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MICHELLE UTSLER, COUNTY RECORDER  
MADISON IOWA

COMPUTER	<input checked="" type="checkbox"/>
RECORDED	<input checked="" type="checkbox"/>
COMPARED	<input type="checkbox"/>

*1/6 Return*  
*Simmons Property Corp*  
*115 3rd St SE Ste 1200*  
*Cedar Rapids IA 52401-1266*

IOWA ELECTRIC LIGHT AND POWER COMPANY

TO

THE FIRST NATIONAL BANK OF CHICAGO

Trustee.

**Indenture of Mortgage**

AND

**Deed of Trust**

*Dated as of August 1, 1940.*

INDENTURE dated as of August 1, 1940, between IOWA ELECTRIC LIGHT AND POWER COMPANY, a corporation of the State of Iowa (hereinafter called the "Company"), party of the first part, and THE FIRST NATIONAL BANK OF CHICAGO, a national banking association organized and existing under the laws of the United States of America (hereinafter called the "Trustee"), party of the second part.

WHEREAS, the Company is authorized by law, and deems it necessary from time to time, to borrow money for its proper corporate purposes, and to that end, in the exercise of said authority, has duly authorized and directed the creation of an issue of its bonds of substantially the form and terms hereinafter in this Indenture provided or permitted; and, in order to secure the payment of the principal of and interest on said bonds (hereinafter called the "Bonds"), to provide for the authentication and delivery thereof by the Trustee and to establish and declare the terms and conditions upon which the Bonds are to be issued and secured, the Company has duly authorized and directed the execution and delivery of this Indenture; and

WHEREAS, the texts of the Bonds, the coupons to be attached thereto and the certificate of authentication of the Trustee to be executed thereon, are to be substantially in the following forms, respectively, with such appropriate omissions, insertions and variations as are in this Indenture provided or permitted:

[GENERAL FORM OF COUPON BOND]

\$..... No.....

IOWA ELECTRIC LIGHT AND POWER COMPANY  
FIRST MORTGAGE BOND,

SERIES .....

DUE .....

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

bearer, or, if this Bond be registered, to the registered owner hereof, on the ..... day of ....., at ....., in ....., Dollars, 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, and to pay interest thereon from ....., at the rate of ..... per cent. per annum, payable at said ..... in like coin or currency semi-annually on ..... and ..... in each year until the principal hereof shall have become due and payable, and to pay interest on any overdue principal and on any overdue installment of interest at the rate of six per cent. (6%) per annum (to the extent that payment of such interest is enforceable under applicable law). The interest accrued on the principal hereof prior to such principal becoming due and payable shall be paid only upon presentation and surrender, and according to the tenor, of the interest coupons hereto annexed as they severally mature.

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, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the 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, 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 Bonds and the appurtenant coupons and of the Trustee and of the Company in respect of such security, and the terms and conditions upon which said Bonds are and are to be issued and secured. As provided in, and to the extent permitted by, said Indenture, the rights and obligations of the Company and of the holders of said Bonds

and coupons 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 Bonds then outstanding affected by such change or modification (excluding Bonds disqualified from voting by reason of the Company's interest therein as provided in said Indenture); *provided, however*, that without the consent of the holder 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 hereon or any other modification of the terms of payment of such principal or interest. As provided in said Indenture, said Bonds are issuable in series which may vary as in said Indenture provided or permitted. This Bond is one of a series of Bonds entitled "First Mortgage Bonds, Series .....

[Here may be inserted reference to redemption if Bonds of a particular series are redeemable and to sinking fund if such Bonds are entitled thereto.]

If an event of default, as defined in said 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 said Indenture.

This Bond is transferable by delivery unless registered as to principal in the name of the holder on books of the Company to be kept for such purpose at ....., such registration being noted hereon. After such registration, no transfer hereof shall be valid unless made upon said books by the registered owner in person or by attorney authorized in writing and similarly noted hereon; but this Bond may be discharged from registration by being, in like manner, transferred to bearer, and thereupon transferability by delivery shall be restored, but again and from time to time this Bond may be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons hereto appertaining, which shall always continue to be

payable to bearer and to be transferable by delivery merely. The Company and the Trustee may deem and treat the bearer of this Bond, if it be not registered as to principal, and the bearer of any coupon hereto appertaining, or, if this Bond is registered as herein authorized, the person in whose name the same is registered, as the absolute owner for the purpose of receiving payment and for all other purposes.

