, or otherwise in respect hereof, or based on or in respect of the said Indenture, against any incorporator, stockholder, officer, or director, past, present, or future, of the Company, or of any successor or predecessor corporation, whether by virtue of any constitution, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise.

The Company reserves the option to pay this bond on any interest payment date, in the manner and upon the notice provided in said Indenture, upon payment of the principal of such bond, with the accrued interest to the date of redemption, and upon payment of the following premiums upon the principal thereof when called for redemption and payment during the following periods, viz.: Seven and one-half per cent ($7\frac{1}{2}\%$) during the period from the date of this bond to and including January 1, 1928; five per cent (5%) during the period from and including January 2, 1928, to and including July 1, 1933, and thereafter two and one-half per cent ($2\frac{1}{2}\%$).

This bond shall not become valid or be obligatory for any purpose until it shall have been authenticated by the execution by the Corporate Trustee under said Indenture of the certificate endorsed hereon.

IN WITNESS WHEREOF, Iowa Southern Utilities Company of Delaware has caused this bond to be signed in its corporate name by its proper corporate officers thereunto duly authorized and its corporate seal to be hereunto affixed, as of the _____ day of _____, 19_____.

IOWA SOUTHERN UTILITIES COMPANY
OF DELAWARE,

By _____
President.

Attest:

Secretary.

and

WHEREAS, the certificate of the Corporate Trustee to be endorsed on said bonds (both coupon and registered) is to be in substantially the following form:

(Form of Trustee's Certificate.)

This is to certify that this bond is one of the bonds described in the within mentioned Indenture.

THE NORTHERN TRUST COMPANY,
Trustee,

By.....
Assistant Secretary.

and

WHEREAS, all things required by law or otherwise have been done to make said bonds, when executed by the Company and authenticated by the Corporate Trustee, the valid and binding obligations of the Company, and to make this Indenture a valid and binding Indenture to secure the same;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That, in order to secure the payment of the principal and interest of all bonds at any time issued and outstanding under this Indenture, according to their tenor, purport, and effect, and to secure the performance and observance of all the covenants and conditions upon which said bonds are issued, received, and held, and for and in consideration of the premises, and of the acceptance or purchase of the said bonds by the holders thereof, and of the sum of One Hundred Dollars, lawful money of the United States of America, duly paid by the Trustees to the Company at or before the ensealing and delivery of this Indenture, the receipt whereof is hereby acknowledged, said Iowa Southern Utilities Company of Delaware (party of the first part hereto) hath executed and delivered this Indenture, and hath granted, bargained, sold, aliened, remised, released, conveyed, warranted, pledged, transferred and assigned, and by these presents does hereby grant, bargain, sell, alien, remise, release, convey, warrant, pledge, transfer, and assign unto said The Northern Trust Company, and Harold H. Rockwell, as Trustees, and their successors in trust and assigns, with all rights of substitution and with full subrogation to any and all war-

ranties or rights of action against previous vendors or holders, or other persons, all and singular its property, real, personal, and mixed, income, rights, privileges, easements, and franchises of every description, now owned, used, or enjoyed by it, or which may hereafter be acquired, owned, used or enjoyed by it, excepting and there are hereby reserved from the lien and effect of this mortgage all commodities now or at any time hereafter handled and kept in stock by the Company for the purpose of sale as merchandise, and not in use nor connected as fixtures with its plants, and excepting also all consumable supplies, cash, bills and accounts receivable, and all bonds, notes or other evidences of indebtedness of any corporation not owning or controlling through the ownership of stock an electric, hydro-electric, gas, water or railway (including a street or interurban railway) property, plant, or systems, or other public utility property, plant or system, or part thereof, and all securities of any kind in which funds of the Company not subject to the lien of this Indenture shall be invested temporarily by the order of the Board of Directors or Executive Committee of the Company; provided, however, that the Company shall in the event of any default by it in the payment of the principal or interest upon any of its bonds, and upon demand by the Trustees, promptly execute and deliver to the Trustees good and sufficient instruments of conveyance, transferring to the Trustees subject to the trusts herein created said excepted property.

There is also included in this conveyance, but without restricting the generality of the foregoing, the following described property owned by the Company:

First. All and singular the light, heat and power plants and systems, located in the Counties of Jasper, Monroe, Appanoose, Wayne, Lucas, Decatur, Ringgold, Taylor, Adams, Union and Clarke, in the State of Iowa, together with all the buildings, structures, engines, boilers, condensers, pumps,

machinery, tools, pipes, conduits, insulators, dynamos, meters, wires, poles, lines, equipment, transformers, transmission lines, distributing systems, generators, switches, electrical conductors, standpipes, books, documents, choses in action, contracts, leases, rights of way, privileges, franchises, licenses, permits, and easements, in anywise appertaining to said plants, systems, and works, or any of them, or the operation or maintenance thereof.

Second. The real estate situated in the County of Taylor State of Iowa, described as follows:

Commencing at the Southwest corner of the intersection of Ohio and Locust Streets in Lenox, Iowa, extending South One Hundred and Fifteen (115) feet, thence West to Chicago, Burlington and Quincy right of way, thence Northeast along the line of said right of way to a point due west of place of beginning, thence due east to place of beginning, being part of Lot One Hundred and Twenty-nine (129), in Lenox, Iowa, situated in the Northeast Quarter of the Northwest Quarter of Section Eight (8), Township Seventy (70), North, Range Thirty-two (32), West of the Fifth Principal Meridian.

Third. The real estate situated in the County of Union, State of Iowa, described as follows:

Lots Eight Hundred Sixty (860), Eight Hundred Sixty-one (861), Eight Hundred Sixty-two (862), Eight Hundred Sixty-three (863) and Eight Hundred Sixty-four (864), in the Original Town of Creston, and that parcel or tract of land lying and being situated East of the East line of Walnut Street and South of Lots Eight Hundred Sixty (860), Eight Hundred Sixty-one (861), Eight Hundred Sixty-two (862), Eight Hundred Sixty-three (863) and Eight Hundred Sixty-four (864) in the Original Town of Creston, and being that portion of Adams Street, in the City of Creston, vacated by Ordinance 246 of the said City of Creston, passed August 12th, 1905, being a portion of the South Half ($\frac{1}{2}$) of the Southeast Quarter ($\frac{1}{4}$) of Section One (1), Township Seventy-two (72), North, Range Thirty-one (31).

Fourth. The real estate situated in the County of Appanoose, State of Iowa, described as follows:

Parcel Number One. Lot One (1) and the North Half of Lot Four (4) and the East sixty-five (65) feet of the South Half of Lot Four (4) and such part of Lot Two (2) described as follows: Beginning at a point fifty (50) feet East of the northwest corner of said lot, thence East fifty (50) feet, thence South fifty (50) feet, thence in a Northwesterly direction to point of beginning, all in Block Five (5), Range Four (4) in the Original Town of Centerville, Iowa.

Parcel Number Two. Lots Two (2) and Five (5) in Block Four (4) in Range Five (5) in the Original Town of Centerville.

Parcel Number Three. Lot Four (4) in Block Three (3) in Range Four (4) in Walden's Fifth Addition to the City of Centerville, situated in the North Half ($\frac{1}{2}$) of the Northeast Quarter ($\frac{1}{4}$) of Section Thirty-six (36) in Township Sixty-nine (69), North of Range Eighteen (18), West of the Fifth Principal Meridian, except the coal underlying the same.

Parcel Number Four. Lots Two (2) and Three (3) in Block Five (5) in Range Five (5), in the original Town of Centerville, in Township sixty-nine (69), North of Range Eighteen (18), West of the Fifth Principal Meridian; also a tract of ground One Hundred (100) feet by Two Hundred (200) feet described as commencing at the Northwest corner of Lot Two (2) in Block Five (5), in Range Five (5) in said original Town of Centerville, running thence North Two Hundred (200) feet; thence East One Hundred (100) feet; thence South Two Hundred (200) feet; thence West One Hundred (100) feet to the place of beginning, all in the Northeast Quarter ($\frac{1}{4}$) of Section Thirty-six (36) in Township Sixty-nine (69) North of Range Eighteen (18), West of the Fifth Principal Meridian, excepting, however, the coal underlying the same.

Parcel Number Five. Lot Three (3) and North Half ($\frac{1}{2}$) of Lot Four (4), and the North Ten (10) feet of the South Half ($\frac{1}{2}$) of Lot Four (4) and the East Thirteen (13) Feet of the South Forty (40) feet of Lot Four (4), all in Block Four (4) in Range Five (5) in the original

Town of Centerville; also a strip of ground Twenty (20) feet in width and Two Hundred (200) feet in length lying between Lots Two (2) and Five (5) on the East and Lots Three (3) and Four (4) on the West, all in Block Four (4) in Range Five (5) in the original Town of Centerville, Iowa, subject to the right and easement of Appanoose County Telephone Company to erect and maintain telephone poles and wires either on poles or under ground, or both, upon or under said tract of ground.

Fifth. The real estate situated in the County of Ringgold, State of Iowa, described as follows:

Lots Ten (10), Eleven (11), Twelve (12) and Thirteen (13) in the original plat of the Town of Mount Ayr.

Sixth. The real estate situated in the County of Decatur, State of Iowa, described as follows:

Parcel Number One. Commencing at the northeast corner of the Northwest one-quarter (N. W. $\frac{1}{4}$) of the Northwest one-quarter (N. W. $\frac{1}{4}$) of the Northeast one-quarter (N. E. $\frac{1}{4}$), Section Thirty-three (33), Township Sixty-nine (69), Range Twenty-five (25), running thence West One Hundred Sixty-five (165) feet, thence South Two Hundred Sixty-four (264) feet, thence East One Hundred Sixty-five (165) feet, thence north Two Hundred Sixty-four (264) feet to the place of beginning.

Parcel Number Two. Lot One (1) and the East twelve (12) feet of Lot Two (2) in Block Twelve (12), in the original Town of Leon.

Seventh. The real estate situated in the County of Jasper, State of Iowa, described as follows:

The East thirty-five (35) feet of the following described tract of real estate, to-wit: Commencing at the Southwest corner of Lot Four (4), Block Five (5), McColloms Addition to the City of Newton, Iowa, running thence north eighty-seven (87) feet, thence east sixty-five (65) feet, thence south fifty (50) feet, thence along the south line of said lot Four (4) in a southwesterly direction seventy-five (75) feet, more or less, to the point of beginning.

Eighth. The street railway and interurban railway system of the Company in the City of Centerville, and extending thence from said City of Centerville to its terminus in the City of Albia, County of Monroe and State of Iowa, and also extending from the City of Centerville to the Town of Mystic, in the County of Appanoose and State of Iowa, and any other street railway and interurban railway systems now owned or hereafter constructed or acquired by the Company, and any additions to or extensions of any such existing or future street railway and interurban railway systems, together with all of the roadbed, railroads, rights-of-way, rails, tracks, ties, bolts, connections, poles, wires, cross-arms, insulators, rolling stock, equipment, car barns, buildings, erections, structures, stations, sub-stations, sidings, spurs, turntables, wyes, trestles, bridges, viaducts, culverts, repair shops, machine shops, overhead construction, power producing and power transmitting equipment, appliances, tools, instruments, apparatus, machinery, facilities and other property used or provided for use in the construction, maintenance, repair and operation thereof, both that now owned and that which may hereafter be acquired by the Company, and together also with all of the rights, privileges, franchises, licenses, ordinances, liberties, immunities, permits, easements and grants of the Company, howsoever conferred or acquired, and whether now owned or hereafter acquired (including particularly, but not to the exclusion of any other, the rights, privileges and franchises granted by the City of Centerville), with respect to the construction, maintenance, repair and operation of said street railway and interurban railway systems and the additions thereto and extensions thereof; together with the hereditaments and appurtenances belonging or in anywise appertaining to the said parcels of land and property hereinbefore in said Subdivisions *Second, Third, Fourth, Fifth, Sixth, Seventh* and *Eighth* described, or any part or parcel thereof, and the reversion and reversions, re-

mainder and remainders, and the rents, issues and profits thereof, and all the estate, right, title and interest, claim or demand whatsoever of the Company, either at law or in equity, in or to the same.

Ninth. Also all books, documents, choses in action, contracts, stocks, bonds, and securities of other companies, and chattels and personal and real estate of every description (except as aforesaid), now belonging to or which may hereafter be acquired by the Company in equity as well as in law, and all income, earnings, rents, rights, tolls, profits and issues growing out of or appertaining to the said property, and each and every part or parts thereof.

This conveyance is made subject and subordinate to the certain Mortgage and Deed of Trust, dated October 2, 1916, made by Iowa Southern Utilities Company, a corporation organized and existing under the laws of the State of Maine, to Central Trust Company of Illinois, as Trustee, but only to the extent that such Mortgage or Deed of Trust is a lien upon any portions of the property covered by this Indenture.

TO HAVE AND TO HOLD the said property above described, together with all the rights, easements, privileges and appurtenances thereunto belonging or appertaining, all herein sometimes collectively referred to as the "trust estate," unto and to the use of the Trustees, their successors and assigns forever; the Company hereby covenanting that (except as aforesaid) the title to said property, income, rights, privileges, easements, and franchises is clear, free, and unencumbered, and that it, the Company, will warrant and defend the title to the same against any claims whatsoever; BUT IN TRUST, NEVERTHELESS, for the equal pro rata benefit and security of all of the holders of the bonds issued or to be issued hereunder and secured hereby, and the coupons thereto belonging, without preference or priority of any of said bonds over any others on account of the time of their issue or otherwise (ex-

cept as may be otherwise provided herein, or in any Indenture supplemental hereto, or in any of said bonds), and for enforcing the payment of the principal and interest thereof, according to their tenor, with the powers and authority, and subject to the agreements, covenants and conditions hereinafter expressed of and concerning the same, namely:

ARTICLE I.

FORM, EXECUTION, DELIVERY, REGISTRY AND EXCHANGE OF BONDS.

SECTION 1. From time to time the bonds issuable hereunder shall be signed and sealed on behalf of the Company, and delivered to the Corporate Trustee for authentication by it, and thereupon as provided in Article II hereof, and not otherwise, said Trustee shall authenticate and deliver the same. Only such bonds as shall bear endorsed thereon a certificate substantially in the form heretofore recited, and executed in behalf of the Corporate Trustee by its Secretary, Assistant Secretary or other duly authorized agent, shall be secured by this Indenture or entitled to any lien, right, or benefit hereunder; and such authentication by said Trustee 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 that the holder thereof is entitled to the benefit of the trusts hereby created. Before authenticating or delivering any coupon bond, all coupons then matured shall be detached and canceled, and, on written demand, delivered to the Company.

SECTION 2. Both this Indenture and the bonds shall be executed by the President (or a Vice President) and attested by the Secretary (or an Assistant Secretary) of the Company (it not being necessary for the same officer or officers to execute all of said bonds); and in case the officers of the

Company who shall have signed and sealed any of the bonds shall cease to be officers of the Company before the bonds so signed and sealed shall have been actually authenticated and delivered by the Corporate Trustee, such bonds may nevertheless be adopted by the Company and be issued, authenticated and delivered as though the persons who signed and sealed such bonds had not ceased to be officers of the Company; and also any bond may be signed and sealed on behalf of the Company by such persons as at the actual date of the execution of the bond shall be the proper officers of the Company, although at the time of the date of the bond such persons may not have been officers of the Company. The coupons to be attached to the coupon bonds shall be authenticated by the facsimile signature of the present Treasurer or any future Treasurer of the Company, and the Company may adopt and use for that purpose the facsimile signature of any person who shall have been such Treasurer notwithstanding the fact that he may have ceased to be such Treasurer at the time when such bonds shall be authenticated and delivered.

