

SUPPLEMENTAL INDENTURE

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE
(A Delaware Corporation)
TO
THE NORTHERN TRUST COMPANY
AND
SHELDON A. WEAVER, TRUSTEES

Dated May 1, 1940.

Filed for Record the 31 day of July

A. D. 1940, at 10:30 o'clock A. M.

#4098 Pearl E. Shetterly, Recorder

By Wilma M. Wade, Deputy

Recording Fee, \$ 7.70

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This Supplemental Indenture dated as of the 1st day of May, 1940 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 Sheldon A. Weaver (both of whom are hereinafter referred to as the "Trustees" and the first mentioned of whom is hereinafter referred to as the "Corporate Trustee"), parties of the second part,

WITNESSETH:

WHEREAS, by an Indenture (hereinafter referred to as the "Original Indenture") bearing date the 1st day of February, 1923, the Company for the purpose of securing its bonds to be issued thereunder and secured thereby, mortgaged to The Northern Trust Company and Harold H. Rockwell, as Trustees, and their successors in trust and assigns, all and singular its properties, real, personal and mixed then owned or which might thereafter be acquired (except certain property expressly excepted and reserved from the lien thereof) upon the trusts and for the purposes stated in the Original Indenture, which Original Indenture or indentures supplemental thereto were duly recorded in the following counties, in the State of Iowa, to wit: Clarke, Monroe, Union, Lucas, Louisa, Ringgold, Appanoose, Keokuk, Wayne, Taylor, Poweshiek, Jasper, Washington, Des Moines, Decatur, Wapello, Jefferson, Van Buren, Adams, Mahaska, Madison, Adair, Henry and Warren, and

WHEREAS, subsequent to the date of the Original Indenture certain indentures supplemental to, or amendatory of, the Original Indenture have been made, executed and delivered by the Company to The Northern Trust Company and Harold H. Rockwell, as Trustees, dated respectively March 15, 1924, July 20, 1925, July 25, 1925, February 4, 1926, July 27, 1926, November 1, 1935, and June 10, 1938 by one or more of which indentures additional series of bonds issuable under the Original Indenture have been created and additional property has been subjected to the lien of the Original Indenture by specific descriptions, and

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WHEREAS, pursuant to the provisions of Section 4 of Article XIV of the Original Indenture by an instrument in writing dated April 10, 1939, duly executed by The Northern Trust Company, as Trustee, by its Vice-President under its seal, said Harold H. Rockwell was removed as individual Trustee under the Original Indenture and S. A. Weaver (Sheldon A. Weaver) was appointed successor in the trust to the said individual Trustee, and

WHEREAS, there have been issued and are now outstanding under the Original Indenture as heretofore supplemented and amended First and Refunding Mortgage 5½% Gold Bonds, Series of 1925 (due July 1, 1950, interest rate 5½%) of the aggregate principal amount of \$7,767,900 and First and Refunding Mortgage 5½% Bonds, Series of 1935 (due July 1, 1950, interest rate 5½%) of the aggregate principal amount of \$5,000,000, all of said bonds aggregating \$12,767,900 in principal amount, and

WHEREAS, the Company desires and intends to call for redemption and to redeem all of the said bonds of both Series of the said aggregate principal amount of \$12,767,900 and to issue under the provisions of Section 1 of Article II of the Original Indenture an aggregate principal amount of \$10,000,000 of bonds of a series created by this Supplemental Indenture in lieu of such bonds so to be redeemed, and

WHEREAS, the Original Indenture provides in Section 3 of Article I thereof that bonds may be issued thereunder in series, subject to such terms and conditions as from time to time may be fixed and determined by the Board of Directors of the Company prior to the issuance thereof and that the bonds of each series shall be distinctly designated; and the Original Indenture recites that the bonds to be issued thereunder are to be substantially in the form of the general forms of bonds therein set forth "with such omissions, insertions and variations as may from time to time be determined by the Board of Directors and as authorized by this Indenture", and

WHEREAS, all mortgages or trust indentures prior in lien to the lien of the Original Indenture have been satisfied and discharged of record and the Original Indenture is now a first mortgage lien upon the properties subject thereto, and

