

MORTGAGE AND DEED OF TRUST

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE

TO

CHEMICAL BANK & TRUST COMPANY, TRUSTEE.

Dated May 1, 1940

Filed for Record the 31 day of July

A. D. 1940., at 10:35 o'clock A. M.

#4100 Pearl E. Shetterly, Recorder

By Wilma M. Wade, Deputy

Recording Fee, \$51.30

United States Internal Revenue Stamps have been affixed to an original counterpart of this Indenture on file with Chemical Bank & Trust Company, as Trustee, and have been duly cancelled.

INDENTURE, dated as of May 1, 1940, by and between IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, having its principal office in the City of Centerville in the State of Iowa (hereinafter sometimes called the Company), the party of the first part, and the CHEMICAL BANK & TRUST COMPANY, a corporation duly organized and existing under the laws of the State of New York, having its principal office in the Borough of Manhattan, City and State of New York, as Trustee (hereinafter sometimes called the Trustee), party of the second part.

WHEREAS, the Company has deemed it necessary to borrow money for its corporate purposes and to issue its bonds therefor, and to mortgage and pledge its property hereinafter described to secure the payment of the same, said bonds to be issued as coupon bonds, registerable as to principal, with interest coupons attached with the facsimile signature of the present or any future Treasurer or Assistant Treasurer of the Company thereon, as in this Indenture hereinafter provided; to be signed in its corporate name by its President or a Vice President, and its corporate seal (or a facsimile thereof) thereunto affixed, attested by its Secretary or an Assistant Secretary, and authenticated by the certificate of the Trustee; which said coupon bonds, the coupons appertaining thereto and Trustee's certificate are to be substantially in the forms following, respectively, the blank spaces to be properly filled in:

(Form of Bonds)

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE
(Incorporated under the laws of the State of Delaware)
General Mortgage 4½% Sinking Fund Bond
Due May 1, 1950

No. \$.....

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE, a corporation organized and existing under and by virtue of the laws of the State of Delaware (hereinafter called the Company), for value received, hereby promises to pay to the bearer or, if this bond be registered as to principal, to the registered owner hereof, on the first day of May, 1950, at the principal office of the Trustee,

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hereinafter mentioned, in the Borough of Manhattan, City and State of New York, the sum of Dollars in lawful money of the United States of America, and to pay interest thereon from the first day of May, 1940, at the rate of four and one-half per cent. (4½%) per annum, in like money, until the Company's obligation with respect to the payment of such principal shall be discharged; said interest being payable at the option of the bearer of the interest coupons either at the principal office of the Trustee, in the Borough of Manhattan, City and State of New York, or at the office or agency of the Company in the City of Chicago, State of Illinois, on the first day of May and the first day of November in each year, but, until the maturity hereof, only according to the tenor and upon presentation and surrender of the respective coupons hereto appertaining as they severally mature.

It is provided in the Indenture hereinafter mentioned that the Company will, upon the conditions, within the time and in the manner set forth in said Indenture, reimburse to the owner of any bond or bonds of this issue any taxes, other than estate, succession, inheritance and income taxes, that are or may be 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 (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 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 a duly authorized issue of bonds of the Company, known as its General Mortgage 4½% Sinking Fund Bonds, due May 1, 1950, limited to the aggregate principal amount of Two Million Six Hundred and Sixty Thousand Dollars (\$2,660,000), except as provided in the Indenture hereinafter mentioned, all issued or to be issued under and equally secured

by a Mortgage and Deed of Trust (herein called the Indenture) dated as of May 1, 1940, executed by the Company to Chemical Bank & Trust Company, as Trustee (herein called the Trustee), to which Indenture reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds as to such security, and the terms and conditions upon which the bonds are issued under the Indenture and are secured. The principal hereof may be declared or may become due on the conditions, in the manner and at the time set forth in the Indenture, upon the happening of a completed default as in the Indenture provided.

With the consent of the Company and to the extent permitted by and as provided in the Indenture, the rights and obligations of the Company and/or of the holders of the bonds and/or coupons, and/or the terms and provisions of the Indenture and/or of any instruments supplemental thereto may be modified or altered by the affirmative vote of the holders of at least eighty per cent. (80%) in principal amount of the bonds then outstanding under the Indenture and any instruments supplemental thereto (excluding bonds challenged and disqualified from voting by reason of the Company's interest therein as provided in the Indenture); provided that no such modification or alteration, intended to effect or permit the extension of the maturity of the principal of any bond or the reduction in the rate of interest thereon or any other modification in the terms of payment of such principal or interest or the taking of certain other action as more fully set forth in the Indenture, shall be effective as to any bond, the holder of which has not assented to such modification or alteration.

At the option of the Company, and upon not less than thirty (30) days' notice prior to the date fixed for redemption, published in a daily newspaper printed in the English language and published and of general circulation in the City of Chicago, State of Illinois, and in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, City and State of New York, in the manner and with the effect provided in the Indenture, any or all of the bonds of this issue may be redeemed by the Company on any date at the principal amount thereof, and accrued interest thereon to the

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date of redemption, together with a premium computed in terms of a percentage of the principal amount of the bonds redeemed, as follows:

- 5% if the redemption date shall occur prior to May 1, 1941;
- 4½% if the redemption date shall occur on or after May 1, 1941 and prior to May 1, 1942;
- 4% if the redemption date shall occur on or after May 1, 1942 and prior to May 1, 1943;
- 3½% if the redemption date shall occur on or after May 1, 1943 and prior to May 1, 1944;
- 3% if the redemption date shall occur on or after May 1, 1944 and prior to May 1, 1945;
- 2½% if the redemption date shall occur on or after May 1, 1945 and prior to May 1, 1946;
- 2% if the redemption date shall occur on or after May 1, 1946 and prior to May 1, 1947;
- 1% if the redemption date shall occur on or after May 1, 1947 and prior to May 1, 1948; and

without premium if the redemption date shall occur on or after May 1, 1948.

The bonds of this issue are also subject to redemption, as provided in the Indenture, at any time, upon notice given as aforesaid, through the operation of the Sinking Fund provided for in the Indenture, at the principal amount thereof and accrued interest thereon to the date of redemption.

Unless registered as herein provided, this bond shall pass by delivery. As provided in the Indenture, this bond may from time to time be registered as to principal in the name of the owner, on books of the Company to be kept for that purpose at the principal office of the Trustee in the Borough of Manhattan, City and State of New York, such registration being noted hereon. After such registration no further transfer of this bond shall be valid unless made on said books by the registered owner in person or by attorney duly authorized, and similarly noted hereon; but this bond may be discharged from registration by being in like manner transferred to bearer, whereupon transferability by delivery shall be restored; but this bond may again and from time to time be regis-

For Release of covered Mortgage
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tered or transferred to bearer as before. Such registration, however, shall not affect the negotiability by delivery of the coupons, which shall always be payable to bearer and transferable by delivery.

The Company and the Trustee may deem and treat the bearer of this bond, so long as the same shall not be registered as herein provided, and the registered owner of this bond so long as this bond shall be so registered, and may deem and treat the bearer of any interest coupon appertaining hereto, whether or not this bond shall be registered, as the absolute owner of this bond or said coupon, as the case may be, whether or not this bond or said coupon shall be overdue, for the purpose of receiving payment hereof or thereof and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

The bearer or registered owner, as the case may be, of any bond or bonds of this issue may, at his option, surrender the same at the principal office of the Trustee in the Borough of Manhattan, City and State of New York, with all unmatured coupons appertaining thereto, in exchange for another bond or bonds of this issue of another or other authorized denominations, 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.

No recourse shall be had for the payment of the principal of or the interest on this bond against any subscriber to the capital stock, incorporator, or any past, present or future stockholder, officer or director of the Company or of any predecessor or successor corporation, either directly or through the Company, or through any such predecessor or successor corporation, or through any receiver, or a trustee in bankruptcy, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issue hereof, expressly waived and released, as more fully provided in the Indenture.

This bond and the coupons hereto appertaining shall not be valid or become obligatory for any purpose unless and until Chemical Bank & Trust Company, as Trustee under the Indenture, or its

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successor thereunder, shall have signed the certificate of authentication endorsed hereon.

IN WITNESS WHEREOF, IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE has caused this bond to be signed in its name by its President or a Vice President and its corporate seal to be hereto affixed and attested by its Secretary or an Assistant Secretary, and interest coupons bearing the facsimile signature of its Assistant Treasurer to be attached hereto as of the first day of May, 1940.

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE,

Attest: By..... President.
..... Secretary.

(Form of Coupon)

No. \$.....

On the first day of, 19...., IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE will pay to bearer at the principal office of the Chemical Bank & Trust Company, in the Borough of Manhattan, City and State of New York, or at the option of the bearer hereof at the office or agency of said Iowa Southern Utilities Company of Delaware in the City of Chicago, State of Illinois, Dollars in lawful money of the United States of America, as specified in its General Mortgage 4½% Sinking Fund Bond, due May 1, 1950, No., being six months' interest then due on the said bond.

This coupon will not be payable if said bond shall have been called for previous redemption and payment duly provided for.

.....
Assistant Treasurer.

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(Form of Trustee's Authentication Certificate)
TRUSTEE'S AUTHENTICATION CERTIFICATE.

This bond is one of the bonds described in the within-mentioned Indenture.

CHEMICAL BANK & TRUST COMPANY,
as Trustee.

By
Authorized Officer.

and

WHEREAS, the execution and delivery of this Indenture and the issue of the bonds as in this Indenture provided have been duly authorized by the Company; and

WHEREAS, all things necessary to make said bonds, when duly executed by the Company and authenticated and delivered by the Trustee, and issued by the Company, valid, binding and legal obligations of the Company, and to make this Indenture a valid, binding and legal instrument for the security thereof, have been done and performed and the issue of said bonds, as in this Indenture provided, has been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: Iowa Southern Utilities Company of Delaware, in consideration of the premises and of one dollar to it duly paid by the Trustee at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the payment, both of the principal and interest, of all bonds of the Company at any time outstanding hereunder according to their tenor and effect and the performance of and compliance with the covenants and conditions in this Indenture contained, has granted, bargained, sold, warranted, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, release, convey, assign, transfer, mortgage, pledge, set over and confirm unto Chemical Bank & Trust Company, as Trustee, and its successors in the trust, forever:

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All property, real, personal and mixed now owned or hereafter acquired or to be acquired by the Company, and wheresoever situated, except such property as is hereinafter excepted from the lien hereof, subject to the rights reserved by the Company in and by other provisions of this Indenture, including in the property subject and to be subject to the lien of this Indenture (without in any manner limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this Indenture) all lands, together with the buildings and improvements thereon and the appurtenances thereto, all easements, rights of way and all other rights in or relating to real estate or the occupancy of privately or publicly owned lands, other land rights, water rights, roads, and other land improvements; steam and other electric generating plants, including buildings and other structures, turbines, generators, exciters, boilers and other boiler plant equipment, condensing equipment, and all other equipment; substations; electric transmission and distribution systems, including structures, poles, towers, fixtures, conduits, insulators, wires, cables, transformers, services and meters; steam heating mains and equipment; gas generating and coke plants, including buildings, holders and other structures, boilers and other boiler plant equipment, benches, retorts, coke ovens, water gas sets, condensing and purification equipment, piping and other accessory works equipment; gas transmission and distribution systems, including structures, mains, compressor stations, purifier stations, pressure holders, governors, services and meters, garages and repair shops; office, shop and other buildings and structures, furniture and equipment; apparatus and equipment of all other kinds and descriptions; it being the intention of the parties hereto that any and all of the foregoing property not hereinafter excepted shall be and be deemed to be real property and fixtures appurtenant to the lands and buildings aforesaid for all purposes of this Indenture; all municipal and other franchises and all leaseholds, licenses, permits, privileges, patents, patent rights; and all contracts, claims, accounts receivable, choses in action, and all books of account and other corporate records; parts or parcels of such real property and items of other property being more specifically described and mentioned or enumerated in a schedule hereto annexed and marked

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Schedule A, reference to said schedule for a more specific description and enumeration of the property therein described and enumerated being hereby made with the same force and effect as if the same were incorporated herein at length;

Also any and all property which may from time to time after the date of this Indenture be delivered or which may by writing of any kind be conveyed, pledged, assigned or transferred to the Trustee by the Company, or by any person or corporation to be held as part of the trust estate; and the Trustee is hereby authorized to receive any such property, and any such conveyance, pledge, assignment and transfer, as and for additional security hereunder, and to hold and apply any and all such property subject to and in accordance with the terms of this Indenture;

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property or any part thereof with the reversion and reversions, remainder and remainders, tolls, rents and revenues, issues, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

It is hereby agreed by the Company that except as aforesaid, all the property, rights and franchises, except such property as is hereinafter expressly excepted from the lien hereof, acquired by the Company after the date hereof shall be as fully embraced within the lien hereof as if such property were now owned by the Company and were specifically described herein and conveyed hereby.

There is hereby expressly excepted from the lien of this Indenture, whether now owned or hereafter acquired by the Company, (1) all shares of stock, bonds, notes, evidences of indebtedness, and other securities other than such as may be deposited from time to time with the Trustee hereunder in accordance with the provisions hereof or as are required by some express provision hereof to be deposited with the Trustee hereunder; (2) merchandise and appliances at any time acquired for the purpose of sale to cus-

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tomers and others and contracts for the sale of merchandise and appliances; (3) motor cars; (4) goods, wares, merchandise, stores, materials, supplies and other personal property which are consumable in their use in the operation of the properties of the Company; (5) furniture; (6) bills and accounts receivable; (7) cash on hand and in banks other than such cash as may be deposited from time to time with the Trustee hereunder in accordance with the provisions hereof or as is required by some express provision hereof to be deposited with the Trustee hereunder; (8) the last day of the term of each leasehold estate now or hereafter enjoyed by the Company; and (9) all electric railway, street railway and interurban railway systems now or hereafter owned, constructed or acquired by the Company and, in particular, the interurban electric railway system now owned by the Company located in the City of Centerville, County of Appanoose, State of Iowa, and extending thence from the City of Centerville to its terminus in the City of Albia, County of Monroe, State of Iowa and also extending from the City of Centerville to the town of Mystic, County of Appanoose, State of Iowa, together with any additions to or extensions of any such existing or after acquired electric railway, together with all of the property, real, personal or mixed, exclusively used in the operation, construction, maintenance and repair thereof, including (without in any manner limiting or impairing by the enumeration of the same the scope and intent of the foregoing) all rolling stock, rights-of-way, tracks, roadbeds, poles, wires, cross-arms, insulators, car-barns, repair shops, machine shops, stations and other buildings, overhead construction, power producing and power transforming equipment, tools, stores, apparatus, materials and supplies and also all rights, privileges, franchises, licenses, ordinances, easements and grants whether now owned or hereafter acquired with respect to the operation, construction, maintenance and repair of said railway systems and the additions thereto and the extensions thereof; provided, however, that if upon the happening of a completed default, as set forth in Section 1 of Article VII of this Indenture, the Trustee or any receiver appointed hereunder shall enter upon and take possession of the mortgaged property such Trustee or receiver may, to the extent permitted by law, at the same time

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likewise take possession of any and all property of the character described in the foregoing clauses (1), (3), (4), (5), (6) and (7) then on hand and use and administer the same to the same extent as if such property were part of the mortgaged and pledged property unless and until such completed default shall be remedied or waived and possession of the mortgaged property restored to the Company, its successors or assigns.

The lien of this Indenture on all property subject to the lien hereof and that may hereafter become subject to the lien hereof (other than stocks, bonds and other securities, if any, that may hereafter be specifically pledged hereunder and deposited with the Trustee hereunder) is hereby expressly subordinated to the lien of a certain Deed of Trust or mortgage made, executed and delivered by the Company to The Northern Trust Company and Harold H. Rockwell, as Trustees, dated February 1, 1923 and of all indentures supplemental thereto and amendatory thereof heretofore or hereafter made, executed or delivered, under which indenture Sheldon A. Weaver has been substituted as Trustee for Harold H. Rockwell and to the lien of all bonds issued and to be issued thereunder and of any mortgage or trust indenture that may hereafter be made, executed or delivered to secure bonds or other obligations issued to extend, renew or refund any bonds outstanding under the said Deed of Trust or mortgage dated February 1, 1923 and of all bonds or other obligations that may be issued under any such mortgage or trust indenture (such mortgages being hereinafter in subdivision (g) of Section 4 of Article XIV defined as the First Mortgage).

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged or conveyed by the Company as aforesaid, or intended so to be, unto the Trustee, and its successors in the trust forever, subject to permitted liens and prepaid liens, as herein defined and the above mentioned First Mortgage;

IN TRUST NEVERTHELESS, for the equal pro rata benefit and security of all and every of the bonds issued and to be issued hereunder and of the coupons appertaining thereto, in accordance with the provisions of this Indenture without preference, priority or distinction (except as herein expressly provided) of any over

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the others by reason of priority in time of the issue, negotiation or maturity thereof, it being intended that the lien and security of this Indenture shall take effect from the date of execution and delivery hereof as though all of the said bonds were actually authenticated and delivered upon such date.

PROVIDED, HOWEVER, and these presents are upon the condition that if the Company, its successors, or assigns, shall pay or cause to be paid the principal and interest to become due in respect of said bonds and coupons, at the times and in the manner stipulated therein and herein, and shall keep, perform and observe all and singular the covenants and promises in said bonds and in this Indenture expressed as to be kept, performed and observed by or on the part of the Company, then this Indenture and the estate and rights hereby granted, shall cease, determine and be void, otherwise to be and remain in full force and effect.

IT IS HEREBY COVENANTED, DECLARED AND AGREED, by the Company, that all such bonds are to be issued, authenticated and delivered, and that the coupons appertaining thereto are to be issued and delivered, and that all property subject or to become subject hereto is to be held, subject to the further covenants, conditions, uses and trusts hereinafter set forth, and the Company, for itself and its successors and assigns, doth hereby covenant and agree to and with the Trustee and its successors in the trust, for the benefit of those who shall hold said bonds and coupons, or any of them, as follows:

ARTICLE I.

FORM, EXECUTION, REGISTRATION AND ISSUE OF BONDS.

SECTION 1. This Indenture is intended to create a continuing lien to secure the full and final payment of the principal of and interest on all bonds that may from time to time be authenticated and delivered by the Trustee and issued hereunder and that shall remain outstanding hereunder. The aggregate principal amount of bonds that may be so authenticated and delivered by the Trustee and issued hereunder and that may be outstanding hereunder is limited to Two Million Six Hundred and Sixty Thousand Dollars

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(\$2,660,000) subject however to the provisions of Section 8 of this Article.

SECTION 2. The bonds to be issued hereunder shall be designated General Mortgage 4½% Sinking Fund Bonds, due May 1, 1950. Subject to the provisions of Section 7 of this Article they shall all be issued as coupon bonds, registerable as to principal at the principal office of the Trustee in the Borough of Manhattan, City and State of New York. They shall be dated as of May 1, 1940, and the principal shall be expressed to be payable on May 1, 1950. They shall be of the denominations of \$1,000 numbered M-1 upwards and \$500, numbered D-1 upwards and, if the Company shall determine to issue the same, of the denomination of \$100, numbered C-1 upwards. The dates for the payment of interest shall be May 1 and November 1 of each year. Both the principal of and interest on the bonds shall be payable in lawful money of the United States of America. The place for the payment of principal shall be the principal office of the Trustee in the Borough of Manhattan, City and State of New York, and the places for the payment of interest shall be the principal office of the Trustee, in the Borough of Manhattan, City and State of New York or, at the option of the bearer of the interest coupons, the office or agency of the Company in the City of Chicago, State of Illinois.

The bonds shall be redeemable at the option of the Company, as a whole or in part, upon not less than 30 days' previous notice by publication to be given as provided in Article IV hereof at the respective prices and times specified in the form of bonds hereinabove recited, such redemption to be effected in the manner provided in Article IV hereof.

Except as to appropriate variations in the form of temporary bonds as in Section 7 of this Article provided, the texts of the bonds issued hereunder and of the coupons appertaining thereto and of the certificate of the Trustee upon all bonds respectively shall conform substantially to the forms thereof hereinbefore recited, provided that the bonds, whether temporary or definitive, and the coupons, if any, to be attached to the bonds, may contain such other specifications, provisions and descriptive words and

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may have such letters, words, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon not inconsistent with the provisions hereof as may be necessary or proper to comply with the rules of any broker's board or exchange or with any order, regulation or rule of any governmental body having jurisdiction in the premises, or to conform to usage with respect thereto as may be desired by the Company.

SECTION 3. Bonds of the aggregate principal amount of Two Million Six Hundred and Sixty Thousand Dollars (\$2,660,000), being the amount limited in Section 1 of this Article I, shall forthwith be executed by the Company and delivered to the Trustee and shall be authenticated by the Trustee and delivered (either before or after the filing or recording hereof) at any time or from time to time in accordance with the order or orders of the Company evidenced by a writing or writings, signed by its President or a Vice-President. Such order shall be the only authority required by the Trustee for the authentication and delivery of the bonds in this Section provided for.

SECTION 4. The Company covenants that it will cause to be kept, at the principal office of the Trustee in the Borough of Manhattan, City and State of New York, books for the registration and transfer of bonds issued hereunder. The Company hereby appoints Chemical Bank & Trust Company and its successor from time to time as Trustee hereunder, as agent of the Company, with the title of Registrar, for such registration and transfer.

The holder of any bond may have the fact of his holding thereof registered on such books at said office of the Trustee. Every such registration shall be noted on such bond, and after such registration no transfer of such bond shall be valid unless made on said books at said office by the registered owner in person, or by attorney duly authorized, and similarly noted on such bond.

Upon presentation at said office of the Trustee of any bond registered as to principal, accompanied by delivery of a written instrument of transfer in form approved by the Registrar, executed by the registered owner in person, or by attorney duly authorized, such bond shall be transferred upon such books and such transfer

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

The foregoing provisions of this Section are subject to the provisions of the last paragraph of Section 5 of this Article.

The Company and the Trustee may deem and treat the bearer of any bond which shall not at the time be registered as to principal and the bearer of any coupon appertaining to any bond, whether such bond shall have been so registered or not, and whether such bond or coupon be overdue or not, as the absolute owner of such bond or coupon, as the case may be, for the purpose of receiving payment thereof, or on account thereof, and for all other purposes whatsoever, and the Company and the Trustee shall not be affected by any notice to the contrary. The Company and the Trustee may deem and treat the registered owner of any bond which shall have been registered as to principal as the absolute owner of such bond for the purpose of receiving payment of, or on account of, the principal thereof, and for all other purposes whatsoever except the payment of interest represented by coupons appertaining thereto, and the Company and the Trustee shall not be affected by any notice to the contrary.

SECTION 5. At the option of the bearer or registered owner thereof, any bond or bonds issued hereunder may be surrendered

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as hereinafter in this Section provided, for cancellation in exchange for another bond or other bonds issued hereunder of another or other authorized denominations, of numbers not contemporaneously outstanding, but of equal aggregate principal amount.

In all cases of exchanges of bonds provided for in this Indenture or in any bond or bonds authenticated and delivered under this Indenture, the bonds to be exchanged shall be surrendered at the principal office of the Trustee, in the Borough of Manhattan, City and State of New York, and shall be accompanied by all unmatured coupons thereto appertaining. In each case of such surrender of a bond or bonds for such exchange, the Company shall execute and the Trustee shall authenticate and deliver in exchange for the bond or bonds surrendered the bond or bonds, having all unmatured coupons attached thereto, which the bondholder making the exchange shall be entitled to receive. All bonds so surrendered for exchange and the coupons appertaining thereto, if any, shall be cremated by the Trustee and the Trustee shall deliver evidence of the cremation thereof to the Company.

Upon any exchange of a bond or bonds of one or more denominations for a bond or bonds of other denomination or denominations and upon any registration of a bond, and upon any transfer of a bond registered as to principal the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or governmental charge required to be paid by the Company by reason of such exchange, registration, or transfer and, in addition, a further sum not exceeding Two Dollars (\$2.00) for each bond issued upon any such exchange, registration, or transfer plus the charges of the Trustee, for making such exchange, registration, or transfer, all of which shall be paid by the party requesting such exchange, registration, or transfer as a condition precedent to the exercise of the privilege of making such exchange, registration, or transfer. The Company shall not be obligated to make exchanges or transfers of bonds for a period of ten days next preceding any interest payment date.