[Here may be inserted provisions for exchangeability, if any.]

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 said 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 holder hereof, as more fully provided in said Indenture; *provided, however*, that nothing herein or in said 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.

Neither this Bond nor any of the annexed interest coupons shall 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 said Indenture.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed in its name by its President or one of its Vice Presidents, and its corporate seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries, and coupons for said interest bearing the facsimile signature of its Treasurer to be hereunto attached.

Dated

IOWA ELECTRIC LIGHT AND POWER COMPANY,

By .....

Attest:

.....

[GENERAL FORM OF INTEREST COUPON]

\$.....

On the ..... day of ..... (unless the Bond hereinafter described shall have been called for previous redemption and payment duly provided therefor), upon surrender of this coupon, Iowa Electric Light and Power Company will pay to bearer, at ....., in ....., Dollars (\$.....), 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, being six months interest then due on its First Mortgage Bond, Series ....., No. ....

.....,  
*Treasurer.*

[Reference to redemption shall be omitted from coupons attached to any series that are not redeemable prior to the maturity of such coupons.]

[GENERAL FORM OF REGISTERED BOND WITHOUT COUPONS.]

\$..... No. ....

IOWA ELECTRIC LIGHT AND POWER COMPANY

FIRST MORTGAGE BOND,

SERIES .....

DUE .....

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 ....., or registered assigns, on the.....day of....., at ....., in ....., Dollars, 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, and to pay interest thereon from the date hereof at the rate of ..... per cent. per annum, payable at said ..... in like coin or currency semi-annually on ..... and ..... in each year until the principal hereof shall have become due and payable, and to pay interest on any overdue principal and on any overdue installment of interest at the rate of six per cent. (6%) per annum (to the extent that payment of such interest is enforceable under applicable law).

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, established in accordance with the provisions of the Indenture hereinafter mentioned, may afford additional security for the 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, to which Indenture and all indentures supple-

mental 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 Bonds and the coupons appurtenant to coupon Bonds, and of the Trustee and of the Company in respect of such security, and the terms and conditions upon which said Bonds are and are to be issued and secured. As provided in, and to the extent permitted by, said Indenture, the rights and obligations of the Company and of the holders of said Bonds and coupons 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 Bonds then outstanding affected by such change or modification (excluding Bonds disqualified from voting by reason of the Company's interest therein as provided in said Indenture); *provided, however*, that without the consent of the holder 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 hereon or any other modification of the terms of payment of such principal or interest. As provided in said Indenture, said Bonds are issuable in series which may vary as in said Indenture provided or permitted. This Bond is one of a series of Bonds entitled "First Mortgage Bonds, Series ....."

[Here may be inserted reference to redemption if Bonds of a particular series are redeemable and to sinking fund if such Bonds are entitled thereto.]

If an event of default, as defined in said 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 said Indenture.

This Bond is transferable by the registered owner hereof in person or by attorney authorized in writing, at ....., upon surrender and cancelation of this Bond and on payment of charges, and upon any



such transfer a new registered Bond without coupons, 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.

[Here may be inserted provisions for exchangeability, if any.]

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 said 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 holder hereof, as more fully provided in said Indenture; *provided, however*, that nothing herein or in said 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.

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 said Indenture.

IN WITNESS WHEREOF, the Company has caused this Bond to be signed in its name by its President or one of its Vice Presidents, and its corporate seal to be impressed

or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries.

Dated

IOWA ELECTRIC LIGHT AND POWER COMPANY,

By.....

Attest:

.....

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This is one of the Bonds described in the within mentioned Indenture.