WHEREAS, the Company is desirous of providing, by the execution and delivery of this Supplemental Indenture for the issuance under the Original Indenture of bonds of a series to be designated "First Mortgage Bonds, 4% Series due May 1, 1970" to be substantially in the form and to contain the terms and provisions hereinafter set forth; and to issue, under the Original Indenture as supplemented and amended, in respect of the retirement of the bonds now outstanding thereunder, \$10,000,000 aggregate principal amount of bonds of said series, and

WHEREAS, prior to or concurrently with the authentication and delivery by the Corporate Trustee of such initial issue of \$10,000,000 aggregate principal amount of First Mortgage Bonds, 4% Series due May 1, 1970 the Company will deposit or cause to be deposited with the Corporate Trustee in trust for the account of the holders of all of the bonds outstanding of the two series designated respectively First and Refunding Mortgage 5½% Gold Bonds, Series of 1925 and First and Refunding Mortgage 5½% Bonds, Series of 1935, as hereinabove recited, the full amount of funds required to redeem all of such bonds with principal, premium and interest accrued to the redemption dates and will irrevocably authorize the Corporate Trustee to give or cause to be given notice of redemption of such bonds in the manner provided in the respective supplemental indentures creating the respective series and has taken or will take all other action prerequisite to the redemption of all of said bonds of said Series of 1925 and Series of 1935, and

WHEREAS, it is intended that the Original Indenture, as heretofore supplemented and amended by the indentures supplemental thereto or amendatory thereof shall be amended in accordance with the provisions of Section 5 of Article XIV of the Original Indenture by the execution and delivery of an indenture supplemental to the Original Indenture by and between the Company and The Northern Trust Company and Sheldon A. Weaver, as Trustees, which Supplemental Indenture will be consented to by the holders of all of the \$10,000,000 aggregate principal amount of First Mortgage Bonds, 4% due May 1, 1970 to whom such bonds will be initially sold by the Company,

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NOW, THEREFORE, Iowa Southern Utilities Company of Delaware in consideration of the premises and of One Dollar (\$1.00) to it paid by the Corporate Trustee at or before the enrolling and delivery of these presents, the receipt whereof is hereby acknowledged, for the purpose of creating a series of bonds to be designated "First Mortgage Bonds, 4% Series due May 1, 1970" and establishing the form and terms thereof, does hereby covenant to and with the Trustees, as follows:

ARTICLE I.

PROVISIONS IN RESPECT TO BONDS OF SERIES DUE MAY 1, 1970.

SECTION 1. There is hereby created for issuance under the provisions of the Original Indenture as heretofore or hereafter amended a series of bonds designated "First Mortgage Bonds, 4% Series due May 1, 1970" hereinafter termed Series due May 1, 1970, the amount of which is not limited hereby. There shall be initially issued \$10,000,000 aggregate principal amount of bonds of said Series due May 1, 1970, in accordance with the provisions of the Original Indenture.

SECTION 2. The bonds of said Series due May 1, 1970 shall be issued as coupon bonds, registerable as to principal, in the manner and subject to the provisions of the Original Indenture, as heretofore or hereafter amended, of the denominations of \$1,000 and \$500, numbered as provided in the Original Indenture, as heretofore or hereafter amended. They shall be dated May 1, 1940. They shall be payable (subject to prior redemption as hereinafter provided) on May 1, 1970. They shall bear interest from May 1, 1940 at the rate of four per centum (4%) per annum, payable semi-annually on the 1st days of May and November in each year. Both the principal of and interest on the bonds of the said series shall be payable in lawful money of the United States of America. Principal and interest shall be payable at the office of The Northern Trust Company in the City of Chicago, State of Illinois, or its successor, and interest shall also be payable at the option of the bearer

of the interest coupons at the office or agency of the Company in the Borough of Manhattan, City and State of New York.

The bearer or registered owner of any bond or bonds of the Series due May 1, 1970 of either denomination may at his option surrender the same at the office of The Northern Trust Company, the Corporate Trustee, in the City of Chicago, State of Illinois, with all unmatured coupons attached in exchange for another bond or bonds of the same series of the other authorized denomination with all unmatured coupons attached but of equal aggregate principal amount, all upon payment of the charges and subject to the terms and conditions specified in the Original Indenture as heretofore or hereafter amended.

The bonds of the said Series due May 1, 1970 may be initially issued in the form of temporary bonds without coupons, exchangeable for definitive coupon bonds of the said series, in accordance with the provisions of the Original Indenture as heretofore or hereafter amended.