SECTION 6. All bonds issued hereunder shall, from time to time, be executed on behalf of the Company by its President or one of its Vice-Presidents and its corporate seal or a facsimile

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thereof shall be affixed thereto and attested by its Secretary or one of its Assistant Secretaries. The coupons to be attached to coupon bonds shall bear the facsimile signature of the present or any future Treasurer or Assistant Treasurer of the Company. In case any of the officers who shall have signed any bonds or attested the seal thereon, or whose facsimile signature shall be borne by the coupons attached to any bond, shall cease to be such officer or officers of the Company before the bonds so signed and sealed shall have been authenticated and delivered by the Trustee or issued by the Company, such bonds nevertheless may be authenticated and delivered and issued with the same force and effect as though the person or persons who signed such bonds or attested the seal thereon or whose facsimile signature is borne by the coupons attached thereto had not ceased to be such officer or officers of the Company. Any bonds issuable hereunder may be signed or the seal thereon affixed and attested on behalf of the Company by such person or persons as at the actual date of the execution of such bonds shall be the proper officer or officers of the Company although at the date of such bond such person or persons shall not have been such officer or officers of the Company. Before authenticating any coupon bonds the Trustee shall detach, cancel and deliver to the Company or cremate all matured coupons appertaining thereto.

SECTION 7. Until definitive bonds are ready for delivery, there may be authenticated and delivered and issued in lieu of any thereof, temporary printed, lithographed or typewritten bonds in bearer form substantially of the tenor of the bonds hereinbefore described with one or more or without any coupons, and with appropriate variations, omissions or insertions, and such temporary bonds may be of such denomination or denominations and may be made registerable or not registerable as to principal as the Company may determine. Until exchanged for definitive bonds, such temporary bond or bonds shall be entitled to the lien and benefit of this Indenture. Without unnecessary delay the Company will execute and will furnish the definitive bonds to be exchanged for such temporary bonds upon surrender thereof to the Trustee. Upon such exchange, which the Company shall make without any charge therefor, such temporary bonds and any unma-

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tured coupons attached thereto shall be cancelled and cremated by the Trustee, and upon the exchange of all said bonds a certificate of such cancellation and of such cremation shall be delivered to the Company. When and as interest is paid upon temporary bonds without coupons the fact of such payment shall be noted thereon. Until such definitive bonds are ready for delivery, the holder of one or more temporary bonds may if so provided by the terms thereof, exchange the same on the surrender thereof with all unmatured coupons, if any, attached, to the Trustee for cancellation, and shall be entitled to receive temporary bonds of like aggregate principal amount, with corresponding coupons, if any, attached, of such other denomination or denominations as the Company may determine to issue in exchange.

SECTION 8. In case any bond issued hereunder, whether temporary or definitive, or any coupons thereto appertaining, shall become mutilated or lost, stolen or destroyed, then the Company may issue, and, upon its request, the Trustee shall authenticate (in the case of bonds) and deliver, in exchange or substitution for, and upon cancellation of, the mutilated bond or coupons, or in lieu of, and in substitution for, the bond or coupons lost, stolen or destroyed, a new bond or coupon, as the case may be, of like denomination and tenor (including coupons for interest on any such bonds) bearing the same number and designation as the one mutilated, lost, stolen or destroyed, or a different number and designation, or if any such bond or coupon shall have matured, the Company may pay the same without the surrender thereof. Such new bond or coupon may bear such endorsement as may be agreed upon by the Company and the Trustee and which at the time may be necessary to conform to the requirements of any stock exchange upon which the bonds shall at the time be listed.

The applicant for a substitute bond or coupon or for such payment shall pay all expenses, including counsel fees, incurred by the Company and the Trustee in connection therewith, and in any case of loss, theft or destruction shall furnish to the Company and to the Trustee evidence to their satisfaction of ownership and of such loss, theft or destruction and also, in any case, such security or indemnity as shall be required by the Company and the Trustee.

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Any bond or coupon issued under the provisions of this Section in lieu of any bond or coupon alleged to have been lost, stolen or destroyed, shall constitute an original additional contractual obligation on the part of the Company whether or not the bond or coupon so alleged to have been lost, stolen or destroyed be at any time enforceable by any one, and shall be equally and proportionately entitled to the benefits hereof with all other bonds or coupons issued under this Indenture.

All bonds and coupons shall be held and owned upon the express condition that the foregoing provisions are exclusive in respect to the replacement or payment of mutilated, lost, stolen or destroyed bonds or coupons and shall preclude any and all other rights and remedies respecting such replacement or the payment of bonds, coupons, notes, negotiable instruments or other securities without their surrender, any law or statute now existing or hereafter enacted to the contrary notwithstanding.

All mutilated bonds and coupons surrendered to the Trustee pursuant to the provisions of this Section, forthwith shall be canceled by the Trustee, which shall cremate the same and furnish a certificate of such cremation to the Company.

SECTION 9. Only such bonds as shall bear thereon an authentication certificate substantially in the form hereinbefore recited, executed by the Trustee, shall be entitled to any right, security or benefit hereunder, or be valid or become obligatory for any purpose, and such certificate of the Trustee upon any such bond shall be conclusive evidence and the only competent evidence that the bond so authenticated has been duly issued hereunder and is entitled to the benefits of this Indenture.

ARTICLE II.

PARTICULAR COVENANTS OF THE COMPANY.

The Company hereby covenants as follows:

SECTION 1. That it is lawfully possessed of all the aforesaid mortgaged and pledged property; that it will maintain and preserve the lien of this Indenture on such mortgaged and pledged

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property in accordance with the terms hereof so long as any of the bonds issued hereunder are outstanding; and that it has good right and lawful authority to mortgage and pledge such mortgaged and pledged property, as provided in and by this Indenture; and that the same is free and clear of all liens and incumbrances, except the lien of the First Mortgage, as herein defined, permitted liens and prepaid liens as herein defined, and except as otherwise provided herein.

SECTION 2. That it will duly and punctually pay the principal of and interest on all the bonds outstanding hereunder or secured hereby, according to the terms thereof, and will also pay interest at the rate that said bonds themselves bear on all overdue principal and/or installments of interest in respect of each bond hereby secured, and that it will not directly or indirectly extend or assent to the extension of the time for the payment of any coupon upon any of the bonds secured hereby and will not directly or indirectly be a party to or approve of any arrangement for any such extension by purchasing said coupons or in any other manner. Interest on coupon bonds to the date of their fixed maturity shall be paid only in accordance with and upon surrender of the coupons for such interest as they respectively mature. As the coupons appertaining to said bonds are paid they shall be cancelled.

SECTION 3. That it will keep an office or agency, while any of the bonds issued hereunder are outstanding, at any and all places at which the principal of or interest on any of said bonds shall be payable for the payment of the principal thereof or interest thereon, as the case may be. Any notice, presentation or demand to or upon the Company in respect of said bonds or coupons or this Indenture may be given or made, to or upon the Trustee at its principal office in the Borough of Manhattan, City and State of New York, and the Company hereby authorizes such presentation and demand to be made to and such notice to be served on the Trustee. The Trustee shall be under no duty with respect to any such notice, presentation or demand received at its said office except to transmit the same to the Company at the address specified in or pursuant to Section 6 of Article X hereof.

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SECTION 4. That it will pay all taxes and assessments lawfully levied or assessed upon the mortgaged and pledged property, or upon any part thereof or upon any income therefrom, or upon the interest of the Trustee in the mortgaged and pledged property when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the mortgaged and pledged property, and all covenants, terms and conditions upon or under which any of the mortgaged and pledged property is held; that except as herein otherwise provided, it will not suffer any lien to be hereafter created or exist upon the mortgaged and pledged property whether now owned or hereafter acquired, or any part thereof, or the income therefrom, prior to the lien of this Indenture, except (a) permitted liens and prepaid liens, as herein defined, (b) the lien of the First Mortgage, as hereinafter defined, and (c) any other lien for the payment of money or its equivalent existing at the time of acquisition upon any property acquired by the Company subsequent to the date hereof, or given to secure a part of the purchase price of any such property; and within three months after the accruing of any lawful claims or demands for labor, materials, supplies or other objects, which if unpaid might by law be given precedence over this Indenture as a lien or charge upon the mortgaged and pledged property, whether now owned or hereafter acquired, or the income thereof, it will pay or cause to be discharged or make adequate provision to satisfy or discharge the same; provided, however, that nothing in this Indenture contained shall require the Company to observe or conform to any requirement of governmental authority or to cause to be paid or discharged, or make provision for, any such lien or charge, so long as the validity thereof shall be contested in good faith and by necessary and appropriate legal proceedings and provided that such security for the payment of such lien or charge shall be given as the Trustee may require and, provided further, that nothing herein contained shall prohibit the Company from acquiring or holding property subject to easements, conditions or restrictions not materially impairing its usefulness in the Company's business; and that, save as aforesaid, or as otherwise herein expressly provided, it will

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not suffer any matter or thing whereby the lien hereof might or could be impaired.

SECTION 5. That it will keep all the property of a character usually insured by companies similarly situated and which is at any time subject to the lien of this Indenture, insured against loss or damage by fire, and to an amount deemed adequate to afford protection against such loss or damage, either by means of policies issued by reputable insurance companies or, at the Company's election, by means of an adequate insurance fund set aside and maintained by it out of its own earnings or in conjunction with other companies through an insurance trust or other agreement, the loss, if any (except as to property specifically excepted from the lien hereof in the granting clauses hereof and except as to any particular loss not exceeding Ten Thousand Dollars (\$10,000.) in amount), to be made payable to the Trustee (or to the trustees under the First Mortgage, as herein defined, or to the trustee under any other mortgage or trust indenture existing immediately prior to the time of acquisition on property acquired by the Company subsequent to the date hereof or given to secure a portion of the purchase price of any such property if required by the provisions thereof), as their interests may appear, and that it will furnish to the Trustee at such times as the Trustee may request, a statement signed by the President or a Vice-President and the Secretary or an Assistant Secretary of the Company, showing:

(a) the numbers of the policies of insurance in effect and the names of the issuing companies,

(b) the amounts of such policies, and

(c) the nature of the property covered by such policies,

and stating that each of said policies provides that loss thereunder is payable to the Trustee to the extent required by the provisions of this Section or, at the option of the Company in lieu thereof, a certificate of one or more reputable insurance brokers that he or they have examined the fire insurance policies in effect upon the

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property of the Company and that in his or their opinion the Company has fully complied with the provisions of this Section 5. Each such certificate of officers of the Company or of an insurance broker or insurance brokers shall conform to the requirements of subdivision (h) of Section 4 of Article XIV hereof.

All moneys received by the Trustee as proceeds of any insurance against loss or damage shall be held and applied by the Trustee in the same manner and for the same purposes and subject to the same conditions as moneys in the Release Fund provided for in Article VI hereof.

That all insurance moneys received by the Company on account of any particular loss not exceeding \$10,000 in amount shall be forthwith applied to the rebuilding, renewal or replacement with property of the same character as, or a different character than the property destroyed or damaged.

SECTION 6. That the business of the Company will be continuously carried on and conducted in an efficient manner; that all property, plants, appliances and equipment of the Company subject to the lien of this Indenture, used and useful in the carrying on of its business will be maintained in adequate repair, working order and condition, and, if worn out or injured, will be replaced by other property, suitable to the business of the Company, and of at least equal value; and that none of the rights, powers, franchises or privileges of the Company subject to the lien of this Indenture, whether now owned or hereafter acquired, will be allowed to lapse other than by expiration of the term of duration thereof or be forfeited so long as the same shall be necessary for the carrying on of the business of the Company; that it will at all times maintain its corporate existence and right to carry on business in the several states in which its property and plants subject to the lien of this Indenture, or any part thereof, may be located and will use reasonable efforts to obtain, from time to time, all necessary renewals and extensions thereof, and subject to the provisions hereof, will diligently endeavor to maintain, preserve and renew all such rights, powers, privileges and franchises owned by it and necessary for carrying on the business of the Company; that it will at all times

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use all reasonable diligence to provide service adequate to meet the reasonable requirements of the communities in which it may be operating; that, except to the extent herein expressly permitted, it will at no time commit or suffer to be committed any waste upon the mortgaged property, or do, or permit to be done about, in or upon the mortgaged property anything that may in any wise tend to impair the value thereof, or to weaken, diminish or impair the security afforded by this Indenture, and that it will fully and in due time comply with all laws and ordinances applicable to the Company or the mortgaged and pledged property.

Nothing herein contained shall be construed to prevent the Company from contesting in good faith the validity of any such laws or ordinances by necessary and appropriate legal proceedings or in such other manner as may be deemed advisable by the Company or from ceasing to operate any of its plants or any other properties if in the judgment of the Company it is advisable not to operate the same for the time being, or, if the Company intends to sell or otherwise dispose of the same and within a reasonable time endeavors to effectuate such a sale; nor in any such event to prevent the Company from dismantling, or taking such other action with respect to such plant or such other property as is proper and customary under the circumstances.

SECTION 7. That it will cause this Indenture and all indentures supplemental hereto to be kept recorded and filed in such manner and in such places as may be required by law in order to make effective the lien intended to be created thereby and to maintain the lien thereof; and that it will furnish to the Trustee: (a) promptly after the execution and delivery of this Indenture and of each supplemental indenture, an opinion of counsel as herein defined either stating that in the opinion of the signer this Indenture and all supplemental indentures have been properly recorded and filed so as to make effective the lien intended to be created thereby, and reciting the details of such action, or stating that in the opinion of the signer no such action is necessary to make such lien effective; and (b) at least annually after the execution and delivery of this Indenture, an opinion of counsel as herein defined either

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stating that in the opinion of the signer such action has been taken with respect to the recording, filing, re-recording and refiling of this Indenture and of each supplemental indenture, as is necessary to maintain the lien thereof, and reciting the details of such action, or stating that in the opinion of the signer no such action is necessary to maintain such lien.

SECTION 8. That it will execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectually the purposes of this Indenture, and to make subject to the lien hereof any property hereafter acquired and intended to be subject to the lien of this Indenture, and to transfer to any new trustee or trustees the estate, powers, instruments or funds held in trust hereunder.

SECTION 9. That it will at all times keep or cause to be kept proper books of record and account in which full, true and correct entries will be made, of all dealings or transactions of or in relation to the plants, properties, business and affairs of the Company. The Company will, (a) furnish to the Trustee within four months after the close of each fiscal year (which shall, for purposes of this Section, be deemed a calendar year unless the Company shall in writing have advised the Trustee otherwise), a balance sheet of the Company as of the close of such fiscal year and a statement of income and expenses of the Company for such fiscal year, which balance sheet and statement of income and expenses shall be certified by the Treasurer of the Company and, if requested by the Trustee, shall be accompanied by a report with respect thereto of an independent public accountant; and (b) upon request of the Trustee permit the Trustee, or an accountant and/or an engineer for that purpose duly authorized by the Trustee, at the expense of the Company, to inspect the books, accounts, papers, documents and memoranda of the Company, as well as its plants and properties, and to take from the books, accounts, papers, documents and memoranda of the Company such extracts as may be deemed expedient.

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SECTION 10. That it will not go into voluntary bankruptcy or insolvency, or apply for or consent to the appointment of a receiver of itself or of its property or make any general assignment for the benefit of its creditors, or suffer any order adjudicating it to be bankrupt or insolvent or appointing a receiver of it or of its property to be made and remain unvacated or not appealed from for a period of ninety (90) days; provided that the provisions of this Section shall not be construed or be deemed to apply to proceedings for the reorganization of the Company under the Bankruptcy Act unless therein the Company shall be adjudicated a bankrupt.

SECTION 11. That it is duly authorized under the laws of the States of Delaware and Iowa and under all other applicable provisions of law to create and issue the bonds herein provided for and to execute and deliver this Indenture, and that all corporate action on its part for the creation and issue of said bonds and the execution of this Indenture has been duly and effectually taken, and that said bonds when issued and in the hands of the holders thereof are and will be valid and enforceable obligations of the Company, and that this Indenture is and always will be a valid mortgage or deed of trust to secure the payment of said bonds.

SECTION 12. That upon the issue of each and every bond hereby secured it shall and will pay all such United States Internal Revenue and other taxes (which may legally be paid by the Company) as may be imposed by any law of the United States of America, of the State of Delaware or the State of Iowa or of the several states in which its property and plants, or any part thereof may be located, then in force applicable to and imposed upon the issue of such bond, and that as evidence of such payment it will cause to be affixed to each bond issued hereunder or to this Indenture and duly cancelled all such Internal Revenue and other stamps and that it will cause to be endorsed or affixed to each bond issued hereunder or to this Indenture such statement or recital as shall be necessary to comply with any and every such law then in force.

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SECTION 13. That it will not issue, or permit to be issued, any bonds hereunder in any manner other than in accordance with the provisions of this Indenture and the agreements in that behalf herein contained, and that it will faithfully observe and perform all the conditions, covenants and requirements of this Indenture and of all indentures supplemental hereto.

SECTION 14. That it will pay the principal of and interest on all bonds from time to time outstanding secured by the First Mortgage as herein defined as the same may from time to time mature or within the period of grace, if any, specified in said First Mortgage and that it will not permit any default under said First Mortgage to occur and continue for the period of grace, if any, specified therein.

That upon the release, satisfaction or discharge of said First Mortgage there shall forthwith be paid to the Trustee under this Indenture and shall be added to the Release Fund provided in Article VI hereof and shall be held and/or disposed of by the Trustee in accordance with the provisions relating to such Release Fund, all monies then held by the trustee under said First Mortgage (a) which shall have been derived from insurance upon any fixed property as herein defined which was owned by the Company on May 1, 1940 or which shall have become subject to the lien of this Indenture subsequently to May 1, 1940 or (b) which shall represent proceeds of a sale or other transaction in connection with which any such fixed property was released from the lien of this Indenture.

SECTION 15. That it will duly and punctually observe and perform all the conditions and obligations on it imposed by the terms of any mortgage or trust indenture existing, immediately prior to the time of acquisition by the Company, upon property acquired subsequent to the date of this Indenture or given to secure a portion of the purchase price of any such property and will duly and punctually pay the principal of and interest on all bonds or other obligations secured by any such mortgage or trust indenture within the period of grace, if any, specified therein, and that it will not

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permit any default under any such mortgage or trust indenture to occur and continue for the period of grace, if any, specified therein, if thereby the security afforded by this Indenture be materially impaired or endangered; provided that no failure of the Company to observe or perform any provision of any such mortgage or trust indenture shall constitute or shall be deemed to be or to become a default under any provision of this Indenture, if the Company shall have given written notice to the Trustee of its intention not to observe or perform such provision, stating the nature of the provision and the facts constituting non-observance thereof, and shall deliver to or file with the Trustee an engineer's certificate and an opinion of counsel (as herein defined), each stating the signer's opinion to the effect that in view of the situation existing or confronted the non-observance of such provision neither is nor will be detrimental to the best interests of the holders of the bonds secured by this Indenture.

That, subject to the requirements of the First Mortgage as herein defined, upon the release, satisfaction or discharge of any such mortgage or trust indenture there shall forthwith be paid to the Trustee under this Indenture and shall be added to the Release Fund provided in Article VI hereof and shall be held and/or disposed of by the Trustee in accordance with the provisions relating to such Release Fund, all monies then held by the trustee under such mortgage or trust indenture so released, satisfied or discharged (a) which shall have been derived from insurance upon any fixed property as herein defined which shall have become subject to the lien of this Indenture or (b) which shall represent proceeds of a sale or other transaction in connection with which any such fixed property was released from the lien of this Indenture.

SECTION 16. That no bonds or obligations secured by any mortgage or trust indenture existing immediately prior to the time of acquisition upon any fixed property (as herein defined) of the Company acquired subsequently to the date of this Indenture or given to secure a portion of the purchase price of such property shall be authenticated and delivered or issued after any of the

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property subject to the lien of such mortgage or trust indenture shall have been acquired by the Company except in lieu of mislaid, lost, destroyed, mutilated or stolen bonds or upon transfer or exchange of bonds previously issued under such mortgage or trust indenture and the Company further covenants and agrees to deliver to the trustee under any such mortgage or trust indenture at the time or approximately at the time that the property subject thereto shall be acquired by the Company a notice signed in the name of the Company under its corporate seal, stating in substance that in accordance with the provisions of this Section no bonds or other obligations are to be authenticated and delivered or issued under the particular mortgage or trust indenture specified contrary to the prohibition of this Section.

The provisions of this Section shall not be deemed or construed to apply to the First Mortgage as herein defined.

SECTION 17. That so long as any bonds issued under this Indenture shall be outstanding it will not pay any dividends declared subsequent 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 payments 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 applied to 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) arising 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 arising 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;

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(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 this Indenture;

(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 18. That whenever necessary to avoid or fill a vacancy in the office of Trustee, the Company will in the manner provided in Section 19 of Article X hereof appoint a Trustee.

SECTION 19. (a) That, if a paying agent other than the Trustee shall be appointed, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such paying agent shall agree with the Trustee, subject to the provisions of subdivision (c) of this Section 19, (1) that such paying agent shall hold in trust for the benefit of bondholders or the Trustee all sums held by such paying agent (whether such sums are so paid to such paying agent by the Company or any other obligor on the bonds outstanding hereunder) for the payment of the principal of or interest or premium, if any, on bonds issued hereunder; and (2) that such paying agent shall give the Trustee notice of any default by the Company or any other obligor on the bonds outstanding hereunder in the making of any such payment.

(b) That, if the Company acts as its own paying agent it will, on or before each due date of each instalment of principal or interest on the bonds, set aside and segregate and hold in trust for the benefit of bondholders or the Trustee a sum sufficient to pay such principal or interest or premium so becoming due on the

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bonds, and will notify the Trustee of such action, or of any failure to take such action.

(c) Anything in this Section to the contrary notwithstanding, the Company may at any time for the purpose of obtaining a release or satisfaction of this Indenture or for any other reason, pay or cause to be paid to the Trustee all sums held in trust as required by this Section, subject to the provisions and limitations in this Indenture contained.

(d) Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section is subject to the provisions of Section 5 of Article XIV hereof.

SECTION 20. That it will furnish or cause to be furnished to the Trustee between August 1 and August 31 in the year 1940 and between February 1 and February 28, and also between August 1 and August 31 in each year beginning with the year 1941, and at such other times as the Trustee may request in writing, a statement in such form as the Trustee may reasonably require, containing all the information in the possession or control of the Company or of any of its paying agents as to the names and addresses of the holders of bonds issued under this Indenture obtained since the date as of which the next previous list, if any, was furnished. Each such statement shall be dated as of a date not earlier than the fifteenth day prior to the date on which said statement is furnished, and need not include information received after such date.

SECTION 21. That it will

(1) file with the Trustee within fifteen (15) days after the Company is required to file the same with the Securities and Exchange Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Securities and Exchange Commission may from time to time by rules and regulations pursuant to the Trust Indenture Act of 1939 prescribe) which the Company may be required to file with said Commission pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents

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or reports pursuant to either of such sections, then that it will file with the Trustee and said Commission, in accordance with any rules and regulations that may be prescribed from time to time by said Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) file with the Trustee and the Securities and Exchange Commission, in accordance with such rules and regulations as may be prescribed from time to time by said Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants provided for in this Indenture, as may be required from time to time by such rules and regulations, including, in the case of annual reports, if required by such rules and regulations, Independent Accountant's Certificates, conforming to the requirements of subdivision (h) of Section 4 of Article XIV hereof as to compliance with conditions or covenants, compliance with which is subject to verification by accountants, but no such certificate or opinion shall be required as to any matter specified in clauses (A), (B) or (C) of paragraph (3) of subsection (c) of Section 314 of the Trust Indenture Act of 1939 as enacted prior to the date of this Indenture; and

(3) transmit to the holders of bonds issued under this Indenture in the manner and to the extent provided in subdivision (c) of Section 9 of Article X hereof, such summaries of any information, documents and reports required to be filed by the Company pursuant to subsections (1) and (2) of this Section 21 as may be required by rules and regulations prescribed pursuant to the Trust Indenture Act of 1939 from time to time by the Securities and Exchange Commission.

SECTION 22. That it will reimburse, so far as may be lawful, to the owner of any bond or bonds outstanding hereunder any taxes, other than estate, succession, inheritance and income taxes, that are

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or may be 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 (5) 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 III.

SINKING FUND.

SECTION 1. The Company covenants that so long as any of the bonds issued hereunder shall be outstanding, it will pay or cause to be paid to the Trustee as a Sinking Fund for the purchase, redemption, acquisition or retirement of bonds hereby se-

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cured, in lawful money of the United States of America, sums of money at the times and in the amounts hereinafter set forth, to wit:

On or before May 1, 1942	\$235,000.
On or before May 1, 1943	\$245,000.
On or before May 1, 1944	\$255,000.
On or before May 1, 1945	\$265,000.
On or before May 1, 1946	\$310,000.
On or before May 1, 1947	\$325,000.
On or before May 1, 1948	\$339,000.
On or before May 1, 1949	\$353,000.

The amounts so paid to the Trustee shall be held by the Trustee as security for the payment of the bonds issued hereunder until applied as hereinafter in this Article provided. Bonds issued hereunder purchased, redeemed, acquired, or retired with any such monies shall for all purposes of this 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 Article IV of this 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.