THE FIRST NATIONAL BANK OF CHICAGO,  
*As Trustee,*

By.....  
*Assistant Secretary.*

and

WHEREAS, all acts and proceedings required by law and by the charter and by-laws of the Company, including all action requisite on the part of its stockholders, directors and officers, necessary to make the Bonds, when executed by the Company, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal obligations of the Company, and to constitute this Indenture a valid and binding mortgage and deed of trust for the security of the Bonds, in accordance with its and their terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized;

Now, THEREFORE, THIS INDENTURE WITNESSETH, that, in order to secure the payment of the principal of and interest on all Bonds at any time issued and outstanding under this Indenture according to their tenor, purport and effect, and to secure the performance and observance of all the covenants and conditions therein and herein contained (except any cove-

nant of the Company with respect to the refund or reimbursement of taxes, assessments or other governmental charges on account of the ownership of any Bonds or the income derived therefrom, for which the holders of such Bonds shall look only to the Company and not to the property hereby mortgaged or pledged), and to declare the terms and conditions upon and subject to which the Bonds are and are to be issued and secured, and for and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the holders thereof, and of the sum of \$1 duly paid to the Company by the Trustee at or before the ensembling and delivery hereof, and for other valuable considerations, the receipt whereof is hereby acknowledged, the Company has executed and delivered this Indenture, and by these presents does grant, bargain, sell, release, convey, assign, transfer, mortgage, pledge, set over and confirm unto the Trustee, the following property, rights, privileges and franchises (which collectively are hereinafter called "the Trust Estate"), to wit:

**Clause A**

**FIRST**

**ELECTRIC GENERATING PLANTS AND ELECTRIC SUBSTATIONS**

All hydro-electric and water power plants, diesel electric plants, and steam electric plants of the Company and all electric substations of the Company, together with all power houses, dams, buildings, generators, structures, piers, abutments, embankments, sluices, races, basins, forebays, gates, water wheels, dynamos, turbines, generators, transformers, switchboard equipment, machinery, tools, instruments, apparatus, appliances, facilities and other property used or provided for use in the construction, maintenance, repair or operation thereof and together also with all real property and interests in real property acquired for or used in connection with such electric generating plants and electric substations and all rights-of-way, privileges, franchises, easements, licenses, flooding and flowing privileges, permits and grants with respect to the construction, maintenance, repair

and operation of such electric generating plants and electric substations, including, but not limited to, the following described property situated in the State of Iowa acquired for or used in connection with the following named electric generating plants and electric substations:

BENTON COUNTY.

*Belle Plaine Electric Substation.*

(1) That part of Lots Three (3) and Four (4) in Subdivision "D" of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Twenty (20), Township Eighty-two (82) North, Range Twelve (12), West of the Fifth Principal Meridian, described as: Commencing at a point where the Northerly line of Twelfth Street extended (as now located in the City of Belle Plaine) intersects the East line of Thirteenth Avenue, said point being six hundred thirty and six-tenths (630.6) feet South of the Northwest Corner of Lot One (1) of said Subdivision; thence North along the East line of Thirteenth Avenue one hundred (100) feet to a gas pipe; thence East one hundred eighty-four (184) feet to a gas pipe in the West line of the property of the City of Belle Plaine; thence South eighty-one and two-tenths (81.2) feet to the Northerly line of Twelfth Street extended; thence South eighty-four (84) degrees ten (10) minutes West along the Northerly line of said Twelfth Street one hundred eighty-five (185) feet to the place of beginning.

*Blairstown Electric Substation.*

(2) That part of the Northeast Quarter (NE $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Fourteen (14), Township Eighty-two (82) North, Range Eleven (11) West of the Fifth Principal Meridian described as: Beginning at a point fourteen (14) feet West and thirty (30) feet North of the Northeast corner of Lot Ten (10) in Block One (1) in Keck and Herring's Addition to Blairstown; thence North sixty-nine (69) feet; thence West thirty-five (35) feet; thence South sixty-nine (69) feet; thence East thirty-five (35) feet to the place of beginning.