SECTION 3. (a) The Company covenants that, so long as any of the bonds of the Series due May 1, 1970 shall be outstanding it will pay or cause to be paid to the Corporate Trustee as or toward a Sinking Fund for the purchase, redemption, acquisition or retirement of the bonds of the said series, at the times and in the amounts in lawful money of the United States of America hereinafter specified, to wit:

On or before the 1st day of May, 1951 and the 1st day of May in each year thereafter to and including the first day of May, 1963 an amount equal to one and one-half percentum ($1\frac{1}{2}\%$) of the greatest aggregate principal amount of bonds of the said series issued and outstanding at any one time prior to the date of the respective payments and on or before the 1st day of May, 1964 and the 1st day of May in each year thereafter to and including the 1st day of May, 1969 an amount equal to one and three-quarter percentum ($1\frac{3}{4}\%$) of the greatest aggregate principal amount of the bonds of the said series issued and outstanding at any one time prior to the date of the respective payments.

(b) The amounts so paid to the Corporate Trustee shall be held by the Corporate Trustee as security for the payment of the

bonds of said Series due May 1, 1970 issued hereunder until applied as hereinafter in this Section provided. Bonds purchased, redeemed, acquired, or retired with any such monies shall for all purposes of the Original Indenture, as heretofore or hereafter amended and of this Supplemental Indenture be deemed to have been purchased, redeemed, acquired, or retired for Sinking Fund purposes. In case any bond or bonds shall be called for redemption for the Sinking Fund or for Sinking Fund purposes, as hereinafter provided, such redemption shall be effected in the manner provided in Section 4 of this Article I of this Supplemental Indenture and in any such case the redemption price shall be the principal amount of the bonds so called for redemption and accrued interest thereon to the date of redemption.

(c) At any time upon the request of the Company expressed by resolution, of its Board of Directors or an Executive Committee thereof, the Corporate Trustee shall, to the extent that such bonds are available for such purchase, apply all or any part of the cash then in the Sinking Fund to the purchase of bonds of the Series due May 1, 1970 then outstanding, at a price not exceeding the principal amount of such bonds including the accrued interest thereon. Before making any such purchase the Corporate Trustee shall by notice published once in each of at least two successive calendar weeks and in each case on any day in the week in a daily newspaper of general circulation, printed in the English language, published in the City of Chicago, State of Illinois, advertise for written proposals to sell to it on or before a specified date bonds of the Series due May 1, 1970 then outstanding. The Corporate Trustee shall, in addition to publishing such notice, as aforesaid, at least one week before making such purchase, mail a copy thereof to each registered owner, if any, of any of the bonds of Series due May 1, 1970 then outstanding. The Corporate Trustee shall purchase to the extent possible with such funds then in its hands and requested by the Company to be so applied, the bonds of said Series due May 1, 1970 so offered at the lowest price or prices asked therefor and reasonable notice shall be given by the Corporate Trustee to the owner or owners of the bonds whose proposals may be accepted. Upon any such request by resolution, as hereinabove in this Section provided for, the Corporate Trustee

may also in its discretion, and upon request of the Company so to do shall, invite offers of bonds of said Series due May 1, 1970 for sale to the Sinking Fund in any other usual manner. Should there be two or more proposals at the same price aggregating more than the amount in said Sinking Fund available for the purchase of bonds after the Corporate Trustee has accepted all proposals at lower prices, the Corporate Trustee shall in accepting proposals give preference to such proposals as are subject to acceptance of a portion thereof as against proposals not subject to such acceptance; and shall as between proposals subject to acceptance of a portion thereof accept the same pro rata; and shall as between proposals not subject to such acceptance select by lot according to such method as the Corporate Trustee shall deem proper in its discretion the proposals to be accepted. All offers by holders shall be subject to acceptance of a portion thereof, unless otherwise expressed in the offers and all notices inviting written proposals shall so state.

The Corporate Trustee shall have the right in its discretion to reject any and all proposals in whole or in part.

