least 75% in principal amount of the first mortgage bonds then outstanding affected by such change or modification (excluding first mortgage bonds disqualified from voting by reason of the Company's interest therein as provided in the Indenture); provided, however, that without the consent of the registered owner hereof no such change or modification shall permit the reduction of the principal or the extension of the maturity of the principal of this bond or the reduction of the rate of interest, if any, hereon or any other modification of the terms of payment of such principal or interest. As provided in the Indenture, said first mortgage bonds are issuable in series which may vary as in the Indenture provided or permitted. This bond is one of a series of first mortgage bonds entitled "First Mortgage Bonds, Collateral Series A, Due October 1, 2008".

Any payment by the Company of the principal of or interest, if any, on the Collateral Trust Securities, Series A (as defined in the Fifty-ninth Supplemental Indenture) (other than by the application of the proceeds of a payment in respect of this bond) shall, to the extent thereof, be deemed to satisfy and discharge the obligation of the Company, if any, to make a payment of principal of or interest on this bond which is then due.

This bond is redeemable, at the option of the Company, in whole at any time or in part from time to time, upon at least 30 days notice, given as aforesaid, at a redemption price equal to 100% of the principal amount thereof together with accrued interest, if any, to the date fixed for redemption. In addition, the Bonds of Series A shall be redeemed by the Company no later than the redemption of the Collateral Trust Securities, Series A, in a principal amount equal to the principal amount of Collateral Trust Securities, Series A then being redeemed, and at a redemption price equal to the redemption price (excluding interest other than interest on defaulted principal, if any) applicable to such redemption of Collateral Trust Securities, Series A.

If an event of default, as defined in the Indenture, shall occur, the principal of this bond may become or be declared due and payable, in the manner and with the effect provided in the Indenture.

This bond is transferable by the registered owner hereof in person or by attorney authorized in writing at agency of the Company in the City of Chicago, Illinois, or, at the option of the holder, at said office of the Trustee, or, at the option of the registered owner at said principal corporate trust office of First Chicago Trust Company of New York, in the City of New York, upon surrender and cancellation of this bond and upon any such transfer a new first mortgage bond of the same series, for the same aggregate principal amount, will be issued to the transferee in exchange herefor. The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof, for the purpose of receiving payment and for all other purposes.

This bond, alone or with other first mortgage bonds of the same series, may be exchanged upon surrender thereof to the Trustee at the said office of the Trustee or , at the principal corporate trust office of First Chicago Trust Company of New York in the City of New York, for one or more other first mortgage bonds of the same series and of the same aggregate principal amount but of a different authorized denomination or denominations, upon payment of a sum sufficient to reimburse the Company for any stamp tax or other

governmental charge incident thereto, and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of or the interest on this bond, or for any claim based hereon or otherwise in respect hereof or of the Indenture or of any indenture supplemental thereto, against any incorporator, stockholder, director, or officer, as such, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise howsoever; all such liability being, by the acceptance hereof and as a part of the consideration for the issuance hereof, expressly waived and released by every registered owner hereof, as more fully provided in the Indenture; provided, however, that nothing herein or in the Indenture contained shall be taken to prevent recourse to and the enforcement of the liability, if any, of any shareholder or any stockholder or subscriber to capital stock upon or in respect of shares of capital stock not fully paid up.

[END OF SERIES A BOND FORM]

SECTION 3. There shall be, and is hereby created, a new series of first mortgage bonds, known as and entitled "First Mortgage Bonds, Collateral Series B, Due October 1, 2023," and the form thereof shall be substantially as hereinafter set forth.

The Bonds of Series B shall be issued and delivered to the New Mortgage Trustee under the New Mortgage as the basis for the authentication and delivery under the New Mortgage of a series of securities ("Collateral Trust Securities, Series B"). As provided in the New Mortgage, the Bonds of Series B will be registered in the name of the New Mortgage Trustee or its nominee and will be owned and held by the New Mortgage Trustee, subject to the provisions of the New Mortgage, for the benefit of the holders of all securities from time to time outstanding under the New Mortgage, and the Company shall have no interest therein.

Any payment by the Company under the New Mortgage of the principal of or interest, if any, on the Collateral Trust Securities, Series B (other than by the application of the proceeds of a payment in respect of Bonds of Series B) shall, to the extent thereof, be deemed to satisfy and discharge the obligation of the Company, if any, to make a payment of principal of or interest on such Bonds of Series B, as the case may be, which is then due.