SECTION 3. The bonds shall be issued in series and bear such dates, and be payable at such times and places, and bear interest from such dates and at such rates (not exceeding eight per centum (8%) per annum) and be subject to redemption at such prices, and be subject to such terms and provisions, as from time to time shall be fixed and determined by the Board of Directors of the Company prior to the issuance thereof, and as shall be stated in said bonds, or (except with respect to bonds of the Series of 1923, hereinafter provided for), as evidenced by the execution by the Company of a supplemental Indenture with the Trustees, stating the dates of such bonds, the rate of interest thereon, the place of payment, the dates of maturity thereof, the redemption price thereof, if any, the terms and provisions of the sinking fund, if any, to be maintained for the re-

demption or payment thereof, and the terms and provisions to which such bonds are subject, provided, however, that no bonds at any time issued hereunder shall be made payable at a date earlier than the date of maturity of any of the bonds previously issued hereunder and then outstanding, or at a date earlier than February 1, 1943. The Company may sell or dispose of any bonds issuable hereunder at such discount from the principal amount thereof as may be determined by its Board of Directors, and nothing herein contained as to the rate of interest on any bonds issued hereunder shall in anywise affect the right of the Company to sell bonds at a discount as aforesaid. The bonds of each series shall be distinctly designated. All bonds of the same series shall be identical in terms. From the bonds of any series there may be omitted any provision for the payment thereof, either as to principal or interest, without deduction for taxes, assessments and governmental charges, and in the bonds of any series may be specified particular taxes, assessments and governmental charges without deduction for which payment of such bonds or the interest thereon will be made, or payment of which the Company will assume. The bonds of the same series may, as hereinafter provided, be of different denominations, and from coupon bonds of other denominations than One Thousand Dollars (\$1,000) any provision for registration of the principal of such coupon bonds may be omitted; and there may also be omitted from any bonds of any series provisions as to interchangeability of coupon bonds of different denominations and of exchange of coupon bonds for fully registered bonds; and there may also be omitted from any series any provision for fully registered bonds of such series.

SECTION 4. At the option of the Company from time to time any of the bonds may be executed, authenticated and delivered originally, either as coupon bonds or registered bonds without coupons. The coupon bonds of any series may

be of the denomination of One Hundred Dollars (\$100) or Five Hundred Dollars (\$500) or One Thousand Dollars (\$1,000). The coupon bonds of the denomination of One Hundred Dollars (\$100) shall be numbered consecutively from C-1 upwards. The coupon bonds of the denomination of Five Hundred Dollars (\$500) shall be numbered consecutively from D-1 upwards. The coupon bonds of the denomination of One Thousand Dollars (\$1,000) shall be numbered consecutively from M-1 upwards. The coupon bonds of each series shall bear a date to be fixed by the Board of Directors of the Company at the time such series is created, and shall bear interest from such date. The registered bonds may be of the denomination of One Hundred Dollars (\$100), Five Hundred Dollars (\$500) or One Thousand Dollars (\$1,000), or such multiples of One Thousand Dollars (\$1,000) as the Board of Directors of the Company may by resolution authorize. The registered bonds shall respectively be dated the date of issue, if an interest date, or, if not an interest date, then the last preceding interest date. The registered bonds shall bear interest from the respective dates thereof.

Whenever any bonds shall be issued in the first instance as registered bonds without coupons, there shall be reserved by the Company and held by the Trustees unissued, an aggregate face amount of coupon bonds of the same series equal to the aggregate face amount of the registered bonds so issued, and the serial number or numbers of the coupon bonds so reserved shall be endorsed on the registered bonds issued in lieu thereof.

SECTION 5. The Company will keep at the office of the Corporate Trustee, in the City of Chicago, Illinois, as registrar for the Company, books for the registration and transfer of the bonds, and upon presentation for such purpose the Corporate Trustee, as registrar of the Company, shall, upon such reasonable regulations as it may prescribe, register as to principal any coupon bond issued hereunder. The

holder of any coupon bond containing a provision for registration may have the ownership thereof registered on said books and such registration noted on the bond. After such registration no transfer shall be valid unless made on said books by the registered holder in person or by his attorney duly authorized and similarly noted on the bond. But the same may be discharged from registration by being in like manner transferred to "bearer" and thereupon transferability by delivery shall be restored, but such bond may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons belonging to such bond by delivery merely; but every such coupon shall continue to pass by delivery and shall remain payable to bearer.

SECTION 6. Whenever any coupon bond or bonds of the denomination of One Thousand Dollars (\$1,000), and of the same series, together with all unmatured coupons thereto belonging, shall be surrendered in accordance with provisions contained in said bonds for exchange for registered bonds, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of registered bonds without coupons of the same series, which shall have endorsed thereon the serial number or numbers borne by the coupon bond or bonds so surrendered for exchange.

Whenever any registered bond or bonds without coupons aggregating in principal amount One Thousand Dollars (\$1,000), or any multiple of One Thousand Dollars (\$1,000), and of the same series, shall be surrendered for exchange for a coupon bond or bonds, the Company shall execute and the Trustees shall authenticate and deliver in exchange therefor a like principal amount in coupon bonds of the denomination of One Thousand Dollars (\$1,000), and of the same series, bearing the same number, or each bearing one of the numbers endorsed upon the registered bond or bonds

so surrendered, which coupon bond or bonds shall have attached thereto all unmatured coupons thereto appertaining.

Whenever any registered bond without coupons shall be surrendered for transfer, duly endorsed, or accompanied by a proper instrument or instruments of assignment or transfer thereof, the Company shall execute and the Trustees shall authenticate and deliver to the transferee a like principal amount thereof in registered bonds, without coupons, of the same series, which shall have endorsed thereon the same serial number or numbers of the coupon bonds which were endorsed on the registered bonds so surrendered.

Any registered bonds without coupons so surrendered shall be canceled by the Trustees and delivered to the Company; any coupon bond so surrendered shall be held by the Trustees unissued, so long as the registered bond issued in exchange therefor shall remain outstanding.

Any bonds issued hereunder shall be exchangeable for a like principal amount of the bonds of different denominations of the same series to the extent that such bonds of different denominations are available.

SECTION 7. In the event of the issue of any coupon bonds of a denomination less than One Thousand Dollars expressed to be exchangeable for a One Thousand Dollar (\$1,000) coupon bond there shall be reserved by the Company unissued an aggregate face amount of the coupon bonds of smaller denomination so issued, and of the same series. Whenever coupon bonds of smaller denomination than One Thousand Dollars (\$1,000) expressed to be exchangeable for bonds of the denomination of One Thousand Dollars (\$1,000), and of the same series, and having all unmatured coupons attached thereto, shall be surrendered in the aggregate principal amount of One Thousand Dollars (\$1,000) for exchange for a coupon bond of the denomination of One Thousand Dollars (\$1,000), the Company shall execute and the Trustees

shall authenticate and deliver on cancellation of the bonds surrendered, a coupon bond of the denomination of One Thousand Dollars (\$1,000), of the same series, and with all unmatured coupons thereto attached.

SECTION 8. For any exchange of coupon bonds for coupon bonds of another denomination, or of coupon bonds for registered bonds, or of registered bonds for coupon bonds, and for any transfer of registered bonds without coupons, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or governmental charge or other expense connected therewith, and also of a further sum not exceeding One Dollar (\$1.00) for each new bond issued upon such transfer or exchange.

SECTION 9. As to all registered bonds and all coupon bonds registered as to principal, the person in whose name they shall be registered on the books of the Company shall for all purposes of this Indenture be deemed and regarded as the owner thereof, and thereafter payment on account of the principal of such bond, if it be a registered coupon bond, and of the principal and interest, if it be a registered bond without coupons, shall be made only to, or upon the order of such registered holder thereof, but such registration may be changed as above provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such bonds to the extent of the sum or sums so paid. The Company and the Trustees may deem and treat the bearer of any coupon bond which shall not at the time be registered as to principal and the bearer of any coupon for interest on any coupon bond, whether such bond shall be registered or not, as the absolute owner of such bond or coupon for the purpose of receiving payment thereof, and for all other purposes whatsoever, and the Company and the Trustees shall not be affected by any notice to the contrary.

SECTION 10. Until the definitive bonds from time to time to be issued can be prepared, the Company may execute, and upon request of the Company the Trustees shall authenticate and deliver in lieu of such definitive bonds and subject to the same provisions, limitations and conditions, temporary bonds of any denomination of the same series substantially of the tenor hereinbefore recited, with or without coupons, and with appropriate omissions, reservations, and variations as may be required. After the definitive bonds shall have been prepared, and upon surrender of such temporary bonds for exchange, the Company at its own expense, shall execute, and upon cancellation of such surrendered bonds, the Trustees shall authenticate and deliver in exchange therefor, the definitive bonds for the same aggregate principal sum as the temporary bonds so surrendered; and until so exchanged the temporary bonds shall have the same force and effect as the definitive bonds authenticated and delivered hereunder, and shall be secured by the lien of this Indenture. Such temporary bonds shall be exchangeable for a like principal amount of temporary bonds of other denominations, to the extent that such bonds of other denominations are available.

In the case of temporary bonds without coupons, the payment of interest thereon, when and as paid, shall be endorsed thereon on presentation thereof for that purpose.

SECTION 11. In case any bond with the coupons, if any, thereto appertaining, shall become mutilated or be destroyed or lost, the Company in its discretion may execute, and thereupon the Trustees shall authenticate and deliver a new bond of like amount, series, tenor, and date, and in the case of a registered bond without coupons, having endorsed thereon the same serial number or numbers of the coupon bonds reserved on account thereof, in exchange and substitution for, and upon cancellation, of the mutilated coupon bond and its coupons, or the mutilated registered bond, or in lieu and in

substitution for the same if lost or destroyed. The applicant for such substituted bond shall furnish to the Company and Trustees evidence to their satisfaction, in their discretion, of the destruction or loss of such bond so destroyed or lost, and of the ownership thereof, and shall also furnish such security or indemnity as shall be required by the Company and the Trustees.

ARTICLE II.

ISSUE OF BONDS.

SECTION 1. This Indenture creates a continuing lien to secure the full and final payment of the principal and interest of all bonds which may from time to time be executed, authenticated and delivered under the same, without limit as to amount. Bonds in various series may from time to time be executed, authenticated and delivered for the purposes and upon the conditions hereinafter in this Article II set forth, and not otherwise (except as herein otherwise expressly provided), and whenever all or any of the bonds of any series at any time issued hereunder, or all or any of the First Mortgage Gold Bonds (herein referred to as "Maine Company Bonds"), issued and outstanding under the Mortgage or Deed of Trust (herein referred to as "Maine Company Mortgage"), dated October 2, 1916, made by Iowa Southern Utilities Company (a corporation organized under the laws of the State of Maine) to Central Trust Company of Illinois, Trustee, shall have been paid, either at maturity or upon previous purchase or redemption (excluding bonds paid or redeemed under the provisions for a Sinking Fund contained in said Maine Company Mortgage, or with insurance or condemnation moneys, or with moneys received under any of the provisions of this Indenture, or of said Maine Company Mortgage, with reference to the release of

property from the lien thereof, or with moneys received on account of the principal of any securities pledged hereunder, or with moneys taken from the Maintenance and Improvement Fund provided for in Article VI hereof), and after the surrender and cancellation thereof, with all unpaid and unmatured coupons thereto appertaining, or provision for such payment shall have been made as provided in the Indenture securing the said bonds, thereafter, at any time, and from time to time, bonds to a like amount, par value, of the same or another series, may be executed, authenticated and delivered hereunder in lieu thereof, but only upon the conditions and restrictions in this Article specified, excepting, however, that in issuing such bonds hereunder in lieu of bonds paid or redeemed and surrendered and canceled, it shall not be required that the Company make betterments, improvements, developments, extensions, or additions to or about its plants or properties, or make acquisitions of new properties or securities, as provided in Section 3 of this Article II, provided that if any securities shall have been pledged with the Trustees as collateral for the specific bonds so paid or redeemed, and surrendered and canceled, such securities shall be retained by the Trustees as collateral for the bonds issued in lieu thereof unless the same shall have theretofore matured. Such bonds may be of any form, have any date or dates of maturity, contain any terms and provisions, and bear any rate of interest authorized by this Indenture, provided, however, that where bonds of other series are issued in lieu of other bonds paid or redeemed, as aforesaid, such bonds of other series shall not be made payable at a date earlier than the date of payment of any other bonds previously issued hereunder and then outstanding, or at a date earlier than February 1, 1943.

SECTION 2. On the execution of this Indenture there shall be executed by the Company and delivered to the Corporate Trustee bonds to the aggregate principal amount not ex-

ceeding One Million Two Hundred Fifty Thousand Dollars (\$1,250,000), to be designated as bonds of the Series of 1923; whereupon the Corporate Trustee shall certify and deliver the same to or upon the written order of the Company, signed by its President or a Vice President, under its corporate seal. The Company shall, and it hereby covenants with the Trustees that it will use and apply said bonds or their proceeds to its general needs and uses. Said bonds of the Series of 1923 may be issued either as coupon bonds or as registered bonds without coupons, of the denominations and as provided in Section 4 of Article I hereof. Said bonds of the Series of 1923 shall be dated as of February 1, 1923, shall mature and be payable on February 1, 1943; shall bear interest at the rate of six per centum (6%) per annum, payable semi-annually on the first days of February and August in each year, and both the principal of and interest on said bonds shall be payable in gold coin of the United States of America of the present standard of weight and fineness, or its equivalent, at the banking offices of The Northern Trust Company, in Chicago, Illinois, or its successor, or, at the option of the holders, at the banking offices of Bankers Trust Company, Borough of Manhattan, City and State of New York, or its successor.

SECTION 3. Additional bonds of the Series of 1923 or bonds of other series may be executed on behalf of the Company and delivered by the Company to the Corporate Trustee from time to time, and shall be certified and delivered hereunder by the Corporate Trustee whenever the Company shall make acquisitions of new properties within the scope of its corporate powers, or shall make betterments, improvements, developments, extensions or additions to or about its plants or properties, but only for an amount of principal not exceeding eighty per cent (80%) of the actual cost and not exceeding eighty per cent (80%) of the fair value to the

Company of such new properties, betterments, improvements, developments, extensions or additions.

Additional bonds of the Series of 1923, or bonds of other series, may be executed on behalf of the Company and delivered by the Company to the Corporate Trustee from time to time, and shall be certified and delivered hereunder by the Corporate Trustee whenever the Company shall acquire, and assign, transfer, pledge and deliver to the Trustees, as security for the bonds issued and to be issued hereunder, first mortgage bonds of any corporation (herein sometimes referred to as "underlying bonds"), owning or operating public utility property in the United States of America (herein sometimes referred to as "public utility corporation"), but only for an amount of principal not exceeding the principal amount of such first mortgage bonds so assigned, transferred, pledged and delivered to the Trustees hereunder. At the time of the delivery of any such first mortgage bonds to the Trustees hereunder, the Company shall assign, transfer, pledge and deliver to the Trustees, as security hereunder, not less than a majority of the shares of the voting stock of the corporation issuing such underlying bonds, unless such shares of stock have theretofore been assigned, transferred, pledged and delivered to the Trustees, as security hereunder.