If, after the expiration of two months from the date of the request of the Company to the Corporate Trustee to purchase bonds in accordance with the provisions of this Section, there shall remain in the Sinking Fund moneys so requested by the Company to be applied to the purchase of bonds, as hereinabove provided, in an amount in excess of Ten Thousand Dollars (\$10,000), and if the Corporate Trustee shall be at such time unable otherwise to purchase the requisite amount of bonds of said Series due May 1, 1970 at a price not exceeding the current redemption price for Sinking Fund purposes of such bonds including the accrued interest thereon, the Corporate Trustee shall, as soon as practicable thereafter, apply such moneys to the redemption of bonds of said Series due May 1, 1970 at the current redemption price for Sinking Fund purposes of the bonds of said Series in the manner and as provided for the redemption of bonds in Section 4 of this Article I of this Supplemental Indenture.

(d) The Company covenants that in each case of any purchase or redemption of bonds of said Series due May 1, 1970 for Sinking Fund purposes under any of the provisions of this Section

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(e) All bonds of said Series due May 1, 1970 purchased, redeemed or otherwise acquired by the Corporate Trustee under any of the provisions of this Section 3 for Sinking Fund purposes shall forthwith be cancelled by the Corporate Trustee and the Corporate Trustee shall thereupon cremate such bonds and deliver evidence of the cremation thereof to the Company and no such bonds shall be reissued.

(f) The delivery by the Company to the Corporate Trustee for cancellation of bonds of said Series Due May 1, 1970 with their appurtenant unmatured coupons shall be deemed equivalent to the payment of any cash to the Sinking Fund or for Sinking Fund purposes to an amount equal to the principal amount of the bonds so delivered.

(g) All monies amounting to \$10,000 or over remaining in the Sinking Fund for a period of two months which shall not have been made the subject of a proper request by the Company for application to the purchase or redemption of bonds of said Series due May 1, 1970 as provided in this Section shall be applied by the Corporate Trustee to the redemption of bonds of said Series due May 1, 1970 in the manner specified in Section 4 of this Article; and in such event the Company shall be deemed to have elected to redeem the bonds selected for redemption by the Corporate Trustee as provided in said Section 4 and the Corporate Trustee is hereby irrevocably authorized to give notice of redemption of the bonds so to be redeemed for and on behalf of and in the name of the Company.

(h) If the mortgaged property shall be sold either under the power of sale provided in the Original Indenture as heretofore or hereafter amended, or under decree of court in suit for a fore-

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closure of said Indenture then any amount then remaining in the Sinking Fund, except monies applicable to bonds theretofore called for redemption, shall be added to and dealt with as if it were a part of the proceeds of such sale.

SECTION 4. (a) The bonds of said Series due May 1, 1970 shall be redeemable at the option of the Company, as a whole or in part, on any date at the respective prices and times specified therein and in accordance with the provisions of the six next succeeding subdivisions of this Section 4 lettered from (b) to (g), both inclusive.

(b) In case of redemption of a part only of the bonds of Series due May 1, 1970, the particular bonds so to be redeemed shall be selected by the Corporate Trustee by lot, according to such method as it shall deem proper in its discretion. Notice of intention to redeem (including in case a part only of the bonds of said Series are to be redeemed, the numbers of such bonds and in case such bonds are to be redeemed for Sinking Fund purposes a statement to that effect) shall be given, by or on behalf of the Company by publication at least once in each of not less than three successive calendar weeks preceding the date fixed for redemption and in each case on any day in the week (the first publication to be at least thirty days before the redemption date), in a daily newspaper, printed in the English language, published and of general circulation in the City of Chicago, State of Illinois. A copy of such notice shall also be mailed by or on behalf of the Company, not less than thirty days before the redemption date, to the holders of any bonds registered as to principal which are to be redeemed, at their last addresses, if any, appearing upon the registry books, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of such bonds.

(c) In the event that the Company shall give notice of its intention to redeem any of the said bonds, the Company shall, and it hereby covenants that it will on or before the redemption date specified in such notice, deposit with the Corporate Trustee or leave with the Corporate Trustee if previously deposited a sum

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of money sufficient to redeem all of the bonds called for redemption on such date. If the Company shall fail so to deposit or leave with the Corporate Trustee the money for the redemption of said bonds such failure shall constitute a default under the Original Indenture as heretofore or hereafter amended and the said bonds so called for redemption shall immediately become due and payable, and the holders of said bonds shall be entitled to receive and the Company shall be obligated to pay the redemption price of said bonds, and thereupon and without the lapse of any period of time all of the remedies provided for in the Original Indenture as the same may have been amended with respect to a default in the payment of principal shall be available to and enforceable by the Corporate Trustee.