SECTION 2. At any time upon the request of the Company expressed by resolution, as herein defined, the 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 issued hereunder then outstanding, at a price (exclusive of accrued interest) not exceeding the principal amount of such bonds. Upon request of the Company expressed by resolution the Trustee shall purchase bonds as aforesaid in the open market at the lowest prices reasonably obtainable provided the cash in the Sinking Fund then held by it and available for purchase of bonds shall be less than \$50,000. In the event that such monies shall

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then exceed \$50,000 the Trustee shall purchase bonds by inviting offers thereof in the manner specified in this Section. In order to invite offers of such bonds the 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 and published in the Borough of Manhattan, City of New York, advertise for written proposals to sell to it on or before a specified date bonds then outstanding hereunder. In addition to publishing such notice, as aforesaid, the Trustee shall at least one week before making such purchase, mail a copy thereof to each registered owner, if any, of any of the bonds outstanding hereunder. The 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 so offered at the lowest price or prices asked therefor and reasonable notice shall be given by the 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 Trustee may also in its discretion, and upon request of the Company so to do shall, invite offers of bonds 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 Trustee has accepted all proposals at lower prices, the 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 Trustee shall deem proper in its discretion the proposals to be accepted. All proposals by holders shall be subject to acceptance of a portion thereof, unless otherwise expressed in the proposals and all advertisements for written proposals shall so state. The 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 Trustee to purchase bonds in

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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 of Ten Thousand Dollars (\$10,000) or more, the Trustee shall, as soon as practicable thereafter, apply such moneys to the redemption of bonds, at their principal amount and accrued interest to the date of redemption, in the manner and as provided for the redemption of bonds in Article IV hereof.

SECTION 3. The Company covenants that in each case of any purchase or redemption of bonds for Sinking Fund purposes under any of the provisions of this Article it will on or before the date of purchase or redemption of such bonds, pay to the Trustee for the Sinking Fund an additional amount of cash equal to the accrued interest on such bonds so purchased or redeemed to the date of purchase or redemption thereof, as well as an amount equal to the expenses of the purchase or redemption, to the end that the Sinking Fund shall not be diminished by the payment therefrom of such interest or expenses.

SECTION 4. All bonds issued hereunder purchased, redeemed or otherwise acquired by the Trustee under any of the provisions of this Article for Sinking Fund purposes shall forthwith be cancelled by the Trustee and the Trustee shall thereupon cremate such bonds and deliver evidence of the cremation thereof to the Company and no such bonds shall be reissued.

SECTION 5. The delivery by the Company to the Trustee for cancellation of any bonds issued hereunder with their appurtenant unmatured coupons shall be deemed equivalent to the payment of cash to the Sinking Fund or for Sinking Fund purposes to an amount equal to the principal amount of the bonds so delivered. Bonds may be purchased pursuant to provisions of this Article from the Company as well as from others.

SECTION 6. All monies which shall at any time have remained in the Sinking Fund for a period of two months without having

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been made the subject of a proper request by the Company for application to the purchase or redemption of bonds as provided in this Article, shall be applied by the Trustee to the redemption of bonds in the manner specified in Section 2 of this Article; provided that the Trustee shall not be required to call any bonds for redemption with monies in the Sinking Fund unless such monies shall exceed \$10,000.

SECTION 7. If the mortgaged property shall be sold, either under the power of sale herein provided or under decree of court in suit for a foreclosure of this Indenture, then any amount then remaining in the Sinking Fund, except monies applicable to bonds theretofore called for redemption or accepted for purchase, shall be added to and dealt with as if it were a part of the proceeds of such sale.

ARTICLE IV.

REDEMPTION OF BONDS.

SECTION 1. The bonds issued hereunder 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 sections of this Article numbered from 2 to 7, both inclusive.

SECTION 2. In case of redemption of a part only of the bonds issued hereunder, the particular bonds so to be redeemed shall be selected by the 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 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 four successive calendar weeks 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

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printed in the English language and published and of general circulation in the City of Chicago, State of Illinois, and in a daily newspaper printed in the English language and published and of general circulation in the Borough of Manhattan, City and State of New York. 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 registered bonds 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 neither failure so to mail any such notice nor any defect therein or in the mailing thereof shall affect the validity of the proceedings for the redemption of such bonds.

SECTION 3. In the event that the Company shall give notice of its intention to redeem any of the bonds, the Company shall, and it hereby covenants that it will, on or before the redemption date specified in such notice, deposit with the Trustee or leave with the Trustee if previously deposited a sum 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 Trustee the money for the redemption of said bonds, such failure shall constitute a default under this Indenture 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 Article VII hereof with respect to a default in the payment of principal shall be available to and enforceable by the Trustee.

SECTION 4. Moneys deposited by the Company with the Trustee under the provisions of this Article, or left with the Trustee if previously deposited, for the redemption of any of the bonds issued hereunder (whether all or a part only of the bonds issued hereunder are to be redeemed), including bonds called for redemption for Sinking Fund purposes, shall be held in trust, subject to the provisions of Section 5 of Article XIV hereof, 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

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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 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 this Indenture, 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 except as otherwise provided in the last paragraph of said Section 5 of Article XIV.

SECTION 5. All bonds issued hereunder paid, retired or redeemed under any of the provisions of this Article shall forthwith be cancelled, and the Trustee shall thereupon cremate such bonds and deliver evidence of the cremation thereof to the Company.

SECTION 6. If the amount necessary to redeem any bonds called for redemption as aforesaid, including bonds called for redemption for Sinking Fund purposes, shall have been deposited with the Trustee or left with the 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 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 Trustee shall have been made for any further publications of such notice which may be required hereunder 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 Trustee shall be entitled to consider such bonds redeemed from

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the holder or holders thereof and paid for purposes of satisfaction of this Indenture.

SECTION 7. Subject to the provisions of and to the extent permitted by Section 3 of Article X hereof in case any question (other than a question as to whether a default shall have occurred) shall arise as to whether proper and sufficient action shall have been taken for the redemption of bonds such question shall be decided by the Trustee and the decision of the Trustee shall be final and binding upon all parties in interest.

ARTICLE V.

CONCERNING THE PLEDGED SECURITIES DEPOSITED WITH THE TRUSTEE.

From time to time, and at any time hereafter, the Company may deposit with the Trustee as security for the payment of the bonds issued and outstanding hereunder any securities issued by the Company or any other corporation, and any such securities so deposited (except purchase money obligations secured by property released from the lien hereof, which shall be held and/or disposed of by the Trustee in accordance with the provisions of Section 4 of Article VI hereof) shall be held and/or disposed of by the Trustee in accordance with such terms, conditions and provisions as may be set forth in any other indenture or agreement relating thereto made in connection with the delivery or deposit of such securities to or with the Trustee.

ARTICLE VI.

POSSESSION, USE AND RELEASE OF MORTGAGED PROPERTY.

SECTION 1. Unless a completed default of the character specified in Section 1 of Article VII of this Indenture has occurred and has not been rescinded or annulled as provided in Section 1 of Article VII, or been otherwise cured or made good to the satis-

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faction of the Trustee, the Company shall be suffered and permitted to possess, use and enjoy the mortgaged and pledged property (except money and securities which are expressly required to be deposited with the Trustee), and to receive and use the rents, issues, income, products and profits thereof, with power, in the ordinary course of business, freely and without let or hindrance on the part of the Trustee or of the bondholders, to use and consume materials and supplies, and, to exercise any and all rights under or in relation to choses in action, leases and contracts except as herein otherwise expressly provided to the contrary.

SECTION 2. Unless a completed default of the character specified in Section 1 of Article VII of this Indenture has occurred and has not been rescinded or annulled as provided in Section 1 of Article VII, or been otherwise cured or made good to the satisfaction of the Trustee, the Company may at any time, without any release or consent by the Trustee,

(1) sell or otherwise dispose of, free from the lien of this Indenture, any machinery, equipment, tools, implements or other property, which may have become obsolete or unfit for use, upon renewing, replacing or offsetting the same by or substituting for the same, new machinery, equipment, tools, implements or other property of at least equal value to that of those disposed of;

(2) cancel, or make changes or alterations in, or substitutions of, any and all contracts, leases and right of way grants of either land or easements;

(3) surrender any franchise or governmental consent or permit now held or which may be hereafter held by the Company or under which it may now be operating or may hereafter operate any of its properties or assent to or arrange for any modification or alteration of any of the terms thereof, provided that either (a) the Company shall still have, under some other franchise or governmental consent, permit or right or under the modified franchise or governmental consent or permit, or under a new franchise, license, governmental

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consent or permit, received in exchange for the surrendered franchise or governmental consent or permit or otherwise (subject to the lien of this Indenture and free from any liens prior thereto, except prepaid and/or permitted liens and/or the lien of the First Mortgage, as herein defined, and/or any other lien or liens for the payment of money or its equivalent existing immediately prior to the time of acquisition upon any property acquired by the Company subsequent to the date hereof or given to secure a part of the purchase price of any such property), authority, in the opinion of counsel, sufficient for the conduct of the same or an extended business in the same or substantially the same or an extended territory for the same or substantially the same or an extended or unlimited period of time or until the maturity date of bonds at the time outstanding hereunder or for the most extended period or term then possible under existing laws or regulations or (b) in the opinion of the Board of Directors it is no longer necessary or desirable for the Company to continue to operate in the territory affected or to comply with the terms and provisions of the franchise or governmental consent or permit.

SECTION 3. Unless a completed default as defined in Section 1 of Article VII of this Indenture has occurred and has not been rescinded or annulled as provided in Section 1 of Article VII, or been otherwise cured or made good to the satisfaction of the Trustee, the Company may sell, exchange or otherwise dispose of any of the mortgaged and pledged property and the Trustee shall release the same from the lien hereof upon the application of the Company and delivery to the Trustee of:

(1) a resolution, as herein defined, requesting such release; provided that such resolution shall not be required in respect of any piece or parcel of property to be released at any one time the consideration for which as stated in the engineer's certificate, provided for in subdivision (2) of this Section 3, does not exceed One Thousand Dollars (\$1,000).

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(2) an engineer's certificate, as herein defined, made and dated not more than ninety (90) days prior to the delivery to the Trustee of the application for such release:

(a) stating that, in the opinion of the signers, such release is desirable in the conduct of the business of the Company, and that the security hereby afforded will not be impaired by such release in contravention of the provisions of this Indenture;

(b) containing a brief description of the property the release of which is requested, and stating (i) the fair value thereof, and (ii) the fair value of all other property released since the commencement of the current calendar year as set forth in certificates previously delivered to the Trustee; (iii) the aggregate of the amounts stated pursuant to clauses (i) and (ii) above; and (iv) the aggregate principal amount of bonds issued under this Indenture outstanding at the date of the certificate;

(c) stating that the Company has sold or exchanged, or contracted to sell or exchange, the property so to be released, for a consideration described in reasonable detail in the certificate which consideration shall consist in whole or in part of one or more of the following: (1) cash, or (2) obligations secured by purchase money first mortgage upon the property released or (3) any other property, provided that if the property to be released is fixed property (as herein defined), then such property to be received in exchange therefor shall be other fixed property;

(d) stating (i) the fair value to the Company of obligations secured by purchase money mortgage, if any, constituting any part of the consideration received or to be received for the property released, and (ii) the aggregate fair value to the Company of all such obligations made the basis for the release of property subject to the lien of this Indenture since the commencement of the current calendar year as set forth in certificates previously delivered to the Trustee, and

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(iii) the aggregate of the amounts stated pursuant to clauses (i) and (ii) above;

(e) stating the fair value to the Company of the property, if any (other than cash or obligations secured by purchase money mortgage on the property released) constituting any part of the consideration received or to be received for the property the release of which is requested, and whether any of such property consists of property which, within six months prior to the date of acquisition thereof by the Company, was used or operated by any person or persons other than the Company in a business similar to that in which it has been or is to be used or operated by the Company, and, if any such property is stated to have been so used or operated, (i) briefly describing such property and (ii) stating the fair value to the Company of such property;

(3) in case the aggregate fair value of property as stated in the engineer's certificate pursuant to the requirements of clause (iii) of paragraph (b) of subdivision (2) of this Section is equal to or exceeds ten per cent (10%) of the aggregate principal amount of all bonds issued under this Indenture at the time outstanding, as stated in the engineer's certificate, then an independent engineer's certificate as herein defined stating the fair value of the property the release of which is requested; provided that such independent engineer's certificate shall not be required if the fair value of the property the release of which is requested, as stated in the engineer's certificate pursuant to the requirements of clause (i) of paragraph (b) of subdivision (2) of this Section, is less than the greater of (1) \$25,000 or (2) one per cent (1%) of such aggregate principal amount of bonds;

(4) in case the aggregate fair value to the Company of the obligations secured by purchase money mortgage, as stated in the engineer's certificate pursuant to the requirements of

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clause (iii) of paragraph (d) of subdivision (2) of this Section, is equal to or exceeds ten per cent (10%) of the aggregate principal amount of all bonds issued under this Indenture at the time outstanding, as stated in the engineer's certificate, then an independent engineer's certificate stating the fair value to the Company of the obligations secured by purchase money mortgage constituting any part of the consideration to be received for the property the release of which is requested; provided that such independent engineer's certificate shall not be required if the fair value to the Company of such obligations secured by purchase money mortgage, as stated in the engineer's certificate pursuant to clause (i) of paragraph (d) of subdivision (2) of this Section is less than the greater of (1) \$25,000 or (2) one per cent (1%) of such aggregate principal amount of bonds;

(5) in case the fair value to the Company of any property, constituting any part of the consideration received or to be received for property released, which, within six months prior to the date of acquisition thereof by the Company was used or operated by a person or persons other than the Company in a business similar to that in which it has been or is to be used by the Company, as stated in the engineer's certificate pursuant to the requirements of clause (ii) of paragraph (e) of subdivision (2) of this Section, is equal to or exceeds the greater of (1) \$25,000 or (2) one per cent (1%) of the aggregate principal amount of bonds issued under this Indenture at the time outstanding, as stated in the engineer's certificate, then an independent engineer's certificate (as herein defined) stating the fair value to the Company of such property;

(6) a Treasurer's certificate (as herein defined), conforming to the requirements of subdivision (h) of Section 4 of Article XIV hereof and stating that no completed default as defined in Section 1 of Article VII hereof is subsisting;

(7) an opinion of counsel (as herein defined) stating that the property, the release of which is requested, either (a) is

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not subject to the lien of the First Mortgage (as herein defined), or of any other mortgage or trust indenture existing immediately prior to the time of acquisition upon any property acquired by the Company subsequently to the date hereof or given to secure a part of the purchase price of any such property, or, (b) that it is subject to the lien of such First Mortgage or such other prior mortgage or trust indenture. In case such opinion of counsel shall state that the property, the release of which is requested, is not subject to the lien of such First Mortgage or such other mortgage or trust indenture, then there shall be delivered to the Trustee:

(i) any money or obligations stated in the engineer's certificate, provided for in subdivision (2) of this Section, to be a consideration (or any part thereof) for the property the release of which is requested; and

(ii) an opinion of counsel, as herein defined, to the effect that any obligations included in the consideration for such release are, in his or their opinion, valid obligations, and that any purchase money mortgage securing the same is sufficient to afford a lien upon the property to be released, and stating also, in case the Trustee is requested to release any franchise, that such release will not impair the right of the Company to operate any of its remaining properties; and in case all or any part of the consideration for the property to be released consists of fixed property as herein defined, further stating, that such fixed property received in exchange is subject to the lien of this Indenture or, in the alternative, stating what, if any, documents should be delivered, recorded or filed so to subject such property to the lien of this Indenture and the manner and places in which the same should be recorded and filed; and

(iii) the documents, if any, stated in the opinion of counsel provided for in the foregoing paragraph (ii) of this subdivision (7) to be delivered, recorded or filed to subject such property to the lien of this Indenture; and

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(8) an opinion of counsel (as herein defined), conforming to the requirements of subdivision (h) of Section 4 of Article XIV hereof and stating that, in the opinion of the signer, the conditions and covenants contained in this Section 3 have been complied with and the release requested may properly be granted by the Trustee.

In the event that the fair value of the property the release of which is requested, shall exceed the amount of cash, plus the fair value to the Company of other property, including obligations secured by purchase money mortgage, received as a consideration therefor as shown by the certificates hereinabove in this Section provided for, the difference shall be deposited with the trustee under the First Mortgage or other mortgage or trust indenture, if any, shown by the opinion of counsel provided for in paragraph (ii) of subdivision (7) of this Section to be prior to the lien of this Indenture, but otherwise shall be deposited with the Trustee under this Indenture.

SECTION 4. Any obligations received by the Trustee pursuant to the provisions of Sections 2 or 3 of this Article may be collected by it, either directly or, if the Trustee shall so elect, through the agency of the Company or others. Unless a completed default of the character specified in Section 1 of Article VII of this Indenture has occurred and has not been rescinded and annulled as provided for in Section 1 of Article VII or been otherwise cured or made good to the satisfaction of the Trustee, interest as received on any such obligation by the Trustee shall be paid over to the Company.

SECTION 5. Any new property acquired by exchange or purchase to take the place of any property released or otherwise disposed of under any provision of this Article shall forthwith and without further conveyance become subject to the lien of and be covered by this Indenture as a part of the mortgaged property; but the Company covenants that (subject to the requirements of any mortgage or trust indenture which shall be a lien on any of the

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mortgaged property prior to the lien hereof) if so requested by the Trustee it will convey the same, or cause the same to be conveyed, to the Trustee by appropriate instruments of conveyance upon the trusts and for the purposes of this Indenture.

SECTION 6. Should any of the mortgaged property be taken by exercise of the power of eminent domain or should any governmental body or agency, at any time, exercise any right which it may have to purchase any part of the mortgaged property, the Trustee shall release the property so taken or purchased, upon being furnished with an opinion of counsel, as herein defined, to the effect that such property has been taken by exercise of the power of eminent domain or purchased by a governmental body or agency in the exercise of a right which it had to purchase the same. Such opinion of counsel shall conform to the requirements of subdivision (h) of Section 4 of Article XIV hereof and shall state that, in the opinion of the signer, the conditions contained in this Section 6 have been complied with and the release requested may properly be granted by the Trustee. Subject to the requirements of any mortgage or trust indenture which shall be a lien on any of the mortgaged property prior to the lien hereof, the proceeds of all property so taken or purchased shall be deposited with the Trustee hereunder.

SECTION 7. In case the mortgaged property shall be in the possession of a receiver, lawfully appointed in any action or judicial proceeding for the foreclosure hereof or for the enforcement of the rights of the Trustee or of the bondholders under this Indenture, the powers hereinbefore conferred upon the Company with respect to the sale or other disposition of the mortgaged property may be exercised by such receiver, and any request, certificate or other document or appointment made or signed by such receiver for such purpose shall be as effective as if made by the Company or its Board of Directors or any of its officers in the manner herein provided; and if the Trustee shall be in possession of the mortgaged property under any provision of this Indenture, then such powers may be exercised by the Trustee in its discretion. The powers conferred by this Section upon a receiver or the Trustee

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tee may be exercised by such receiver or the Trustee notwithstanding that any one or more completed defaults as defined in Section 1 of Article VII hereof shall have happened and be continuing.

SECTION 8. No purchaser in good faith of property purporting to have been released hereunder shall be bound to ascertain the authority of the Trustee to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of such authority; nor shall any purchaser or grantee of any property or rights sold, granted, exchanged or otherwise disposed of by the Company and released by the Trustee, if such release is permitted by the provisions hereof, be under obligation to ascertain or inquire into the authority of the Company to make any such sale, grant, exchange or other disposition.

SECTION 9. Any and all cash or moneys deposited with or received by the Trustee pursuant to any of the provisions of any section of this Article or in payment of or in exchange for any of the obligations deposited with or received by the Trustee pursuant to the provisions of Section 2 or 3 of this Article (except, however, interest on said obligations) or which under any of the provisions of this Indenture are to be added to, or treated in the same manner or held and/or disposed of by the Trustee in the same manner as moneys or cash in the Release Fund, shall constitute a fund herein termed the Release Fund and shall be held by the Trustee in trust for the security of the bonds issued and outstanding hereunder until withdrawn or paid out as hereinafter provided.

SECTION 10. At any time upon the request of the Company, expressed by resolution, as herein defined, the Trustee shall to the extent that bonds are available for such purpose, apply all or any part of the cash held by it in the Release Fund to the purchase of bonds then outstanding hereunder at a price (exclusive of accrued interest) not exceeding the current redemption price for other than Sinking Fund purposes (exclusive of accrued interest). Upon request of the Company expressed by resolution the Trustee shall purchase bonds as aforesaid in the open market at the lowest prices reasonably obtainable, provided the cash in

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said Release Fund then held by it and available for the purchase of bonds shall be less than Fifty Thousand Dollars (\$50,000). In the event that said fund shall then exceed Fifty Thousand Dollars (\$50,000), the Trustee shall purchase bonds by inviting offers thereof in the manner specified in this Section. In order to invite offers of such bonds the Trustee shall, by notice published once in each of at least two (2) successive calendar weeks and in each case on any day of the week in a daily newspaper, printed in the English language, of general circulation published in the Borough of Manhattan, City of New York, advertise for written proposals to sell to it on or before a specified date bonds then outstanding hereunder. In addition to publishing such notice as aforesaid, the Trustee shall, at least one week before making such purchase, mail a copy thereof to each registered owner, if any, of any of the bonds outstanding hereunder. The 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 so offered at the lowest price or prices asked therefor, subject to the limitations as to the price to be paid in this Section set forth, and reasonable notice shall be given by the 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 Trustee may also, in its discretion, and upon request of the Company so to do, shall, invite offers of bonds for sale to the Release Fund in any other usual manner. Should there be two or more proposals at the same price aggregating more than the amount which the Trustee has available in the Release Fund for the purchase of Bonds, after having accepted all proposals at lower prices, the 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 Trustee shall deem proper in its discretion, the proposals to be accepted. All proposals by holders shall be subject to acceptance of a portion thereof unless otherwise ex-

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pressed in the proposals and all notices inviting written proposals shall so state. The Trustee shall have the right in its discretion to reject any or all proposals in whole or in part.

SECTION 11. At any time upon the request of the Company, expressed by resolution, as herein defined, the Trustee shall as soon as practicable thereafter apply all or any part of the cash in the Release Fund held by it to the redemption of bonds issued hereunder, at the current redemption price for other than Sinking Fund purposes, in the manner and as provided for redemption of bonds in Article IV hereof and in the event of each such redemption the Trustee shall notify the Company in writing forthwith of the bonds selected for redemption, specifying the amount of accrued interest payable in respect of the bonds to be redeemed upon such redemption, and the Company covenants that it will give or cause to be given the notice provided for in respect of the redemption of such bonds.

SECTION 12. All funds amounting to Fifty Thousand Dollars (\$50,000) or more remaining in the Release Fund for a period of twenty-four 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 as herein provided, shall be applied by the Trustee to the redemption, at the current redemption price other than for Sinking Fund purposes, of bonds in the manner specified in Section 11 of this Article; and the Company, in the event of each such application, upon written notice from the Trustee, shall give or cause to be given the notice provided for in respect of the redemption of such bonds.

SECTION 13. The delivery by the Company to the Trustee of any bonds issued hereunder with their appurtenant unmatured coupons, shall be deemed equivalent under this Article to payment of cash under Sections 3 or 6 of this Article to an amount equal to the aggregate principal amount of the bonds so delivered.

SECTION 14. At the option of the Company, any moneys constituting any part of the Release Fund may be withdrawn by the

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Company upon the delivery to the Trustee of any bonds issued hereunder with their appurtenant unmatured coupons, of an aggregate principal amount equal to the amount of moneys so withdrawn. Bonds may be purchased pursuant to the provisions of this Article from the Company as well as from others.

SECTION 15. The Company covenants that in each case of any purchase or redemption of bonds out of the Release Fund it will, on or before the date of purchase or redemption of such bonds, pay to the Trustee for the Release Fund an additional amount of cash equal to the accrued interest on such bonds so purchased or redeemed to the date of purchase or redemption thereof as well as an amount equal to the expenses of the purchase or redemption, to the end that the Release Fund shall not be diminished by the payment therefrom of such interest or expenses.

SECTION 16. All bonds issued hereunder purchased or otherwise acquired by, or delivered to the Trustee for the Release Fund shall forthwith be cancelled, and the Trustee shall cremate such bonds and deliver evidence of the cremation thereof to the Company.

SECTION 17. If the mortgaged property shall be sold, either under the power of sale herein provided, or under decree of court in a suit for the foreclosure of this Indenture, then the cash held by the Trustee in the Release Fund shall be added to and dealt with as if it were part of the proceeds of such sale.

ARTICLE VII.

REMEDIES OF TRUSTEE AND BONDHOLDERS UPON DEFAULT.