Before certifying and delivering any bonds under the provisions of this Section 3, the Company shall furnish to the Trustees the following certificates:

- (a) A certificate signed in the name of the Company, by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company, stating (1) the actual cost to the Company of the betterments, improvements, developments, extensions, or additions, or acquisitions of new properties specified as the basis for the further issue of bonds hereunder, or where first mortgage bonds are specified as the basis for the further issue of bonds hereunder as aforesaid, that the Com-

pany has acquired and has assigned, transferred, pledged and delivered to the Trustees as security hereunder, not less than a majority of the shares of the voting stock of the corporation issuing such first mortgage bonds, and that such bonds are secured by a first mortgage or deed of trust upon property, real or personal, having a value of not less than one hundred and twenty-five per cent (125%) of the principal amount of all of the bonds secured by such first mortgage or deed of trust, and then outstanding, and (2) that the net earnings of the Company (including therein the net earnings (after interest and dividends) of any such public utility corporation the entire issued capital stock of which is owned or controlled by the Company, and pledged with the Trustees hereunder, and in the case where less than the entire issued capital stock of any such corporation shall be pledged hereunder, including such portion of the net earnings (after interest and dividends) of such corporation as is applicable to said shares of stock pledged hereunder), during twelve consecutive calendar months ending within three months next preceding the application for certification and delivery of such bonds, were not less than one and three-fourths (1 $\frac{3}{4}$) times the aggregate interest charge for the same period of twelve months on all of the outstanding bonds of the Company secured by this Indenture, and those then applied for, and on all of the outstanding bonds secured by the aforesaid mortgage, dated October 2, 1916, made by said Iowa Southern Utilities Company to Central Trust Company of Illinois, Trustee, not deposited or pledged under this Indenture, and (3) that no part of such properties or securities specified in such certificate as a basis for the further issue of bonds have been included in any preceding certificate made the basis of any other issue of bonds hereunder, and that no part of such property has been acquired as substituted property under any of the provisions of this Indenture with reference to the release of property from the lien hereof, or with insurance or condemnation moneys, or moneys received on account of the principal of any of the pledged securities, or with moneys taken from the Maintenance and Improvement Fund provided for in Article VI hereof, or moneys taken from the Sinking Fund provided for by said Maine Company Mortgage, and (4) that such prop-

erty specified in such certificate does not include any improvements or additions necessary to the proper maintenance of the property covered by the lien of this Indenture.

(b) A certificate of an engineer appointed by the Company and satisfactory to the Corporate Trustee, that the value to the Company of any physical property specified as a basis for the issue of further bonds is equal to the cost as stated in the certificate described in paragraph "(a)" of this Section, and that its desirability to the Company is commensurate with its cost and value, and that with respect of any such underlying bonds the property covered by the first mortgage or deed of trust securing the same, has a value of not less than one hundred and twenty-five per centum (125%) of the principal amount of all of the bonds secured by such mortgage, or deed of trust then outstanding. Such engineer may be one who is in the employ of the Company.

(c) A certificate signed and sworn to by the Treasurer or an Assistant Treasurer of the Company that the net earnings of the Company in excess of operating expenses (including therein taxes, insurance, and the amount actually expended for the repair and maintenance of its plant and property,—provided that the amount included in such certificate for such repairs and maintenance shall not be less than seventeen per centum (17%) of the gross earnings of the Company from interurban railway properties, and seven per centum (7%) of the gross earnings of the Company from other public utility properties as defined in Section 1 of Article VI hereof), have not been less than the amount stated in the certificate provided for in paragraph "(a)" of this Section; and to that end specifying the gross earnings and also the respective amounts charged to the different distributive groups of operating expenses. Whenever under the provisions of this Section the earnings of the Company are to be computed for a stated period and any of the properties or securities of the Company shall have been owned by it during a part but not during the whole of said period, the earnings of such property and the income from such securities during such part of said period as shall have preceded the acquisition of the said property or securities shall be treated as earnings of

the Company for such part of said period for the purposes of this Section.

(d) A certificate by legal counsel, satisfactory to the Corporate Trustee, and who may be the counsel of the Company, that the title to any property proposed as the basis for the further issue of bonds is vested in the Company or is about to be vested in it concurrently with the issue of the bonds, and is free and clear of all liens and encumbrances superior to the lien of this Indenture, or if any such lien, encumbrance or defect of title exists, stating the character and amount thereof, and what proceedings are necessary to extinguish or obviate the same.

(e) A certified copy of an order of approval of such commission, official, or officers as may have jurisdiction in the premises and as may be required by law to make such bonds, the valid, legal, and binding obligations of the Company, or in the alternative, the written opinion of counsel satisfactory to the Corporate Trustee, and who may be the counsel of the Company, that such order is not required by law.

Such certificate shall be full authority to the Trustees for the certification and delivery of bonds hereunder; but before certifying and delivering an installment of bonds under this Section the Trustees may, if requested in writing so to do by the holders of not less than fifty per cent (50%) in amount of the outstanding bonds and furnished with adequate security and indemnity, cause to be made such independent investigation as they may see fit, and the expense thereof shall be paid by the Company, or if paid by the Trustees, shall be repaid by the Company upon demand, with interest at the rate of seven per cent (7%) per annum. If any such independent investigation shall be made at the request of the bondholders, and it shall appear that the Company is nevertheless entitled to the issuance of the bonds requested, the expense of such investigation shall be borne by such bondholders.

SECTION 4. Whenever, from time to time, the Company shall furnish evidence satisfactory to the Trustees, showing

that any first mortgage bonds or evidences of indebtedness not pledged as security under the provisions of Section 3 of Article II hereof (herein sometimes referred to as "underlying obligations") of any public utility corporation, the entire capital stock of which is pledged hereunder, the same being secured by first mortgage or deed of trust upon the properties of such public utility corporation (herein sometimes referred to as "underlying mortgages"), have been paid, redeemed or otherwise discharged, subsequent to the pledge of the capital stock of such public utility corporation hereunder, or showing that their payment or redemption has been provided for by the deposit of the necessary moneys with the Trustees under the underlying mortgage securing the same, the Trustees hereunder shall certify and deliver to the Company, or upon its order, an amount, par value, of such bonds of the Series of 1923, or bonds of other series, equal to the principal amount of such underlying obligations, provided that before certifying and delivering any such bonds the Company shall furnish to the Trustees a certificate signed in the name of the Company by its President or a Vice President and its Treasurer or an Assistant Treasurer, and the certificate of an engineer appointed by the Company and satisfactory to the Corporate Trustee (and who may be in the employ of the Company), that the property covered by such underlying mortgage has a value of not less than one hundred and twenty-five per cent (125%) of the principal amount of all of the bonds, or evidences of indebtedness secured by such underlying mortgage, and outstanding immediately prior to such payment or redemption.

SECTION 5. No bonds shall be issued under Section 3 of this Article for the purpose of providing funds for the Company to keep or maintain any property covered by this Indenture in good and businesslike working order and condition or merely to replace old and worn-out property; provided,

however, that whenever old and worn-out property is replaced by property of greater cost than the cost of the old or worn-out property, if new at the time of replacement, then such excess of cost of such other property acquired to replace the old or worn-out property, and such excess only, shall be deemed "betterments," "improvements," "developments," "extensions," or "additions," for which bonds may be certified and delivered under Section 3 of this Article; and provided further, that betterments, improvements, developments, extensions and additions in process of construction or erection and so far as actually constructed or erected and paid for, and placed under the lien of this Indenture, shall be deemed "betterments," "improvements," "developments," "extensions," and "additions" within the meaning of this Article.

SECTION 6. If it shall appear by any certificate or opinion of counsel in this Indenture referred to, filed with the Corporate Trustee prior to or concurrently with a request for the certification of an installment of bonds, that with respect to the betterments, improvements, developments, extensions or additions, or acquisitions of new properties (other than securities), or any part thereof, included therein, there exists any lien or encumbrance of any character whatsoever (except a lien, mortgage or deed of trust which is subsequent or subject to the lien of this Indenture), securing an indebtedness which cannot then satisfactorily be paid or discharged, or the validity of which is disputed by the Company, said Trustee shall certify and deliver hereunder the installment of bonds, the certification of which is so requested, notwithstanding the existence of such lien or encumbrance, provided that all the other requirements herein set forth have been complied with by the Company, and that the Company shall deposit with said Trustees an amount in cash which shall equal the face value of the indebtedness secured by said lien or encumbrance, and such additional

amount as said Trustees shall deem requisite to cover the costs, interest and expenses of any litigation with respect thereto, to be applied by said Trustees to the payment of such lien or encumbrance if found valid, and such costs, interest and expenses, and on the cancellation of said lien, the moneys so deposited, or on the satisfaction thereof from the moneys so deposited, any balance that may remain therefrom, shall be repaid by said Trustees to the Company.

SECTION 7. For the purpose of refunding any series of bonds at any time outstanding hereunder at a lower rate of interest, the Company may surrender to the Trustees for cancellation all of the bonds of such series, together with all unmatured interest coupons thereto appertaining, if any, and may issue a new series of bonds and coupons hereunder, in lieu of such surrendered issue of bonds and coupons, and the Trustees shall thereupon certify and deliver to the Company such new series of bonds with unmatured interest coupons thereto appertaining, of like tenor and form, and with like date of maturity, but at a lower rate of interest. All bonds and coupons so surrendered and canceled by the Trustees shall be returned to the Treasurer or Assistant Treasurer of the Company. In issuing bonds under this Section 7 of Article II, the Company shall not be required to furnish the certificates provided for by Section 3 of Article II hereof.

SECTION 8. The Corporate Trustee shall, at the request of the Company, evidenced by a resolution of its Board of Directors or Executive Committee, authenticate or deliver to or upon the order of the Company any additional bonds of the Series of 1923, or bonds of other series specified in such resolution, provided the Company shall simultaneously deposit in cash with the Corporate Trustee the principal amount of such bonds so authenticated and delivered. Out of the cash so deposited, the Corporate Trustee shall from time to time, on demand of the Company, subject to the limitations

and under the restrictions and conditions of Sections 3 and 4 of this Article II, pay to the Company in lieu of the bonds which the Company would otherwise be entitled to receive, under said Sections 3 and 4 of this Article II, cash equal to the principal amount of such bonds. All moneys paid to the Corporate Trustee under the provisions of this Section shall be held as security for all of the bonds issued and outstanding under this Indenture, until such cash is paid out by the Corporate Trustee in accordance with the provisions of this Section.

ARTICLE III.

COVENANTS OF THE COMPANY.

The Company covenants with the Trustees as hereinafter in this Article set forth:

SECTION 1. Duly and punctually the Company will pay the principal and interest of each and all of said bonds, at the dates and places and in the manner mentioned in the bonds or in the coupons thereto belonging, according to the true intent and meaning thereof, and, if the Company shall have so agreed in any of the bonds, without deduction from either principal or interest of such bonds for any tax or governmental charge which the Company, or the Trustees, or the bank or banks at which the same are payable, may be required or permitted to pay thereon, or to deduct or retain therefrom under or by reason of any present or future law of the United States of America, except inheritance or succession taxes, and such portion of any Federal income tax in respect of such interest as may be in excess of two per cent (2%). The Company hereby assumes the payment of all such taxes and governmental charges as the Company may by any such bonds have agreed to pay. The interest on the coupon bonds shall be payable only upon presentation and surrender of the several coupons for such interest as they respectively

mature, and when paid such coupons shall forthwith be canceled. The interest on the registered bonds without coupons shall be payable only to the registered holders thereof as the same appear on the registration books kept for that purpose at the office of the Corporate Trustee as registrar for the Company.

In order to prevent any accumulation of coupons and claims for interest after maturity, the Company will not, directly or indirectly, extend or assent to the extension of the time for payment of any coupons or claims for interest on any of the bonds, and the Company will not directly or indirectly be a party to or approve of any such arrangement by purchasing or funding such coupons or claims for interest or in any other manner.

The Corporate Trustee shall keep on deposit all funds paid by the Company to retire matured coupons and bonds issued under the terms of this Indenture, and upon the lapse of six (6) years after the maturity of such coupons or bonds, all claims of the holders of said matured coupons or bonds shall be considered and are hereby declared forfeited, and the funds so deposited shall be returned to the Company.

SECTION 2. That the Company is lawfully seized and possessed of the property hereby mortgaged, pledged and assigned, and will warrant and defend the title thereto to the Trustees, their successors and assigns, for the benefit of the holders for the time being of the bonds issued and to be issued hereunder against the claims and demands of all persons whomsoever.

SECTION 3. Subject to the provisions of Article VII of this Indenture in respect of the release of property from the lien hereof, and to the lien of the aforementioned mortgage or deed of trust, dated October 2, 1916, from Iowa Southern Utilities Company to Central Trust Company of Illinois, Trustee, this Indenture is and shall always be kept and main-

tained a valid lien upon the trust estate as it now exists, and upon all the property which shall, at any time hereafter be or become subject to the lien hereof, and the Company will not voluntarily create or suffer to be created any debt, lien or charge which would be prior to the lien of this Indenture upon the trust estate or any part thereof, or upon the income thereof; provided that the Company shall not be required to pay any such debt, lien or charge so long as it shall, in good faith, by appropriate legal proceedings, contest the validity thereof, unless thereby in the judgment of the Trustees, the security afforded by this Indenture will be materially impaired or endangered.

SECTION 4. That all bonds, certificates of stock, notes and securities which may be pledged under this Indenture, shall, at the time of the delivery thereof to the Trustees, upon pledge hereunder, be duly and validly issued, and that all evidences of indebtedness so pledged shall be valid obligations of the makers and issuers thereof, that each of said securities shall and will constitute a valid security according to its terms, that the Company shall have absolute right and power to pledge the same, that the same and each of them shall be free and clear of all liens, claims and encumbrances of every kind and nature, that the Company shall be duly authorized to, from time to time, deliver to the Trustees and pledge hereunder the collateral hereby agreed to be hereafter delivered, and is duly authorized to execute and deliver this Indenture, and to execute, issue and sell the bonds secured hereby or intended so to be.

SECTION 5. All property of every name and nature which hereafter may be acquired by the Company, whether or not in respect of the acquisition thereof, bonds under this Indenture shall be authenticated and delivered, as herein provided, shall, immediately upon the acquisition thereof by the Company, and without any further conveyance or assignment, be

come and be subject to the lien of this Indenture as fully and completely as though now owned by the Company and specifically described in the granting clauses hereof; but at any and all times the Company will execute and deliver any and all such further assurances or conveyances or assignments thereof as the Trustees may reasonably direct or require, for the purpose of expressly and specifically subjecting the same to the lien of this Indenture; and also the Company will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, conveyances, transfers and assurances in the law, for the better assuring, conveying, assigning and confirming unto the Trustees all and singular the hereditaments, and premises, estates, property and securities hereby conveyed or assigned, or intended so to be, or which the Company may hereafter be or become bound to convey or assign to the Trustees, as the Trustees shall reasonably require. The Company covenants that it will not purchase or acquire less than a majority of the voting stock of any public utility corporation.

SECTION 6. The Company covenants that it will cause any corporation the bonds or evidences of indebtedness or shares of stock of which are pledged with the Trustees hereunder, respectively, promptly to pay the principal and interest of all bonds and other evidences of indebtedness now or hereafter secured by a lien or liens upon the respective properties of said respective Companies at or before the respective maturities of such bonds or other evidences of indebtedness, and will cause said respective Companies faithfully to perform and keep all covenants, conditions and agreements and undertakings in the respective mortgages or other instruments securing such bonds or other evidences of indebtedness, and that it will cause said respective Companies promptly to pay the principal and interest of all notes issued under or secured by

agreement at or before the respective maturities of such notes, and faithfully to perform and keep all covenants, conditions, agreements and undertakings of any agreement or other instrument under which said notes shall be issued or secured.