(d) Moneys deposited by the Company with the Corporate Trustee under the provisions of this Section, or left with the Corporate Trustee if previously deposited, for the redemption of any of the bonds of said Series due May 1, 1970 (whether all or a part only of the bonds of said Series are to be redeemed) and including bonds called for redemption for Sinking Fund purposes shall be held in trust, for the account of the respective holders of the bonds to be redeemed and shall be paid to them respectively, upon presentation and surrender of such bonds with all unmatured coupons appertaining thereto; and on and after such redemption date if the moneys for the redemption of said bonds shall have been deposited as aforesaid, or left with the Corporate Trustee if previously deposited, such bonds shall cease to bear interest, and such bonds shall cease to be entitled to the lien, benefits or security of the Original Indenture as heretofore or hereafter amended, the coupons for interest maturing subsequent to that date shall be void and as respects the Company's liability thereon such bonds and coupons shall be deemed to have been paid.

(e) All bonds of said Series due May 1, 1970 issued hereunder paid, retired or redeemed under any of the provisions of this Section 4 shall forthwith be cancelled, and the Corporate Trustee shall thereupon cremate such bonds and deliver evidence of the cremation thereof to the Company.

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(f) If the amount necessary to redeem any bonds of said Series due May 1, 1970 called for redemption as aforesaid, including bonds called for redemption for Sinking Fund purposes, shall have been deposited with the Corporate Trustee or left with the Corporate Trustee if previously deposited, in trust for the account of the respective holders of such bonds on or before the date specified for such redemption, then from and after the redemption date of such bonds if the notice provided for in respect of the redemption thereof shall have been duly given, or from and after the first date upon which such notice is published, if such notice shall state that moneys to effect such redemption have been deposited with or set apart by the Corporate Trustee and are immediately available for payment to the respective holders of the bonds to be redeemed upon presentation and surrender thereof (provided such moneys are immediately available therefor and provision satisfactory to the Corporate Trustee shall have been made for any further publications of such notice which may be required hereunder or under the Original Indenture as heretofore or hereafter amended and for the payment of the expense of such publications), all such bonds, insofar as such deposit shall have been made or moneys set apart as aforesaid and all coupons appertaining thereto, shall be deemed to have been paid and the Company and the Corporate Trustee shall be entitled to consider such bonds redeemed from the holder or holders thereof and paid for purposes of satisfaction of the Original Indenture as heretofore or hereafter amended.

SECTION 5. The bonds of said Series due May 1, 1970 and the coupons appertaining thereto and the certificate of authentication of the Corporate Trustee to be endorsed upon all such bonds, shall be respectively substantially of the following form:

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[GENERAL FORM OF COUPON BOND]

IOWA SOUTHERN UTILITIES COMPANY OF
DELAWARE

(Incorporated under the laws of the State of Delaware)

FIRST MORTGAGE BOND, 4% SERIES DUE MAY 1, 1970.

No. \$

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 as to principal, to the registered holder hereof) Dollars (\$.....) on the 1st day of May, 1970, and to pay interest thereon from the date hereof until payment of the principal hereof, at the rate of four per centum (4%) per annum, semi-annually, on the first day of May and the first day of November 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 in lawful money of the United States of America. Both the principal of and interest on this bond are payable at the office of The Northern Trust Company, in the City of Chicago, State of Illinois, or its successor, and interest on this bond is also payable, at the option of the bearer of the interest coupons at the office or agency of the Company in the Borough of Manhattan, City and State of New York.

It is provided in the Supplemental Indenture dated May 1, 1940 hereinafter mentioned that the Company will, upon the conditions, within the time and in the manner set forth in said Supplemental Indenture, reimburse to the owner of any bond or bonds of this issue and series any taxes, other than estate, succession, inheritance and income taxes, that are or may be imposed under the laws of the

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Commonwealth of Pennsylvania upon such bond or bonds or upon such owner as a resident of such Commonwealth by reason of the ownership of such bond or bonds and legally assessed against and paid by or on behalf of such owner not exceeding, however, in any year five (5) mills upon each dollar of the taxable value or principal amount of such bond or bonds, whichever is less. No such reimbursement shall be made unless written application therefor of the character specified in said Supplemental Indenture shall have been made to the Company within seven months from the date of payment of the tax, reimbursement of which is requested, and within ten months after such tax shall have become due and payable.