Sold  
File 6-8

## BOONE COUNTY.

*Boone Hot Water Heat and Steam Electric Plant.*

(1) All the lands and premises situated in the City of Boone bounded and described as follows: Commencing at the Northwest corner of Lot Six (6) in Block Eighty-Seven (87) in Blair's Second Addition to Boone, being also the Northwest Corner of said Block Eighty-Seven (87) at the intersection of the South line of Eighth Street and the East line of Harrison Street; running thence South along the East line of Harrison Street to the Southwest corner of Lot Seven (7) in said Block Eighty-Seven (87) being also the Southwest Corner of said Block at the point of intersection of the said East line of Harrison Street and the North line of Seventh Street; running thence East along the North line of Seventh Street to its intersection with the Westerly line of the right of way of the Chicago and North Western Railway Company; thence Northeasterly along the Westerly line of the said right of way to its point of intersection with the South line of Eighth Street being at a point on the North line of Lot Ten (10) in Block Eighty-Eight (88) of the Original Town of Boone; running thence West along the South line of Eighth Street, being the Northerly line of said Lot Ten (10) in Block Eighty-Eight (88) and said Northerly line extended West across Monona Street and being the North line of Lots One (1) to Six (6), both inclusive, in Block Eighty-Seven (87) in said Blair's Second Addition to Boone, to the place of beginning, including all of Lots One (1) to Eleven (11), both inclusive, of Block Eighty-Seven (87) of Blair's Second Addition to Boone; part of Lots Eight (8), Nine (9) and Ten (10) in Block Eighty-Eight (88) in the Original Town of Boone, lying Westerly of the Westerly line of the Chicago and North Western Railway; all of Monona Street and the alleys within the bounds described, as once platted and now vacated, and granted under Ordinance No. 420 of the City of Boone, as amended and corrected by Ordinance No. 423 of said City, and as once platted but now vacated and granted under Ordinance No. 606 of the City of Boone.

(2) The East twelve (12) feet of that part of Block One Hundred Six (106) in Blair's Second Addition to

Boone, which lies West of the right of way of the Chicago and North Western Railway Company, being the Southeasterly twelve (12) feet of the twenty (20) foot alley heretofore laid out and platted along and abutting the West side of the said right of way through said Block One Hundred Six (106), but now vacated and granted by Ordinance No. 420 of the City of Boone, as amended and corrected by Ordinance No. 423 of said City.

*Madrid Electric Substation.*

(3) The North forty (40) feet of Lot Fourteen (14) in Block Four (4) in Anderson's Second Addition to Madrid, located in the South Half ( $S\frac{1}{2}$ ) of the South Half ( $S\frac{1}{2}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Twenty-Five (25), Township Eighty-Two (82) North, Range Twenty-Six (26), West of the Fifth Principal Meridian.

DALLAS COUNTY.

*Bouton Electric Substation.*

(1) Lot Ten (10) in Block Seven (7) in Bryan's Fourth Addition to the Town of Bouton in the South Half ( $S\frac{1}{2}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Five (5), and the North Half ( $N\frac{1}{2}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Eight (8), all in Township Eighty-One (81) North, Range Twenty-Seven (27), West of the Fifth Principal Meridian.

*Perry Diesel, Hot Water Heat and Steam Electric Plants.*

(2) Lots Three (3), Four (4), Nine (9), Ten (10), Eleven (11) and the East seventeen and ninety-six hundredths (17.96) feet of Lots Five (5) and Eight (8) in Block Twenty-One (21) in the Original Town, now City, of Perry.

GREENE COUNTY.

*Jefferson Diesel Electric Plant.*

(1) Lot Two Hundred Forty (240) and the North sixty-four (64) feet of Lots Two Hundred Forty-

Nine (249) and Two Hundred Fifty (250) in Block Thirty-Three (33) in the City of Jefferson.

*Scranton Electric Substation.*

(2) The East thirty (30) feet of the West Half ( $W\frac{1}{2}$ ) of Lots Four (4) and Five (5) in Block Twenty-Five (25) in the Second Addition to Scranton.

GRUNDY COUNTY.

*Reinbeck Electric Substation.*

(1) Lot Eight (8) in Block "C" of Methfessel's Original Plat of Reinbeck.