SECTION 7. The Company covenants that any corporation the bonds or evidences of indebtedness or shares of stock of which are pledged with the Trustees hereunder, and each of them, will conduct, maintain and carry on their respective cause to be done all the things necessary to preserve and keep in thorough repair, working order and condition and fully supplied with equipment appropriate to the nature of the business, all of their respective estates, property and franchises and will diligently preserve all rights, franchises, privileges and leasehold estates to them respectively granted and confirmed by law or otherwise, and will do whatever counsel appointed by or satisfactory to the Trustees advises is necessary or proper to be done to comply with the laws relating thereto until all the bonds hereby secured, with all the interest accrued thereon, shall be fully paid and satisfied, provided, however, that any corporation the bonds or other evidences of indebtedness or shares of stock of which are pledged with the Trustees hereunder, or any of them, may omit to maintain, preserve or cause to be extended or continued any lease, franchise, ordinance, right, power or privilege which, in the opinion of such Company, it is inadvisable to maintain, preserve or cause to be extended or continued, and the said Companies and each of them may agree to any modification, amendment, alteration, extension or cancellation of any lease, franchise, right, power or privilege and may also agree to the substitution of any new lease, franchise, ordinance, right, power or privilege for any lease, franchise, ordinance, right, power or privilege now or hereafter respectively owned or enjoyed upon such terms as said Companies may respectively deem advisable.

SECTION 8. The Company covenants that any corporation the bonds or evidences of indebtedness or shares of stock of which are pledged with the Trustees hereunder, and each of them, will conduct, maintain and carry on their respective business in an efficient manner and will comply with any laws of the United States or any state or municipality, failure to comply with which might result in the forfeiture of any of its or their leases, franchises or charters, or which might subject it or them or any of them to any penalty.

SECTION 9. The Company covenants that no corporation the entire capital stock of which is pledged with the Trustees hereunder, shall issue any common capital stock, or preferred capital stock, or any bonds or other securities, in excess of the shares of stock, bonds and securities pledged hereunder, unless the same shall, contemporaneously with the issuance thereof, be deposited and pledged with the Trustees as additional security hereunder.

SECTION 10. The Company from time to time will pay and discharge or cause to be paid and discharged all taxes, assessments and governmental charges (the lien whereof would be prior to the lien hereof), lawfully imposed upon the trust estate or upon any part thereof, or upon the income and profits thereof, and also all taxes, assessments and governmental charges lawfully imposed upon the lien or interest of the Trustees in respect of the trust estate, or the income thereof, so that the lien and priority of this Indenture shall be fully preserved, at the cost of the Company, without expense to the Trustees or the bondholders; provided, however, that the Company shall not be required to pay any such taxes, assessments or governmental charges so long as in good faith the validity thereof shall be contested by appropriate legal proceedings, unless thereby in the judgment of the Trustees the security afforded by this Indenture will be materially impaired or endangered.

SECTION 11. The Company will at all times so long as any of the bonds or coupons issued hereunder remain unpaid, insure and keep insured against loss by fire and damage by wind and storm, the trust estate, or such portions thereof as are usually so insured by companies operating like properties, in a amount which corporations of like character usually carry upon property of the same kind and value under like conditions, for the benefit of and payable in case of loss to the Trustees, and to the Trustees under any underlying mortgage, as their respective interests may appear, and will deliver to the Corporate Trustee, or, if so required, to the Trustees under any underlying mortgage, the policies of insurance, and the receipt for every payment of moneys necessary for keeping up such insurance. And in case of loss or damage, as aforesaid, any appraisalment, adjustment or settlement agreed upon between the Company and any insurer or insurance company may be consented to by said Corporate Trustee, but the Trustees shall in no way be liable for the collection of any insurance moneys in case of such loss or damage. In case of any loss or damage covered by any such insurance policies, all insurance moneys received by the Trustees on account of such loss or damage shall, subject to the provisions of any underlying mortgage, be paid out and applied from time to time by the Trustees upon the written order of the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company, accompanied by the certificate of such President or a Vice President and such Treasurer or Assistant Treasurer that replacements of or additions to the property destroyed or injured, or new and additional property, or additions, extensions, betterments, developments or improvements to any of the mortgaged property, the actual and reasonable cost and value of which are equal to the amount of money so to be paid out, have been made or acquired, or that bonds of the kind and character hereinbefore in Section 3 of

Article II hereof referred to, to a principal amount equal to the amount of such moneys, have been acquired, and that such properties have been vested in the Trustees free and clear of all encumbrances (other than encumbrances subject or subsequent to the lien hereof), as part of the the trust estate, and that such property consists in no part of the renewals, replacements or repairs which the Company herein covenants to make, or of property acquired by means of insurance or condemnation moneys, or moneys in the Sinking Fund provided for by said Maine Company Mortgage, or moneys received on account of the principal of any of the pledged securities, or moneys taken from the Maintenance and Improvement Fund provided for in Article VI hereof, or of property acquired as substituted property under any of the provisions of this Indenture with reference to the release of property from the lien hereof, or of property or securities used as the basis for the issuance of further bonds hereunder. In making any payment as herein provided the Trustees may rely absolutely on the truth of any facts stated in an affidavit or certificate of the President or Vice President and the Treasurer or Assistant Treasurer of the Company, or in a resolution or certificate of the Board of Directors of the Company, or a majority thereof, but the Corporate Trustee may in its discretion require such other evidence of such facts as to it may seem appropriate and may, and upon the request in writing of the holders of fifty per cent (50%) in amount of the bonds shall, appoint some engineer or engineering firm satisfactory to it, at the expense of the Company, to verify any facts stated in any such certificate, affidavit or resolution. If such investigation shall be made at the request of bondholders and it shall appear that the Company was nevertheless entitled to such moneys, the expense of such investigation shall be borne by such bondholders. In case the Board of Directors of the Company does not deem it advisable to use said moneys for such purpose, the Company may obtain the insurance money from the Trustees by depositing with the

Trustees an equal amount, face value, of the bonds of the Series of 1923, secured hereby, if then outstanding, otherwise of the Series first maturing (or if more than one Series matures at said time, of the Series first issued), such bonds to be immediately canceled by the Trustees and returned to the Company, or the Trustees shall, upon the written request of the Company, apply such insurance moneys to the redemption of bonds, as provided in Article V hereof. In case of any damage or loss, as aforesaid, where the proceeds amount to less than One Thousand Dollars (\$1,000), they may be paid to the Company by the Trustees upon written request and without such a certificate.

SECTION 12. The Company covenants that any corporation the bonds or evidences of indebtedness or shares of stock of which are pledged with the Trustees hereunder, shall respectively insure and keep insured against loss by fire and damage by wind and storm, all of their respective plants, buildings, tools, machinery, equipment, appurtenances and other property provided for use in connection with their respective businesses, or such portions thereof as are usually so insured by companies operating like properties, in an amount which companies of like character usually carry upon property of the same kind and value under like conditions. In case of any loss or damage covered by any such insurance policies, all insurance moneys received on account of such loss or damage shall to the extent permitted by the provisions of any mortgage or deed of trust upon the said plants and properties be applied:

(a) In making good the loss in respect of which such proceeds are collected; or

(b) In paying or reimbursing the company suffering the loss, for the payment of the actual and reasonable cost of new and additional improvements to its plants and property; or

(c) To the payment or redemption of the funded indebtedness of such company.

SECTION 13. The Company will punctually observe and perform all obligations and duly make all payments required by the terms of any lease, agreement, franchise, right or privilege included in the trust estate, so that the interest of the Company therein may be at all times preserved unimpaired as security for the bonds; provided, however, that nothing herein contained shall require the Company to make any such payment, or observe any such obligation, so long as it shall, in good faith, and by appropriate legal proceedings, contest its liability therefor.

SECTION 14. The Company will maintain, preserve and keep all and singular the trust estate, with the fixtures and appurtenances thereto belonging, in thorough working order and repair, and will make all needful and proper renewals, replacements and repairs so that its business shall at all times be conducted with safety and expedition, and will at all times maintain, preserve and keep its plant and property with the apparatus, fixtures and appurtenances in like repair and working order, and supplied with all necessary equipment, and will conduct its business in an efficient manner, and will diligently preserve all the rights and privileges to it granted and conferred by the laws of any state, and will not exercise or use or suffer any of its licensees to exercise or use patents or patent rights or apparatus, or any of its rights, franchises or privileges, so as to cause them to lapse or be forfeited, so long as the same shall be necessary or convenient in carrying on its business, and will use reasonable efforts to obtain from time to time all necessary renewals and extensions of such rights, franchises and privileges and such further licenses and rights in respect to other patents, instruments, equipment and apparatus as may be necessary in the lawful operation of the business of the Company. The Company may accept and consent to any amendment or amendments of or substitute or substitutes for any or all ordinances or municipal

grants or licenses now or at any time held or owned by it, and may surrender any ordinance, grant, license, right or privilege, whenever the best interests of the Company shall in its judgment require such surrender.

SECTION 15. The Company will, at least once in each year, cause its books and accounts, and the books and accounts of any corporation, a majority of the voting stock of which shall be owned or controlled by the Company and pledged hereunder, to be audited by a certified public accountant or of accountants satisfactory to the Corporate Trustee, and furnish a copy of each such audit to said Trustee.

SECTION 16. The Company agrees to pay the principal of and interest on the aforesaid underlying bonds of the Iowa Southern Utilities Company, dated October 2, 1916, and to observe, carry out and perform, all the terms, conditions, and obligations of the mortgage or deed of trust securing the same, which are required to be observed, carried out or performed by the mortgagor therein. No additional bonds or evidences of indebtedness secured by a mortgage will be issued by this company, the lien of which is or shall be prior to that of this Indenture, except that bonds may be issued under any underlying mortgage, in lieu of lost, destroyed or mutilated obligations outstanding. In case proceedings shall be instituted to foreclose any underlying mortgage, the then holders of a majority in amount of the bonds outstanding hereunder, secured by underlying obligations, issued under such underlying mortgage, may, by instruments or concurrent instruments in writing, signed by them, or by their Attorneys in Fact, appoint a Committee, with power and authority to give directions to the Trustees in respect to the action to be taken by the Trustees in relation to such foreclosure proceedings for the protection of the interests of such bondholders hereunder; and, in case such Committee shall be appointed, the Trustees, as the holders of any such deposited

obligations, shall, upon being properly and reasonably indemnified, take all steps and do all things with relation to such foreclosure proceedings, and to the purchase or reorganization of the property involved in them, as may be directed by such Committee, in writing, and as may, in the judgment of the Trustees, be lawful and proper to be done, and all such directions given by said Committee to the Trustees shall be deemed and considered as directions of the holders of all the bonds at any time outstanding hereunder, and shall be binding upon them and upon the Company.

SECTION 17. The Company shall not at any time pay any cash dividend upon its common capital stock, unless and until it shall have set aside in a fund to be designated as its "Depreciation Fund," an amount equal to five per cent of its gross earnings from all of its properties for the period beginning on February 1, 1923, and ending on the last day of the calendar month preceding the date of the payment of such dividend. The Company shall charge into said Depreciation Fund the depreciation on its plants and properties either annually or in monthly installments. The moneys set aside in such Depreciation Fund shall not be considered as an expense of or a charge against the Company in determining its net earnings under the provisions of Section Three of Article II hereof.

ARTICLE IV.

CONCERNING THE PLEDGED SECURITIES.

SECTION 1. Certificates for all the shares of stock which shall at any time hereafter be pledged under this Indenture, or intended so to be, shall be delivered to the Trustees, duly endorsed in blank for transfer, or accompanied by an assignment or assignments sufficient to transfer the title thereof to the Trustees hereunder, or to the nominee or nominees of the

Trustees. The Trustees may at any time cause to be transferred into their names, as Trustees hereunder, any or all of the shares of stock pledged hereunder, certificates for which shall have been delivered to them, or in their discretion may hold such shares in the name of the registered holder or holders thereof at the time of such pledge and delivery, or in the name of a nominee or nominees of the Trustees, provided that the same be endorsed in blank or be accompanied by proper instruments of assignment in blank, duly executed by such registered holder or holders. All bonds or other securities pledged hereunder, or intended so to be, shall be delivered to the Trustees in such form that the same shall be negotiable and deliverable by the Trustees. The Trustees may in their discretion cause any bonds or other securities pledged hereunder and delivered to them to be registered in their names, or in the names of their nominee or nominees.

SECTION 2. The Trustees may do whatever may be necessary for the purpose of maintaining, preserving, renewing or extending the corporate existence of any corporation, the stock of which shall be pledged or assigned hereunder, and for such purposes may from time to time sell, assign, transfer and deliver so many shares of the stock of the several corporations as may be necessary to qualify persons to act as directors of or in any other official relation to such corporations. Whenever the Company, not being in default under this Indenture, shall in writing so request, the Trustees shall assign and transfer to the persons designated by the Company a sufficient number of shares of the stock of any corporation, which shall then be held hereunder, to qualify such persons to act as directors of, or in any official relation to such corporation; provided, that in every case the Trustees shall make such arrangements as they shall deem expedient for the protection of the trust hereunder in respect of the shares of stock so assigned and transferred, and in such case, in their

discretion, may require the person or persons to whom such shares are transferred to agree, on such terms and for such price as may be agreed upon between the Trustees and such persons, to retransfer the same and deliver the certificates therefor to them under and subject to this Indenture, and may make such other arrangements as may be necessary in their opinion for the protection of the trust hereby created.

SECTION 3. Unless and until an event of default, as defined in Section 2 of Article XII of this Indenture, shall happen and be continuing, the Company shall be entitled to receive all dividends out of earnings paid in cash on all shares of stock which shall be subject to this Indenture, and to receive all interest paid in cash upon bonds or other securities pledged under this Indenture; and from time to time, upon the written request of the Company, the Trustees shall deliver to the Company suitable orders in favor of the Company, or its nominee, for the payment of such dividends and interest, in order that the Company may receive payment thereof for its own use, and the Company may collect such dividends and interest by legal proceedings in any manner which shall not be in violation of the provisions of this Indenture. Dividends upon any shares of stock pledged hereunder, which shall be in the form of scrip or other obligations payable in cash, shall for the purposes of this Article be deemed cash dividends. The Trustees may assume, unless notified in writing to the contrary, that any and all dividends received upon any shares of stock subject to this Indenture are paid out of earnings.

All sums which shall be paid or distributed upon or in the course of the dissolution, liquidation or winding up of any corporation, any shares of the capital stock of which are pledged or assigned hereunder, or which shall be in any way paid out of the capital of any such corporation, or which shall be paid or distributed on account of the principal of any bonds or other securities pledged hereunder, shall be paid and de-

livered to and received by the Trustees, and shall be held by them as part of the trust estate; and if the Company is not in default hereunder, shall upon the request of the Company be applied as provided in Section 1 of Article VII hereof, with reference to the proceeds of the property released from the lien hereof, but in the event of any such default, shall be applied pro rata toward the payment of the principal and interest of the bonds, as hereinafter provided in Section 14 of Article XII of this Indenture.

In case a stock dividend is declared by any company, the stock of which is pledged hereunder, any additional stock to which the holders of the stock pledged hereunder would then be entitled, shall be delivered to and received by the Trustees, and by them held as part of the trust estate. Any rights or subscription privileges accruing to holders of stock pledged hereunder may be exercised by the Company so long as it is not in default hereunder, provided that any additional stock purchased on account of such rights or subscription privileges shall be thereupon immediately pledged hereunder and delivered to the Trustees hereunder.

SECTION 4. Unless and until an event of default, as defined in Section 2 of Article XII of this Indenture, shall happen and be continuing, the Company shall have the right to vote upon or consent with respect to all shares of stock at the time pledged under this Indenture for all purposes not contrary to the covenants herein contained, or otherwise inconsistent with the provisions or purposes of this Indenture and with the same force and effect as though such shares were not subject to this Indenture; and from time to time, upon the written request of the Company, the Trustees shall forthwith execute and deliver, or shall cause to be executed and delivered to the Company, or to its nominee or nominees, suitable powers of attorney or proxies to vote upon any of the shares of such stock which shall have been transferred into the names of the Trustees, or their nominee or nominees.