This Bond is one of an issue of coupon and registered bonds of the Company (issuable in series of varying denominations, dates and tenor) all 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 dated as of February 1, 1923, executed by the Company to The Northern Trust Company and Harold H. Rockwell as Trustees (Sheldon A. Weaver having been substituted as Trustee in the place and stead of Harold H. Rockwell), and is one of a Series of bonds created by a Supplemental Indenture dated May 1, 1940, designated "First Mortgage Bonds, 4% Series due May 1, 1970". Concurrently with the issue of the initial issue of \$10,000,000 aggregate principal amount of bonds of said Series due May 1, 1970, the initial purchasers thereof from the Company consented on behalf of themselves and all subsequent holders of such bonds to the release of certain property from the lien of said Deed of Trust and to the modification and amendment of substantially all of the terms and provisions of said Deed of Trust following the granting clauses thereof. Reference is made to the said Deed of Trust dated February 1, 1923, the Supplemental Indenture dated May 1, 1940, and the Supplemental Indenture dated May 2, 1940 (all hereinafter collectively termed "the Indenture") for a statement of the nature and extent of the security, the rights of the holders of the bonds of the Company, in respect of such security, and the terms and conditions upon which said bonds are, and are to be secured.

In the event of certain defaults specified in said Indenture, the principal of the bonds issued thereunder may become or be de-

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clared 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 Corporate Trustee, as registrar. After such registration, no transfer hereof 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.

The bearer or registered owner, of any bond or bonds of the Series due May 1, 1970, of either denomination of \$1,000 or \$500, may, at his option, surrender the same at the office of The Northern Trust Company, the Corporate Trustee, in the City of Chicago, State of Illinois, with all unmatured coupons attached, in exchange for another bond or bonds of the same series of the other authorized denomination with all unmatured coupons attached but of equal aggregate principal amount, all upon payment of the charges and subject to the terms and conditions specified in the Indenture as heretofore or hereafter amended.

As provided in the Supplemental Indenture creating the Series due May 1, 1970 the Company is required to create a Sinking Fund, the first payment to be made May 1, 1951, which may be used for the purchase, redemption or retirement of the bonds of said series at or below the current redemption price at which bonds are redeemable for the Sinking Fund.

At the option of the Company, and upon not less than thirty days' notice prior to the date fixed for redemption, published in a daily newspaper printed in the English language, published and of general circulation in the City of Chicago, State of Illinois, in the manner and with the effect provided in the Supplemental Indenture creating the Series due May 1, 1970, any or all of the bonds of said Series due May 1, 1970 may be redeemed by the

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Company on any date at the principal amount thereof, and accrued interest thereon to the date of redemption, together with a premium, which in case of redemption other than for the Sinking Fund and in case the redemption date shall occur on or before April 30, 1967 shall be the following percentages of the principal amount:

- 5% if the redemption date shall occur prior to May 1, 1941;
- 4 $\frac{3}{4}$ % if the redemption date shall occur on or after May 1, 1941 and prior to May 1, 1942;
- 4 $\frac{1}{2}$ % if the redemption date shall occur on or after May 1, 1942 and prior to May 1, 1943;
- 4 $\frac{1}{4}$ % if the redemption date shall occur on or after May 1, 1943 and prior to May 1, 1944;
- 4% if the redemption date shall occur on or after May 1, 1944 and prior to May 1, 1945;
- 3 $\frac{3}{4}$ % if the redemption date shall occur on or after May 1, 1945 and prior to May 1, 1946;
- 3 $\frac{1}{2}$ % if the redemption date shall occur on or after May 1, 1946 and prior to May 1, 1947;
- 3 $\frac{1}{4}$ % if the redemption date shall occur on or after May 1, 1947 and prior to May 1, 1948;
- 3% if the redemption date shall occur on or after May 1, 1948 and prior to May 1, 1949;
- 2 $\frac{3}{4}$ % if the redemption date shall occur on or after May 1, 1949 and prior to May 1, 1950;
- 2 $\frac{1}{2}$ % if the redemption date shall occur on or after May 1, 1950 and prior to May 1, 1951;
- 2 $\frac{1}{4}$ % if the redemption date shall occur on or after May 1, 1951 and prior to May 1, 1952;
- 2% if the redemption date shall occur on or after May 1, 1952 and prior to May 1, 1957;
- 1 $\frac{1}{2}$ % if the redemption date shall occur on or after May 1, 1957 and prior to May 1, 1962;
- 1% if the redemption date shall occur on or after May 1, 1962 and prior to May 1, 1967.