The principal amount of the Bonds of Series B shall be limited to $50,000,000, except in case of the issuance of bonds as provided in Section 14 of the Original Indenture on account of mutilated, lost, stolen, or destroyed bonds. The Bonds of Series B shall be registered bonds only without coupons of the denomination of $1,000 and any multiple of $1,000, and of such respective amounts of each of said denominations as may be executed by the Company and delivered to the Trustee for authentication and delivery. Notwithstanding the provisions of Section 7 of the Original Indenture to the contrary, no reservation of unissued coupon bonds shall be required with respect to the Bonds of Series B. All Bonds of

Series B shall mature October 1, 2023 and shall not bear interest except that if the Company should default in the payment of principal on a Series B Bond, such Bond shall bear interest on such defaulted principal at the rate of six percent per annum (to the extent that payment of such interest is enforceable under applicable law) until the Company's obligation with respect to the payment of such principal shall be discharged. The principal, premium, if any, and the interest, if any, on the Bonds of Series B shall be payable at the office of the Trustee in the City of Chicago, State of Illinois, or at the option of the holder, at the principal corporate trust office of First Chicago Trust Company of New York, the Borough of Manhattan, in the City of New York, in any coin or currency of the United States of America which at the time of payment shall be legal tender for public and private debts.

The Bonds of Series B will be redeemable, at the option of the Company, in whole at any time or in part from time to time, upon at least 30 days' notice, at a redemption price equal to 100% of the principal amount thereof together with accrued interest, if any, thereon to the date fixed for redemption. The Bonds of Series B shall be redeemed no later than the redemption of the Collateral Trust Securities, Series B, in a principal amount equal to the principal amount of Collateral Trust Securities, Series B, then being redeemed, and at a redemption price equal to the redemption price (excluding interest other than interest on defaulted principal, if any) applicable to such redemption of Collateral Trust Securities, Series B.

Notwithstanding Section 11 of the Original Indenture, the Company may execute, and the Trustee shall authenticate and deliver, definitive Bonds of Series B in typewritten form.

Subject to the provisions of Section 8 of the Original Indenture, all definitive Bonds of Series B shall be interchangeable for other Bonds of Series B of a different authorized denomination or denominations, as requested by the holder surrendering the same, upon surrender to the Trustee at the principal office in the City of Chicago, Illinois, or, at the option of the holder at the office of First Chicago Trust Company of New York, the agent of the Company in the Borough of Manhattan, City of New York. Anything contained in Section 13 of the Original Indenture notwithstanding, upon such interchange of Bonds of Series B, no charge may be made by the Company except the payment of a sum sufficient to reimburse the Company for any stamp tax or other governmental charge incident thereto.

The Trustee is hereby appointed Registrar of the Bonds of Series B for the purpose of registering and transferring Bonds of Series B as in Section 12 of the Original Indenture provided. Bonds of Series B may also be so registered and transferred at the principal corporate trust office of First Chicago Trust Company of New York in the City of New York, which company is hereby authorized to act as co-Registrar of Bonds of Series B in the City of New York. In case any Bonds of Series B shall be redeemed in part only, any delivery pursuant to Section 97 of the Original Indenture of a new Bond or Bonds of Series B of an aggregate principal amount equal to the unredeemed portion of such Bond of Series B shall, at the option of the registered owner, be made by the co-Registrar. For all purposes of Articles Eleven and Eighteen of the Original Indenture, First Chicago Trust Company of New York in the City of New York, as the New York Paying Agent for Bonds of Series B, shall be deemed to be the agent of the Trustee for the purpose of receiving all or any part, as may

be deemed to be the agent of the Trustee for the purpose of receiving all or any part, as may be directed by the Trustee, of any deposit for the purpose of redeeming, or of paying at maturity, any Bonds of Series B, and any money so deposited with First Chicago Trust Company of New York in the City of New York, upon the direction of the Trustee, in trust for the purpose of paying the redemption price of, or of paying at maturity, any Bonds of Series B, shall be deemed to constitute a deposit in trust with, and to be held in trust by, the Trustee in accordance with the provisions of Article Eleven or Eighteen of the Original Indenture.

So long as any Bonds of Series B shall be outstanding, in addition to the offices or agencies required to be maintained by the provisions of the Original Indenture, the Company shall keep or cause to be kept at an office or agency to be maintained by the Company in the City of New York, books for the registration and transfer of Bonds of Series B pursuant to the foregoing provisions of this Section and to the provisions of the Original Indenture.

SECTION 4. The Bonds of Series B and the certificate of authentication to be borne by such Bonds shall be substantially in the following forms, respectively:

[FORM OF FACE OF SERIES B BOND]

This bond is not transferable except to a successor trustee under the Indenture of Mortgage and Deed of Trust, dated as of September 1, 1993, between Iowa Electric Light and Power Company and The First National Bank of Chicago, Trustee.