SECTION 1. Upon the occurrence of any one or more of the following events (herein and in the bonds sometimes called "completed defaults"), viz.:

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(a) Default in the payment of the principal of any bond hereby secured when the same shall have become due and payable, whether at maturity as therein expressed or by declaration or upon notice of redemption or otherwise; or

(b) Default continued for ninety (90) days in the payment of any interest upon any bond outstanding hereunder; or

(c) Default, continued for ten (10) days after written notice thereof shall have been given to the Company by the Trustee or shall have been given to the Company and the Trustee by any holder of a bond outstanding hereunder, in the covenants of the Company (1) with respect to bankruptcy, insolvency, assignment or receivership contained in Section 10 of Article II hereof or (2) with respect to performance and observance of the conditions and obligations of mortgages or trust indentures prior in lien to the lien hereof and the due and punctual payment of the principal of and interest on all bonds and other obligations secured by any such mortgage or trust indenture contained in Sections 14 and 15 of Article II hereof; or

(d) Default, continued for ninety (90) days after written notice thereof shall have been given to the Company by the Trustee, in the performance of any other covenant, agreement or condition herein contained;

then at any time during the subsistence of such completed default either the Trustee or the holders of twenty-five per cent (25%) or more in principal amount of the bonds then outstanding hereunder may declare the principal of all bonds hereby secured then outstanding and the interest accrued thereon immediately due and payable, and such principal and interest shall thereupon become and be immediately due and payable. Any such declaration by the Trustee shall be made by notice in writing delivered by the Trustee to the Company and any such declaration by the holders of twenty-five per cent (25%) or more in principal amount of the bonds hereby secured and then outstanding shall be made by notice in writing signed by such holders of bonds and delivered to the Com-

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pany and to the Trustee. The right to make any such declaration as aforesaid is subject, however, to the right of the holders of a majority in principal amount of the bonds then outstanding hereunder (determined as provided in Section 5 of this Article) by written notice to the Company and to the Trustee, and on behalf of the holders of all the bonds outstanding hereunder, to rescind and annul such declaration and destroy its effect at any time before any sale hereunder, if before any such sale all covenants and conditions with respect to which default shall have been made shall be fully performed, or complied with, and all arrears of interest upon all bonds outstanding hereunder and the reasonable expenses and charges of the Trustee, its agents and attorneys, and all other indebtedness secured hereby, except the principal of any bonds not then due by their terms, and interest accrued on such bonds since the last interest day, shall be paid, or the amount thereof shall be paid to the Trustee for the benefit of those entitled thereto; but no such rescission or annulment and no waiver of default hereunder shall extend to or affect any subsequent default or impair any right subsequently accruing thereon.

SECTION 2. The Company agrees, to the full extent that it may lawfully so agree, that at any time during the subsistence of one or more completed defaults, the Company, upon demand of the Trustee, shall forthwith surrender to the Trustee the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all the mortgaged property (including the books, papers and accounts of the Company), and to hold, operate and manage the same, and from time to time to make all needful repairs, and such alterations, additions and improvements as to the Trustee shall seem wise, and to receive the rents, income, issues and profits thereof, and out of the same to pay all proper costs and expenses of so taking, holding, operating and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee, hereunder, and any taxes and assessments and other charges prior to the lien of this Indenture which the Trustee may deem it wise to pay, and all expenses of all such repairs, alterations, additions

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and improvements, and to apply the remainder of the moneys so received by the Trustee, 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 on the overdue installments thereof at the same rate that the bonds themselves bear; such payments to be made ratably to the persons or parties 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 payment of the interest in default, in the order of the maturity of the installments of such interest, with interest on the overdue installments of interest at the same rate that the bonds themselves bear, and thereafter to the payment of the principal of all bonds then due, such payments, respectively, to be made ratably to the persons or parties entitled thereto without discrimination or preference; provided, however, in respect of the payments provided for in the foregoing clause (a) and this clause (b), that if to the knowledge of the Trustee the time for the payment of any coupon or claim for interest upon any of the bonds secured hereby shall have been extended, whether or not by or with the consent of the Company or any thereof at or after maturity shall have been transferred or pledged separate from the bond to which they relate, such coupons or claims for interest shall not be entitled to payment under the provisions of this Section except subject to the prior payment in full of the principal of all bonds issued hereunder then outstanding and of all coupons and claims for interest on such bonds, the payment of which has not been so extended or not so transferred or pledged; payments as aforesaid shall be made according to the amounts due and payable upon the bonds and interest respectively at the date fixed by the Trustee for the distribution of such proceeds upon presentation of the several bonds and coupons and stamping such payment thereon if partly paid and upon surrender thereof if fully paid.

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Whenever all that is due upon such installments of interest, and the principal of such bonds and under any of the terms of this Indenture shall have been paid and all defaults made good, the Trustee shall surrender possession to the Company, its successors or assigns; the same right of entry, however, to exist upon any subsequent default.

SECTION 3. At any time during the subsistence of one or more completed defaults the Trustee, by such officer or agent as it may appoint, may to the extent permitted by law, with or without entry sell all or any property subject to the lien hereof as an entirety, or in such parcels as the holders of a majority in principal amount of the bonds outstanding hereunder shall in writing request, or in the absence of such request, as the Trustee may determine, at public auction, at some convenient place in Centerville, Iowa, and/or such other place as may be required by law, or by order of court, having first given notice of such sale by publication at least once in each of not less than four successive calendar weeks, in each case on any day in the week, preceding the date fixed for any such sale in a daily newspaper of general circulation, published in Chicago, Illinois, and in at least one daily newspaper of general circulation published in the Borough of Manhattan, City and State of New York, and any other notice which may be required by law, and from time to time the Trustee may adjourn such sale in its discretion by announcement at the time and place fixed for such sale without further notice, and upon such sale may make and deliver to the purchaser or purchasers a good and sufficient deed or deeds for the same, which sale shall be a perpetual bar, both at law and in equity, against the Company, and all persons and corporations lawfully claiming or who may claim by, through or under it. The Trustee and its successors are further hereby irrevocably appointed the true and lawful attorney or attorneys of the Company, in its name and stead, for the purpose of effectuating any such sale to execute and deliver all necessary deeds, bills of sale, assignments and transfers, and to substitute one or more persons or corporations with like power, the Company hereby ratifying and confirming all that its said attorney or

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attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless, if so requested by the Trustee or by any purchaser, the Company shall ratify and confirm any such sale or transfer by executing and delivering to the Trustee or to such purchaser or purchasers all proper conveyances, assignments, instruments of transfer and releases as may be designated in any such request.

SECTION 4. In the event of default by the Company in the performance of any of the covenants or conditions of this Indenture, the Trustee shall have the right and power to take appropriate judicial proceedings for the enforcement of its rights and the rights of the bondholders hereunder. In case of a completed default hereunder, the Trustee may either after entry, or without entry, proceed by suit or suits at law or in equity, to enforce payment of the bonds then outstanding hereunder and to foreclose this Indenture and to sell the property subject to the lien of this Indenture under the judgment or decree of a court of competent jurisdiction; and it shall be obligatory upon the Trustee to take action, either by such proceedings or by the exercise of its powers with respect to entry or sale, as it may determine, upon being requested to do so by the holders of a majority in principal amount of the bonds then outstanding hereunder and upon being indemnified as hereinafter provided.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or to the bondholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission 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 acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

SECTION 5. The holders of a majority in principal amount of the bonds at the time outstanding hereunder, by an instrument

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in writing executed and delivered to the Trustee, may reasonably direct the method and place of conducting all proceedings to be taken for any sale of the property subject to the lien of this Indenture, or for the foreclosure of this Indenture, or for the appointment of a receiver or for the taking of any action authorized by this Article or refraining therefrom; provided that such direction shall not be contrary to the provisions of law or of this Indenture.

For the purposes of this Section, Sections 1 and 15 of this Article and subdivision (3) of Section 3 of Article X hereof, in determining whether the holders of the required principal amount of bonds have concurred in any such direction, or any consent or other action, bonds owned by the Company, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be disregarded, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction or consent, only bonds which the Trustee knows are so owned shall be so disregarded.

For the purposes of this Section the term Company shall include any other obligor on the bonds outstanding hereunder.

SECTION 6. In case of a completed default hereunder and upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the bondholders under this Indenture, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the property subject to the lien of this Indenture, and of the income, rents, issues and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 7. Upon any sale being made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement

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of this Indenture, the principal of all bonds then outstanding hereunder, if not previously due, shall at once become and be immediately due and payable.

SECTION 8. Upon any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of this Indenture, any bondholder or bondholders, or the Trustee, may bid for and purchase the property subject to the lien of this Indenture and upon compliance with the terms of sale may hold, retain and possess and dispose of such property in their or its own absolute right without further accountability, and any purchaser at any such sale may, in paying purchase money, deliver any of the bonds and coupons outstanding hereunder in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, subject, however, to the provisions in respect to extended, pledged and transferred coupons contained in Section 11 of this Article. Said bonds and coupons, in case the amounts so payable to the holders thereof shall be less than the amount due thereon, shall be returned to the holders thereof after being properly stamped to show partial payment by application thereof in part payment of the purchase money.

SECTION 9. Upon any sale made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of this Indenture, the receipt of the Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at any sale for his or their purchase money, and such purchaser or purchasers, his or their assigns or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Trustee or of such officer therefor, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication or nonapplication thereof.

SECTION 10. Any sale made either under the power of sale hereby given or under judgment or decree in any judicial pro-

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ceedings for foreclosure or otherwise for the enforcement of this Indenture, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company, of, in and to the property so sold, and shall be a perpetual bar both at law and in equity against the Company, its successors and assigns and against any and all persons claiming or who may claim the property sold or any part thereof, from, through or under the Company, its successors or assigns.

SECTION 11. The proceeds of any sale made either under the power of sale hereby given, or under judgment or decree in any judicial proceeding for the foreclosure or otherwise for the enforcement of this Indenture, together with any other amounts of cash which may then be held by the Trustee, as part of the mortgaged and pledged property, and which by any other provision hereof are to be added to or treated as a part of the proceeds of sale, shall be applied as follows:

First. To the payment of all taxes, assessments or liens prior to the lien of this Indenture, except those subject to which such sales shall have been made, and of all the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents and attorneys, and of all other sums payable to the Trustee, as compensation for other services hereunder and by reason of any expenses or liabilities incurred or advances made in connection with the management or administration of the trusts hereby created;

Second. To the payment in full of the amounts then due and unpaid for principal and interest upon the bonds then outstanding hereunder and interest upon overdue instalments of interest at the same rate as borne by the bonds; and in case such proceeds shall be insufficient to pay in full the amounts so due and unpaid, then to the payment thereof ratably, without preference or priority of principal over interest, or of interest over principal, or of any instalment of interest over any other instalment of interest; provided, however, that if to the knowledge of the Trustee, the time for

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the payment of any coupon or claim for interest upon any of the bonds secured hereby shall have been extended, whether or not by or with the consent of the Company, or any thereof at or after maturity shall have been transferred or pledged separate from the bond to which they relate, such coupons or claims for interest shall not be entitled in case of default hereunder to the benefit or security of this Indenture except subject to the prior payment in full of the principal of all bonds issued hereunder then outstanding and of all coupons and claims for interest on such bonds the payment of which has not been so extended, or not so transferred or pledged; payments as aforesaid shall be made according to the amounts due and payable upon the bonds and coupons, respectively, at the date fixed by the Trustee for the distribution of such proceeds, upon presentation of the several bonds and coupons and stamping such payment thereon, if partly paid, and upon surrender thereof if fully paid;

Third. Any surplus thereof remaining shall be paid to the Company, its successors or assigns, or to whosoever may be lawfully entitled to receive the same.

SECTION 12. The Company agrees, to the full extent that it may lawfully so agree, that in case of default on its part, as aforesaid, neither the Company nor any one claiming through or under it shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the property subject to the lien of this Indenture may be situated, in order to prevent or hinder the enforcement or foreclosure of this Indenture, or the absolute sale of the property subject to the lien of this Indenture, or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser or purchasers thereat, but the Company, for itself and all who may claim through or under it, hereby waives the benefit of all such laws. The Company, to the full extent that it may lawfully do so, for itself and all who may claim through or under it, hereby waives any and all right to

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have the estate comprised in the security intended to be created hereby marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may sell the property subject to the lien of this Indenture as an entirety.

SECTION 13. The Company covenants that in case default shall be made in the payment of the principal of any of the bonds outstanding hereunder when the same shall become due and payable, whether at the maturity of said bonds or by declaration or upon notice of redemption or otherwise, or in case default shall be made in the payment of any instalment of interest on any of such bonds when and as the same become due and payable and such default shall continue for a period of ninety (90) days, then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of such bonds and coupons so due and payable, the whole amount which then shall have become due and payable on all such bonds and coupons for principal and interest, with interest upon the overdue principal and/or interest at the same rate borne by the bonds; and in case the Company shall fail to pay the same forthwith upon such demand, the Trustee in its own name and as trustee of an express trust, shall be entitled to sue for and to recover judgment against the Company upon the bonds and coupons for the whole amount so due and unpaid; and in case of the pendency of any receivership, insolvency or bankruptcy proceedings affecting the Company or its property to file and prove a claim for the whole amount so due and unpaid with interest as aforesaid.

The Trustee, if permitted by law, shall be entitled to sue for and recover judgment and/or to file and prove such claim as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the lien of this Indenture upon the property subject to the lien of this Indenture, or otherwise for the enforcement of any of its rights, or the rights of the bondholders hereunder, and in case of a sale of any of the property subject to the lien of this Indenture, and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustee in its own name and as trustee of an express trust, shall be entitled

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to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all the bonds and coupons then outstanding hereunder, for the benefit of the holders thereof, and the Trustee shall be entitled to recover judgment for any portion of the debt remaining unpaid with interest. No recovery of any such judgment by the Trustee and no levy of any execution upon any such judgment upon any of the property subject to the lien of this Indenture or upon any other property, shall in any manner or to any extent affect the lien of this Indenture upon the property subject to the lien of this Indenture or any part thereof, or any rights, powers or remedies of the Trustee hereunder, or any lien, rights, powers or remedies of the holders of the said bonds, but such lien, rights, powers and remedies of the Trustee and of the bondholders shall continue unimpaired as before.

Any moneys thus collected or received by the Trustee under this Section, shall be applied by it first, to the payment of its expenses, disbursements and compensation and the expenses, disbursements and compensation of its agents and attorneys, and, second, toward 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 preference or priority of any kind (subject to the provisions of Section 11 of this Article with respect to extended, transferred or pledged coupons), according to the amounts due and payable upon such bonds and coupons, respectively, at the date fixed by the Trustee for the distribution of such moneys, upon presentation of the several bonds and coupons and upon stamping such payment thereon, if partly paid, and upon surrender thereof, if fully paid.

SECTION 14. All rights of action in favor of the Trustee arising under this Indenture, in respect of the bonds or coupons or otherwise may be enforced by the Trustee without the possession of any of the bonds or coupons or the production thereof on any trial or other proceedings relative thereto and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee and any recovery of judgment shall be for the equal benefit of the holders and registered owners of the bonds and coupons.

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SECTION 15. 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 hereof or for the appointment of a receiver or any other remedy hereunder, unless such holder shall have previously given to the Trustee written notice of a completed default, as defined in Section 1 of this Article, nor unless also the holders of not less than twenty-five per cent (25%) in principal amount of the bonds then outstanding hereunder (determined as provided in Section 5 of this Article) shall have made written request to the Trustee and shall have afforded it reasonable opportunity to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; nor unless they shall have offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby.

Nothing in this Section or elsewhere in this Indenture contained shall affect or impair the absolute and unconditional obligation of the Company to pay the principal of and interest on the bonds in accordance with the terms thereof, to the respective holders or registered owners thereof and of the coupons attached thereto, at the maturity thereof (whether by lapse of time or call for redemption or otherwise) nor affect or impair the right of action of such holders to enforce such payment.

SECTION 16. The Company may, if permitted by law, waive any period of grace provided for in this Article.

SECTION 17. In case the Trustee shall have proceeded to enforce any right under this Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored to their former positions and rights hereunder with respect to the property subject to the lien of this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

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SECTION 18. All rights, remedies and powers provided for in this Article may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law that may be controlling in the premises and to be limited to the extent necessary so that they will not render this Indenture invalid, unenforceable or not entitled to be recorded or filed under the provisions of any applicable law.

ARTICLE VIII.

EVIDENCE OF RIGHTS OF BONDHOLDERS AND OWNERSHIP OF BONDS.

Any demand, request, notice, direction, consent, declaration or other instrument, which this Indenture may require or permit to be signed or executed by the bondholders, may be in any number of concurrent instruments of similar tenor, and shall be signed or executed by such bondholders in person or by attorney appointed in writing. Proof of the execution of any such instrument, or of a writing appointing any such attorney, or of the ownership by any person of the bonds or coupons appertaining thereto, shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner:

(a) The fact and date of the execution by any person of such instrument or writing may be proved by the certificate of a notary public, or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution;

(b) The amount and description of bonds not registered as to principal held by any person executing such instrument or writing as a bondholder, and the issue and serial numbers thereof, held by such person, and the date of his

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holding the same, may be proved by a certificate executed by any trust company, bank, or other depository wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory, showing that at the date therein mentioned such person had on deposit with such depository, the bonds described in such certificate. The ownership of registered bonds shall be proved by the registration books.

The Trustee may nevertheless in its discretion require or rely and act upon other or further proof in cases where it deems such other or further proof desirable and adequate, and may require the production of any bond or bonds. Any demand, request, notice, direction, consent, declaration or vote of the owner of any bond shall bind all future owners of the same bond and of all bonds issued in exchange therefor or in place thereof in respect of anything done or suffered or omitted by the Company or the Trustee in pursuance thereof.

ARTICLE IX.

EFFECT OF MERGER, CONSOLIDATION, ETC.

SECTION 1. Nothing in this Indenture shall prevent any consolidation or merger of the Company with or into any corporation having corporate authority to carry on any business of the nature of a public utility, or any conveyance, transfer or lease, subject to this Indenture, of all the mortgaged and pledged property as an entirety to any corporation lawfully entitled to acquire or lease and operate the same; provided, however, and the Company covenants and agrees, that such consolidation, merger, conveyance, transfer or lease shall be upon such terms as fully to preserve and in no respect to impair the lien, efficiency or security of this Indenture, or any of the rights or powers of the Trustee or the bondholders hereunder; and provided, further, that any such lease shall be made expressly subject to immediate termination by the Company or by the Trustee at any time during the continuance of a completed default hereunder, and also by the purchaser of the

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property so leased at any sale thereof hereunder, whether such sale be made under the power of sale hereby conferred or under judicial proceedings; and provided, further, that, upon any such consolidation, merger, conveyance or transfer, or upon any such lease the term of which extends beyond the date of maturity of any of the bonds secured hereby, the due and punctual payment of the principal of and interest on all said bonds according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be kept or performed by the Company, shall be assumed by the corporation formed by such consolidation or into which such merger shall have been made, or acquiring all the mortgaged property as an entirety, as aforesaid, or by the lessee under any such lease the term of which extends beyond the date of maturity of any of the bonds secured hereby.

SECTION 2. In case the Company, pursuant to the next preceding section hereof, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to the lien of this Indenture, all the mortgaged and pledged property, as an entirety, the successor corporation formed by such consolidation, or into which the Company shall have been merged, or which shall have received a conveyance or transfer as aforesaid—upon executing an indenture with the Trustee, satisfactory to the Trustee, and causing the same to be recorded, whereby such successor corporation shall assume and agree to pay, duly and punctually, the principal of and interest on the bonds issued hereunder in accordance with the provisions of said bonds and coupons and this Indenture, and shall agree to perform and fulfill all the covenants and conditions of this Indenture binding upon the Company—shall succeed to and be substituted for the Company, with the same effect as if it had been named herein, and in the bonds hereby secured as the mortgagor or obligor company, and shall have and may exercise under this Indenture and the bonds secured hereby the same powers and rights as the Company, and (without in any wise limiting or impairing by the enumeration of certain of the same the scope and intent of the foregoing general powers and rights)

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such successor corporation thereupon may cause to be executed, issued and delivered, either in its own name or in the name of Iowa Southern Utilities Company of Delaware, any or all of such bonds which shall not theretofore have been executed by the Company and authenticated by the Trustee and issued hereunder, and upon the order of such successor corporation in lieu of the Company, and subject to the terms, conditions and restrictions in this Indenture prescribed, concerning the authentication and delivery of bonds, the Trustee shall authenticate and deliver any of such bonds which shall have been previously signed and delivered by the officers of the Company to the Trustee for authentication, and any of such bonds which such successor corporation shall thereafter, in accordance with the provisions of this Indenture, cause to be executed and delivered to the Trustee for such purpose. All bonds so issued shall in all respects have the same legal right and security as the bonds theretofore issued in accordance with the terms of this Indenture as though all of said bonds had been authenticated and delivered at the date of the execution hereof.

There shall be delivered to the Trustee at the time of the execution and delivery to the Trustee of any such indenture an opinion of counsel (as herein defined) conforming to the requirements of subdivision (h) of Section 4 of Article XIV and stating that such indenture complies with the foregoing conditions and provisions of this Section. Such opinion of counsel shall be full justification and protection to the Trustee in accepting and/or joining in the execution of such indenture.

SECTION 3. In case the Company, pursuant to Section 1 of this Article, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to this Indenture, all the mortgaged and pledged property as an entirety as aforesaid, neither this Indenture nor the indenture with the Trustee to be executed and caused to be recorded by the successor corporation as in Section 2 of this Article provided, shall, unless such latter indenture shall otherwise provide (anything in this Indenture contained to the contrary notwithstanding) become or be a lien upon any of the properties or franchises of the successor corporation

except those acquired by it from the Company, and extensions and additions appurtenant to the property acquired from the Company, and such franchises, repairs and additional property as may be acquired by the successor corporation in pursuance of the covenants herein contained to maintain, renew and preserve the franchises covered by this Indenture and to keep and maintain the mortgaged property in adequate repair, working order and condition or in pursuance of some other covenant or agreement herein contained to be kept or performed by the Company.

SECTION 4. At any time prior to the exercise of any power by this Article reserved to the Company or a purchasing or successor corporation, the Company may surrender any such power by delivery to the Trustee of an instrument in writing executed by its President or a Vice President under its corporate seal attested by its Secretary or an Assistant Secretary, accompanied by the affidavit of its Secretary or an Assistant Secretary, that the execution of such instrument was duly authorized by its Board of Directors, and thereupon the power so surrendered shall cease.

ARTICLE X. CONCERNING THE TRUSTEE.

SECTION 1. The Trustee accepts the trust hereby created upon the terms and conditions set forth in this Indenture, including the following, to all of which the parties hereto and the holders from time to time of the bonds issued hereunder agree.

SECTION 2. The Trustee shall at all times be a bank or trust company organized and doing business under the laws of the United States of America or of any state or territory thereof or of the District of Columbia, authorized under such laws to exercise corporate trust powers and subject to supervision or examination by federal, state, territorial or District of Columbia authority, and shall have a combined capital and surplus of not less than One Million Dollars (\$1,000,000).

If the Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority referred to in the next preceding paragraph, then for the purposes of this Section the combined capital and surplus of the Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

If the Trustee, or any successor to it hereunder, shall at any time cease to be eligible under the standards prescribed in this Section, it shall resign as Trustee within thirty (30) days thereafter.

SECTION 3. If a completed default (as defined in Section 1 of Article VII hereof) shall have occurred, then, so long as the same shall be subsisting, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

None of the provisions of this Indenture shall be construed as relieving the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that, anything in this Indenture contained to the contrary notwithstanding,

(1) until a completed default as aforesaid shall have occurred, and after all completed defaults shall have been cured,

(a) the Trustee shall not be liable except for the performance of such duties as are specifically set out in this Indenture; and no implied covenants or obligations shall be read into this Indenture against the Trustee, but the duties and obligations of the Trustee prior to a completed default and after the curing of all completed defaults which may have occurred, shall be determined solely by the express provisions of this Indenture; and

(b) the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, in the absence of bad faith on the part of the Trustee, upon certificates or opinions, furnished to it

pursuant to the provisions of, and conforming to the requirements of, this Indenture; but in the case of any such certificates or opinions which, by the provisions of this Indenture, are specifically required to be furnished to the Trustee as a condition of its taking or permitting any particular action, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(2) the Trustee shall not be accountable to any one, and shall be fully protected from liability, for any error of judgment made in good faith by a responsible officer or officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be accountable to any one, and shall be fully protected from liability, with respect to any action taken or omitted to be taken by it in good faith, in accordance with the direction of the holders of not less than a majority in principal amount of the bonds at the time outstanding hereunder (determined as provided in Section 5 of Article VII hereof) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon it under this Indenture.