There shall be no premium if the redemption date shall occur on or after May 1, 1967.

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The bonds of said Series due May 1, 1970 are also subject to redemption, as provided in the Supplemental Indenture creating the said series, at any time, upon notice given as aforesaid, if called for redemption through the use of monies in the Sinking Fund provided for in the said Supplemental Indenture at the principal amount thereof and accrued interest thereon to the date of redemption.

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 said Indenture or Supplemental 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.

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 Assistant Treasurer, as of the 1st day of May, 1940.

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE,

By.....
President.

Attest:

.....
Secretary.

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[GENERAL FORM OF INTEREST COUPON]

No. \$.....

On the first day of, 19....., unless the bond hereinafter mentioned shall have been called for previous redemption and payment duly provided for, Iowa Southern Utilities Company of Delaware will pay to bearer, at the office of The Northern Trust Company in the City of Chicago, State of Illinois, or its successor, or, at the option of the bearer hereof, at the office or agency of the Company, in the Borough of Manhattan, City and State of New York, Dollars (\$.....), in lawful money of the United States of America, being the semi-annual interest due on that date on its First Mortgage Bond, 4% Series due May 1, 1970, No.

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE,

By.....
Assistant Treasurer.

[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.

SECTION 6. The Company covenants that so long as any bonds of the Series due May 1, 1970 shall be outstanding it will not pay any dividends declared subsequently to December 31, 1939, (other than dividends payable in shares of its capital stock) or make any other distribution on any shares of its capital stock (including pay-

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ments declared on account of Dividend Arrears Certificates issued and to be issued in connection with the reclassification of its capital stock effected by the filing on August 3, 1938 of a Certificate of Amendment to the Certificate of Incorporation) if as a result of such payment or distribution the aggregate amount of such dividends and distributions would exceed the amount of the earned surplus of the Company (computed before deducting any amount in respect of such dividends and distributions) accumulated subsequent to December 31, 1939, determined in accordance with sound accounting practice; provided, however, that for the purposes of this covenant, in determining at any time or from time to time the amount of earned surplus accumulated subsequent to December 31, 1939;

(a) no deduction or addition shall be made for any or all of the following direct charges or credits to earned surplus;

(1) surplus adjustments applicable to a period or periods prior to December 31, 1939;

(2) charges to earned surplus for the write-off at any time of unamortized debt discount, applicable to the funded debt of the Company existing at December 31, 1939, or for any premiums and expense incurred in connection with the redemption of such funded debt;

(3) charges to earned surplus covering loss on sale or abandonment of property (including securities) owned on December 31, 1939, whether or not subject to the lien of the Original Indenture as heretofore or hereafter amended;

(4) charges to earned surplus for the write-down or write-off of the excess of the cost to the Company of properties acquired as entireties over the original cost of such properties when first devoted to public use which may be required by any ruling, regulation or order of any public body or authority exercising supervisory authority over the accounts of the Company.

SECTION 7. The Company covenants and agrees that it will reimburse, so far as may be lawful, to the owner of any bond or bonds of the Series due May 1, 1970 any taxes, other than estate, succession, inheritance and income taxes, that are or may be

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imposed under the laws of the Commonwealth of Pennsylvania upon such bond or bonds or upon such owner as a resident of such Commonwealth by reason of the ownership of such bond or bonds and legally assessed against and paid by or on behalf of such owner not exceeding, however, in any year five mills upon each dollar of the taxable value or principal amount of such bond or bonds, whichever is less. Such reimbursement shall be made if, and only if, in any such case such owner shall make written application therefor in form and substance as hereinafter provided to the Company at its office in the City of Centerville, State of Iowa within a period of seven months after the payment of such tax, the reimbursement of which is requested, and within ten months after such tax shall have become due and payable, and the Company shall not be liable to reimburse any owner for any such tax unless such application shall be made within such period and as herein provided.