$

No.

IOWA ELECTRIC LIGHT AND POWER COMPANY
FIRST MORTGAGE BOND, Collateral Series B

Due October 1, 2023

IOWA ELECTRIC LIGHT AND POWER COMPANY (hereinafter called the "Company"), a corporation of the State of Iowa, for value received, hereby promises to pay to _____, as trustee under the Indenture of Mortgage and Deed of Trust, dated as of September 1, 1993, between the Company and such trustee, or registered assigns, on the first day of October, 2023, the sum of $_____ in any coin or currency of the United States of America which at the time of payment shall be legal tender for public and private debts. This bond shall not bear interest except that, if the Company should default in the payment of principal hereof, this bond shall bear interest on such defaulted principal at the rate of six percent per annum (to the extent that payment of such interest is enforceable under applicable law) until the Company's obligation with respect to the payment of such principal shall be discharged as provided in the Indenture hereinafter mentioned. Principal of and interest, if any, on this bond shall be payable at the office of the Trustee in the City of Chicago, Illinois, or, at the option of the registered owner, at the principal corporate trust

office of First Chicago Trust Company of New York in the Borough of Manhattan in the City of New York.

Reference is made to the further provisions of this bond set forth on the reverse hereof. Such further provisions shall for all purposes have the same effect as though fully set forth at this place.

This bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by The First National Bank of Chicago, or its successor, as Trustee under the Indenture.

IN WITNESS WHEREOF, the Company has caused this bond to be signed in its name, manually or in facsimile, by its President or one of its Vice Presidents and its corporate seal to be impressed or imprinted hereon and attested, manually or in facsimile, by its Secretary or one of its Assistant Secretaries.

Dated:

IOWA ELECTRIC LIGHT AND POWER COMPANY

By_____
Executive Vice President

ATTEST:

_____
Secretary

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

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

THE FIRST NATIONAL BANK OF CHICAGO,
as Trustee

By_____
Authorized Officer

[FORM OF REVERSE OF SERIES B BOND]

IOWA ELECTRIC LIGHT AND POWER COMPANY
FIRST MORTGAGE BOND, Collateral Series B

Due October 1, 2023

This bond is one of an authorized issue of bonds of the Company known as its "first mortgage bonds", issued and to be issued in series under, and all equally and ratably secured (except as any sinking, amortization, improvement, renewal or other fund, or any other covenants or agreements, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the first mortgage bonds of any particular series) by an Indenture of Mortgage and Deed of Trust dated as of August 1, 1940, executed by the Company to The First National Bank of Chicago, as Trustee, as supplemented by fifty-nine Supplemental Indentures (including a Seventh Supplemental Indenture dated as of July 1, 1946, a Thirty-second Supplemental Indenture dated as of September 1, 1966, a Forty-fifth Supplemental Indenture dates as of November 1, 1976, a Fifty-fifth Supplemental Indenture dated as of March 1, 1988, a Fifty-sixth Supplemental Indenture dated as of October 1, 1988, and a Fifty-ninth Supplemental Indenture dated as of October 1, 1993) each duly executed by the Company to said Trustee (said Indenture, as so supplemented, being herein sometimes referred to as the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the properties mortgaged and pledged, the nature and extent of the security, the rights of the holders of said first mortgage bonds, and of the Trustee and of the Company in respect of such security, and the terms and conditions upon which said first mortgage bonds are and are to be issued and secured. As provided in, and to the extent permitted by, the Indenture, the rights and obligations of the Company and of the holders of said first mortgage bonds may be changed and modified with the consent of the Company by the affirmative vote of the holders of at least 75% in principal amount of the first mortgage bonds then outstanding affected by such change or modification (excluding first mortgage bonds disqualified from voting by reason of the Company's interest therein as provided in the Indenture); provided, however, that without the consent of the registered owner hereof no such change or modification shall permit the reduction of the principal or the extension of the maturity of the principal of this bond or the reduction of the rate of interest, if any, hereon or any other modification of the terms of payment of such principal or interest. As provided in the Indenture, said first mortgage bonds are issuable in series which may vary as in the Indenture provided or permitted. This bond is one of a series of first mortgage bonds entitled "First Mortgage Bonds, Collateral Series B, Due October 1, 2023".

Any payment by the Company of the principal of or interest, if any, on the Collateral Trust Securities, Series B (as defined in the Fifty-ninth Supplemental Indenture) (other than by the application of the proceeds of a payment in respect of this bond shall, to the extent thereof, be deemed to satisfy and discharge the obligation of the Company, if any, to make a payment of principal of or interest on this bond which is then due.