Notwithstanding any provisions of this Indenture authorizing the Trustee conclusively to rely upon any resolutions, certificates, statements, opinions, reports, orders or other instruments, the Trustee, before granting any application by the Company or taking or refraining from taking any other action in reliance thereon, may, but, to the extent permitted by this Section, need not, require any further evidence or make any further investigation as to the facts, or matters stated therein which it may, in good faith, deem reasonable in the circumstances, and in connection therewith the Trustee may examine the pertinent books, records and premises of the Company; and the trustee shall, in any

case, require such further evidence or make such further investigation as may be requested by the holders of not less than a majority in principal amount of the bonds then outstanding hereunder, provided that, if payment to the Trustee of the cost, expenses and liabilities likely to be incurred by it in making such investigation is not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee before making such investigation may require reasonable indemnity against such cost, expenses or liabilities. Any further evidence which may be requested by the Trustee as aforesaid shall be furnished by the Company at its own expense, and any cost, expenses and liabilities incurred by the Trustee in connection with any further investigation made by it as aforesaid shall be paid by the Company, or, if paid by the Trustee, shall be repaid by the Company, upon demand, with interest at the rate of four and one-half per cent (4½%) per annum, and, until such repayment, shall be secured by a lien on the trust estate and any moneys held by the Trustee hereunder prior to any rights therein of the holders of bonds and coupons.

SECTION 4. The recitals of fact herein and in the bonds issued hereunder contained, shall be taken as statements of the Company and shall not be construed as made or warranted by the Trustee. The Trustee makes no representations as to the value of any of the property subject to the lien of this Indenture or any part thereof, or as to the title of the Company thereto, or as to the security afforded thereby and hereby, or as to the validity of this Indenture or of the bonds or coupons issued hereunder.

SECTION 5. The Trustee shall not be personally liable for any debts contracted by it or for damages to persons or property injured or damaged or for salaries or for non-fulfillment of contract or for any other torts, obligations or liabilities arising out of any possession or operation of any of the mortgaged property pursuant to any power herein given. The Trustee shall have the benefit of the lien created by this Indenture in priority to the

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indebtedness evidenced by the bonds and coupons issued hereunder to secure it against liability for any such cause.

SECTION 6. Except as herein otherwise provided, any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee on the Company shall be deemed to have been sufficiently given and served, for all purposes, by being deposited postage prepaid in a post-office letter box, addressed (until another address is filed by the Company with the Trustee), as follows: Iowa Southern Utilities Company of Delaware, Centerville, Iowa, and after another address shall have been filed by the Company with the Trustee as aforesaid at the last address so filed.

SECTION 7. The Trustee shall give to the holders of the bonds, in the manner and to the extent provided in subdivision (c) of Section 9 of this Article, notice of the happening of all defaults known to it, within ninety days after the occurrence thereof; *provided* that, except in the case of a default resulting from the failure to make any payment of principal of or interest on any bonds outstanding hereunder, or to make any Sinking Fund payment required under the provisions of Article III hereof, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or responsible officers (as herein defined) of the Trustee in good faith determine that the withholding of such notice is in the interest of the holders of the bonds.

Nothing herein contained shall require the Trustee to give any notice of any default which has been cured.

SECTION 8. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of bonds furnished to it as provided in Section 20 of Article II hereof or received by it in the capacity of paying agent or filed with it by bondholders pursuant to clause (2) of subdivision (c) of Section 9 of this Article, provided that the Trustee may (1) destroy any information or portion thereof, fur-

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nished to it as provided in Section 20 of Article II hereof, upon receipt of new information so furnished to it in substitution therefor; (2) destroy any information received by it as paying agent in connection with an interest payment, after such information has been furnished to the Company; and (3) destroy any information received by it from any bondholder pursuant to clause (2) of subdivision (c) of Section 9 of this Article, but not until two (2) years after its receipt of such information.

(b) In case three (3) or more holders of bonds (hereinafter referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a bond for a period of at least six (6) months preceding the date of such application, and such application states that the applicants desire to communicate with the other holders of bonds with respect to their rights under this Indenture or under the bonds, and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five (5) business days after the receipt of such application, at its election, either

(1) afford to such applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subdivision (a) of this Section; or

(2) inform such applicants as to the approximate number of holders of bonds whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of subdivision (a) of this Section, and as to the approximate cost of mailing to such bondholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford to such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each bondholder whose name and address appears in the information preserved at the time by the Trustee in accordance with the provisions of subdivision (a) of this Sec-

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tion, copies of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment or provision for the payment of the reasonable expenses of mailing, unless within five (5) days after such tender the Trustee shall mail to such applicants and file with the Securities and Exchange Commission a copy of the material to be mailed accompanied by a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the holders of bonds, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If said Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for a hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such bondholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligations or duty respecting such application.

(c) The Trustee shall not be held accountable by reason of the mailing of any material pursuant to any request made under subdivision (b) of this Section.

SECTION 9. (a) The Trustee shall transmit, within thirty (30) days after December 1 in each year beginning with the year 1940, to the bondholders hereinafter in this Section specified, a brief report, dated as of a date not more than thirty (30) days prior to such transmission with respect to

(1) the eligibility and the qualifications of the Trustee under Sections 2 and 15 of this Article, or in lieu thereof, if to the best of its knowledge it continues to be eligible and qualified under such Sections, a written statement to such effect;

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(2) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee as such which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the bonds, on the mortgaged or pledged property, including property or funds held or collected by it as Trustee, if such advances so remaining unpaid aggregate more than one-half of one per cent ($\frac{1}{2}\%$) of the principal amount of the bonds outstanding on the date as of which such report is made;

(3) the amount, interest rate, and maturity date of all other indebtedness owing by the Company to the Trustee in its individual capacity on the date as of which such report is made, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising from (i) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by this Indenture, for the purpose of preserving the mortgaged or pledged property or of discharging liens for taxes or other prior liens or encumbrances thereupon; provided that notice of such advances and of the circumstances surrounding the making thereof is given to the holders of bonds to the extent required by clause (2) next preceding or clause (2) of subdivision (b) of this Section; or (ii) disbursements made in the ordinary course of business in the capacity of Trustee under this Indenture or another indenture, or in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, or depository, or other similar capacity; or (iii) indebtedness created as a result of services rendered or premises rented; or (iv) indebtedness created as a result of goods or securities sold in a cash transaction, as hereinafter in this subdivision (a) defined; or (v) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations constituting self-

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liquidating paper, as hereinafter in this subdivision (a) defined;

(4) the property and funds physically in the possession of the Trustee, as such Trustee, on the date of such report;

(5) any release, or release and substitution, of property subject to the lien of this Indenture (and the consideration therefor, if any) which the Trustee has not previously reported; and

(6) any action taken by the Trustee in the performance of its duties under this Indenture which it has not previously reported and which in its opinion materially affects the bonds or the mortgaged or pledged property, except action in respect of a default, notice of which has been or is to be withheld by it in accordance with the provisions of Section 7 of this Article.

The term "self-liquidating paper", as used in this subdivision (a), means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of or a lien upon the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

The term "cash transaction", as used in this subdivision (a), means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities, in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

For the purposes of this subdivision (a) of this Section the term Company shall include any other obligor on the bonds outstanding hereunder.

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(b) The Trustee shall transmit to the bondholders as hereinafter provided a brief report with respect to

(1) any release, or release and substitution, of property subject to the lien of this Indenture (and the consideration therefor, if any) unless the fair value of such property, as set forth in the engineer's certificate or independent engineer's certificate pursuant to the requirements of Section 3 of Article VI hereof, is less than ten per cent (10%) of the principal amount of bonds outstanding as stated in said engineer's certificate, at the time of such release, or such release and substitution, such report to be transmitted within ninety (90) days after such release or such release and substitution; but this paragraph (1) shall not require transmission of a separate report with respect to any transaction which shall be reported, within ninety (90) days after its consummation, pursuant to subdivision (a) of this Section; and

(2) the character and amount of any advances (and if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee as such since the date of the last report transmitted pursuant to the provisions of subdivision (a) of this Section (or if no such report has yet been so transmitted, since the date of execution of this Indenture), for the reimbursement of which it claims or may claim a lien or charge, prior to that of the bonds on the mortgaged or pledged property, including property or funds held or collected by it as Trustee, and which it has not previously reported pursuant to this paragraph, if such advances remaining unpaid at any time aggregate more than ten per cent. (10%) of the principal amount of bonds outstanding at such time, such report to be transmitted within ninety (90) days after such time;

(c) Reports pursuant to this Section shall be transmitted by mail

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(1) to all registered holders of bonds, as the names and addresses of such holders appear upon the registration books of the Company;

(2) to such holders of bonds as have, within two (2) years preceding such transmission, filed their names and addresses with the Trustee for that purpose; and

(3) except in the case of reports pursuant to subdivision (b) of this Section, to each bondholder whose name and address is preserved at the time by the Trustee, as provided in subdivision (a) of Section 8 of this Article.

(d) A copy of each report transmitted to bondholders under the requirements of subdivisions (a) and (b) of this Section 9 shall at the time of such transmission be filed with each stock exchange upon which the bonds issued hereunder are then listed and also with the Securities and Exchange Commission.

SECTION 10. Upon any application for the payment of any moneys held by the Trustee under any provision of this Indenture, or for the execution of any release, or upon any other application to the Trustee hereunder, or at any other reasonable time, the Trustee shall be entitled to examine the books, records and premises of the Company, either itself or by agent or attorney; and unless satisfied, with or without such examination, of the truth and accuracy of the matters stated in any resolution, certificate, statement, opinion, report or order required by any of the provisions of this Indenture to be delivered to the Trustee as a condition precedent to the granting of any application, it shall be under no obligation to grant such application. The reasonable expense of every such examination shall be paid by the Company, or if paid by the Trustee shall be repaid by the Company upon demand, with interest at the rate of four and one-half per cent. (4½%) per annum, and until such repayment shall have the benefit of the lien hereby created in priority to the indebtedness evidenced by the bonds and coupons issued hereunder.

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SECTION 11. The Trustee is authorized to deposit, in trust for the payment of the interest on any bonds issued under this Indenture, with any co-paying agent appointed by the Company for that purpose in accordance with the provisions of this Indenture, provided such co-paying agent shall be a bank or trust company having a capital and surplus of not less than One Million Dollars (\$1,000,000), subject to recall by the Trustee, such part of any moneys furnished to it for the purpose as shall, in the opinion of the Trustee, be necessary or desirable to provide for the payment by any such co-paying agent of the interest on any of the bonds issued hereunder and the Trustee shall be relieved of responsibility for the safety and/or application of such moneys while in the possession of the co-paying agent. In the event that part of such moneys is recalled by the Trustee, it shall thereafter be held by the Trustee in trust as in this Indenture provided. The Trustee shall allow or credit to the Company such interest, if any, upon sums held by or deposited with it as may from time to time be agreed upon by the Trustee and the Company.

SECTION 12. The Company shall pay to the Trustee from time to time a reasonable compensation, which shall not be limited to the compensation provided by law for fiduciaries or for trustees of express trusts, for all services rendered hereunder, and also all its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the administration and execution of the trusts hereby created, and in the exercise and the performance of its powers and duties hereunder, and agrees to indemnify and save the Trustee harmless against any liabilities (except liabilities arising from the negligent action or negligent failure to act or the wilful misconduct of the Trustee) which it may incur in the exercise and performance of its powers and duties hereunder. In default of such payments by the Company, and as security for such indemnification, the Trustee shall have the benefit of the lien hereby created in priority to the indebtedness evidenced by the bonds and coupons issued hereunder.

SECTION 13. In the event that the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, to the extent permitted by Section 3 of this Article, be deemed to be conclusively proved and established by a certificate signed by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company and delivered to the Trustee, and such certificate shall be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof; but in its discretion the Trustee may require such further evidence of such fact or matter or may require such other or additional evidence as to it may seem reasonable.

SECTION 14. The Trustee acting for itself or as banker, and the officers and directors of the Trustee, may (subject to the provisions of Section 15 of this Article) become a purchaser, seller, or pledgee of bonds and coupons secured hereby with the same rights that it or they would have if it were not Trustee and without liability or accountability to the Company or the bondholders or otherwise in respect of any such purchase, sale, or pledge by or to it of any such bond and coupons. It may act as depositary or agent for any purpose for, and permit any of its officers or directors to act as a member of, any committee formed to protect the rights of bondholders, or effect or aid in any reorganization growing out of or involving the enforcement of the bonds or of this Indenture, whether or not any such committee shall represent the holders of a majority in principal amount of the bonds outstanding hereunder.

SECTION 15. If any trustee under this Indenture (whether the Trustee, or a separate trustee or co-trustee appointed as provided in Section 20 of this Article) has or shall acquire any conflicting interest as hereinafter in this Section defined,

(a) such trustee shall, within ninety (90) days after ascertaining that it has such conflicting interest, either eliminate

such conflicting interest or resign in the manner hereinafter in Section 17 of this Article provided, such resignation to become effective upon the appointment of a successor trustee and such successor's acceptance of such appointment, and the Company shall take prompt steps to have a successor appointed in the manner hereinafter in Section 19 of this Article X provided; and

(b) in the event that such trustee shall fail to comply with the provisions of the preceding clause (a) of this Section, such trustee shall within ten (10) days after the expiration of such ninety (90) day period, transmit notice of such failure to the bondholders, in the manner and to the extent provided in subdivision (c) of Section 9 of this Article X; and

(c) subject to the provisions of Section 9 of Article XIV hereof, any bondholder who has been a bona fide holder of a bond or bonds for at least six (6) months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of any such trustee and the appointment of a successor, if such trustee fails, after written request by such holder, to comply with the provisions of subdivision (a) of this Section 15;

(d) for the purposes of this Section 15, any such trustee shall be deemed to have a conflicting interest if

(1) such trustee is trustee under another indenture under which any other securities, or certificates of interest or participation in any other securities, of the Company are outstanding, unless such other indenture is a collateral trust indenture under which the only collateral consists of bonds issued hereunder;

(2) such trustee or any of its directors or executive officers is an obligor upon the bonds issued hereunder or an underwriter for such an obligor;

(3) such trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or

indirect common control with the Company or an underwriter for the Company;

(4) such trustee or any of its directors or executive officers is a director, officer, partner, employee, appointee, or representative of the Company or of an underwriter (other than such trustee itself) for the Company who is currently engaged in the business of underwriting, except that (A) one individual may be a director and/or an executive officer of such trustee and a director and/or an executive officer of the Company but may not be at the same time an executive officer of both such trustee and of the Company, and (B) if and so long as the number of directors of such trustee in office is more than nine, one additional individual may be a director and/or an executive officer of such trustee and a director of the Company, and (C) such trustee may be designated by the Company or by any underwriter for the Company, to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent or depositary, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this subdivision (d), to act as trustee, whether under an indenture or otherwise;

(5) Ten per cent (10%) or more of the voting securities of such trustee is beneficially owned either by the Company or by any director, partner, or executive officer thereof, or Twenty per cent. (20%) or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or Ten per cent. (10%) or more of the voting securities of such trustee is beneficially owned either by an underwriter for the Company, or by any director, partner, or executive officer of such an underwriter, or is beneficially owned, collectively, by any such underwriter and its directors, partners, and executive officers;

(6) such trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as

hereinafter in this Section defined, (A) Five per cent. (5%) or more of the voting securities, or Ten per cent. (10%) or more of any other class of security, of the Company, not including bonds issued hereunder and securities issued under any other indenture under which such trustee is also trustee, or (B) Ten per cent. (10%) or more of any class of security of an underwriter for the Company;

(7) such trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter in this Section defined, Five per cent. (5%) or more of the voting securities of any person who, to the knowledge of such trustee owns Ten per cent. (10%) or more of the voting securities of, or controls directly or indirectly or is under direct or indirect common control with the Company;

(8) such trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default as hereinafter in this Section defined, Ten per cent. (10%) or more of any class of security of any person who, to the knowledge of such trustee, owns Fifty per cent. (50%) or more of the voting securities of the Company; or

(9) such trustee owns, on May 15 in any calendar year, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of Twenty-five per cent. (25%) or more of the voting securities, or of any class of security, of any person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraphs (6), (7), or (8) of this subdivision (d); provided that the provisions of this paragraph (9) shall not apply to any such securities ownership of which was acquired by a trustee through becoming executor, administrator, or testamentary trustee of an estate which included them, for a period of two (2) years from the date of such acquisition, to the extent that such

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securities included in such estate do not exceed Twenty-five per cent. (25%) of such voting securities or Twenty-five per cent. (25%) of any such class of security. Promptly after May 15 in each calendar year, each trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of such May 15.

If the Company fails to make payment in full of any principal or interest due on the bonds outstanding hereunder when and as the same becomes due and payable, and such failure continues for thirty (30) days thereafter, each trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such thirty (30) day period, and after such date, notwithstanding the foregoing provisions of this paragraph (9), all such securities so held by each trustee, with sole or joint control over such securities vested in it, shall be considered as though beneficially owned by such trustee, for the purposes of paragraphs (6), (7) and (8) of this subdivision (d).

For the purposes of paragraphs (6), (7), (8) and (9) of this subdivision (d), (A) the terms "security" and "securities" shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a person by one or more banks, trust companies, or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness; (B) an obligation shall be deemed to be in default when a default in payment of principal shall have continued for thirty (30) days or more, and shall not have been cured; and (C) a trustee shall not be deemed the owner or holder of (i) any security which it holds as collateral security (as trustee or otherwise) for an obligation which is not in default as above defined, or (ii) any security which it holds as collateral security under this Indenture, irrespective of any default hereunder, or (iii) any security which it holds as

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agent for collection, or as custodian, escrow agent, or depository, or in any similar representative capacity.

For the purposes of this subdivision (d), (A) the term "underwriter" when used with reference to the Company means every person who, within three years prior to the time as of which the determination is made, was an underwriter of any security of the Company outstanding at such time.

The specification of percentages in paragraphs (5) to (9), inclusive, of this subdivision (d) shall not be construed as indicating that the ownership of such percentages of the securities of a person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraphs (3) or (7) of this subdivision (d).

For the purposes of this subdivision (d) of this Section 15 the term Company shall include every other person which at the time in question is an obligor on the bonds outstanding hereunder.

SECTION 16. (a) Subject to the provisions of subdivision (b) of this Section, if any trustee under this Indenture (whether the Trustee, or a separate trustee or co-trustee appointed as provided in Section 20 of this Article) shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within four (4) months prior to a default as hereinafter in this Section 16 defined, or subsequent to such a default, then, unless and until such default shall be cured, such trustee shall set apart and hold in a special account for the benefit of itself individually and of the bondholders and of the holders of other indenture securities (as hereinafter in this subdivision (a) defined),

(1) an amount equal to any and all reductions in the amount due and owing upon any claim as such creditor in respect of principal or interest, effected after the beginning of such four (4) months' period and valid as against the Company and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this subdivision (a), or from the exercise

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of any right of set-off which such trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such default; and

(2) all property received in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four (4) months' period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing in this Section contained, however, shall affect the right of any such trustee

(A) to retain for its own account (i) payments made on account of any such claim by any person (other than the Company) who is liable thereon, and (ii) the proceeds of the bona fide sale of any such claim by such trustee to a third person, and (iii) distributions made in cash, securities, or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law;

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such four (4) months' period;

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such four (4) months' period and such property was received as security therefor simultaneously with the creation thereof, and if such trustee shall sustain the burden of proving that at the time such property was so received such trustee had no reasonable cause to believe that a default (as hereinafter in this subdivision (a) defined) would occur within four (4) months; or

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(D) to receive payment on any claim referred to in paragraph (B) or (C) above, against the release of any property held as security for such claim as provided in such paragraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of paragraphs (B), (C) and (D) above, property substituted after the beginning of such four (4) months' period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released, and, to the extent that any claim referred to in any of such paragraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any preexisting claim of such trustee as such creditor, such claim shall have the same status as such preexisting claim.

If such trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between such trustee, the bondholders, and the holders of other indenture securities (as hereinafter in this subdivision (a) defined) in such manner that such trustee, the bondholders, and the holders of such other indenture securities realize, as a result of payments from such special account and payments of dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, the same percentage of their respective claims, figured before crediting to the claim of such trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of such trustee, the bondholders, and the holders of such other indenture securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any dis-

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tribution with respect to such claim, in bankruptcy or receivership or in proceedings for reorganization pursuant to the Bankruptcy Act or applicable State law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership, or proceedings for reorganization are pending shall have jurisdiction (i) to apportion between such trustee, the bondholders, and the holders of other indenture securities (as hereinafter in this subdivision (a) defined) in accordance with the provisions of this paragraph, the funds and property held in such special account and the proceeds thereof, or (ii) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to such trustee, the bondholders, and the holders of other indenture securities, with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any trustee hereunder who has resigned or been removed after the beginning of such four (4) months' period shall be subject to the provisions of this subdivision (a) as though such resignation or removal had not occurred. Any trustee hereunder who has resigned or been removed prior to the beginning of such four (4) months' period shall be subject to the provisions of this subdivision (a) if and only if the following conditions exist—

- (i) the receipt of property or reduction of claim which would have given rise to the obligation to account, if such trustee had continued as trustee, occurred after the beginning of such four (4) months' period; and
- (ii) such receipt of property or reduction of claim occurred within four (4) months after such resignation or removal.

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As used in this subdivision (a), the term "default" means any failure to make payment in full of the principal of or interest upon the bonds outstanding hereunder or upon other indenture securities, when and as such principal or interest becomes due and payable; and the term "other indenture securities" means securities upon which the Company is an obligor (as defined in the Trust Indenture Act of 1939) outstanding under any other indenture (i) under which such trustee is also trustee, (ii) which contains provisions substantially similar to the provisions of this Section, and (iii) under which a default (as defined in this paragraph) exists at the time of the apportionment of the funds and property held in said special account.

(b) The provisions of subdivision (a) of this Section shall not apply to a creditor relationship arising from

(1) any of the matters specified in clauses (i), (ii), (iii), (iv) and (v) of paragraph (3) of subdivision (a) of Section 9 of this Article:

(2) the ownership or acquisition of any securities or securities issued under any indenture (as defined in the Trust Indenture Act of 1939), or of any security or securities having a maturity of one (1) year or more at the time of acquisition by such trustee; or

(3) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company.

For the purposes of this Section the term Company shall include any other obligor on the bonds outstanding hereunder.

SECTION 17. The Trustee may at any time resign and be discharged of the trusts hereby created by giving written notice thereof to the Company, and publishing such notice once in each of not less than three (3) successive calendar weeks (in each case on any day in the week) in a daily newspaper of general circula-

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tion published in Chicago, Illinois, and in a daily newspaper of general circulation published in the Borough of Manhattan, City of New York, and such resignation shall take effect upon the appointment of a successor to it and the acceptance of such appointment by such successor, pursuant to the provisions of this Indenture. Any separate trustee or co-trustee appointed as provided in Section 20 of this Article may at any time resign and be discharged of the trusts hereunder by giving ten (10) days written notice of resignation to the Company and the Trustee.

SECTION 18. The Trustee may be removed at any time upon payment of the compensation to which it shall then be entitled and of the expenses which it shall have incurred in and about the performance of its duties hereunder, by an instrument or concurrent instruments in writing filed with the Trustee, signed by the holders of a majority in principal amount of the bonds then outstanding hereunder and specifying the date on which such removal shall become effective.

SECTION 19. In case at any time the Trustee shall resign, or shall be removed (unless the Trustee shall be removed as provided in subdivision (c) of Section 15 of this Article X, in which event the vacancy shall be filled as provided in said subdivision) or shall become incapable of acting, or shall be dissolved or liquidated, or be in the process of dissolution or liquidation, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if the Superintendent of Banks or other public officer shall take charge or control of the Trustee or of any such successor or of its property or affairs (a) a successor may be appointed by the holders of a majority in principal amount of the bonds then outstanding hereunder, by an instrument or concurrent instruments in writing signed and acknowledged by such bondholders or by their attorneys in fact duly authorized, and delivered to such new Trustee, notification thereof being given to the Company, and the predecessor Trustee; but (b) pending such appointment of a successor Trustee by the bondholders, the Company, by

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instrument executed by order of its Board of Directors and duly acknowledged by its proper officers, shall promptly appoint a successor Trustee. The Company shall publish notice of any such appointment by it made at least once in each of not less than two successive calendar weeks (in each case on any day in the week), in a daily newspaper of general circulation published in Chicago, Illinois, and in a daily newspaper of general circulation published in the Borough of Manhattan, City of New York. Any new Trustee appointed by the Company shall, immediately and without further act, be superseded by a Trustee appointed by the bondholders, under the foregoing provisions of this Section, provided that such appointment by the bondholders shall have been made within one year subsequent to the first publication of notice of the appointment of such new Trustee by the Company.