SECTION 5. In case (1) at any time any corporation, the shares of the capital stock of which shall be subject to this Indenture, shall be dissolved or liquidated, or in case (2) all or part of the property of such corporation shall be sold at any judicial or other forced sale, then in any such event, if the property of such dissolved or liquidated corporation, or the property sold, can be acquired by crediting on the shares of stock or on any bonds or other indebtedness of such corporation held by the Trustees hereunder any sum accruing or to be received thereon out of the proceeds of such property, and by paying not more than ten per cent (10%) of the price of such property in cash (or more than ten per cent (10%) if the Company or the holders of a majority in amount of the bonds shall so request), the Trustees in their discretion may, and if requested in writing by the Company or by the holders of a majority in amount of the bonds outstanding hereunder and provided with the amount of cash necessary therefor, shall purchase or cause to be purchased such property, and shall use such shares of stock and any such bonds or other indebtedness, in so far as may be, to make payment for such property, and in case of any such purchase, the Trustees shall take such steps as they may deem proper to cause such property to be vested either in the Company and made subject to this Indenture, or be vested in some other corporation organized or to be organized with power to acquire and manage such property, provided, however, that in the latter case all of the bonds and other evidences of indebtedness and shares of stock of such other corporation (except the number of shares required to qualify directors) shall be received by the Trustees and shall be held subject to this Indenture and pledged under this Indenture.

SECTION 6. The Trustees may at any time take such steps as in their discretion they shall deem advisable to protect their interests and the interests of the bondholders hereunder

in respect of any shares of stocks or bonds or other securities comprising any part of the trust estate, and may join in any plan of reorganization or readjustment in respect of any such shares of stock and bonds or other securities, and may accept new stocks, bonds or other securities issued in exchange therefor on reorganization and readjustment. Any new stocks, bonds or other securities so received shall be held by the Trustees subject to the lien and provisions of this Indenture, but all the provisions herein contained shall be applicable to such new stock, bonds and other securities in like manner as to the shares of stock, bonds or other securities in exchange for which they were issued.

SECTION 7. The Company forthwith, on demand of the Trustees, will pay or satisfactorily provide for all expenditures incurred by the Trustee under any of the provisions of this Article IV; and in any case without impairment of or prejudice to any of their rights hereunder by reason of default of the Company, the Trustees may in their discretion advance all such expenses and other moneys required, or may procure such advances to be made by others, and for such advances made by the Trustees, or others at their request, together with interest thereon, the Trustees shall have a lien under this Indenture preferential to the bonds, upon all stocks, bonds or other securities in respect of which such advances shall have been made, and the proceeds thereof, and upon the property acquired by means thereof, as well as upon the trust estate.

SECTION 8. Nothing in this Indenture contained shall prevent the consolidation or merger of any corporation the shares of the capital stock of which shall be subject to the lien of this Indenture with or into any other corporation, or the sale or lease of all or substantially all of the property of any such corporation to another corporation, provided that in any such case the value of the security hereunder shall not

be substantially impaired or prejudiced thereby, and provided further that effective provision be simultaneously made, that there shall be forthwith pledged or assigned hereunder such proportion of the outstanding capital stock of any corporation formed by such consolidation or into which such merger shall be made or to which such property shall be sold or leased, as in the opinion of the Trustees shall be equal in value to the value of the capital stock of the constituent selling or leasing corporation previously held subject to this Indenture. The capital stock of any corporation any of whose stock shall be pledged hereunder may for the purpose of carrying out any transaction authorized by the foregoing provisions of this section and as a part of such transaction be increased or decreased as much as may be necessary therefor.

The Trustees may vote upon any of the shares of stock pledged with them hereunder and may do any and all things proper to carry into effect the purpose of this section; and in order to facilitate any such merger, consolidation, sale or lease the Trustees may transfer into the name of the Company, with such restrictions as they may deem sufficient for the protection of the holders of the bonds, the shares of stock of any corporation about to be merged or consolidated, or to sell or lease its property, which shall then stand in the name of the Trustees or their nominee or nominees, or which are held by the Trustees hereunder endorsed in blank, upon receiving from the Company such instruments as the Trustees may deem necessary to secure the transfer of such shares back into their own names or that of their nominee, if at any time they shall deem such a course expedient for the protection of the holders of the bonds.

Any corporation the shares of the capital stock of which shall be subject to the lien of this Indenture may be consolidated with or merged into, or all or any of its properties may

be sold and conveyed to, the Company. In the event of such consolidation, merger or sale, the real property, plants, buildings, fixtures and machinery and other property belonging to any corporation so consolidated with or merged into the Company or so sold and conveyed to the Company shall, upon such consolidation, merger or sale become and be subject to the lien and operation of this Indenture, with the same effect as though assigned, transferred and conveyed to the Trustees at the time of the execution and delivery hereof; and the Company shall execute all such further instruments of assignment, transfer, conveyance or mortgage as the Trustees may reasonably require for that purpose.

If, pursuant to the foregoing provisions, the Company shall acquire all the property of any other corporation shares of the capital stock of which shall be subject to the lien hereof, and shall desire to use for the purposes of such acquisition any of the shares of the capital stock of such corporation, then and in that event the Trustees shall, upon the request of the Company in writing, pursuant to an affirmative vote of a majority of its Board of Directors or Executive Committee, and upon the execution and delivery to the Trustees of such instruments of assignment, transfer or conveyance as shall lawfully vest in the Trustees, subject to this Indenture, the property of the corporation so assigned, transferred or conveyed to the Company, release from the lien of this Indenture the shares of the capital stock of such corporation whose property shall be so acquired by the Company.

SECTION 9. Subject only to the specific restrictions contained in this Indenture, and to the actual exercise by the Company of its rights in respect thereof, conferred by this Indenture, the Trustees shall have and may exercise all the rights of owner in respect of any shares of stock, bonds or other securities held by the Trustees, under this Indenture, or in any manner whatsoever upon the trusts hereof.

ARTICLE V.

REDEMPTION OF BONDS.

SECTION 1. The Company, at its option, may on any interest payment date redeem all of the bonds of the Series of 1923, issued under and secured by this Indenture and at any time outstanding, or bonds of the Series of 1923, to such less amount as it shall elect, which bonds shall be drawn by the Corporate Trustee by lot, at par, accrued interest to the date of redemption, and the following premiums upon the principal thereof when called for redemption and payment during the following periods, viz.: Seven and one-half per cent ($7\frac{1}{2}\%$) during the period from the date of this Indenture, to and including January 1, 1928; five per cent (5%) during the period from and including January 2, 1928, to and including July 1, 1933, and thereafter two and one-half per cent ($2\frac{1}{2}\%$), provided that not less than thirty (30) days' previous notice of such redemption shall be given by mail to the holders of registered bonds of said Series of 1923, at the addresses furnished by them to the Company, and to the holders of unregistered bonds of said series by publication at least once a week, for two successive weeks, in a newspaper of general circulation published in the City of Chicago, State of Illinois, and in a newspaper of general circulation published in the City of New York, State of New York; such notice shall state the intention to redeem the bond or bonds of said series therein described, and that the same shall be redeemed at par, accrued interest to the date of redemption, and the premium aforesaid, on the date specified in such notice (which date shall not be less than thirty (30) days nor more than sixty (60) days from the date of the first publication). On the date specified in any such notice, if the Company shall deposit with the Corporate Trustee a sum sufficient for the redemption of the bonds which shall have been called for redemption, there

shall become due and payable by the Company, at the office of the Corporate Trustee, the principal of the bonds specified in such notice, together with interest then due thereon and the premium aforesaid, and thereupon the Corporate Trustee shall pay such principal, interest and premium if the said bonds are presented for payment. If the amount necessary to redeem any bond called for redemption, as aforesaid, shall have been deposited with the said Corporate Trustee for the account of the holder of such bond on or before the date specified for such redemption, and the notice hereinbefore provided shall have been duly given, the interest shall cease to accrue upon such bond after the date of redemption specified in such last mentioned notice, and any coupons for interest subsequent to that date shall be and become void, and thereafter such bond and coupons shall not be entitled to any benefit of or from this Indenture. All bonds so redeemed and paid shall forthwith be canceled by said Trustee, which shall note upon its books the fact of such cancellation, together with a memorandum of the numbers so canceled.

SECTION 2. In case all of the bonds at any time issued and outstanding are called for redemption, and the moneys for such purpose deposited with the Trustees, the Trustees shall, upon demand of the Company, release this Indenture and discharge the property herein described from any and all lien by reason of the execution of this Indenture or the issue of the bonds thereunder.

ARTICLE VI.

MAINTENANCE AND IMPROVEMENT FUND.

SECTION 1. The Company covenants that it will establish a "Maintenance and Improvement Fund" and will, on or before the first day of March, 1924, and on the first day of March of each year thereafter, set aside and deposit in such

fund an amount equal to Seventeen per centum (17%) of its gross earnings from interurban railway properties for the preceding calendar year, and Seven per centum (7%) of its gross earnings from other public utility properties for such preceding calendar year. There shall be included in such "gross earnings" only the net amounts realized from the sale of merchandise.

The Company shall be entitled to credit hereunder for all moneys paid into the Sinking Fund provided for in and by Section 2 of Article III of the Indenture of Mortgage or Deed of Trust, dated the 2nd day of October, 1916, made by the Iowa Southern Utilities Company (a Maine Corporation) to Central Trust Company of Illinois, Trustee, exclusive of the payment required to be made on the first day of March, 1923, and all such payments shall be deductible from the amounts which the Company is required to pay into the Maintenance and Improvement Fund herein provided for. The Company may designate what portion of the moneys paid into said Sinking Fund shall be credited against the percentage of gross earnings from interurban railway properties required to be paid into said Maintenance and Improvement Fund and what portion shall be credited against the percentage of gross earnings from other public utility properties required to be paid into said Fund.

SECTION 2. The moneys deposited in such Maintenance and Improvement Fund out of the gross earnings from interurban railway properties may be used by the Company, from time to time, to pay the cost of, or to reimburse the Company for the cost of, repairs, maintenance and improvements of its interurban railway properties, and any balance remaining may be used by the Company for the acquisition of new interurban railway properties within the scope of its corporate powers, or for betterments, improvements, developments, extensions or additions to or about its interurban railway properties, now owned or hereafter acquired, made

subsequent to the date hereof. If in any such year the Company shall expend for the cost of repairs, maintenance and improvement of such properties an amount in excess of Seventeen per cent (17%) of its gross earnings therefrom for such year, and the moneys in said Maintenance and Improvement Fund from the earnings of such properties shall not be sufficient to reimburse it, the Company shall be entitled to reimburse from the moneys paid into said Fund from the earnings of such properties for the succeeding year or years.

The moneys deposited in such Maintenance and Improvement Fund out of the gross earnings from public utility properties other than interurban railways, may be used by the Company, from time to time, to pay the cost of, or to reimburse the Company for the cost of, repairs, maintenance and improvements of its public utility properties other than interurban railways, and any balance remaining may be used by the Company for the acquisition of new public utility properties other than interurban railways within the scope of its corporate powers (including acquisition of bonds as provided in Section 3 of Article II hereof), or for betterments, improvements, developments, extensions or additions to or about its public utility properties now owned or hereafter acquired, **other than** interurban railways, made subsequent to the date hereof. If in any such year the Company shall expend for the cost of repairs, maintenance and improvements of such properties an amount in excess of seven per cent (7%) of its gross earnings therefrom for such year, and the moneys in said Maintenance and Improvement Fund from the earnings of such properties shall not be sufficient to reimburse it, the Company shall be entitled to reimbursement from the moneys paid into said fund, from the earnings of such properties for the succeeding year or years.

No betterments, improvements, developments, extensions or additions to the plants and property of the Company,

or acquisitions of new property or securities which shall have been paid for with the moneys in said Maintenance and Improvement Fund shall be used as a basis for the issuance of further bonds hereunder.

SECTION 3. Any moneys remaining in said Maintenance and Improvement Fund, over and above the amounts charged into said fund for the cost of repairs, maintenance and improvement of the plants and property of the Company, and of betterments, improvements, developments, extensions or additions thereto, or for the acquisition of new properties or securities, for a period of more than one year, shall (subject to the provisions of Section 2 of this Article) be paid over to the Trustees and shall be held by them as part of the trust estate; and if the Company is not in default hereunder, shall, upon the request of the Company, be applied as provided in Section 1 of Article VII hereof with reference to the proceeds of property released from the lien hereof; but in case of any such default shall be applied pro rata toward the payment of the principal and interest of the bonds as hereinafter provided in Section 14 of Article XII of this Indenture.

ARTICLE VII.

RELEASES OF MORTGAGED PROPERTY.

SECTION 1. The Company may from time to time, wherever it is not in default in respect of the bonds or coupons, or of any covenant, stipulation, or agreement herein or in any supplemental indenture contained, sell or otherwise dispose of (for cash, or partly for cash and partly on credit, the amount of such credit not to exceed one-half of the purchase price, and the unpaid portion of such purchase price to be secured by purchase money mortgage on the property sold) any shares of stock, bonds or securities, or any of the machinery, equipment or other properties comprised in the

trust estate (and in the case of public utility property, machinery, or equipment consisting of less than a complete plant), that may be no longer useful in the conduct of its business; provided, however, that the same be replaced with property (or bonds of the kind and character hereinbefore in Section 3 of Article II hereof referred to) of equal value, or that the proceeds of such sale be deposited with the Trustees. No purchaser at any such sale shall be under any obligation to ascertain the occurrence of the event in which such sale is hereby authorized. The Trustees shall release the said property or securities so sold or disposed of from the lien of this Indenture upon receiving a certificate signed by a majority of the directors of the Company, stating that the said property or securities are no longer useful in the proper and judicious conduct of the business of the Company, and that the price for which the same has been or is to be sold is fair and represents the true value thereof, and that the proceeds of such sale have been or are to be deposited as hereinbefore provided or that the said property or securities have been replaced with other property (or other securities as aforesaid) of equal value, which have been subjected to the lien of this Indenture; provided, that no shares of stock of any public utility corporation shall be sold or disposed of by the Company under the provisions of this Section or under the provisions of Section 2 of this Article VII, unless all of the shares of stock of such corporation pledged hereunder, shall be sold and disposed of. And so long as the Company shall not be in default in respect of any covenant, stipulation, or agreement herein contained, the proceeds of any such sale or sales deposited with the Trustees as aforesaid, and all moneys which may be received as compensation for any of the mortgaged property taken by the exercise of the power of eminent domain (less the expenses of the condemnation proceedings), shall be paid out from time to time by the Trustees upon the written order

of the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company, accompanied by the certificate of such President or a Vice President and the Treasurer or an Assistant Treasurer, that prior or subsequent to such sale or sales new and additional property or additions, extensions, betterments, developments, or improvements to any of the mortgaged property, equal in value to the amount of money so to be paid out, have been acquired, or made, or that securities of the kind and character hereinbefore in Section 3 of Article II hereof referred to, to a principal amount equal to the principal amount of such moneys, have been acquired, and that such property or securities have been vested in the Trustees, free and clear of all encumbrances (other than encumbrances subject or subsequent to the lien hereof), as part of the trust estate, and that such property consists in no part of the renewals, replacements, or repairs which the Company covenants to make, or of property acquired as substituted property under the provisions of this Indenture with reference to the release of property from the lien hereof, or of property acquired by means of insurance or condemnation moneys, or moneys in the Maintenance and Improvement Fund provided for in Article VI hereof, or moneys received on account of the principal of any of the pledged securities, or moneys taken from the Sinking Fund provided for by said Maine Company Mortgage, or of property or securities used as the basis for the issuance of further bonds hereunder, and until so paid out the said proceeds shall be held by the Trustees as part of the trust estate. In making any release or payment as hereinbefore provided, the Trustees may rely absolutely on the truth of any facts stated in an affidavit of the President or a Vice President or Treasurer or an Assistant Treasurer, or in a resolution or certificate of the Board of Directors of the Company, or a majority thereof, but the Corporate Trustee may in its discretion require such other

evidence of such facts as to it may seem appropriate, and may, and upon the request in writing of the holders of one-fourth in amount of the bonds, shall, appoint some engineer or engineering firm satisfactory to said Trustee, at the expense of the Company to verify any facts stated in such certificate, affidavit or resolution. If such investigation shall be made at the request of the bondholders and it shall appear that the Company was nevertheless entitled to such release or payment, the expense of such investigation shall be borne by such bondholders. The Trustees may assume for the purpose of making such payments and releases that the Company is not in default unless and until it shall have knowledge to the contrary. The Company may obtain any moneys so deposited with the Trustees hereunder (or under the provisions of Section 2 of this Article VII) by delivering to the Trustee bonds of the Series of 1923, secured hereby if then outstanding, otherwise bonds of the series first maturing (or if more than one series matures at said time, of the series first issued) to a face amount equal to the amount of such moneys, such bonds to be forthwith canceled by the Trustees, or the Trustees shall, upon the written request of the Company, apply such moneys to the redemption of bonds, as provided in Article V hereof.