This bond is redeemable, at the option of the Company, in whole at any time or in part from time to time, upon at least 30 days prior notice, given as aforesaid, at a

redemption price equal to 100% of the principal amount thereof together with accrued interest, if any, to the date fixed for redemption. In addition, the Bonds of Series B shall be redeemed by the Company no later than the redemption of the Collateral Trust Securities, Series B, in a principal amount equal to the principal amount of Collateral Trust Securities, Series B then being redeemed, and at a redemption price equal to the redemption price (excluding interest other than interest on defaulted principal, if any) applicable to such redemption of Collateral Trust Securities, Series A.

If an event of default, as defined in the Indenture, shall occur, the principal of this bond may become or be declared due and payable, in the manner and with the effect provided in the Indenture.

This bond is transferable by the registered owner hereof in person or by attorney authorized in writing at said office of the Trustee, or, at the option of the registered owner, at said principal corporate trust office of First Chicago Trust Company of New York in the City of New York, upon surrender and cancellation of this bond and upon any such transfer a new first mortgage bond of the same series, for the same aggregate principal amount, will be issued to the transferee in exchange herefor. The Company and the Trustee may deem and treat the person in whose name this bond is registered as the absolute owner hereof, for the purpose of receiving payment and for all other purposes.

This bond, alone or with other first mortgage bonds of the same series, may be exchanged upon surrender thereof to the Trustee at said office of the Trustee, or, at the option of the registered owner, at said principal corporate trust office of First Chicago Trust Company of New York in the City of New York, for one or more other first mortgage bonds of the same series and of the same aggregate principal amount but of a different authorized denomination or denominations, upon payment of a sum sufficient to reimburse the Company for any stamp tax or other governmental charge incident thereto, and subject to the terms and conditions set forth in the Indenture.

No recourse shall be had for the payment of the principal of or the interest on this bond, or for any claim based hereon or otherwise in respect hereof or of the Indenture or of any indenture supplemental thereto, against any incorporator, stockholder, director, or officer, as such, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or by any legal or equitable proceeding or otherwise howsoever; all such liability being, by the acceptance hereof and as a part of the consideration for the issuance hereof, expressly waived and released by every registered owner hereof, as more fully provided in the Indenture; provided, however, that nothing herein or in the Indenture contained shall be taken to prevent recourse to and the enforcement of the liability, if any, of any shareholder or any stockholder or subscriber to capital stock upon or in respect of shares of capital stock not fully paid up.

[END OF SERIES B BOND FORM]

SECTION 5. Section 105 of the Original Indenture is hereby amended to include the following event as a "Default," the following provision to be inserted immediately after clause (i) in said Section 105:

> (j) an "Event of Default" under the Indenture of Mortgage and Deed of Trust, dated as of September 1, 1993 (the "New Mortgage"), from the Company to The First National Bank of Chicago, as trustee, or a matured event of default under any Class "A" Mortgage (as defined in the New Mortgage); provided, however, that anything in this Indenture to the contrary notwithstanding, the waiver or cure of any such "Event of Default" or event of default and the rescission and annulment of the consequences thereof shall constitute a waiver of the corresponding Default under this Indenture and a rescission and annulment of the consequences thereof.

SECTION 6. Anything contained in Sections 97 and 98 of the Indenture to the contrary notwithstanding, if less than all of the outstanding Bonds of either series are to be called for redemption, the Bonds of such series to be redeemed in whole or in part shall be designated by the Trustee (within 10 days after receipt from the Company of notice of its intention to redeem Bonds of such series) by lot according to such method as the Trustee shall deem proper in its discretion. For the purpose of any drawing, the Trustee shall assign a number for each $1,000 principal amount of each outstanding Bond.

The provisions of Section 97 of the Indenture relating to notations of partial redemption shall not apply to the Bonds.

SECTION 7. The recitals contained in this Supplemental Indenture are made by the Company and not by the Trustee; and all of the provisions contained in the Original Indenture, as heretofore supplemented, in respect of the rights, privileges, immunities, powers, and duties of the Trustee shall, except as hereinabove modified, be applicable in respect hereof as fully and with like effect as if set forth herein in full.

SECTION 8. All the covenants, stipulations, promises and agreements in this Supplemental Indenture contained, by or on behalf of the Company, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

SECTION 9. Nothing in this Supplemental Indenture expressed or implied is intended or shall be construed to give to any person other than the Company, the Trustee, and the holders of the first mortgage bonds any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or in the first mortgage bonds contained, and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the Company, the Trustee and the holders of the first mortgage bonds issued under the Indenture.