(2) A strip or belt of land twenty (20) feet wide lying immediately North of and adjoining Lot Eight (8) in Block "C" of Methfessel's plat of Reinbeck, being otherwise described as: Commencing at the Northwest Corner of said Lot Eight (8); running thence Southeasterly along the North line of said Lot Eight (8) to the Northeast Corner of said Lot; thence North twenty (20) feet; thence Northwesterly on a line parallel to and twenty (20) feet North of the North line of said Lot Eight (8) to the East line of Broad Street; thence South twenty (20) feet to the place of beginning.

LINN COUNTY.

*Cedar Rapids Steam Heat and Steam Electric Plant.*

(1) That part of Lots One (1), Two (2), Three (3), and Four (4) in Fractional Block Eighteen (18) in the City of Cedar Rapids, and that part of the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section Twenty-One (21), Township Eighty-Three (83) North, Range Seven (7) West, described as follows: Beginning at the Southwest Corner of said Lot Three (3) and running thence Northerly along the Westerly line of the land conveyed by the Dubuque and Sioux City Railroad Company to the Cedar Rapids, Iowa City, and Southern Construction Company on February 21, 1910 [said Westerly line forming an angle of fifteen (15) degrees with the South line of said Lot Three (3)] a distance of one hundred seventy-nine and seven-tenths (179.7) feet to a point forty-six and four-tenths (46.4) feet

Northwesterly from the Southerly line of said Lot Four (4), measured perpendicularly to said Southerly line; thence Southwesterly parallel to the Southerly line of said Lot Four (4), one hundred thirty-eight and nine-tenths (138.9) feet to a point twenty-four and eight-tenths (24.8) feet Westerly from the Easterly line of Lot Three (3); thence Southwesterly along a curved line convex towards the West, having a radius of one hundred sixty-nine and two-tenths (169.2) feet, a distance of ninety-two and one-tenth (92.1) feet, more or less, to a point which is twenty-three and three-tenths (23.3) feet Northerly of and at right angles to the Southerly line, and seven (7) feet Easterly of and at right angles to the Westerly line of said Lot Two (2); thence Southerly forty-five (45) feet to a point in the Southerly line of Lot One (1), twenty-nine (29) feet Easterly from the Southwest Corner of said Lot Two (2); thence Northeasterly along the Southerly line of Lots One (1) and Two (2), ninety-one (91) feet, more or less to the place of beginning.

(2) Block Seven (7) in Auditor's Plat No. 48 in Cedar Rapids, except those parts of said Block (being two (2) ten (10) foot strips) lying along the Southeasterly line of said Block Seven (7) as conveyed to Chicago, Milwaukee, St. Paul and Pacific Railway Co. by deeds recorded respectively in Book 349, Page 186, and Book 546, Page 43, but subject, however, to a perpetual license and privilege for use, support and maintenance thereon of a railroad embankment over, across and upon a strip of land ten (10) feet wide and one hundred fifteen (115) feet long, along, Northwesterly of, and adjoining one of said ten (10) foot strips.

(3) Lots Five (5), Six (6), Seven (7), and that part of Lots Eight (8) and Nine (9) described as follows: Beginning at the Northeast Corner of said Lot Eight (8); thence Southeasterly along the North-easterly line of said Lot to the Southeast Corner thereof; thence Southwesterly along the Southerly line of said Lot or the Northwesterly line of "D" Avenue to a point thirty (30) feet Southwesterly from the Southeasterly Corner of said Lot; thence Northwesterly, on a line running from said point to the Northeasterly Corner of said Lot, a distance of six (6) feet to a point, said point being also ten (10) feet Northerly from the center line of a certain railroad track owned jointly by the Dubuque and Sioux



City Railroad Company and the Chicago, Rock Island, and Pacific Railroad Company; thence Westerly parallel to said track to a point in the Westerly line of said Lot Nine (9), twenty-two (22) feet Northerly from the Southwest Corner thereof; thence Northerly along the Westerly line of said Lot Nine (9) to the Northwest Corner thereof; thence Easterly along the Northerly line of said Lots Eight (8) and Nine (9) to the place of beginning, all in Fractional Block Eighteen (18) in the Original Town, now City, of Cedar Rapids.