If in a proper case both the Company and the bondholders shall have failed for a period of thirty (30) days to appoint a successor Trustee pursuant to the foregoing provisions of this Section and to have obtained the acceptance of such appointment by such successor, the holder of any bond outstanding hereunder or any retiring Trustee may apply to any court of competent jurisdiction for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

SECTION 20. At any time or times, for the purpose of conforming to any legal requirements, restrictions or conditions in any State in which any part of the mortgaged and pledged property then subject to this Indenture may be located, the Company and the Trustee shall have power to appoint, and, upon the request of the Trustee, the Company shall for such purpose join with the Trustee in the execution, delivery and recording of all instruments and agreements necessary or proper to appoint, another corporation or one or more persons, approved by the Trustee, either to act as separate trustee or trustees, or co-trustee or co-trustees jointly with the Trustee of all or any of the property subject to the lien hereof. In the event that the Company shall not have joined in any such appointment within twenty days after the receipt by it of

a request so to do, the Trustee alone shall have power to make such appointment.

Every separate trustee, every co-trustee and every successor trustee, other than the Chemical Bank & Trust Company and any trustee which may be appointed as successor to the Chemical Bank & Trust Company, shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

(1) The bonds secured hereby shall be authenticated and delivered, and all powers, duties, obligations and rights, conferred upon the Trustee in respect of the custody of all funds and any securities pledged hereunder, shall be exercised solely by the Chemical Bank & Trust Company, or its successors in the trust hereunder;

(2) The rights, powers, duties and obligations conferred or imposed upon the trustees or any of them are so conferred or imposed upon and shall be exercised or performed by the Chemical Bank & Trust Company or its successor in the trust hereunder alone, except to the extent that, under any law of any jurisdiction in which any particular act or acts are to be performed, Chemical Bank & Trust Company or its successor in the trust herein shall be advised that it is or may be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations may be exercised and performed by the separate trustee or trustees or co-trustee or co-trustees; and

(3) The Company and the Trustee, at any time by an instrument in writing executed by them jointly, may remove any trustee or co-trustee appointed under this Section, and may likewise and in like manner appoint a successor to such trustee or co-trustee who shall be so removed or who shall have resigned as provided in Section 17 of this Article, anything herein contained to the contrary notwithstanding.

Any notice, request or other writing, by or on behalf of the holders of the bonds issued hereunder, delivered solely to the

Chemical Bank & Trust Company, or its successors in the trust, shall be deemed to have been delivered to all of the then trustees as effectually as if delivered to each of them. Every instrument appointing any trustee or trustees other than a successor to the Chemical Bank & Trust Company, shall refer to this Indenture and the conditions in this Section expressed, and upon the acceptance in writing by such trustee or trustees, he, they or it shall be vested with the rights, powers, estates and/or property specified in such instrument, either jointly with the Chemical Bank & Trust Company, or its successor, or separately, as may be provided therein, subject to all the trusts, conditions and provisions of this Indenture; and every such instrument shall be filed with the Chemical Bank & Trust Company, or its successors in the trust. Any separate trustee or trustees or any co-trustee or co-trustees may at any time by an instrument in writing constitute the Chemical Bank & Trust Company, or its successors in the trust hereunder, his, their or its agent or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, them or it, for and in behalf of him, them or it, and in his, their or its name. Any co-trustee may, as to the execution of releases or as to any action hereunder, whether discretionary or otherwise, act by attorney-in-fact. In case any separate trustee or trustees or co-trustee or co-trustees, or a successor to any of them, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of said separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Chemical Bank & Trust Company, or its successor in trust, until the appointment of a new trustee as successor to such separate trustee or co-trustee.

SECTION 21. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Company, an instrument accepting such appointment hereunder and thereupon such successor Trustee without any further act, deed or conveyance shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obliga-

tions of its predecessor in trust hereunder, with like effect as if originally named as Trustee herein; but the Trustee ceasing to act shall nevertheless, on the written request of the Company, or of the successor Trustee, but at the cost and expense of the Company, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the Trustee to which it succeeds, in and to the mortgaged and pledged property and such rights, powers, trusts, duties and obligations, and the Trustee ceasing to act shall also, upon like request, pay over, assign and deliver to the successor Trustee any money or other property subject to the lien of this Indenture, which may then be in its possession. Should any deed, conveyance or instrument in writing from the Company be required by the new Trustee for more fully and certainly vesting in and confirming to such new Trustee such estate, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Company. A recital in any instrument executed by the Company and the new Trustee that the appointment of such new Trustee has been made by the requisite number of bondholders shall be deemed conclusive as to the appointment of such new Trustee by such requisite number of bondholders. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor Trustee hereunder, together with deeds, conveyances and other instruments provided for in this Article, shall forthwith, at the expense of the Company, be filed for record in the same office or offices in which this Indenture shall have been recorded.

SECTION 22. Any bank or trust company into which the Trustee or any successor to it in the trusts created by this Indenture may be merged, or converted, or with which it or any successor to it may be consolidated, or any bank or trust company resulting from any merger, conversion or consolidation to which the Trustee or any successor to it shall be a party, or which shall

otherwise succeed to the business and affairs of the Trustee, shall be successor Trustee under this Indenture without the execution or filing of any paper or any further act on the part of either of the parties hereto, anything herein contained to the contrary notwithstanding. In case any of the bonds issuable under this Indenture shall have been authenticated, but not issued and delivered, any such successor Trustee may adopt the certificate of authentication of the Chemical Bank & Trust Company, or of any successor to it, as Trustee hereunder, and deliver the same so authenticated; and in case any of the bonds issuable hereunder shall not have been authenticated, any such successor Trustee may authenticate such bonds either in the name of any predecessor Trustee or in the name of such successor Trustee, and in all such cases such authentication shall have the full force and effect which anywhere in said bonds or in this Indenture it is provided that the authentication of the Trustee shall have; provided, however, that the right to authenticate bonds in the name of the Chemical Bank & Trust Company shall extend only to its successor by merger, conversion or consolidation.

In the case of any receivership, insolvency, or bankruptcy, or other judicial proceedings affecting the Company, its creditors or its property, the Trustee shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Trustee and of the bondholders allowed in such proceedings for the entire amount due and payable by the Company under this Indenture or the bonds outstanding hereunder at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Company hereunder after such date, without prejudice however, to the right of any bondholder to file a claim in his own behalf.

SECTION 23. Whenever it is provided in this Indenture that the Trustee shall take any action upon the happening of a specified event or upon the fulfillment of any condition or upon the request of the Company or of bondholders, the Trustee in taking such action shall have full power to give any and all notices and to do any and all acts necessary and incidental to such action.

ARTICLE XI.

DISCHARGE OF MORTGAGE.

SECTION 1. The Trustee (and any separate trustee or co-trustee appointed pursuant to Section 20 of Article X hereof), upon request of the Company accompanied by a Treasurer's certificate and opinion of counsel as hereinafter in this Article provided, shall cancel and discharge the lien of these presents, and execute and deliver to the Company such deeds and instruments as shall be requisite to satisfy the lien hereof, and reconvey and transfer to the Company the mortgaged and pledged property, whenever all indebtedness secured hereby shall have been paid, including all proper charges of the Trustee hereunder. For this purpose bonds for the purchase or redemption of which money shall have been set apart by or paid to the Trustee in trust under the provisions of Article III or Article IV or Article VI hereof and bonds for the payment of the principal of which, with interest to maturity, moneys shall have been deposited in trust with the Trustee shall be deemed to be paid; provided that as to bonds to be redeemed, the notice provided for in respect of their redemption shall have been duly given or provision satisfactory to the Trustee for the giving of such notice shall have been made; and provided further that as to any bonds for the payment of which at maturity moneys shall have been deposited as aforesaid, the maturity date of such bonds shall be not more than one year subsequent to the date of deposit.

Such request of the Company for the cancelation and discharge of the lien hereof shall be accompanied by a Treasurer's certificate and an opinion of counsel (each as herein defined) each conforming to the requirements of subdivision (h) of Section 4 of Article XIV hereof and stating that, in the opinion of the signers, all conditions precedent to such cancelation and discharge prescribed by this Article XI have been complied with.

ARTICLE XII.

MODIFICATION OF INDENTURE.

SECTION 1. Modifications and alterations of this Indenture and/or of any indenture supplemental hereto and/or of the rights and obligations of the Company and/or of the holders of outstanding bonds and coupons issued hereunder may be made as hereinafter in this Article provided to the extent and only to the extent provided in Section 7 of this Article.

SECTION 2. The Trustee may at any time call a meeting of the bondholders and it shall call such a meeting on the written request of the Company, given pursuant to a resolution of its Board of Directors, or of the holders of fifteen per cent. (15%) or more in principal amount of the bonds outstanding hereunder at the time of such request. In the event of the Trustee's failing for ten (10) days to call a meeting after being thereunto requested by the Company or the bondholders as above set forth, the Company, pursuant to resolution of its Board of Directors, or the holders of outstanding bonds to the amount above specified in this Section may call such meeting. Every such meeting called at the instance of the Trustee shall be held at the principal office of the Trustee in the Borough of Manhattan, City and State of New York, or with the written approval of the Company, at any other place in the United States of America, but if called by or at the instance of the bondholders or of the Company shall be held at such place in the Borough of Manhattan, City and State of New York, or with the written approval of the Company at such other place in the United States of America, as may be specified in the notice calling such meeting or requesting such meeting to be called. If such meeting be called by the Trustee, written notice thereof, stating the place and time thereof and in general terms the business to be submitted, shall be mailed by the Trustee not less than thirty (30) days before such meeting (a) to the bondholders in the manner and to the extent provided in subdivision (c) of Section 9 of Article X,

and (b) to the Company addressed to it at Centerville, Iowa (or at such other address as may be designated by the Company from time to time) and the Trustee shall also cause such notice to be published at least once a week for three (3) successive calendar weeks (in each case on any day in the week) preceding the calendar week in which the meeting is to be held, in a daily newspaper of general circulation published in the Borough of Manhattan, City of New York and in a daily newspaper of general circulation published in the City of Chicago, State of Illinois; provided, however, that the mailing of such notice to any such bondholder shall in no case be a condition precedent to the validity of any action taken at such meeting. If such meeting is called by or at the instance either of the Company or the bondholders after failure of the Trustee to call the same after being requested so to do in accordance with the provisions of this Section, notice of such meeting shall be sufficient for all purposes hereof if given by newspaper publication as aforesaid stating the place and time of the meeting and in general terms the business to be submitted. Any meeting of bondholders shall be valid without notice if the holders of all bonds then outstanding hereunder are present in person or by proxy and if the Company and the Trustee are present by duly authorized representatives, or if notice is waived in writing before or after the meeting by all such persons not so present in person, by proxy, or by duly authorized representatives.

SECTION 3. Officers and nominees of the Trustee and of the Company may attend such meeting, but shall not be entitled to vote thereat. Attendance by bondholders may be in person or by proxy. In order that the holders of bonds payable to bearer and their proxies may attend and vote without producing their bonds, the Trustee, with respect to any such meeting called by the Trustee, may make and from time to time vary such regulations as it shall think fit for deposit of bonds with the Trustee or with any banks, bankers or trust companies and for the issue to the persons depositing the same of certificates by such depositaries stating that they hold and will retain in their possession until a specified date bonds outstanding hereunder of specified principal amounts and numbers,

for the account of holders respectively named therein, and any regulations so made shall be binding and effective. If any such meeting shall have been called by bondholders or by the Company as aforesaid upon failure of the Trustee to call the same after having been requested so to do under the provisions of the preceding section hereof, regulations to like effect for such deposit of bonds with and issue of certificates by any bank or trust company organized under the laws of the United States of America or of any state thereof, having a capital of not less than Five Hundred Thousand Dollars (\$500,000), shall be similarly binding and effective for all purposes hereof if adopted or approved by the bondholders calling such meeting or by the Board of Directors of the Company, if such meeting shall have been called by the Company, provided that in either such case copies of such regulations shall be filed with the Trustee. Modifications of any such regulations, whether made by the Trustee, the Company or the bondholders, shall not be made during the period from the date of first publication of notice of any such meeting to the final adjournment thereof.

SECTION 4. Subject to the restrictions specified in Section 3 and in Section 7 of this Article, any registered owner of bonds outstanding hereunder and any holder of a certificate provided for in the preceding section hereof upon presentation thereof and prior to the date specified in such certificate, shall be entitled in person or by proxy to attend and vote at such meeting as owner of the bonds registered or certified in the name of such owner without producing such bonds. All others seeking to attend or vote at such meeting in person or by proxy must, if required by any authorized representative of the Trustee or the Company or by any other bondholder, produce the bonds claimed to be owned or represented at such meeting, and everyone seeking to attend or vote shall, if required as aforesaid, produce such further proof of bond ownership or personal identity as shall be satisfactory to the authorized representative of the Trustee, or if none be present then to the Inspectors of Votes hereinafter provided for. Proxies shall be acknowledged as required for an instrument to be recorded

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in the State of Iowa, and all proxies and certificates presented at any meeting shall be delivered to said Inspectors of Votes and filed with the Trustee.

SECTION 5. Persons named by the Trustee, if the Trustee be represented at the meeting, shall act as temporary Chairman and Secretary, respectively, of the meeting, but if the Trustee shall not be represented or shall fail to nominate such persons or if any person so nominated shall not be present, the bondholders and proxies present, whether or not sufficient to constitute a quorum, shall by the vote of the persons owning the majority in amount of the bonds represented at the meeting, elect other persons from those present to fill such vacancy or vacancies. A permanent Chairman and a permanent Secretary of such meeting shall be elected from those present by the bondholders and proxies present by a majority vote of the bondholders present in person or by proxy irrespective of the amount of their holdings. The Trustee, if represented at the meeting, shall appoint two Inspectors of Votes who shall count all votes cast at such meeting, except votes on the election of a Chairman and Secretary, both temporary and permanent, as aforesaid, and who shall make and file with the permanent Secretary of the meeting their verified written report in duplicate of all such votes so cast at said meeting. If the Trustee shall not be represented at the meeting or shall fail to nominate such Inspectors of Votes or if either Inspector of Votes fails to attend the meeting the vacancy or vacancies shall be filled by appointment by the permanent Chairman of the meeting.

SECTION 6. Subject to the provisions of Section 10 of this Article, the holders of not less than eighty per cent. (80%) in principal amount of the bonds outstanding hereunder when such meeting is held must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn; provided, however, that if such meeting is adjourned by less than a quorum for more than fourteen (14) days, notice thereof shall forthwith be mailed by the Trustee if such meeting shall have been

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called by the Trustee (a) to the bondholders in the manner and to the extent provided in subdivision (c) of Section 9 of Article X, and (b) to the Company addressed to it at Centerville, Iowa (or at such other address as may be designated by the Company in writing from time to time), and shall be published at least once in each fourteen (14) day period of any such adjournment or adjournments in a daily newspaper of general circulation published in the Borough of Manhattan, City of New York, and in a daily newspaper of general circulation published in the City of Chicago, State of Illinois. The failure to mail such notice to any such bondholder as aforesaid shall in no case affect the validity of any action taken at any meeting held pursuant to such adjournment. If such meeting shall have been called by bondholders or by the Company after the failure of the Trustee to call the same after being requested so to do in accordance with the provisions of Section 2 of this Article, notice of such adjournment shall be given by the Chairman and Secretary of the meeting in the newspapers and for the number of times above specified in this Section and shall be sufficient if so given.

SECTION 7. Subject to the provisions of Section 10 of this Article, any modification or alteration of this Indenture and/or of any indenture supplemental hereto and/or of the rights and obligations of the Company and/or of the holders of bonds and coupons issued hereunder in any particular may be made at a meeting of bondholders duly convened and held in accordance with the provisions of this Article, but only by resolution duly adopted by the affirmative vote in person or by proxy of the holders of eighty per cent. (80%) or more in principal amount of the bonds outstanding hereunder entitled to vote on any such modification or alteration when such meeting is held, and approved by resolution of the Board of Directors of the Company as hereinafter specified; provided, however, that no such modification or alteration intended to effect or permit any of the matters specified in clauses (1) to (5), both inclusive, of this paragraph shall be effective as to any bond the holder of which has not assented to such modification or alteration: (1) the extension of the maturity

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of the principal of any of the bonds, or (2) the reduction in the rate of interest thereon or any other modification in the terms of payment of such principal or interest or the impairment in any manner of the right of action of the holders thereof to enforce such payment, or (3) the creation of any lien ranking prior to or on a parity with the lien of this Indenture with respect to any of the property mortgaged or pledged hereunder, or (4) the deprivation of any bondholder of a lien upon the mortgaged and pledged property for the security of his bond (subject only to the lien of taxes for the then current year, the lien of taxes, assessments or governmental charges not then delinquent and to any mortgage or other liens existing upon said property which are prior hereto at the date of the calling of any such bondholders' meeting), or (5) the reduction of the percentage required by the provisions of this Section for the taking of any action under this Section with respect to any bond outstanding hereunder; and provided further that no such modification or alteration shall be made the effect of which would be to include in this Indenture or any indenture supplemental hereto any provision or provisions the inclusion of which in an indenture to be qualified under the Trust Indenture Act of 1939 would be contrary to the provisions of said Act as in effect at the time of such meeting.

Bonds owned and/or held by and/or for account of and/or for the benefit or interest of the Company, if challenged by any other bondholder at such meeting and such ownership, benefit or interest is established, shall not be deemed outstanding for the purpose of any vote or calculation of outstanding bonds in this Article provided for, or for the purpose of the quorum in Section 6 of this Article provided for. The Company shall deliver to the Trustee, or if it be not represented at the meeting to the temporary secretary of the meeting, a statement signed and sworn to by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company setting forth the serial numbers and principal amount of all bonds issued hereunder, so owned and/or held by, and/or for the account of and/or the benefit or interest of the Company.

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SECTION 8. A record in duplicate of the proceedings of each meeting of bondholders shall be prepared by the permanent Secretary of the meeting and shall have attached thereto the original reports of the Inspectors of Votes, and affidavits by one or more persons having knowledge of the facts showing a copy of the notice of the meeting and a copy of the notice of adjournment thereof, if required under the provisions of Section 6 of this Article, and showing that said notices were mailed and published as provided in Section 2 of this Article, and, in a proper case, as provided in Section 6 of this Article. Such record shall be signed and verified by the affidavits of the permanent Chairman and the permanent Secretary of the meeting, and one duplicate thereof shall be delivered to the Company and the other to the Trustee for preservation by the Trustee. Any record so signed and verified shall be proof of the matters therein stated until the contrary is proved, and if such record shall also be signed and verified by the affidavit of a duly authorized representative of the Trustee, such meeting shall be deemed conclusively to have been duly convened and held. A true copy of any resolution adopted at such meeting, if approved by resolution of the Board of Directors of the Company as evidenced by a certified copy thereof filed with the Trustee as hereinafter provided, shall be published at least twice in a daily newspaper of general circulation published in the Borough of Manhattan, City of New York, and in a daily newspaper of general circulation published in the City of Chicago, State of Illinois, the first publication to be made not more than fifteen days, and the second publication to be made not more than twenty-five days after the adoption of such bondholders' resolution and the filing of such evidence of approval thereof by the Board of Directors of the Company and shall be mailed by the Trustee to the bondholders in the manner and to the extent provided in subdivision (c) of Section 9 of Article X of this Indenture, and proof of such publication and mailing by the affidavit or affidavits of some person or persons having knowledge of the facts shall be filed with the Trustee, but failure to mail copies of such resolution as aforesaid shall not affect the validity thereof. No such bondholders' resolution shall be binding until and unless such bondholders'

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resolution is approved by resolution of the Board of Directors of the Company, of which such resolution of approval, if any, it shall be the duty of the Company, to file a copy certified by the Secretary or an Assistant Secretary of the Company with the Trustee, but if such resolution of the Board of Directors of the Company is adopted and a certified copy thereof is filed with the Trustee, the bondholders' resolution so adopted shall be deemed conclusively to be binding upon the Company, the Trustee and the holders of all bonds and coupons issued hereunder, at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such resolution, or annulling the action taken thereby in a legal action or equitable proceeding for such purposes commenced within such sixty (60) day period; provided that the Trustee during the pendency of any such action or proceeding or at any other time during such sixty day period shall be entitled in its absolute discretion to take such action or to refrain from taking any action with respect to such bondholders' resolution as it may deem expedient; and further provided that no such resolution of the bondholders, or of the Company, shall in any manner operate, or be so construed as, to change or modify any of the rights, immunities or obligations of the Trustee without its written assent thereto. Nothing in this Article contained shall be deemed or construed to authorize or permit, by reason of any call of a meeting of bondholders or of any right expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the bondholders under any of the provisions of this Indenture or of the bonds.

SECTION 9. Bonds authenticated and delivered after the date of any bondholders' meeting may bear a notation in form approved by the Trustee as to the action taken at meetings of bondholders theretofore held, and upon demand of the holder of any bond outstanding at the date of any such meeting and presentation of his bond for the purpose at the principal office of the Trustee, the Company shall cause suitable notation to be made on such bond by

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endorsement or otherwise as to any action taken at any meeting of bondholders theretofore held. If the Company or the Trustee shall so determine, new bonds so modified as in the opinion of the Trustee and the Board of Directors of the Company to conform to such bondholders' resolution shall be prepared, authenticated and delivered, and upon demand of the holder of any bond then outstanding and affected thereby shall be exchanged without cost to such bondholder for bonds then outstanding hereunder upon surrender of such bonds with all unmatured coupons appertaining thereto. The Company or the Trustee may require bonds outstanding to be presented for notation or exchange as aforesaid if either shall see fit to do so. Instruments supplemental to this Indenture embodying any modification or alteration of this Indenture or of any indenture supplemental hereto or of the rights and obligations of the Company or of the holders of the bonds and coupons made at any bondholders' meeting and approved by resolution of the Board of Directors of the Company, as aforesaid, may be executed by the Trustee and the Company and upon demand of the Trustee or if so specified in any resolution adopted by any such bondholders' meeting, shall be executed by the Company and the Trustee.

SECTION 10. Notwithstanding anything in this Article contained, the Company may at any time, or from time to time, by resolution of the Board of Directors filed with the Trustee, stipulate that from and after the date of the filing of such resolution with the Trustee, none of the provisions of this Article shall be of any force and effect whatever either as respects (1) all bonds theretofore authenticated and delivered by the Trustee hereunder and then outstanding and/or (2) as to any bonds and/or all bonds thereafter authenticated and delivered by the Trustee hereunder, and in any such event a supplemental indenture setting out in detail the stipulations contained in such resolution shall be made; provided that no such resolution may rescind or annul any modification or alteration effected under the provisions of this Article prior to the adoption of such resolution.

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ARTICLE XIII.

IMMUNITY OF SUBSCRIBERS TO THE CAPITAL STOCK,
STOCKHOLDERS, OFFICERS AND DIRECTORS.

SECTION 1. No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any bond or coupon hereby secured, or because of the creation of any indebtedness hereby secured, shall be had against any subscriber to the capital stock, incorporator, any past, present or future stockholder, officer or director of the Company, or of any predecessor or successor corporation, either directly or through the Company or through any such predecessor or successor corporation, or through any receiver, or a trustee in bankruptcy, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty 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 subscribers, incorporators, stockholders, officers or directors of the Company, or of any successor corporation, or any of them, because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the bonds or coupons hereby secured, or implied therefrom; and that any and all personal liability of every name and nature of, and any and all rights and claims against, every such subscriber, incorporator, stockholder, officer or director, whether arising at common law or in equity, or created by statute or constitution, are expressly released and waived as a condition of, and as part of the consideration of, the execution of this Indenture and the issue of the bonds and interest obligations secured hereby.

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ARTICLE XIV.

DEFINITIONS AND MISCELLANEOUS PROVISIONS.

SECTION 1. Nothing in this Indenture, expressed or implied, is intended or shall be construed, to confer upon, or to give to, any person or corporation, other than the parties hereto and the holders of the bonds and coupons outstanding hereunder, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding hereunder.

SECTION 2. Any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of this Indenture, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any real property at the time subject to the lien hereof shall be situated. Such instrument, executed and acknowledged as aforesaid, shall be delivered to the Trustee and thereupon any modification of the provisions of these presents therein set forth, authorized by this Section shall be binding upon the parties hereto, their successors and assigns, and the holders of the bonds and coupons hereby secured.

SECTION 3. The Company and the Trustee may from time to time and at any time if by the Company deemed necessary or advisable, enter into such indentures or agreements supplemental hereto as shall not be inconsistent with the terms and provisions hereof (which supplemental indentures or agreements shall thereafter form a part hereof) for one or more of the following purposes:

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(a) To correct the description of any property hereby mortgaged or pledged or intended so to be; to assign, convey, mortgage, pledge, transfer and set over unto the Trustee, subject to such liens or other incumbrances as shall be therein specifically described, additional property or securities of the Company for the equal and proportionate benefit and security of the holders of all bonds at any time issued and outstanding under this Indenture and to provide, in respect of any such additional property or securities not specifically required by the provisions of this Indenture to be subjected to the lien hereof, the terms and conditions upon which the same shall or may be held, released or otherwise dealt with by the Trustee and the Company.

(b) To provide that the principal of the bonds outstanding hereunder may be converted at the option of the holders into the capital stock of the Company, or into any other security whatsoever and the terms and conditions of such conversion.