SECTION 10. All references in the Original Indenture to the various Sections and Articles thereof shall be deemed to refer to said Sections and Articles as heretofore amended, and the Original Indenture shall hereafter be construed and applied as heretofore amended and supplemented.

SECTION 11. This Supplemental Indenture may be executed in any number of counterparts, and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts, or as many of them as the Company and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, IOWA ELECTRIC LIGHT AND POWER COMPANY has caused this Fifty-ninth Supplemental Indenture to be signed in its corporate name by its President or a Vice President and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and THE FIRST NATIONAL BANK OF CHICAGO, in token of its acceptance of the trusts created hereunder, has caused this Fifty-ninth Supplemental Indenture to be signed in its corporate name by one of its Vice Presidents or Assistant Vice Presidents and its corporate seal to be hereunto affixed and attested by one of its Trust Officers, all as of the day and year first above written.

IOWA ELECTRIC LIGHT AND POWER COMPANY

By: _____
Executive Vice President

(CORPORATE SEAL)

ATTEST:

_____
Secretary

THE FIRST NATIONAL BANK OF CHICAGO

By: _____
Assistant Vice President

(CORPORATE SEAL)

ATTEST:

_____
Authorized Officer

#30050105.5

IN WITNESS WHEREOF, IOWA ELECTRIC LIGHT AND POWER COMPANY has caused this Fifty-ninth Supplemental Indenture to be signed in its corporate name by its President or a Vice President and its corporate seal to be hereunto affixed and attested by its Secretary or an Assistant Secretary, and THE FIRST NATIONAL BANK OF CHICAGO, in token of its acceptance of the trusts created hereunder, has caused this Fifty-ninth Supplemental Indenture to be signed in its corporate name by one of its Vice Presidents or Assistant Vice Presidents and its corporate seal to be hereunto affixed and attested by one of its Trust Officers, all as of the day and year first above written.

IOWA ELECTRIC LIGHT AND POWER COMPANY

By:_____
Executive Vice President

(CORPORATE SEAL)

ATTEST:

_____
Secretary

THE FIRST NATIONAL BANK OF CHICAGO

By:_____
Assistant Vice President

(CORPORATE SEAL)

ATTEST:

_____
Authorized Officer

#30050105.5

STATE OF IOWA)
) ss:
COUNTY OF LINN)

On this 22ND day of SEPTEMBER, 1993, before me, DELORES HINER McNEILL, a Notary Public in and for the said County in the state aforesaid, personally appeared Blake O. Fisher, Jr. and Robert J. Kucharski, to me personally known, and to me known to be Executive Vice President and Secretary, respectively, of IOWA ELECTRIC LIGHT AND POWER COMPANY, one of the corporations described in and which executed the within and foregoing instrument, and who, being by me severally duly sworn, each did say that he the said Blake O. Fisher, Jr. is Executive Vice President, and that he the said Robert J. Kucharski is Secretary of the said IOWA ELECTRIC LIGHT AND POWER COMPANY, a corporation; that the seal affixed to the within and foregoing instrument is the corporate seal of the said corporation, and that the said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and the said Blake O. Fisher, Jr. and Robert J. Kucharski each acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

WITNESS my hand and notarial seal this 22ND day of SEPTEMBER, 1993.

Delores Hiner McNeill
Notary Public

My Commission expires: DELORES HINER McNEILL MY COMMISSION EXPIRES May 8, 1995

(NOTARIAL SEAL)

#30050105.5

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 22nd day of Sept., 1993, before me, C.J. Bertelson, a Notary Public in and for said County in the State aforesaid, personally appeared C.E.Stark and N.T. Scaife to me personally known, and to me known to be an Assit Vice Pres. and an Trust Officer, respectively, of THE FIRST NATIONAL BANK OF CHICAGO, one of the corporations described in and which executed the within and foregoing instrument, and who, being by me severally duly sworn, each did say that he the said C.E.Stark is an Assit.Vice Pre and that the said N.T. Scaife is an Trust Officer of the said THE FIRST NATIONAL BANK OF CHICAGO, a corporation; that the seal affixed to the within and foregoing instrument is the corporate seal of the said corporation, and that the said instrument was signed and sealed on behalf of said corporation by authority of its By-Laws; and the said C.E. Stark and N.T. Scaife each acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

WITNESS my hand and notarial seal this 22nd day of Sept., 1993.

C. J. Bertelson
Notary Public

My Commission expires: ____, ____

OFFICIAL SEAL
C J BERTELSON
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXPIRES 09/01/97

(NOTARIAL SEAL)

#30050105.5