Any new property or securities acquired by the Company in exchange for or to take the place of any property released herefrom shall, upon its acquisition, become and be subject to the lien of this Indenture as fully as if specifically mortgaged hereby; but, if requested by the Trustees, the Company will convey the same to the Trustees by appropriate conveyances, upon the trusts and for the purposes of this Indenture. The word "sale" or any similar word, wherever used in this Section, or in Section 2 of this Article, shall also include any exchange or other disposition of property.

SECTION 2. At any time when the Company shall be pos-

sessed of (or shall control by stock ownership) several separate plants in the nature of public utilities, each one of which is complete, self-contained and capable of successful operation apart from the other properties of the Company, or in case the Company is desirous of selling any plant or property not in the nature of a public utility, the Trustees may, provided the Company is not in default in respect of the bonds or coupons or any covenant or stipulation herein contained, consent to the sale of such complete and independent plant in the nature of a public utility, or such plant or property not in the nature of a public utility (or shares of stock and securities of the corporation owning the same) for cash (or partly for cash and partly on credit, the amount of such credit not to exceed one-half of the purchase price and the unpaid portion of such purchase price to be secured by purchase money mortgage on the property sold), and may release such plant or property (or the said shares of stock and securities) from the lien hereof upon condition that the Trustees shall receive the entire purchase price, and prior to such release the Corporate Trustee shall require from the Company a certificate signed and verified by its President or a Vice President and a majority of its Board of Directors and by an engineer or engineering firm appointed by the Company (which engineer or engineering firm may be in the employ of the Company) and satisfactory to such Corporate Trustee, setting forth the price at which it is proposed to sell such plant or property (or the said shares of stock and securities) and stating that in their opinion such selling price is fair and adequate and that the retention of such plant or property (or the said shares of stock and securities) is no longer desirable for the uses and purposes of the Company in the judicious conduct of its business and that the Company will have remaining after its sale at least one other plant (or the shares of stock of the corporation owning the same) which is complete, self-contained and capable of

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successful operation as a public utility, and that the net earnings of the remaining properties (determined as provided in Section 3 of Article II hereof), including the income from the securities pledged hereunder, of the Company, for a period of twelve consecutive calendar months ending within three months next preceding the date of such certificate were not less than one and three-fourths times the aggregate interest charge for the same period of twelve months on all of the outstanding bonds of the Company secured by this Indenture, and those then applied for, and on all of the above bonds of Iowa Southern Utilities Company, dated October 2, 1916, and then outstanding. Moneys received by the Trustees from the sale of such independent plants and property or securities shall be applied by them in the manner provided in Section 1 of this Article with respect to the proceeds of sale of machinery, equipment, and other property consisting of less than a complete plant.

No purchaser at any such sale shall be under any obligation to ascertain the occurrence of any event which is made a prerequisite of any such sale, or to look to the application of the proceeds thereof, and the Trustees may assume, for the purpose of making any such release or payment, that the Company is not in default until they shall have notice to the contrary.

SECTION 3. In case the property or securities covered by this Indenture shall at any time be administered by a receiver, the right herein reserved to the Company to obtain a release of any part of such property or securities from the lien of this Indenture shall pass to and may be exercised by such receiver with the consent of the Company in like manner and upon like terms and conditions and with like restrictions as are herein provided with respect to a release of such property or securities at the request of the Company. In any such case a written request to the Trustees by such receiver and by the Company, authorized by an order

of the court appointing such receiver, shall fully authorize the Trustees to release such property or securities.

SECTION 4. If at any time the Company shall, as lessor, make any lease or sublease of any real estate or of an interest in any real estate, and shall afterwards furnish to the Trustees a certified copy of a resolution of the Company's Board of Directors requesting that the leasehold interest created by such lease or sublease be released from the lien of this Indenture, and stating that the real estate so leased or subleased is not, in the judgment of said board, required for the proper carrying on of the Company's business, the Trustees shall execute and deliver an instrument or deed releasing such leasehold interest from the lien and effect of this Indenture; and thereupon such leasehold interest shall be freed from the lien and operation of this Indenture, but the reversion of the real estate or interest so leased or subleased shall continue to be subject to this Indenture.

SECTION 5. If all of the shares of stock, bonds and securities of any corporation whose shares of stock or securities are pledged hereunder, shall be sold by the Company, and released from the lien of this Indenture, as herein provided, the covenants and agreements contained in this Indenture with reference to such corporation shall no longer be applicable.

ARTICLE VIII.

IMMUNITY OF STOCKHOLDERS, OFFICERS AND DIRECTORS.

No recourse under or upon any obligation, covenant, or agreement in this Indenture, or in any of the bonds or coupons, or because of the creation of any indebtedness hereby secured, shall be had against any incorporator, past, present or future, stockholder, officer, or director of the Company, or of any successor or predecessor corporation, either di-

rectly or through the Company, by the enforcement of any assessment, or by any legal or equitable proceeding, by virtue of any statute or otherwise; it being expressly 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 the incorporators, stockholders, officers or directors of the Company, or of any successor or predecessor corporation, or any of them, because of the incurring of the indebtedness hereby secured, 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, or implied therefrom; and that any and all personal liability of every name and nature, 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 part of the consideration for, the execution of this Indenture, and issue of the bonds and coupons hereunder.

ARTICLE IX.

BONDHOLDERS' ACTS.

Any demand, request, or other instrument required 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 demand, request, or other instrument, or of the writing appointing any such agent, and of the ownership by any person of coupon bonds transferable by delivery, shall be sufficient for any purpose of this Indenture, and shall be conclusive in favor of the Trustees and of the Company, with regard to any action taken by the Trustees, or by the

Company under such instrument, if such proof be made in the following manner:

(a) The fact and date of the execution by any person of any such demand, request, or other instrument of writing, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in any state within the United States, and that the person signing such request or other instrument acknowledged the execution thereof, or by affidavit of a witness to such execution.

(b) The fact of the holding by any bondholder of coupon bonds transferable by delivery, and the amounts, series and issue numbers of such bonds, and the dates of the holding of the same, may be proved by a certificate, executed by any trust company, bank, bankers, or other 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 depository the bonds described in such certificate. For all purposes of this Indenture and of any proceeding pursuant hereto for the enforcement hereof, or otherwise, such person shall be deemed to continue as the holder of such bonds until the Trustees shall have received notice in writing to the contrary.

(c) The ownership of registered bonds shall be proved by the registers of such bonds.

ARTICLE X.

POSSESSION UNTIL DEFAULT—DEFEASANCE CLAUSE.

SECTION 1. Until one or more of the events of default specified in Section 2 of Article XII of this Indenture shall have happened, the Company, its successors and assigns, shall be suffered and permitted to retain actual possession of all of the property and securities subject to this Indenture, and to manage, operate and use the same, and every part thereof, with the rights and franchises appertaining thereto, and to collect, receive, use and enjoy the earnings,

income, rents, issues and profits thereof. The Company covenants and agrees that from such income, after the payment of operating and maintenance expenses of its property, including taxes, first, to pay the interest maturing upon the bonds; and such income, whether before or after the happening of an event of default, and whether the mortgaged premises be operated by the Company or by the Trustees under any power reserved under this Indenture, or by a receiver or receivers appointed by any court, at the instance of the Company, or of the Trustees, or of any mortgagee, stockholder, creditor or other person interested in the Company, or having the right to apply for such appointment, shall be primarily pledged to apply, subject only as otherwise in this Indenture specifically provided, to the payment of the principal and interest of the bonds issued and outstanding hereunder.

SECTION 2. If when the bonds become due and payable, the Company shall well and truly pay or cause to be paid the whole amount of the principal and interest, due upon all of the bonds and coupons, then outstanding, or shall provide for the payment of such bonds and coupons by depositing with the Trustees the entire amount due or to become 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, according to the true intent and meaning of this Indenture, all covenants herein required to be kept and performed by it, then and in that case, at the election of the Company, all property rights and interests hereby conveyed, or assigned 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 in such case, on written demand of the Company, and at its cost and expense, the Trustees shall enter satisfaction of this Indenture upon the record, and shall assign and transfer, or cause to be assigned

and transferred, and shall deliver or cause to be delivered to the Company, all personal property and securities then held by the Trustees hereunder; otherwise this Indenture shall be continued and remain in full force and effect.

ARTICLE XI.

CONSOLIDATION, MERGER AND SALE.

SECTION 1. Nothing in this Indenture shall prevent the consolidation or merger with the Company of any other company or companies or prevent any consolidation or merger of the Company with any other company or companies, or prevent the sale by the Company to any other company of its property as an entirety, provided that any such consolidation or merger shall be on such terms as to preserve and not to impair the lien or security under this Indenture, or any of the rights and powers of the Trustees, or of the holders of the bonds, and that any successor corporation formed by such consolidation, or the corporation into which the Company shall be merged, shall as a part of such consolidation or merger, expressly assume the due and punctual payment of the principal and interest of all the bonds issued and to be issued under this Indenture, and the performance of all the covenants and conditions of this Indenture; and provided that, as a condition of any such sale of the property of the Company as an entirety, the corporation to which such property shall be sold as an entirety, shall, as a part of the purchase price thereof, assume the due and punctual payment of the principal and interest of the bonds issued, and to be issued under this Indenture, and the performance of all the covenants and conditions of this Indenture, and shall simultaneously with the delivery to it of such conveyance, execute and deliver to the Trustees a proper indenture, running to the Trustees, in form satisfac-

tory to the Trustees, whereby such purchasing corporation shall so assume the due and punctual payment of the principal and interest of all the bonds issued and to be issued under this Indenture, and the performance of all the covenants and conditions of this Indenture.

SECTION 2. In case any company or companies shall be consolidated with or merged into the Company, or in case the Company shall be consolidated with or merged into any other corporation, or in case of the sale of the property of the Company as an entirety, the corporation formed by such consolidation, or into which the Company shall be then merged, or to which such sale shall have been made, upon executing and causing to be recorded an indenture with the Trustees whereby such corporation shall assume the due and punctual payment of all the bonds and the performance of all the covenants and conditions of this Indenture, 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 hereto, and such corporation may thereupon 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 which shall not theretofore have been signed by the Company, and delivered to the Trustees, and the Trustees upon the order of such corporation, in lieu of the Company, and subject to all of the terms, conditions, and restrictions herein prescribed, shall authenticate any and all bonds which shall have been previously signed by officers of the Company and delivered to the Trustees for authentication, and any such bonds which such corporation shall thereafter cause to be signed and delivered to the Trustees for that purpose. The bonds so issued shall in all respects have the same legal right and security as the bonds theretofore or thereafter issued, in accordance with the terms of this Indenture as though all such bonds had been actually issued by the Company as of the date of the execution hereof.

SECTION 3. For every purpose of this Indenture, including the execution, issue and use of any and all of the bonds, the term "Company" includes and means (except where otherwise indicated) not only Iowa Southern Utilities Company of Delaware, but also any such successor corporation. Every such successor corporation shall possess, and from time to time may exercise, each and every right and power hereunder of the Iowa Southern Utilities Company of Delaware, in its name and otherwise, and any act or proceeding by any provision of this Indenture required to be done or performed by any board or officer of the Company, may be done or performed with like force and effect by the like board or officer of any corporation that shall, at the time, be such lawful successor of the Company.

SECTION 4. Nevertheless, before the exercise of the powers conferred by this Article, the Company, by instrument in writing executed by authority of two-thirds of its Board of Directors, and delivered to the Trustees, may surrender any of the powers reserved to the Company, or to such successor or purchasing corporation, and thereupon such power, so surrendered, shall terminate.

ARTICLE XII.

REMEDIES OF TRUSTEES AND BONDHOLDERS.

SECTION 1. Neither any coupon belonging to any bond, which in any way, at or after maturity, shall have been transferred or pledged, separate and apart from the bond to which it relates, shall, unless accompanied by such bond, be entitled, in case of a default hereunder, to any benefit of or from this Indenture, except after the prior payment in full of the principal of all the bonds issued hereunder, and of all coupons and claims for interest not so transferred or pledged. In case the time for payment of any such coupon or claim for interest is extended, whether or not by or with the consent of the Com-

pany, such coupon or claim for interest so extended shall not be entitled in case of a default hereunder, to any benefit of or from this Indenture, except after the prior payment in full of the principal of all the bonds issued hereunder, and of all coupons and claims for interest on such bonds, the payment of which has not been extended.

SECTION 2. If one or more of the following events, hereinafter called the events of default, shall happen, that is to say:

(a) Default shall be made in the payment of any installment of interest on any of the bonds when and as the same shall become payable, and such default shall continue for sixty days; or

(b) Default shall be made in the payment of the principal of any of the bonds when the same shall become due and payable, either by the terms thereof or otherwise as herein provided; or

(c) Default shall be made in the payment of the principal of any of the aforesaid bonds of the Iowa Southern Utilities Company (a Maine corporation), dated October 2, 1916, when the same shall become due and payable, either by the terms thereof or otherwise, as provided in the Mortgage or Deed of Trust securing the same; or

(d) Default shall be made in the payment of any interest on any of the said bonds of the Iowa Southern Utilities Company, dated October 2, 1916, and any such last mentioned default shall continue for a period of sixty days; or

(e) Default shall be made in the observance or performance of any other covenant, condition, or agreement on the part of the Company, in the bonds, or in this Indenture or any Supplemental Indenture contained, and such default shall continue for the period of ninety days after written notice thereof to the Company by the Trustees, which may in their discretion, and, on the written request of the holders of a majority in amount of the bonds at the time outstanding shall give such notice; or

(f) An order shall be made for the appointment of a receiver of the Company or of the trust estate;

then and in each and every such case the Trustees person-

ally, or by their agents or attorneys, may enter into and upon all or any part of the property and premises, lands, rights and interests hereby conveyed, or intended so to be, and each and every part thereof, and may exclude the Company, its agents and servants wholly therefrom; and, having and holding the same, may use, operate, manage and control the plants and properties of the Company, and conduct its business, either personally or by their superintendents, managers, receivers, agents, servants or attorneys in like manner as the Company itself, and may exercise all rights and powers of the Company, either in the name of the Company or otherwise, as the Trustees shall deem best. Thereupon the Trustees shall be entitled to collect and receive all earnings, income, rents, issues and profits of the same and every part thereof, and also the income from the bonds and securities subject to this Indenture. And after deducting the expenses of operating the trust estate, 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, insurance, and prior or other proper charges upon the trust estate, or any part thereof, as well as just and reasonable compensation for their own services and for all agents, clerks, servants and other employees by them properly engaged and employed, the Trustees shall apply the moneys arising as aforesaid, as follows:

(a) In case the principal of the bonds shall not have become due, to the payment of the interest in default in the order of the maturity of the installments of such interest, with interest thereon at the same rates respectively as were borne by the bonds on which such interest shall be in default, such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

(b) In case the principal of the bonds shall have become due, by declaration or otherwise, first to the pay-

ment of the accrued interest, in the order of the maturity of the installments, with interest on the overdue installments thereof at the same rates respectively as were borne by the bonds on which such interest shall be in default, and next to the payment of the principal of all the bonds; in every instance such payments to be made ratably to the persons entitled to such payments, without any discrimination or preference.