(4) That part of Fifth Street, N. E., in the City of Cedar Rapids described as follows: Commencing at the Southwesterly Corner of Lot One (1) in Fractional Block Eighteen (18) in Original Town, now City, of Cedar Rapids; thence Southeasterly a distance of one hundred fifty-nine and eight-tenths (159.8) feet to the Southwesterly Corner of Lot Nine (9) in said Block; thence Southwesterly a distance of fifty-five (55) feet along the Northerly boundary line of "D" Avenue, N. E., produced in a Southwesterly direction; thence Northerly a distance of one hundred fifty-nine and eight-tenths (159.8) feet along a line fifty-five (55) feet Westerly of and parallel to the West line and said West line produced Northerly, of said Lot Nine (9); thence Easterly a distance of fifty-five (55) feet to the Westerly line of said Fractional Block Eighteen (18), the place of beginning subject, however, to the rights of Dubuque and Sioux City R. R. Co. and Chicago, Rock Island and Pacific R. R. Co. for switch track purposes over, across and upon the Southerly part thereof, and also to the rights of Quaker Oats Company to maintain certain buildings thereon.

(5) The alley, now vacated, in Fractional Block Eighteen (18) in Original Town, now City, of Cedar Rapids, described as follows: lying between the Southwesterly line of Lot Nine (9), produced Northwesterly and the Northeasterly line of Lot Five (5), produced Northwesterly in said Block.

(6) Block Six (6) of Auditor's Plat No. 48 in Cedar Rapids and all that part of North Sixth Street, now vacated, lying Southwesterly of and adjoining said Block Six (6) and Northeasterly of and adjoining Fractional Block Eighteen (18) in Original Town, now City, of Cedar Rapids and lying between the Northwesterly line of "D" Avenue and the East and West center line

of Section Twenty-One (21), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., subject, however, to easement and right in City of Cedar Rapids to construct and maintain a storm sewer over, in and upon Northeasterly half of said street.

(7) Block One (1) and Block Two (2), except those parts thereof conveyed to Chicago, Milwaukee, St. Paul and Pacific R. R. Co. by deed recorded in Book 349, Page 186, all in Auditor's Plat No. 48 in Cedar Rapids.

(8) Lots Fifteen (15) to Nineteen (19), both inclusive, and the Northwesterly forty-two (42) feet of the Southeasterly eighty-seven (87) feet of Lot Eight (8), all in Auditor's Plat No. 49 in Cedar Rapids.

(9) That part of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section Sixteen (16), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., described as: Commencing at a point on the West line of Auditor's Plat No. 49 four hundred six and seven-tenths (406.7) feet South of the Northwest Corner of Lot One (1) of said Plat; thence Southwesterly angle eighty-eight (88) degrees forty (40) minutes to the right from said point four hundred two and six-tenths (402.6) feet; thence Northwesterly angle forty (40) degrees twenty-seven (27) minutes to the right five hundred ninety-seven and six-tenths (597.6) feet; thence Northwesterly angle three (3) degrees forty-seven (47) minutes to the left three hundred (300) feet; thence Northeasterly angle sixty-three (63) degrees twenty-one (21) minutes to the right two hundred ninety-nine and five-tenths (299.5) feet; thence Northwesterly angle ninety-two (92) degrees fifteen (15) minutes to the left four hundred twenty-four and four-tenths (424.4) feet, more or less, to a point on the Northeast line of the right of way of Chicago, Rock Island and Pacific R. R. Co.; thence Southeasterly along said Northeast right of way line nineteen hundred fifty-two and four-tenths (1952.4) feet, more or less, to the South line of said Section Sixteen (16); thence Easterly along said South line six hundred fifty-six and fifteen hundredths (656.15) feet, more or less, to the Southwest Corner of Lot Eighteen (18) in said Auditor's Plat No. 49; thence North along the West line of said Lot Eighteen (18), being also the West line of said Auditor's Plat, to the place of beginning, containing twenty-five and sixty-five hundredths (25.65) acres, more or less, subject, however, to reservation contained in the deed