Every application for reimbursement under the provisions of this Section shall be verified, if required by the Company, and shall state (1) the principal amount or amounts and the serial numbers of the bond or bonds with respect to which such tax was paid and the taxable value thereof; (2) the date or dates when such tax became due and payable; (3) that such tax has been paid by or on behalf of such owner; (4) the date or dates of payment of such tax; (5) the amount of such tax so paid; and (6) that no portion of said amount so paid as such tax was by way of interest or penalty upon said tax as originally assessed or by way of a tax on any reimbursement at any time made hereunder; and such reimbursement shall be made only upon submission to the Company, of such further documentary evidence establishing the payment of such tax by such owner, and his right to reimbursement hereunder as may be required by the Company.

ARTICLE II.

MISCELLANEOUS.

SECTION 1. Except as otherwise provided herein, all of the terms, provisions and conditions of the Original Indenture as heretofore or hereafter amended shall be and remain in full force and effect, and shall apply to the bonds of Series due May 1, 1970 and to the holders thereof.

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SECTION 2. The recitals of fact herein and in the bonds referred to herein, except the Certificate of Authentication of the Corporate Trustee, shall be taken as statements of the Company and shall not be construed as made by the Trustees.

SECTION 3. This Supplemental Indenture shall be binding upon, and inure to the benefit of, the Company and its successors and assigns and the Trustees and their respective successors.

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 trusts 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, attested by its Secretary or an Assistant Secretary, and said Sheldon A. Weaver, to evidence his acceptance of said trusts, has hereunto set his hand and seal, all as of the day and year first above written.

IOWA SOUTHERN UTILITIES COMPANY
OF DELAWARE,By EDWARD L. SHUTTS
President.(CORPORATE
SEAL)

Attest:

HAROLD R. BECHTEL
Secretary.

Witnesses to the signatures of

EDWARD L. SHUTTS
and
HAROLD R. BECHTEL
WILLIAM A. TODD
FRED J. POHL

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THE NORTHERN TRUST COMPANY,
As Trustee.

By WM. S. MILLER
Vice President.

(CORPORATE
SEAL)

Attest:

W. H. BELL
Assistant Secretary.

SHELDON A. WEAVER (SEAL)
As Trustee.

Witnesses to signatures of

WM. S. MILLER
and
W. H. BELL
THOMAS H. JOLLS
R. H. BRADLEY

Witnesses to signature of Sheldon

A. Weaver:

WILLIAM A. TODD
FRED J. POHL

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STATE OF NEW YORK, }
COUNTY OF NEW YORK. } ss.

BE IT KNOWN, that on this 22nd day of July, A. D. 1940, before me, a Notary Public in and for said County and State, duly commissioned and qualified, appeared EDWARD L. SHUTTS, President, and HAROLD R. BECHTEL, Secretary, of Iowa Southern Utilities Company of Delaware, the corporation described in and which executed the foregoing instrument, 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 EDWARD L. SHUTTS and HAROLD 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)

JOHN BRUEHWILER
Notary Public.

My commission expires: March 30, 1941

JOHN BRUEHWILER
Notary Public, Kings County
Kings Co. Clk's No. 498, Reg. No. 1011
N. Y. Co. Clk's No. 43, Reg. No. 1-B-34
Commission Expires March 30, 1941

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

BE IT KNOWN, that on this 22nd day of July, A. D. 1940, before me, a Notary Public in and for said County and State, duly commissioned and qualified, appeared WM. S. MILLER, Vice President, and W. H. BELL, Assistant Secretary of The Northern Trust Company, the corporation described in and which executed the foregoing instrument, personally known to me to be such Vice President and Assistant 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 Assistant 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 each of them did depose and say that they were respectively the Vice President and Assistant 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 Assistant Secretary by like order.

I hereby further certify that said instrument was signed by said WM. S. MILLER and W. H. BELL 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)

ARTHUR A. JOHNSON
Notary Public.

My commission expires: May 10, 1941

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STATE OF NEW YORK, }
COUNTY OF NEW YORK. } ss.

BE IT KNOWN, that on this 22nd day of July, A. D. 1940, before me, a Notary Public in and for said County and State, duly commissioned and qualified, personally appeared SHELDON A. WEAVER, one of the Trustees mentioned in the foregoing instrument, 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 SHELDON A. WEAVER 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)

JOHN BRUEHWILER
Notary Public.

My commission expires: March 30, 1941

JOHN BRUEHWILER
Notary Public, Kings County
Kings Co. Clk's No. 498, Reg. No. 1011
N. Y. Co. Clk's No. 43, Reg. No. 1-B-34
Commission Expires March 30, 1941