These provisions, however, are not intended in anywise to modify the provisions of Section 1 of this Article XII, but are subject thereto.

SECTION 3. In case any one or more of the events of default shall happen, then and in any such case, unless the principal of the bonds shall already have become due and payable, the Trustees by notice in writing delivered to the Company, may, and upon the written request of the holders of twenty-five per cent in amount of the bonds then outstanding shall, declare the principal of all the bonds then outstanding to be forthwith due and payable, and upon any such declaration the same shall become and be forthwith due and payable, anything in this Indenture or in said bonds contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time, after the principal of said bonds shall have been so declared due and payable, and before any sale of the trust estate or any part thereof shall have been made, all arrears of interest upon all the bonds, with interest on overdue installments of interest at the same rate as was borne by the respective bonds on which installments of interest may be overdue, together with the reasonable charges and expenses of the Trustees, their agents, and attorneys, shall either be paid by the Company or be collected out of the income of the trust estate and all other defaults under the bonds, or under this Indenture, shall be made good to the satisfaction of the Trustees, then and in such case the holders of a majority in amount of the bonds

then outstanding, by written notice to the Company and to the Trustees, may waive such default and its consequences; but no such waiver shall extend to or affect any subsequent default or impair any right consequent thereon.

SECTION 4. If one or more of the events of default shall happen, the Trustees, with or without entry, personally or by attorney, in their discretion, either:

(a) May sell to the highest and best bidder all and singular the trust estate, including bonds, stocks, rights, franchises, interests, and appurtenances, and other real and/or personal property of every kind, and all right, title and interest, claim and demand therein, and right of redemption thereof; such sale or sales shall be made at public auction at such place in the City of Chicago, in the State of Illinois, or at such other place, 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, and/or

(b) May proceed to protect and to enforce their rights and the rights of the holders of the bonds, by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained therein, or in aid of the execution of any power herein granted, or for the foreclosure of this Indenture, or to enforce the payment of any of the bonds and coupons pledged hereunder, and of any deficiencies, or amounts remaining due and unpaid upon any or all of the said bonds or coupons, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustees, being advised by counsel, shall deem most effectual to protect and enforce any of their rights or duties under this Indenture or the rights of the holders of the bonds.

SECTION 5. Upon the written request of the holders of twenty-five per cent in amount of the bonds then outstanding, it shall be the duty of the Trustees, in case one or more of the events of default shall happen, upon being indemnified as hereinafter provided, to take all steps needful for the protection and enforcement of their rights and the rights of the

holders of the bonds, and to exercise the power of entry or of sale herein conferred, or of both, or to take appropriate judicial proceedings by action, suit or otherwise as the Trustees, being advised by counsel, shall deem most expedient in the interest of the holders of the bonds.

SECTION 6. In the event of any sale, whether made under the power of sale herein granted or conferred, or under or by virtue of judicial proceedings, the property and securities constituting the trust estate shall be sold either in parcels or as an entirety, as the Trustees may elect or the court in which such proceedings are pending may direct, unless the holders of a majority in amount of the bonds then outstanding shall, in writing, request the Trustees to cause said property and securities to be sold in a particular manner, in which case the sale shall be made either as an entirety or in such parcels and in such order as may be specified in such request, subject, however, in the case of a sale under judicial proceedings, to the approval of the court. The Company, for itself and all persons and corporations hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to 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 marshaled upon any foreclosure or other enforcement hereof.

SECTION 7. Notice of any sale pursuant to the provisions 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 if published once in each week for four successive weeks prior to such sale in a daily newspaper of general circulation published in the City of Chicago, Illinois.

SECTION 8. The Trustees may adjourn from time to time

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

SECTION 9. Upon the completion of any sale or sales under this Indenture, the Trustees shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed, or good and sufficient deeds, and other instruments conveying, assigning and transferring the properties sold. The Trustees and their successors hereby are appointed the true and lawful attorneys irrevocable of the Company, in their name and stead, to make all conveyances, assignments and transfers of the premises and property thus sold, in the judgment of the Trustees advisable; and, for that purpose, the Trustees may execute all requisite deeds and instruments of assignment and transfer, and may substitute one or more persons with like power; the Company hereby ratifying and confirming all that its said attorneys or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, the Company shall, if so requested by the Trustees, ratify and confirm any sale or sales by executing and delivering to the Trustees or to such purchaser or purchasers all such instruments as may be, in the judgment of the Trustees, advisable for the purpose and as may be designated in such request.

SECTION 10. Any such sale or sales made under or by virtue of this Indenture, whether under the power of sale herein granted and conferred, or under or by virtue of judicial proceedings, 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 premises and 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 premises and property sold, or any part thereof, from, through or under the Company, its successors and assigns.

SECTION 11. The personal property and chattels conveyed or intended to be conveyed by or pursuant to this Indenture (other than bonds, stocks and securities) shall be deemed real estate for all the purposes of this Indenture, and shall be held and taken to be fixtures and appurtenances of said plants and properties, and part thereof, and are to be used and sold therewith and not separate therefrom, except as herein otherwise provided.

SECTION 12. The receipt of the Trustees for the purchase money paid at any such sale shall be a sufficient discharge therefor to any purchaser of the property or any part thereof sold as aforesaid; and no such purchaser or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this Indenture, or in any manner whatsoever be answerable for any loss, misapplication or nonapplication of any such purchase money or any part thereof, or be bound to inquire as to the authorization, necessity, expediency, or regularity of any such sale.

SECTION 13. In case of a sale under any of the foregoing provisions of this Article, whether made under the power of sale herein granted or pursuant to judicial proceedings, the principal of the then outstanding bonds, if not previously due, shall immediately thereupon become due and payable, anything in said bonds or in this Indenture to the contrary notwithstanding.

SECTION 14. The purchase money, proceeds, or avails of any such sale, whether under the power of sale herein granted or pursuant to judicial proceedings, together with any other

sums which then may be held by the Trustees under any of the provisions of this Indenture, shall be applied as follows:

First. To the payment of the costs and expenses of such sale, including reasonable compensation to the Trustees, their agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustees, and to the payment of all taxes, assessments, or other liens prior to the lien of this Indenture, except any prior liens subject to which the property shall have been sold.

Second. To the payment of the whole amount then owing and unpaid upon the bonds for principal and interest, with interest on the overdue installments of interest at the same rates, respectively, as were borne by the bonds on which such installments of interest are overdue; or in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon said bonds, then to the payment of the principal and interest on said bonds, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest, ratably to the aggregate of such principal and the accrued and unpaid interest, subject, however, to the provisions of Section 1 of this Article XII.

Third. To the payment of the surplus, if any, to the Company, its successors and assigns, or to whosoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

SECTION 15. Upon any such sale by the Trustees or pursuant to judicial proceedings, any purchaser for or in settlement or payment of the purchase price of the property purchased shall be entitled to use and apply any bonds issued and outstanding hereunder, and any matured and unpaid coupons, by presenting such 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, after the deduction of costs, expenses, compensation, and other charges, and thereupon such purchaser shall

be credited, on account of such purchase price payable by him, with the portion of such net proceeds that shall be applicable to the payment of, and that shall have been credited upon, the bonds and coupons so presented; and at any such sale, any holder of bonds issued and outstanding hereunder may bid for and purchase such property, and may make payment therefor as aforesaid, and upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability.

SECTION 16. The Company covenants that

(1) In case default shall be made in the payment of any installment of interest on any of the bonds, and such default shall have continued for sixty days; or

(2) In case default shall be made in the payment of the principal of any of the bonds when the same shall become payable, whether upon the maturity of said bonds or upon declaration as authorized by this Indenture, or upon a sale as set forth in Section 13 of this Article XII.

then upon demand of the Trustees, the Company will pay to the Trustees for the benefit of the holders of the bonds and coupons then outstanding, the whole amount which then shall have become 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 installments of interest at the same rates, respectively, as on the bonds which, or the installments of interest which, are overdue; and in case the Company shall fail to pay the same forthwith upon such demand, the Trustees in their own name and as trustees 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 proceedings for the enforcement of the lien of this Indenture; and the right of the Trustees to recover such judgment shall

not be affected by an entry or sale hereunder, or by the exercise of any other right, power, or remedy for the enforcement of the provisions of this Indenture or the foreclosure of the lien hereof; and in case of a sale of the property subject to this Indenture, and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustees in their own name 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 of the bonds 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 levy of any execution under any such judgment on property subject to this Indenture, or, on any other property, shall, in any manner or to any extent, affect the lien of this Indenture, on the property, or any part of the property, subject to this Indenture, or any rights, powers or remedies of the Trustees hereunder, or any liens, rights, powers, or remedies of the holders of the bonds, but such liens, rights, powers and remedies of the Trustees and of the bondholders shall continue unimpaired as before.

Any moneys thus collected by the Trustees under this Section 16 shall be applied by the Trustees, first, to the payment of the expenses, disbursements and compensation of the Trustees, their agents and attorneys, and, second, towards payment of the amounts then due and unpaid upon such bonds and coupons in respect of which such moneys shall have been collected, ratably and without any preference or priority of any kind 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, on presentation of the several bonds and coupons and their surrender, if fully paid, or for proper stamping, if only partly paid.

SECTION 17. 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 the valuation or appraisement of the property, or any part of the property, subject to this Indenture, prior to any sale or sales thereof to be made, pursuant to 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 heretofore or hereafter enacted by the United States or by any state, or otherwise, to redeem the property so sold or any part thereof; and the Company 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 or 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.

SECTION 18. Upon filing a bill in equity, or upon commencement of any other judicial proceedings, to enforce any right of the Trustees or of the bondholders under this Indenture, the Trustees shall be entitled to exercise the right of entry and also any and all other rights and powers herein conferred and provided to be exercised by the Trustees upon the happening of an event of default as hereinbefore provided; and, as matter of right, the Trustees shall be entitled to the appointment of a receiver of the premises and property subject to this Indenture, and of the earnings, income, revenues, rents, issues and profits thereof, with such powers as the court making such appointment shall confer; but notwithstanding the appointment of any receiver, the Trustees shall be entitled, as pledgee, to continue to retain possession and con-

trol of any bonds, securities, cash and other property pledged or to be pledged hereunder.

SECTION 19. No holder of any bond or coupon 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 hereunder, or for the appointment of a receiver, or for any other remedy hereunder, unless such holder previously shall have given to the Trustees written notice that some event of default specified in such notice has happened, nor unless also the holders of twenty-five per cent in amount of the bonds then outstanding hereunder shall have made written request upon the Trustees, and shall have afforded to the Trustees a reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit or proceedings in their own names; nor unless, also, they shall have offered to the Trustees adequate security and indemnity to 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 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 or 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.

SECTION 20. Except as herein expressly provided to the

contrary, no remedy herein conferred upon or reserved to the Trustees, or to the holders of bonds is intended to be exclusive of any other remedy or remedies, and 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.

SECTION 21. No delay or omission of the Trustees, or of any holder of bonds to exercise any right or power accruing upon any default, shall impair any such right or power, or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Article XII to the Trustees, and to the bondholders respectively, may be exercised from time to time, and as often as may be deemed expedient, by the Trustees or by the bondholders, respectively.

SECTION 22. In case the Trustees shall have proceeded to enforce any right under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustees, then, and in every such case, the Company, the bondholders, and the Trustees, shall severally and respectively be restored to their former position and rights hereunder in respect of the trust estate, and all rights, remedies and powers of the Trustees shall continue as though no such proceeding had been taken.

ARTICLE XIII.

CONCERNING THE TRUSTEES.

SECTION 1. The Trustees may select and employ such officers, agents, servants, attorneys, and other assistants as they may reasonably require for the proper discharge of

their duties hereunder, and may pay reasonable remuneration therefor, and may take legal advice in all matters connected herewith, and shall be entitled to receive reasonable remuneration for all services performed by them in discharge of the trusts hereof and reimbursement for all expenses made or incurred by them in the discharge of their duties hereunder and in the management of the trusts hereof, and all such expenses are hereby constituted a lien upon the trust estate prior to the lien of the said bonds.

SECTION 2. All representations and recitals herein set forth or in the bonds hereby secured, are made by and on behalf of the Company, and the Trustees are in no way responsible therefor, nor for any statements herein contained, nor for any act or thing by them done by reason of any representation to them made by the Company or any of its officers, and the Trustees shall not be answerable for the default or misconduct of any officer, agent, servant, attorney, or person employed by them, or either of them, in pursuance hereof, if selected with reasonable care, nor in any event shall the Trustees be answerable for any default, neglect, or misconduct of any person who may have been the agent, attorney, or employee of the Company, and who shall have been by the Trustees continued in the charge of any of the affairs or property of the Company; nor shall the Trustees, or either of them, be in any way responsible or liable for anything whatsoever done or omitted to be done by them or either of them, in connection with this trust, except for willful misconduct or gross negligence.

SECTION 3. The Trustees shall not be bound to act as hereinbefore provided in accordance with any direction or request of the Company or of its Board of Directors until a duly authenticated copy of the resolution or vote containing such direction or request shall have been delivered to the Trustees. The Trustees shall be fully empowered to act, upon any instrument or instruments purporting to be proper

certificates or copies of resolutions of votes of the Board of Directors of the Company and believed by the Trustees, or either of them so acting, to be genuine.

SECTION 4. The Trustees shall not be responsible for insuring the trust estate, or for renewing any policies of insurance, or for the execution, acknowledgment, recording or validity of this Indenture or any supplemental indenture, or for the validity or priority of any bonds issued hereunder, or for keeping down taxes, charges, assessments, or liens upon the trust estate, or otherwise as to the maintenance of the security hereby created, or be bound to ascertain or inquire as to the performance or observance of any of the covenants or agreements to be performed or observed by the Company, or as to the payment or discharge of taxes, charges, assessments, or liens in respect of the trust estate, or otherwise, but the Trustees may, in their discretion, make or renew any such insurance, or pay and discharge any such taxes, charges, assessments, and liens or insurance moneys, in case of any default in respect thereof by the Company, and the Trustees may require the Company to keep them fully informed and advised as to the performance of the covenants and agreements aforesaid and as to the condition of the trust estate.

SECTION 5. The Trustees shall be under no obligation to see to the record, registry, filing, re-record, re-registry, renewal or re-filing of this Indenture, or the record, registry, or filing of any supplemental Indenture given hereunder, either as a mortgage upon real estate or as a chattel mortgage on personal property.

SECTION 6. The Trustees shall not be obliged to give notice of the existence of this trust to any person or corporation whomsoever, nor shall the Trustees be in any way responsible for the application of bonds delivered to the Company pursuant to the terms hereof.

SECTION 7. The Trustees shall not be required to take notice of any default hereunder unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Trustees, and in the absence of any such notice the Trustees may for all purposes of this Indenture conclusively assume that the Company is not in default hereunder. No such notice or request or any other provision herein contained shall in any way limit any discretion herein given to the Trustees to determine whether or not the Trustees shall take action with respect to any default or take action without request.