(c) To evidence the succession of another corporation to the Company or successive successors and the assumption by such successor corporation of the covenants and obligations of the Company under this Indenture.

(d) For any other purpose not inconsistent with the terms of this Indenture or for the purpose of curing any error, or omission, ambiguity, or defective provisions contained herein, or in any supplemental indenture.

The Trustee is authorized to join with the Company in the execution of any such supplemental indenture, and to make the further agreements and stipulations which may be therein contained, and the Trustee, to the extent permitted by Section 3 of Article X hereof, shall be fully protected in executing, or accepting the additional trusts created by, any such supplemental indenture or the modifications thereby of the trusts created by this Indenture in reliance upon an opinion of counsel (as herein defined) conforming to the requirements of subdivision (h) of

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Section 4 of this Article XIV hereof, stating that the execution of such supplemental indenture or indentures is authorized or permitted by the provisions of this Indenture.

SECTION 4. The terms hereinafter in this Section specified shall, for all purposes of this Indenture (unless the context otherwise requires), have the respective meanings in this Section provided.

(a) The term "Company" shall mean the party of the first part hereto, Iowa Southern Utilities Company of Delaware, and shall also include its successors and assigns. The term "Trustee" shall mean the party of the second part hereto, Chemical Bank & Trust Company, of New York, or its successor for the time being in the trusts hereby created. The terms "the lien hereof" and "the lien of this Indenture" shall mean the lien created by these presents (including the after-acquired property clauses hereof) and the lien created by any concurrent or subsequent conveyance to the Trustee hereunder (whether made by the Company or any other individual, copartnership or other corporation) effectively constituting any property a part of the security held by the Trustee upon the terms and trusts and subject to the conditions specified in this Indenture.

(b) The term "resolution" shall mean a resolution or a copy thereof, certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company. Anything in this Indenture to the contrary notwithstanding, whenever any action is specified herein to be taken by the Board of Directors of the Company, such action may be taken by an executive committee thereof, and whenever a certified copy of resolution of the Board of Directors is required to be submitted by the terms of this Indenture, the Company may submit in lieu thereof, a certified copy of a resolution adopted by the executive committee thereof. The term "engineer's certificate" shall mean a certificate signed and verified by the President or a Vice

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President of the Company and by an engineer, appraiser or other expert (who may be an employee of the Company) appointed by the Board of Directors of the Company. The term "independent engineer's certificate" shall mean a certificate signed and sworn to by an independent engineer, appraiser or other expert appointed by the Board of Directors of the Company and selected or approved by the Trustee. The term "opinion of counsel" shall mean an opinion in writing signed by legal counsel (who may be of counsel to the Company) appointed by the Board of Directors of the Company and approved by the Trustee. Any opinion of counsel given as to title to property may be based, in whole or in part, upon any Torrens Certificate, or upon any guaranty policy, certified abstract, certificate or opinion issued or rendered by any person, firm or corporation while engaged in the business of insuring or guaranteeing titles to property, or upon the opinion of other counsel; provided that in each case such opinion of counsel shall state that the signer believes the person, firm, corporation or other counsel issuing, rendering or giving such guaranty policy, certified abstract, certificate or opinion is reputable and one upon whom he may properly rely. The term "Treasurer's certificate" shall mean a certificate signed and verified by the President or a Vice President and by the Treasurer or an Assistant Treasurer of the Company.

(c) The term "permitted liens" shall mean and include as of any particular time (a) mortgage or other liens upon easements or rights-of-way for transmission or distribution line purposes which have not been assumed by the Company and on which it does not customarily pay interest charges, (b) undetermined liens and charges incidental to construction, except such as may result from any delinquent obligation of the Company for the payment of money on account of such construction, (c) the lien of taxes for the then current year, (d) the lien of taxes and assessments not delinquent and (e) the lien of taxes and assessments due, or to become due, the validity of which is being contested at the time by the Com-

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pany in good faith, provided that the Company shall have filed with the Trustee an opinion of counsel showing that none of the mortgaged and pledged property will be lost or forfeited thereby.

(d) The term "prepaid liens" shall mean and include any lien upon the property of the Company prior to the lien of this Indenture, securing indebtedness moneys for the payment, satisfaction or redemption whereof have been deposited as provided in this Section. In case at any time there shall be outstanding any indebtedness which is secured by a lien, prior to the lien of this Indenture, the Company may deposit in trust with the Trustee, to be held, until used or applied as hereinafter provided, or in trust with such other banking institution and in such other manner as shall be satisfactory to the Trustee, a sum of money sufficient either (1) to pay the principal of said indebtedness and the interest thereon to its maturity, or (2) to effect the redemption of such indebtedness before maturity, if the same is subject to redemption, with interest to such redemption date. Upon any such deposit being made, said indebtedness shall, for all purposes of this Indenture except the application of said deposit as herein provided, be deemed to have been paid and shall not be deemed to be outstanding, provided, that in case of deposit to effect a redemption a sufficient call for such redemption, or provision satisfactory to the Trustee for making such call, shall first be made. Any such money so deposited shall be applied by the depositary with whom it shall have been deposited from time to time to the payment of the principal and interest or to the redemption of such indebtedness, or be repaid to the Company proportionately as such indebtedness shall be paid or reduced or ascertained by determination of any person or body having jurisdiction in the premises to be in whole or in part invalid, upon delivery to the depositary of a satisfaction of such lien, or of evidences of indebtedness secured by such lien duly canceled or for cancellation, or of, if ascertained to be in whole or in part invalid, a certified

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copy of the instrument evidencing the determination of such person or body determining the invalidity or the extent of the invalidity, as the case may be, accompanied by a concurring opinion of counsel as herein defined, or in lieu of any of the above such evidence of payment, reduction or ascertainment of invalidity of such indebtedness as shall be satisfactory to the depository and the Trustee hereunder.

(e) The term "fixed property" shall mean and include real estate, tangible personal property, easements for right of way purposes and other rights in or relating to real property generally classified in accordance with recognized accounting principles in a balance sheet of a corporation owning and operating a public utility property as "Utility Plant", excluding therefrom, however, all intangible property except as aforesaid.

(f) The term "outstanding" used with reference to the bonds issued under this Indenture, shall mean as of any particular time all bonds which have been theretofore authenticated, issued and delivered hereunder and which have not been cancelled or cremated by the Trustee or surrendered to the Trustee for cancellation or cremation, except bonds which have been called for redemption and to the credit whereof sums have been placed as provided in Article IV hereof, and bonds to the credit whereof sums have been placed as provided in Section 5 of this Article XIV hereof, and except that in determining the bonds outstanding there shall not be included bonds at any time previously authenticated, issued and delivered hereunder in lieu of, or in exchange and substitution for, which any new bonds have been authenticated and delivered, as provided in Section 8 of Article I of this Indenture.

(g) The term "First Mortgage" shall mean and include the Deed of Trust or Indenture of mortgage made, executed and delivered by the Company to The Northern Trust Com-

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pany and Harold H. Rockwell as Trustees, dated February 1, 1923 to secure an issue of bonds therein termed "First and Refunding Mortgage Gold Bonds" (said Deed of Trust being now a first mortgage lien on the property subject thereto) as supplemented and amended by all indentures supplemental thereto, now or hereafter made, including, in particular, a supplemental indenture dated May 2, 1940 substantially amending Articles I to XIV inclusive and substituting new Articles therefor and shall also include any mortgage or trust indenture that may hereafter be made, executed or delivered by the Company to secure bonds or other obligations hereafter issued to extend, renew or refund any bonds outstanding under said Deed of Trust dated February 1, 1923, as amended, which mortgage or trust indenture may provide for the issuance thereunder of bonds or other obligations in addition to the bonds or other obligations so issued for extension, renewal or refunding purposes.

(h) In each case in which this Indenture requires that the Company furnish to the Trustee a certificate or opinion conforming to the requirements of this subdivision (h), such certificate or opinion shall include:

(1) A statement that the person making such certificate or opinion has read the condition or covenant of this Indenture pursuant to which, or to furnish evidence with respect to compliance with which, such certificate or opinion is so furnished, specifying such condition or covenant by appropriate reference to the Indenture;

(2) A statement that in the opinion of such person he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such condition or covenant has been complied with and a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; and

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(3) A statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with.

Any such certificate or opinion of an officer of the Company may be based, in so far as it relates to legal matters, upon a certificate or opinion of or representations by counsel, unless such officer knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known were erroneous. Any such certificate or opinion of counsel may be based, in so far as it relates to factual matters, information with respect to which is in the possession of the Company, upon the certificate or opinion of or representations by an officer or officers of the Company, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known were erroneous.

(i) The term "daily newspaper" shall include newspapers published in morning editions or evening editions, or both, whether or not they shall be published in Sunday editions or on holidays.

(j) The term "person" includes an individual, a corporation, a partnership, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof.

(k) The term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" shall have meanings correlative to the foregoing.

(l) The term "responsible officers" as used with reference to the Trustee shall mean any of the following: the president, any vice-president, the secretary, the treasurer, and any trust officer

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and also any other officer of the Trustee assigned to the supervision of any trust functions.

(m) The term "Trust Indenture Act of 1939" shall mean such Act as approved August 3, 1939.

SECTION 5. In the event that any bond issued hereunder shall not be presented for payment when the principal thereof becomes due, either at maturity, or at the date fixed for the redemption thereof, or otherwise, or in the event that any coupon shall not be presented for payment at the due date thereof, the Company, having deposited with the Trustee, in trust for the purpose, or left with it if previously so deposited, funds sufficient to pay the principal of such bonds (and premium, if any), together with all interest due thereon to the date of the maturity of such bond or to the date fixed for the redemption thereof, or to pay such coupon, as the case may be, for the use and benefit of the holder thereof, then and in every such case, interest on said bond or on said overdue coupon, and all liability of the Company to the holder of said bond for the payment of the principal thereof and interest thereon (and premium, if any), or to the holder of said overdue coupon for the payment thereof and interest thereon, as the case may be, shall forthwith cease, determine and be completely discharged subject to the provisions of the last sentence of this Section; and thereupon it shall be the duty of the Trustee to hold the funds, so deposited in trust, for the benefit of the holder of such bond or overdue coupon, as the case may be, who shall thereafter, so long as the funds deposited or left on deposit for the payment thereof shall remain on deposit with the Trustee, be restricted exclusively to said funds for any claim of whatsoever nature on the part of such holder under this Indenture or on said bond or any coupons appertaining thereto, or on said overdue coupon.

In case the holder of any such bond or coupon shall not, within ten years after such bond or such coupon, as the case may be, shall have become due and payable, claim the amount deposited as above stated, for the payment thereof, the Trustee shall, upon demand, pay over to the Company such amount so deposited if the Com-

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pany is not at the time in default hereunder. The Trustee shall thereupon be relieved from all responsibility to the holder thereof and the Company shall be liable to the holder only to the extent of the funds so returned to it.

SECTION 6. In case the principal of any of the bonds shall not be punctually paid when due at maturity, whether by declaration or lapse of time, and/or in case any installment of interest thereon shall not be punctually paid when due, then upon deposit with or receipt by the Trustee of moneys sufficient to pay such overdue principal and/or such overdue installment or installments of interest thereon (together with moneys sufficient to pay interest due and to become due thereon up to the date when interest upon such overdue principal and/or installment or installments of interest shall cease as herein provided), interest on such overdue principal and/or installment or installments of interest thereon shall cease to accrue thirty (30) days after the date of the publication by the Company of a notice stating that said moneys have been so deposited or received, in one daily newspaper of general circulation published in each city in which such principal or interest may have been made payable.

SECTION 7. Whenever under any of the provisions of this Indenture, the Company is required to deposit cash with the Trustee, it shall have the right at the time of such deposit to specify that such cash is to be held by the Trustee in trust for the particular purpose or purposes for which deposited.

SECTION 8. The Trustee shall, on the written request of the Company, cremate any bonds and/or coupons cancelled by the Trustee or surrendered to it for cancellation and make in duplicate a certificate of such cremation, retaining one such certificate and delivering the other to the Company and each such certificate shall be conclusive evidence of the payment and cancellation of the bonds and/or coupons therein mentioned for the purpose of release of this Indenture and for all other purposes whatsoever.

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SECTION 9. All parties to this Indenture agree, and each holder or owner of any bond by his acceptance thereof shall be deemed to have agreed, that the court may in its discretion require in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee, or any separate or co-Trustee hereunder, for any action taken or omitted by them or any of them, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; provided that the provisions of this Section shall not apply to any suit instituted by such Trustee, or any separate or co-Trustee hereunder, to any suit instituted by any bondholder, or group of bondholders, holding in the aggregate more than ten per cent. (10%) in principal amount of the bonds outstanding, or to any suit instituted by any bondholder for the enforcement of the payment of the principal of or interest on any bond, on or after the respective due dates expressed in such bond.

SECTION 10. If any provision of this Indenture limits, qualifies, or conflicts with another provision of this Indenture, which other provision is required to be included in indentures qualified under the Trust Indenture Act of 1939 by any of Sections 310 to 317, inclusive, of the said Act, such required provision shall control.

In case any one or more of the provisions contained in this Indenture or in the bonds issued hereunder or coupons should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected, impaired, prejudiced or disturbed thereby.

SECTION 11. Whenever in this Indenture either of the parties hereto is named or referred to, this shall be deemed to include the successors or assigns of such party, and all the covenants and

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agreements in this Indenture contained by or on behalf of the Company or by or on behalf of the Trustee shall bind and enure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

The descriptive headings of the several Articles of this Indenture were formulated, used and inserted in this Indenture for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SECTION 12. Wherever, under any provision of this Indenture, successive publications of any nature in a daily newspaper published in a named place are required or authorized, all of such successive publications may be made in the same newspaper or in different newspapers published in that place.

SECTION 13. This Indenture shall be simultaneously executed in several counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, Iowa Southern Utilities Company of Delaware has caused this Indenture to be signed in its corporate name by its President or one of its Vice-Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or one of its Assistant Secretaries, and Chemical Bank & Trust Company, to evidence its acceptance of the trust hereby created, has caused this Indenture to be signed in its corporate name by its Corporate Trust Officer or one of its Trust Officers and caused its corporate seal to be hereunto affixed and attested by its Secre-

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tary or one of its Assistant Secretaries, all as of the 1st day of May, 1940.

IOWA SOUTHERN UTILITIES COMPANY OF DELAWARE,

By EDWARD L. SHUTTS

(CORPORATE SEAL)

President.

Attest:

HAROLD R. BECHTEL

Secretary

Executed by Iowa Southern Utilities
Company of Delaware, in presence of:

WILLIAM A. TODD

FRED J. POHL

CHEMICAL BANK & TRUST COMPANY,

By J. A. W. RICHARDSON JR.

(CORPORATE SEAL)

Corporate Trust Officer.

Attest:

H. C. OTTIWELL

Assistant Secretary

Executed by Chemical Bank & Trust
Company, in presence of:

W. MILLER

LE ROY E. COX

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

BE IT KNOWN, that on this 19th day of July, A. D. 1940, before me, a Notary Public in and for said County and State, duly commissioned and qualified, personally appeared EDWARD L. SHUTTS, President, and HAROLD R. BECHTEL, Secretary, of Iowa Southern Utilities Company of Delaware, one of the corporations described in and which executed the foregoing instrument, to me personally known and 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 who being 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 Corporation; that the seal affixed to the foregoing instrument is the corporate seal of said Corporation; and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and the said EDWARD L. SHUTTS and HAROLD R. BECHTEL acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

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.

JOHN BRUEHWILER
Notary Public.

(NOTARIAL SEAL)

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

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 J. A. W. RICHARDSON JR., Corporate Trust Officer, and H. C. OTTIWELL, Assistant Secretary of the Chemical Bank & Trust Company, one of the corporations described in and which executed the foregoing instrument, to me personally known, and known to me to be such Corporate Trust Officer and Assistant Secretary, and to be the same persons who executed the foregoing instrument for and on behalf of the said Chemical Bank & Trust Company, and whose names are subscribed thereunto, and who being by me duly sworn, severally acknowledged that they signed, sealed, executed and delivered said instrument as such Corporate Trust Officer 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 Chemical Bank & 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 Corporate Trust Officer and Assistant Secretary of the said Chemical Bank & Trust Company; that they knew the corporate seal of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and the said J. A. W. RICHARDSON JR. and H. C. OTTIWELL acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

I hereby further certify that said instrument was signed by said J. A. W. RICHARDSON JR. and H. C. OTTIWELL 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.

RUSSELL H. SHERMAN
(NOTARIAL SEAL) Notary Public.

My commission expires:

RUSSELL H. SHERMAN
Notary Public, Queens County No. 2557
Certificates filed in Queens Co. Register's No. 2221
New York Co. Clerk's No. 918, Register's No. 2-S-557
and Suffolk County
Commission expires March 30, 1942

SCHEDULE A.

The property referred to in the granting clauses of the foregoing Mortgage and Deed of Trust of Iowa Southern Utilities Company of Delaware to Chemical Bank & Trust Company, as Trustee, dated May 1, 1940, includes the parts or parcels of real property hereinafter specifically described. Such description, however, is not intended to limit or impair the scope and intent of the general description contained in the granting clauses or elsewhere in said Mortgage and Deed of Trust.

ADAIR COUNTY.
TRANSMISSION LINES.

Transmission lines with all substations in Adair County, State of Iowa.

ADAMS COUNTY.
TRANSMISSION LINES.

Transmission lines with all substations in Adams County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution system in the town of Prescott, County of Adams, State of Iowa.

APPANOOSE COUNTY.
REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Appanoose, State of Iowa, to-wit:

1. Lot Three (3), Block Three (3), Range Five (5), original City of Centerville, Appanoose County, State of Iowa.

2. Commencing at the southwest corner of Lot Four (4), Block Five (5), Range Five (5) of the original City of Centerville, Appanoose County, State of Iowa, thence east ninety (90) feet, thence north one hundred fifty (150) feet, thence west ninety (90) feet, thence south one hundred fifty (150) feet to place of beginning.
3. 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 Northwesternly direction to point of beginning, all in Block Five (5), Range Four (4) in the Original Town of Centerville.
4. Lots Two (2) and Five (5) in Block Four (4) in Range Five (5) in the Original Town of Centerville.
5. 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.
6. 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.
7. 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.

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8. 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; and 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.

Power Station.

Power station situate in the City of Centerville, Appanoose County, State of Iowa.

Transmission Lines.

Transmission lines with all substations in Appanoose County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Appanoose, State of Iowa:

Centerville, Cincinnati, Exline, Moravia, Moulton, Mystic, Numa, Plano, Rathbun, Udell, Unionville, Brazil, Jerome.

Gas Distribution System.

A plant for the manufacture of artificial gas and a system for the distribution of same in the City of Centerville, Appanoose County, State of Iowa.

District Steam Heating Distribution System.

A district steam heating distribution system in the City of Centerville, Appanoose County, State of Iowa.

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CLARKE COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Clarke, State of Iowa, to-wit:

1. The west half of Lot One (1) in Block Twenty-two (22) in Osceola, Iowa, in the Southwest Quarter ($\frac{1}{4}$) of Section Seventeen (17) Township Seventy-two (72) Range Twenty-five (25), in the County of Clarke, in the State of Iowa.

Transmission Lines.

Transmission lines with all substations in Clarke County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Clarke, State of Iowa:

Osceola, Woodburn, Murray.

Gas Distribution System.

A plant for the manufacture of artificial gas and a system for the distribution of same in the City of Osceola, Clarke County, State of Iowa.

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DECATUR COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Decatur, State of Iowa, to-wit:

1. Beginning at the northeast corner of Lot Four (4) in the Town of Lamoni, Decatur County, State of Iowa, running thence west on the north line of Lots Four (4) and Nine (9) to the Northwest corner of Lot Nine (9), thence south fifty (50) feet to the southwest corner of Lot Nine (9), thence east fifty (50) feet, thence south one hundred (100) feet to the south line of Lot Seven (7), thence east eighty-eight (88) feet on the south line of Lots Six (6) and Seven (7) to the Southwest corner of Lot Six (6), thence north seventy-six (76) feet, thence east one hundred twenty (120) feet to the east line of Lot Five (5), thence north seventy-four (74) feet to place of beginning; all in Block Five (5) in the original Town of Lamoni.
2. Lot One (1) and the East twelve (12) feet of Lot Two (2) in Block Twelve (12), in the original Town of Leon.

Transmission Lines.

Transmission lines with all substations in Decatur County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Decatur, State of Iowa:

Garden Grove, Grand River, Leon, LeRoy, Pleasanton, Davis City, Decatur City, Van Wert, Weldon.

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DES MOINES COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Des Moines, State of Iowa, to-wit:

1. Lots 524, 525, 526 in the original City of Burlington.
2. Lots 122, 123, 124, 125 in the original City of Burlington.
3. Lot 522 and the northerly twenty-one (21) feet seven (7) inches of Lot 521 in the original City of Burlington.
4. Lots 150, 151 and 152 in the original City of Burlington.
5. Lots 66, 67, 68, 69 and 70 in the original City of Burlington.

Frequency Changer Substation.

A frequency changer substation with all equipment in the City of Burlington, Des Moines County, State of Iowa.

Transmission Lines.

Transmission lines with all substations in Des Moines County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Des Moines, State of Iowa:

Burlington, Mediapolis, Middletown, West Burlington.

Gas Distribution System.

A plant for the manufacture of artificial gas and a system for the distribution of same in the City of Burlington, Des Moines County, State of Iowa.

A system for the distribution of artificial gas in the City of West Burlington, Des Moines County, State of Iowa.

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HENRY COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land, situate, lying and being in the County of Henry, State of Iowa, to-wit:

1. Block Seven (7) in Lee's Addition to Mount Pleasant, including the strip of land shown upon the plat of said Addition recorded in Book A of Town Lot Deeds, on page 446, as running east and west through said Block between Lots One (1) and Two (2) and Three (3) of said Block on the north, and Lots Four (4), Five (5) and Six (6) of said Block on the south of said strip, excepting, however, from the above described property all that portion thereof lying west of the easterly line of the railroad right-of-way, and excepting also that part of Lot Six (6) in said Block lying east of the center line of Sanders' Branch.

Transmission Lines.

Transmission lines with all substations in Henry County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Henry, State of Iowa:

Olds, Wayland, Winfield, Swedesburg, Trenton.

Gas Distribution System.

A plant for the manufacture of artificial gas and a system for the distribution of same in the City of Mount Pleasant, Henry County, State of Iowa.

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JASPER COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Jasper, State of Iowa, to-wit:

1. The east twenty-one (21) feet of Lot One (1), Block Twenty (20), original plat of the City of Newton.
2. 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.
3. Commencing at a point five hundred thirty-three (533) feet west of the southeast corner of the northeast quarter of the southeast quarter of Section Twenty-six (26), Township Eighty (80), Range Eighteen (18) in Jasper County, running thence north seventy-five (75) feet, thence west seventy-five (75) feet, thence south seventy-five (75) feet, thence east seventy-five (75) feet to place of beginning.
4. Beginning at a point thirty feet (30') East of the northwest corner of the northeast quarter of the northeast quarter of Section 33, Township 80 north of Range 19 West of the 5th P. M.; thence east one hundred-twenty feet (120'); thence south eighty-five and seven-tenths feet (85.7'); thence southwest to a point one hundred and eighty-one feet (181') south of the place of beginning; thence north one hundred and eighty-one feet (181') to the place of beginning, containing eleven hundredths (.11) of an acre more or less, the above described tract including all of Lots E and F, of Lot 4, in West Newton, an addition to the City of Newton, Iowa, as shown by Auditor's plat in plat book B, on page 250, in the office of the County Recorder of Jasper County, Iowa, except that portion of said Lots E and F, used for street purposes.

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Transmission Lines.

Transmission lines with all substations in Jasper County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Jasper, State of Iowa:

Kellogg, Lynnvile, Newton, Reasnor, Sully, Galesburg, Killduff, Newburg.

JEFFERSON COUNTY.

TRANSMISSION LINES.

Transmission lines with all substations in Jefferson County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Jefferson, State of Iowa:

Packwood, Pleasant Plain, East Pleasant Plain.

KEOKUK COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Keokuk, State of Iowa, to-wit:

1. All of Subdivision Lot Four (4) of Lot Thirty-one (31) of Clark and Woodins' Fourth Survey of the southeast quarter of the southeast quarter of Section Thirty-five (35), Township Seventy-six (76), Range Twelve (12), in the City of Sigourney, Keokuk County, except a strip of land sixty-six (66) feet wide off the south side of Lot Four (4), said strip being used as a public street.