SECTION 8. The Trustees may advise with legal counsel, to be selected and employed by them at the expense of the Company, and any action under this Indenture taken or suffered in good faith by the Trustees, or either of them, in accordance with the opinion of counsel shall be conclusive on the Company and shall be full justification and protection to the Trustees.

SECTION 9. The Trustees shall not be bound to recognize any person as the holder of bonds entitled to the benefit of the provisions hereof, or to take any action at his request, unless such bonds shall have been deposited with the Corporate Trustee or submitted to its inspection, and, if required, unless such holder shall satisfactorily establish his title thereto, and the Trustees shall not be under any responsibility to do any act hereunder or to defend any suit in respect hereof, unless requested to take such action by a writing signed by the holders of not less than Twenty-five per cent (25%) in amount of the bonds secured hereby, and unless they shall be reasonably indemnified against loss, cost, liability, and responsibility. And every action taken by the Trustees upon the request of any person who at the time is the holder or owner of any bond or bonds, or coupon or coupons hereby secured, shall be conclusive and binding on all persons who

may thereafter become owners of the same bond or bonds, or coupon or coupons. The Trustees shall be under no duty to see to the use or application of the bonds certified and delivered by them hereunder, or any of them, or the proceeds thereof, nor to ascertain whether or not any of said bonds have been issued in accordance with the laws of any state.

SECTION 10. The Trustees shall not be personally liable for any debts contracted by them, or either of them, nor for damages to person or property involved, nor for sales or nonfulfillment of contracts during any period or periods during which said Trustees, or either of them, may manage the mortgaged property or premises as herein provided, but any such obligations so contracted shall be liens only upon the trust estate, and not personal obligations against the Trustees.

SECTION 11. Where the Trustees shall have demanded or received indemnity under the provisions of this Indenture, and it shall afterwards appear, in the judgment of the Trustees, that the indemnity so demanded or received shall be, or become, insufficient, the Trustees shall not be required to take any further action hereunder until additional indemnity shall have been furnished to the said Trustees.

SECTION 12. The power of the Trustees to make any declaration, demand, election or request, or to take any proceeding, in or out of court, shall not be exhausted by one exercise thereof, whether followed by a waiver and restoration or not; but all their powers may be exercised whenever and as often as there shall be occasion therefor.

SECTION 13. The Trustees, or either of them, at any time, may, and shall at the request in writing of the holders of three-fourths of the bonds, resign and discharge themselves of and from the trusts hereby created by giving not less than sixty (60) days' notice in writing to the Company or such shorter notice as the Company shall accept as sufficient. In

case of the resignation, disqualification, dissolution, refusal to act, removal or death of any Trustee under this Indenture, a new Trustee, which shall, in the event of the resignation, disqualification, dissolution or removal of the Corporate Trustee, be a trust company duly authorized and qualified to act as Trustee hereunder, 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 in writing, signed by such holders or by their attorneys in fact, duly authorized; but if at any time there shall be a vacancy in any trusteeship hereunder, the Company, by an instrument executed by order of its Board of Directors, may appoint a trustee to fill the same until a new trustee shall have been appointed by the bondholders, as aforesaid, and when any such new trustee shall be appointed by the bondholders, any trustee theretofore appointed by the Company shall thereupon, by such appointment of the bondholders, be superseded and retired. It shall be the duty of the Company to cause to be recorded in the same manner as this Indenture shall have been recorded, each resignation and acceptance of the trusteeship and each appointment as trustee hereunder. Whenever a new trustee shall succeed to the trusteeship under this Indenture, such new trustee shall, without any further act, deed or conveyance, be and become vested with all the estate, properties, rights, powers, duties and trusts of its, or his predecessor in the trust hereunder, with like effect as if originally named as Trustee herein; but the retiring trustee shall, nevertheless, upon written demand of the new trustee, execute and deliver to the new trustee such proper conveyance as will legally transfer the mortgaged property and the trusts hereunder.

SECTION 14. The Trustees shall not be responsible for the genuineness of any signature of any party to any document executed by any person whomsoever, in accordance with, or

in pursuance of the terms of this Indenture, but may without any liability on their part, assume as genuine any purported signature by any person, officer or corporation to any such instrument, and shall be protected in acting under or upon any notice, request, consent, certificate, resolution, affidavit, opinion, order, letter, telegram, bond, or other paper, writing or document believed by them, or either of them, to be genuine and correct, and to have been executed, signed, made or sent by the proper person or persons, or by the party purporting to make, sign and execute or send the same, and may, in the discharge of their duties hereunder, act upon the information or advice of any attorney, valuer, surveyor, engineer, accountant, or other expert retained by them or by the Company, and shall not be responsible for any loss resulting from any action or nonaction in accordance with any such information or advice. Any notice to the Company under any provision of this instrument shall be sufficiently given if served personally upon the President or a Vice President of the Company, or sent by registered mail addressed to the Company at Davenport, Iowa, and also at Centerville, Iowa.

SECTION 15. The Trustees shall not be liable for any release or releases improvidently executed by them in supposed compliance with the terms of this Indenture, but any such release or releases which may be executed by the said Trustees, where the Company shall not be entitled to receive the same, shall, as against the Company, be null, void, and of no effect.

SECTION 16. In any case where it shall be provided in this Indenture that the Trustees may act upon certain conditions, or in case at any time it shall be necessary or proper for the Trustees to make any investigation hereunder, respecting any fact preparatory to taking or not taking any action, or doing or not doing anything as such Trustees, except when it is specifically otherwise provided, a certificate signed in the Company's name by its President or a Vice

President, under its corporate seal, attested by its Secretary or an Assistant Secretary, shall be conclusive evidence in favor of the Trustees of the facts therein purported to be stated, and shall be full warrant, authority and protection to the Trustees as to any action taken or not taken by them on the faith thereof, both as to the Trustees and the holders of the bonds secured hereunder. But nothing herein contained shall in any way limit the right or authority of the Trustees, or either of them, in their discretion, to require any further proof to their satisfaction or to make further examination or investigation with reference to any fact which they may deem it advisable for them to ascertain, and the Company agrees to pay on demand all expenses reasonably incurred by the Trustees in connection therewith. Except as may be otherwise provided by this Indenture, and unless and until there shall be delivered to the Trustees a certified copy of a resolution of the Board of Directors of the Company determining otherwise, every request, order, consent, or expression of desire set forth in writing, addressed and delivered to the Trustees, and signed in the name of the Company by its President or a Vice President, may, for every purpose of this Indenture, be taken and relied upon by the Trustees as the request, order, consent or expression of desire of the Company.

ARTICLE XIV.

SUNDRY PROVISIONS.

SECTION 1. All the covenants, stipulations, terms and agreements in this Indenture contained, by or in behalf of the Company, shall bind its successors and assigns whether so expressed or not.

SECTION 2. Except when otherwise indicated, the term "Trustees" means the Trustees for the time being, orig-

inal or successor. The words "Corporate Trustee" mean the Corporate Trustee hereinbefore named and each and every successor thereof. The words "Individual Trustee" mean the Individual Trustee, hereinbefore named and each and every individual successor to such Individual Trustee. Whenever in this Indenture the term "Bonds" is used, the same shall be deemed and construed to mean the bonds of the Company issued under these presents at the time outstanding and unpaid, unless the context requires some other meaning, and in like manner the term "Bondholders" shall be deemed and construed to mean the holders for the time being of the said bonds, or in the case of a registered bond it shall mean the person in whose name the bond is registered. The term "majority" when applied in reference to the bonds or the holders thereof shall signify the majority in amount, or the holders of a majority in amount, as the context may require, whether so expressed or not.

SECTION 3. It is further expressly understood and agreed that either of the Trustees may buy, sell, hold, own or deal in any of the bonds or coupons issued hereunder and secured by this Indenture and may take or join in any action proper to be taken by any bondholder as freely and with like effect as if such Trustee were not a party to this Indenture.

SECTION 4. Harold H. Rockwell, one of the parties of the second part, has been joined as Individual Trustee hereunder, so that if, by any present or future law in any jurisdiction in which it may be necessary to perform any act in the execution of the trusts hereby created, the said The Northern Trust Company, as Trustee, or its successor or successors, may be incompetent or unqualified to act as such Trustee, then all the acts required to be performed in such jurisdiction, in the execution of the trusts hereby created, shall and will be performed by said Individual Trustee, or his

successor or successors, acting alone. Except as it may be deemed necessary for the said Individual Trustee solely to execute the trusts hereby created the said The Northern Trust Company, or its successors or successor, may solely have and exercise the powers, and shall be solely charged with the performance of the duties herein declared on the part of the Trustees, or either of them, to be had and exercised or to be performed.

Any requests in writing by said The Northern Trust Company, Trustee, or by any trust company appointed in succession to it, to the Individual Trustee hereunder, or to any Trustee appointed in succession to him, shall be sufficient warrant for the Individual Trustee or his successor or successors in taking such action as may be requested.

Such Individual Trustee or any successor or successors may delegate to said The Northern Trust Company, Trustee, or any trust company appointed in succession to it, the exercise of any power, discretionary or otherwise, conferred by any provision of this Indenture.

Said The Northern Trust Company, its successors and assigns, shall have the power at any time, by an instrument in writing, duly executed by its President or a Vice President, under its seal, to remove said Individual Trustee from his position as one of the Trustees hereunder, and to appoint some other officer of said The Northern Trust Company as successor in trust to the said Individual Trustee, and any successor in trust, so appointed by said The Northern Trust Company, in case of the removal of said Individual Trustee, or in case of the death, resignation, or inability to act of said Individual Trustee, shall be vested with all and singular the same powers and authority as in this Indenture conferred upon the said Individual Trustee.

SECTION 5. From time to time the holders of three-fourths in amount of all the bonds hereby secured, at the time out-

standing, by their votes at a meeting of the bondholders, called by the Trustees on such notice as the Trustees deem sufficient, or by an instrument or instruments signed by such holders, shall have power, with the written approval of the Trustees:

(1) To assent to and authorize the release of any part of the property mentioned herein, and conveyed to or held by the Trustees under this Indenture;

(2) To assent to and authorize any modification or compromise of the rights of the bondholders and of the Trustees against the Company or against any property subject to this Indenture, whether such rights shall arise under this Indenture or otherwise; and

(3) To assent to and authorize any modification of the provisions of this Indenture that shall be proposed by the Company and approved by the Trustees, and any action taken with the assent or authority given as aforesaid, shall be binding upon the holders of all the bonds hereby secured and upon the Trustees as fully as though such action were specifically and expressly authorized by the terms and conditions of this Indenture.

SECTION 6. This Indenture may be simultaneously executed in several counterparts and all such counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Company has caused this instrument to be signed in its corporate name by its President or a Vice President, and to be sealed with its corporate seal, attested by its Secretary or an Assistant Secretary, and the said The Northern Trust Company, to evidence its acceptance of the trust hereby created, has caused these presents to be signed in its behalf by its President or a Vice President and sealed with its corporate seal and attested by its Secretary or an Assistant Secretary, and said Harold H. Rockwell, to evidence his acceptance of this trust, has

hereunto set his hand and seal, all as of the day and year first above written.

IOWA SOUTHERN UTILITIES COMPANY OF
DELAWARE,

By J. ROSS LEE,
Vice President.

(CORPORATE SEAL)

Attest:

H. R. BECHTEL,
Secretary.

THE NORTHERN TRUST COMPANY,

By WM. S. MILLER,
Vice President.

(CORPORATE SEAL)

Attest:

H. H. ROCKWELL,
Secretary.

HAROLD H. ROCKWELL (SEAL)

Witnesses to signatures of J.

Ross Lee and H. R. Bechtel:

J. H. CHASE.

E. R. DOUGHERTY.

Witnesses to signatures of Wm.

S. Miller and H. H. Rockwell:

FRANK G. GRADY.

GEO. MACHARG.

Witnesses to signature of Har-
old H. Rockwell:

FRANK G. GRADY.

GEO. MACHARG.

STATE OF IOWA }
COUNTY OF UNION } ss.

BE IT KNOWN, that on this 27th day of March, A. D. 1923, before me, a Notary Public in and for said County and State, duly commissioned and qualified, appeared J. Ross Lee, Vice President, and H. R. Bechtel, Secretary, of Iowa Southern Utilities Company of Delaware, the corporation described in and which executed the foregoing mortgage or deed of trust, personally known to me to be such President and Secretary and to be the same persons who executed the foregoing instrument for and on behalf of said Iowa Southern Utilities Company of Delaware, and whose names are subscribed thereunto, and having been by me duly sworn, severally acknowledged that they signed, sealed, executed and delivered said instrument as such President and Secretary, respectively, as and for their free and voluntary act and deed and as and for the free and voluntary act and deed of said Iowa Southern Utilities Company of Delaware, for the uses and purposes therein set forth, and they and each of them did depose and say that they were respectively the President and Secretary of said Iowa Southern Utilities Company of Delaware; that they knew the corporate seal of said Company; that the seal affixed to the foregoing instrument is the corporate seal of said Company; that it was so affixed by order of the Board of Directors of said Company, and that they signed their respective names as such President and Secretary by like order.

I further hereby certify that said instrument was signed by said J. Ross Lee and H. R. Bechtel in my presence and in the presence of the subscribing witnesses.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first in this my certificate written.

(NOTARIAL SEAL)

T. L. DOUGHERTY,
Notary Public.

My commission expires July 4, 1924.

STATE OF ILLINOIS, }
COUNTY OF COOK. } ss.

BE IT KNOWN, that on this 27th day of March, A. D. 1923, before me, a Notary Public in and for said County and State, duly commissioned and qualified, appeared Wm. S. Miller, Vice President, and H. H. Rockwell, Secretary, of The Northern Trust Company, the corporation described in and which executed the foregoing mortgage or deed of trust, personally known to me to be such Vice President and Secretary, and to be the same persons who executed the foregoing instrument for and on behalf of said The Northern Trust Company, and whose names are subscribed thereunto, and having been by me duly sworn, severally acknowledged that they signed, sealed, executed and delivered said instrument as such Vice President and Secretary, respectively, as and for their free and voluntary act and deed and as and for the free and voluntary act and deed of the said The Northern Trust Company, for the uses and purposes therein set forth, and they and each of them did depose and say that they were respectively the Vice President and Secretary of said The Northern Trust Company; that they knew the corporate seal of said Company; that the seal affixed to the foregoing instrument is the corporate seal of said Company; that it was so affixed by order of the Board of Directors of said Company, and that they signed their respective names as such Vice President and Secretary by like order.

I hereby further certify that said instrument was signed by said Wm. S. Miller and H. H. Rockwell in my presence and in the presence of the subscribing witnesses.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first in this my certificate written.

(NOTARIAL SEAL)

ASHLEY P. HOW,
Notary Public.

My commission expires July 31, 1926.

STATE OF ILLINOIS }
COUNTY OF COOK. } ss.

BE IT KNOWN, that on this 27th day of March, A. D. 1923, before me, a Notary Public in and for said County and State, duly commissioned and qualified, personally appeared Harold H. Rockwell, one of the Trustees mentioned in the foregoing mortgage or deed of trust, personally known to me to be the same person whose name is subscribed to the foregoing instrument, who being by me duly sworn, did say that as such Trustee he signed, sealed, executed and delivered the said instrument as his free and voluntary act and deed, for the uses and purposes therein set forth.

I further hereby certify that said instrument was signed by said Harold H. Rockwell in my presence and in the presence of the subscribing witnesses.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first in this my certificate written.

(NOTARIAL SEAL)

ASHLEY P. How,
Notary Public.

My commission expires July 31, 1926.