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2. A parcel of ground sixty (60) feet square in the southeast corner of Lot Four (4) of Subdivision Lot Five (5) of irregular survey of the southwest quarter of the southeast quarter of Section Thirty-five (35), Township Seventy-six (76), Range Twelve (12) City of Sigourney; and commencing at a point sixty (60) feet west of the southeast corner of Lot Four (4) of Subdivision Lot Five (5) of irregular survey of the southwest quarter of the southeast quarter of Section Thirty-five (35), Township Seventy-six (76), Range Twelve (12) City of Sigourney, thence north sixty (60) feet, thence west thirty (30) feet, thence south sixty (60) feet, thence east thirty (30) feet to place of beginning.
3. Lot One (1), Block Fifteen (15), Town of Hedrick.
4. South Sixty (60) feet of Lot Eleven (11), Block Fourteen (14), Town of Delta.
5. A parcel of land near the southeast corner of the northeast quarter of the northeast quarter of Section Twenty-five (25), Township Seventy-six (76), Range Ten (10), West of the 5th P. M. and more particularly described as being the west one hundred fifty (150) feet in equal width of what is commonly known as Mill Lot in the Town of Keota, said land being one hundred fifty (150) feet wide, east and west, and one hundred seventy-eight (178) feet deep running from Broadway Street south in the Town of Keota.

Transmission Lines.

Transmission lines with all substations in Keokuk County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Keokuk, State of Iowa:

Delta, Harper, Hedrick, Keota, Martinsburg, Ollie, Richland, Sigourney, Thornburg, What Cheer, Gibson.

LOUISA COUNTY.
REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Louisa, State of Iowa, to-wit:

1. Lots Seven (7) and Eight (8) in Block One (1), Todd & Baker's Addition to the Town of Columbus Junction, Iowa; and beginning at the southwest corner of said Lot Seven (7) in Block One (1) of Todd & Baker's Addition to the Town of Columbus Junction, Iowa; running thence south to the right of way of the Chicago, Rock Island and Pacific Railway Company, thence in a southeasterly direction along the north line of said right of way to a point at which the east line of North Street in said Addition, when extended, would converge; thence north along the east line of North Street to the northwest corner of the original Lot Seven (7) of Block Two (2) of said Todd & Baker's Addition, thence west to the northeast corner of Lot Seven (7) in Block One (1) of said Todd & Baker's Addition, thence south to the southeast corner of said Lot Seven (7) in Block One (1) in said Addition, thence west bearing north along the south end of said Lot seven (7) in Block One (1) of said Addition to the place of beginning; the tract of land so bounded being that part of North Street in Todd & Baker's Addition to the Town of Columbus Junction, Iowa, lying south of the alley extending through Blocks One (1) and Two (2) and the land lying south of North Street and south of said Lot Seven (7) in Block One (1) in said Todd & Baker's Addition and extending to the railroad right-of-way as above described, all of said lands being situated in Section Nineteen (19), Township Seventy-five (75) North, Range Four (4) West of the 5th P.M.
2. Part of Lot Sixty-two (62), Block Five (5), Chase and Isetts' Addition to Wapello, Iowa, beginning at the northwest corner of said Lot Sixty-two (62), thence south on

the west line of said Lot Sixty-two (62) eighty-two (82) feet, thence east fifty (50) feet, thence north on line parallel to west line of said Lot Sixty-two (62) eighty-two (82) feet to the north line of Lot Sixty-two (62), thence west fifty (50) feet to place of beginning.

3. A tract of ground in the northeast corner of the northeast quarter of Section Thirty-four (34), Township Seventy-four (74), Range Three (3) in Louisa County, Iowa, located and described as follows: Beginning at a point on the line between Charles Addition to Wapello, Iowa, and the northeast quarter of the northeast quarter of Section Thirty-four (34), Township Seventy-four (74), Range Three (3) and one hundred twenty (120) feet north of the north line of Block One (1) of Charles Addition running thence north along the west line of the northeast quarter of the northeast quarter of said Section Thirty-four (34), a distance of seventy-five (75) feet, thence east at right angles to the west line of the northeast quarter of the northeast quarter of said Section Thirty-four (34), a distance of seventy-five (75) feet, thence south parallel to the west line of the northeast quarter of the northeast quarter of said Section Thirty-four (34), a distance of seventy-five (75) feet, thence west seventy-five (75) feet to place of beginning.

Transmission Lines.

Transmission lines with all substations in Louisa County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Louisa, State of Iowa:

Columbus City, Columbus Junction, Grandview, Lettsville, Morning Sun, Cotter, Fredonia.

LUCAS COUNTY.
REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Lucas, State of Iowa, to-wit:

1. Lot twenty (20), except the north sixteen (16) feet thereof, and all of lots twenty-one (21), twenty-two (22) and twenty-three (23); and a tract of land bounded and described as commencing at the southeast corner of said lot twenty-three (23), running thence north one hundred and ninety-six (196) feet, thence east sixteen (16) feet, thence north sixteen (16) feet, thence east to the St. Paul and Kansas City Short Line Railroad Company's right of way, thence southwesterly along said right of way to the south line of lot seventeen (17), thence west to the place of beginning; the tract so described by metes and bounds being part of Lot seventeen (17), and the vacated alley lying east of Lots twenty-one (21), twenty-two (22), twenty-three (23) and the south thirty-seven (37) feet of Lot twenty (20) aforesaid; all in Eikenberry's Addition to Chariton, said Addition being situated in the southeast quarter of the southwest quarter of Section twenty (20), Township seventy-two (72), Range twenty-one (21); and commencing two hundred and twelve (112) feet north of Southwest corner of Lot Seventeen (17), thence running East to West Line of right-of-way of St. Paul and Kansas City Short Line Railroad Co.; thence Northeast along said right of way to North Line of said Lot Seventeen (17), thence west to Northwest corner of said Lot Seventeen (17), thence South one hundred and six (106) feet to place of beginning, being a part of Lot Seventeen (17) in Eikenberry's Addition to Chariton, Iowa, said Addition being situated in the South East Quarter of the South West Quarter (1/4) of Section Twenty (20), Township Seventy-two (72), Range Twenty-one (21) Lucas County, Iowa.

Power Station.

Power station situate in the City of Chariton, Lucas County, State of Iowa.

Transmission Lines.

Transmission lines with all substations in Lucas County, State of Iowa.

Electric Light and Power Distribution Systems

Electric light and power distribution systems in the following cities, towns and communities in the County of Lucas, State of Iowa:

Chariton, Derby, Lucas, Russell, Williamson, Oakley.

MADISON COUNTY.

Transmission Lines.

Transmission lines with all substations in Madison County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Madison, State of Iowa:

Macksburg, Peru, Truro.

MAHASKA COUNTY.

Transmission Lines.

Transmission lines with all substations in Mahaska County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution system in the Town of Fremont, County of Mahaska, State of Iowa.

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MONROE COUNTY.

Transmission Lines.

Transmission lines with all substations in Monroe County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Monroe, State of Iowa:

Melrose, Avery.

POWESHIEK COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Poweshiek, State of Iowa, to-wit:

1. All of Lots Eleven (11) and Twelve (12) in Block Nineteen (19) lying east of the right-of-way of the Iowa Central Railroad, now Minneapolis and Saint Louis Railroad Company in the City of Grinnell.
2. The south one-third ($\frac{1}{3}$) of Lot Eleven (11), Block Seven (7) in the City of Grinnell.
3. Lot Five (5) in Block Nine (9) in the City of Grinnell, excepting the strip conveyed by Grinnell College by deed of June 29, 1863, recorded November 2, 1863, in Book B, Page 574, being now owned by the Chicago, Rock Island and Pacific Railway Company.
4. The north fifty-six and one-half ($56\frac{1}{2}$) feet of Lot Four (4) in Block Nine (9), in the City of Grinnell.
5. That part of Lot Seven (7), Block One (1), New Brooklyn, Iowa, which is bounded and described as follows: Beginning at a point on the east line of said Lot seventy

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(70) feet north of the southeast (SE) corner thereof, thence north on the east line of said Lot Fifty (50) feet, thence west fifty (50) feet, thence south fifty (50) feet, thence east fifty (50) feet to the place of beginning.

6. Lease: All right, title and interest of the Company in, to and under the lease dated October 13, 1908, and the property covered by said lease between the Chicago, Rock Island and Pacific Railway Company, lessor, and the Grinnell Electric and Heating Company, lessee, said lease having been transferred and assigned to the Iowa Light, Heat & Power Company by deed of March 29, 1917, from the Grinnell Electric and Heating Company to the Iowa Light, Heat & Power Company, filed for record April 3, 1917, at 10:25 o'clock a. m. and recorded in Book 121, on Page 279, in the records of Poweshiek County, and having been transferred and assigned to the Iowa Southern Utilities Company of Delaware by deed of February 2, 1926 from the Iowa Light, Heat & Power Company, filed for record February 6, 1926 at 11:55 o'clock a. m. and recorded in Book 161, Page 160 in the records of Poweshiek County; the property covered by said lease being described as follows: All of that part of Lots Five (5) and Six (6) in Block Nine (9) in the original plat of Grinnell lying north of a line two hundred (200) feet south of and parallel with the center line of the main track of the lessor.

Power Station.

Power station situate in the City of Grinnell, Poweshiek County, State of Iowa.

Transmission Lines.

Transmission lines with all substations in Poweshiek County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Poweshiek, State of Iowa:

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Brooklyn, Deep River, Grinnell, Malcom, Searsboro, Carnsforth, Ewart.

Gas Distribution System.

A plant for the manufacture of artificial gas and a system for the distribution of same in the City of Grinnell, Poweshiek County, State of Iowa.

District Steam Heating Distribution System.

A district steam heating distribution system in the City of Grinnell, Poweshiek County, State of Iowa.

RINGGOLD COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Ringgold, State of Iowa, to-wit:

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

Transmission Lines.

Transmission lines with all substations in Ringgold County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Ringgold, State of Iowa:

Beaconsfield, Benton, Delphos, Diagonal, Ellston, Maloy, Mt. Ayr, Redding, Tingley, Kellerton.

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TAYLOR COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate lying and being in the County of Taylor, State of Iowa, to-wit:

1. 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.

Transmission Lines.

Transmission lines with all substations in Taylor County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Taylor, State of Iowa:

Clearfield, Conway, Sharpsburg, Blockton.

UNION COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Union, State of Iowa, to-wit:

1. 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).

Power Station.

Power station situate in the City of Creston, Union County, State of Iowa.

Transmission Lines.

Transmission lines with all substations in Union County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Union, State of Iowa:

Arispe, Creston, Kent, Shannon City, Thayer, Cromwell, Lorimor, Spaulding, Talmage.

VAN BUREN COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Van Buren, State of Iowa, to-wit:

- ($\frac{1}{4}$) of Section Twenty-four (24), Township Seventy-two (72) North, Range Fourteen (14) West, described as follows: Beginning at the Southwest corner of the East One-half ($\frac{1}{2}$) of the Northwest One-quarter ($\frac{1}{4}$) of the Northwest One-quarter ($\frac{1}{4}$) of Section 24, Township 72 North, Range 14 West; thence east One Hundred and Fifteen and fourteen one-hundredths (115.14) feet; thence North fifty (50) degrees East Ten (10) feet to the point of beginning of the premises herein described; thence South 44 degrees, 51 minutes East Nine and fifty one-hundredths (9.50) feet along the right-of-way of the Chicago, Rock Island & Pacific Railroad Company to the south line of the East One-half ($\frac{1}{2}$) of the Northwest One-quarter ($\frac{1}{4}$) of the Northwest One-quarter ($\frac{1}{4}$) of said Section; thence East Thirty-three and thirty one-hundredths (33.30) feet to the Northwesterly line of Blackhawk Street; thence North 50 degrees East Eighty-five (85) feet to the Northeast line of West Main Street produced; thence North 45 degrees 36 minutes West Thirty and ninety-eight one-hundredths (30.98) feet; thence South 50 degrees West One hundred and eight (108) feet to place of beginning, all in the City of Ottumwa.
5. All that part of Lot Three (3) of Auditor's Subdivision of the Northwest quarter ($\frac{1}{4}$) of the Northwest quarter ($\frac{1}{4}$) of Section Twenty-four (24), Township Seventy-two (72) North, Range Fourteen (14) West, described as follows: A strip of land fifty-six and three-tenths (56.3) feet long and eleven (11) feet wide at the Southeast end, and fifteen (15) feet wide at the Northwest end of said strip, bounded by straight lines off the Southwest end of the following described property, to-wit: Commencing at a point which bears from the Southeast corner of the West Half of the Northwest quarter ($\frac{1}{4}$) of the Northwest quarter ($\frac{1}{4}$) of Section Twenty-four (24), Township Seventy-two (72) North, Range Fourteen (14) west as follows: East one hundred fifteen and fourteen hundredths (115.14) feet; thence north fifty degrees (50°), East Four Hundred Twenty and Eight-tenths (420.8) feet; thence North Sixty-one (61) degrees Twenty-nine minutes, West Sixty (60) feet to point of beginning; thence North Sixty-one degrees Twenty-nine

1. The north twenty-two (22) feet of Lot Seven (7), Block Eight (8) in Barnes' Addition to the Town of Milton.

Electric Light and Power Distribution Systems.

Electric light and power distribution system in the Town of Milton, County of Van Buren, State of Iowa.

WAPELLO COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Wapello, State of Iowa, to-wit:

1. Lot Four (4), Block Twenty-nine (29), original Town of Eddyville.
2. A parcel of land sixty (60) feet square in the southeast corner of Block Thirty-eight (38), original Town of Eddyville.
3. Lot Four (4) of Auditor's Subdivision of the Northwest One-quarter ($\frac{1}{4}$) of the Northwest One-quarter ($\frac{1}{4}$) of Section 24, Township 72 North, Range 14 West, in the City of Ottumwa, being a piece of ground of about one and twenty-three one-hundredths (1.23) acres in the Southwest part of the East One-half ($\frac{1}{2}$) of the Northwest One-quarter ($\frac{1}{4}$) of the Northwest One-quarter ($\frac{1}{4}$) of Section 24, Township 72 North, Range 14 West, in nearly a triangular shape bounded on the northeast side by Second Street, on the West side by the right-of-way of the Chicago, Milwaukee & St. Paul Railway Company and on the southeasterly side by Lots Three (3) and Ten (10) of said Auditor's Subdivision, except that part in the Northwest corner of said Lot Four (4) which lies West of the East One-half ($\frac{1}{2}$) of the Northwest One-quarter ($\frac{1}{4}$) of the Northwest One-quarter ($\frac{1}{4}$) of said Section.
4. All that part of Lot One (1) of Auditor's Subdivision of the Northwest quarter ($\frac{1}{4}$) of the Northwest quarter

- minutes ($61^{\circ}29'$) West Sixty (60) feet; thence South fifty (50) degrees, West three hundred two and eight-tenths (302.8) feet; thence South forty-five (45) degrees thirty-six (36) minutes. East Fifty-six and three-tenths (56.3) feet; thence North fifty (50) degrees, East three hundred nineteen (319) feet to place of beginning, all in the City of Ottumwa.
6. All that part of Lot Two (2) of Auditor's Subdivision of the Northwest quarter ($\frac{1}{4}$) of the Northwest one-quarter ($\frac{1}{4}$) of Section 24, Township 72 North, Range 14 West, lying south of the north line of Main Street, (Ottumwa, Iowa), extended, and bounded on the south by the right-of-way of the Chicago, Rock Island & Pacific Railroad Company, all in the City of Ottumwa.
7. Lot Ten (10) of Auditor's Subdivision of the Northwest quarter ($\frac{1}{4}$) of the Northwest Quarter ($\frac{1}{4}$) of Section 24, Township 72 North, Range 14 West in the City of Ottumwa, as shown on Page One of Auditor's Subdivisions in the office of the Recorder of Wapello County, in the City of Ottumwa.
8. All that part of Lot Fifteen (15) in Northwestern Addition to the City of Ottumwa, lying South and West of the South line of West Main Street in the City of Ottumwa, Iowa, extended.
9. A part of the Southeast quarter of the Southeast quarter of Section Fourteen (14) in Township Seventy-two (72), Range Fourteen (14), described as follows: Beginning at the intersection of Second Street and Park road, thence North and East along the Easterly side of Park road to the Right-of-way of the Chicago, Milwaukee & Saint Paul Railroad, thence Southeast along the Right-of-way of said Railroad Fifty feet, thence Southwest, parallel with Park road to Second Street, thence along the line of Second Street to the place of beginning, otherwise described as the Northwest Fifty (50) feet of Lot Eighteen (18) of the Auditor's Sub-Division of the Southeast Quarter ($\frac{1}{4}$) of the Southeast Quarter ($\frac{1}{4}$) of said Section Fourteen (14), all in the City of Ottumwa, Iowa.

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10. Lot Three (3) in Block Three (3) in R. S. Smith's Second Addition to Pickwick, now in the City of Ottumwa except that part thereof in J. W. Bothwell's Addition; and a part of Lot Two (2) in said Block Three (3) described as follows: Commencing at the South corner of Lot Nine (9) in J. W. Bothwell's Subdivision of Lots One (1), Two (2) and the Northeast Part of Lot Three (3) in said Block; thence in a Southwesterly course along the Northwest line of the alley in said Bothwell's Subdivision on a line parallel with Church Street to the West end of said Lot Two (2) in R. S. Smith's Second Addition; thence North to the Southwest line of Lot Nine (9) in said Bothwell's Subdivision, thence along the line of said Lot Nine (9) to the place of beginning, subject to lease with Shaffer Oil & Refining Company dated August 28, 1926, filed October 7, 1926 in Book 130, Miscellaneous Records, Page 412.
11. Lots 367, 368, 369 and 370 in Block 30 in the Original Plat of the City of Ottumwa.
12. The southwest thirty-nine and six tenths (39.6) feet of lots numbers three hundred seventy-one (371) and three hundred seventy-two (372) in block thirty (30) in the Original Plat of the City of Ottumwa, Wapello County, Iowa, more particularly described as follows, to-wit: Beginning at the west corner of said lot 372, thence northeasterly at right angles with Samantha Street along the southeasterly line of Green Street a distance of thirty-nine and six tenths (39.6) feet; thence southeasterly at right angles with Green Street and parallel with Samantha Street a distance of one hundred thirty-two (132) feet; thence southwesterly parallel with Green Street a distance of thirty-nine and six tenths (39.6) feet to the northeasterly line of Samantha Street; thence northwesterly along the northeasterly line of Samantha Street a distance of one hundred thirty-two (132) feet to the place of beginning; subject to and together with the perpetual easement and right of way over and across a strip of land ten (10) feet wide off of the southeasterly side of said lot 371 as reserved in the deeds from Letta J. Baker, et al., to L. H. Ellsworth recorded in Record 113, page 262, and Record 110, page

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633, in the Records of Wapello County, Iowa; together with all buildings and improvements thereon and all the appurtenances thereto.

Power Station.

Power station situate in the City of Ottumwa, Wapello County, State of Iowa.

Transmission Lines.

Transmission lines with all substations in Wapello County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Wapello, State of Iowa:

Agency, Blakesburg, Chillicothe, Eddyville, Ottumwa.

District Steam Heating Distribution System.

A district steam heating distribution system in the city of Ottumwa, Wapello County, State of Iowa.

WARREN COUNTY.

Transmission Lines.

Transmission lines with all substations in Warren County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Warren, State of Iowa:

Lacona, New Virginia.

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WASHINGTON COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Washington, State of Iowa, to-wit:

1. Lot A, Block Two (2) In North Addition to Washington, Iowa, including a strip of ground 26.05 feet wide on the south end and fifteen (15) feet wide on the north end abutting Lot A, Block Two (2) in North Addition on the west, being a portion of a vacated street, except the following described parcel:

Commencing at the Northwest corner of Lot "A" in the subdivision of Block 2, in North Addition to Washington, one of the additions to the town, now City of Washington, Iowa; thence South along the West line of Lot "A" 180.65 feet; thence N 3° 33' E 181.30 ft. to the North line of said lot; thence S 88° 28' W 11.2 feet to the place of beginning, containing 0.03 acres more or less.

A portion of the above described real estate described as follows:

Commencing at a point 38 ft. south of the NW corner of Lot 2 in the sub-division of Block 1, North Addition to Washington, Iowa, one of the additions to the town, now City of Washington, Iowa; thence easterly parallel to the North line of said lot, 106 feet to the east line of said lot; thence south along the east lot line 30 feet; thence westerly parallel to the north line of said lot 106 feet to the west line of said lot; thence north along the west line of said lot 30 feet to the point of beginning; containing 0.07 acres more or less, is subject to a perpetual easement given the Iowa State Highway Commission for the purpose of construction and maintenance of a storm sewer over and across said tract.

2. Lot G of Block Nineteen (19) of the original plat of Town, now City of Washington, Iowa, also described as east twenty-six (26) feet in width of Lot Three (3) in Block

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Nineteen (19) in the original plat of the Town, now City, of Washington, Iowa, except a strip six and one-half (6½) inches wide on the east side of the north sixty-eight (68) feet thereof heretofore conveyed for party wall purposes:

3. Lots Two (2) and Three (3), Block One (1) in North Addition to the City of Washington, Iowa and Lot Two (2) in Breeds' Subdivision of Lot Five (5), Block One (1) in North Addition to the City of Washington, Iowa; also the privilege of using Lot Three (3) in said Subdivision for driveway purposes only.
4. That part of the southwest quarter (SW¼) of the southwest quarter (SW¼) of Section Twenty (20), Township Seventy-four (74) North, Range Eight (8) West of the 5th P. M., described as follows: Commencing at a point in the center of the Brighton public highway running through said SW¼ of the SW¼ at the west end of the county bridge over and across Skunk River at the west bank of said River, thence South sixty-four degrees (64°) seventeen (17) minutes west along the center of said highway one hundred forty-eight (148) feet to a point in the center of said highway, thence south eight (8) degrees ten (10) minutes east along the center of said highway one hundred sixty-nine (169) feet to a point in the center of said highway, thence south sixty-seven (67) degrees forty-two (42) minutes east three hundred ten (310) feet to the northeast corner of the south concrete abutment of the railroad bridge of the Chicago, Rock Island and Pacific Railway Company over said Skunk River; thence south sixty-seven (67) degrees fifty-two (52) minutes east on line with the face of said abutment sixty-two (62) feet, thence south twenty-nine (29) degrees twenty-eight (28) minutes east one hundred sixty-six (166) feet, thence south eighty-seven (87) degrees forty-seven (47) minutes east two hundred thirty-one and one-half (231½) feet, thence north twenty-one (21) minutes east one hundred and six-tenths (100.6) feet, thence north across Skunk River six hundred forty-five and six-tenths (645.6) feet, thence north seventy-nine (79) degrees eighty-nine (89) minutes west one hundred thirty-six (136) feet to the center of said public

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highway, thence south seventy-four (74) degrees ten (10) minutes west two hundred fourteen and one-half (214½) feet to the center of the east end of said County bridge across said Skunk River, thence south sixty-six (66) degrees forty-three (43) minutes west three hundred forty (340) feet to place of beginning.

This conveyance is subject to a right-of-way over the portion of the above described land lying south of the Skunk River along the private road thereon located for the purpose of access to and from land owned by J. P. Sieren. A further description of said right-of-way is contained in the deed executed by J. P. Sieren and wife to Brighton Hydro-Electric Company, recorded in the deed records of Washington County, Iowa, on March 22, 1917, in Book 44, Page 287 of Land Deeds.

Power Station.

Power station situate in the City of Washington, Washington County, State of Iowa.

Transmission Lines.

Transmission lines with all substations in Washington County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Washington, State of Iowa:

Ainsworth, Brighton, Coppock, Crawfordsville, Daytonville, Haskins, Noble, Rubio, Washington, West Chester, Wellman.

Gas Distribution System.

A plant for the manufacture of artificial gas and a system for the distribution of same in the City of Washington, Washington County, State of Iowa.

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WAYNE COUNTY.

REAL ESTATE.

All of the following described pieces, parcels, lots and tracts of land situate, lying and being in the County of Wayne, State of Iowa, to-wit:

1. Commencing three and four-fifths (3 4/5) rods south of a point where the west line of Lincoln Street in Miles Addition to the City of Corydon, Iowa, adjoins the south side of the original depot ground of the Keokuk and Western Railroad now Chicago, Burlington and Quincy Railroad Company, thence west one hundred (100) feet, thence south fifty-five (55) feet, thence east one hundred (100) feet, thence north fifty-five (55) feet to place of beginning.
2. Beginning at a point thirty-three (33) feet east and twenty (20) feet south of the northwest corner of the northwest quarter of Section Two (2), Township Sixty-eight (68), Range Twenty-two (22); thence south fifteen (15) feet, thence east twenty (20) feet; thence north fifteen (15) feet; thence west to place of beginning.

Transmission Lines.

Transmission lines with all substations in Wayne County, State of Iowa.

Electric Light and Power Distribution Systems.

Electric light and power distribution systems in the following cities, towns and communities in the County of Wayne, State of Iowa:

Allerton, Cambria, Confidence, Corydon, Humeston, Millerton, Promise City.