from Shaver Estate Co. to William G. Dows dated May 31, 1915 and recorded August 8, 1917, in Book 400, Page 331, in favor of said grantor and its successors and assigns of the right to lay and maintain a six (6) inch water main with a suitable intake over and across the above premises to a suitable point on said lands in Cedar Lake, and also the right to construct and maintain the necessary drain or return pipe to Cedar Lake, and also to the reservation and condition contained in said deed that if McLeods Run is diverted from its present course into Cedar River and changed so as to empty its waters into Cedar Lake, then the existing channel across the above described premises shall at all times be so maintained that whenever the waters in Cedar Lake shall reach an elevation of ninety (90) feet above City datum, the said waters in Cedar Lake shall have a suitable channel to flow across the premises above described into Cedar River, and the further condition in said deed that the same does not grant or convey any right of way across the lands now owned by the aforementioned grantor abutting on the above described premises for the purpose of reaching the same, and also subject to certain lease from William G. Dows to Shaver Estate Co. dated March 31, 1915 and recorded November 29, 1927 in Book 523, Page 369, of the premises above described for a period of fifty (50) years from date, unless sooner terminated, in accordance with the provisions expressed in said lease.

(10) That part of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ) of Section Eight (8), Township Eighty-Two (82) North, Range Seven (7), West of the Fifth P. M., described as: Commencing at the North end of Prairie Creek Bridge, twelve hundred and ten (1210) feet Southerly of the North line of said Section, measured on the center line of the track of the Cedar Rapids and Iowa City Railway, as now located, and fifty (50) feet Easterly of and at right angles to the center line of said track; thence one hundred fifty (150) feet in an Easterly direction and at right angles to the center line of said track; thence two hundred (200) feet in a Northerly direction on an angle to the left of ninety (90) degrees; thence one hundred four and four-tenths (104.4) feet in a Northwesterly direction on an angle to the left of sixteen (16) degrees and forty-two (42) minutes;

thence one hundred fifty (150) feet in a Northerly direction on an angle to the right of sixteen (16) degrees and forty-two (42) minutes, being the point of a curve having a radius of three hundred fifty-five (355) feet; thence Northwesterly on said curved line forty-eight (48) feet; thence Southwesterly on a line at right angles to the center line of said track a distance of one hundred sixty-seven (167) feet, more or less, to a point fifty (50) feet Easterly of and at right angles to the center line of said track; thence South-easterly on a line fifty (50) feet Easterly of and parallel to the center line of said track to the place of beginning.

*Cedar Rapids Hydro Electric Plant.*

(11) Lots One (1) and Five (5) and the Northwest-erly eight (8) feet of Lot Six (6) in Fractional Block Three (3) in Original Town, now City, of Cedar Rapids.

*Cedar Rapids Electric Substations.*

(12) A part of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section Fourteen (14) and the Northeast Quarter (NE $\frac{1}{4}$ ) of the North-east Quarter (NE $\frac{1}{4}$ ) of Section Fifteen (15), all in Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M. described as follows: Com-mencing at the intersection of a line parallel with and thirty (30) feet South of the North line of said Section Fourteen (14) with the Northwesterly line of the right of way conveyed by the Mound Farm Real Estate Com-pany to the Iowa Railway and Light Company by deed recorded in the records of Linn County, Iowa, in Volume 363, Page 514; thence Southwesterly along the North-westerly line of the right of way of said Iowa Railway and Light Company one hundred sixty (160) feet; thence Northwesterly at right angles to the Northwest-erly line of the right of way of said Iowa Railway and Light Company one hundred forty (140) feet; thence Northeasterly parallel with and one hundred forty (140) feet Northwesterly from the Northwesterly line of the right of way of said Iowa Railway and Light Company to the North line of said Section Fifteen (15); thence East along the North line of said Sections Fifteen (15) and Fourteen (14) to the Northwesterly line of the right of way of said Iowa Railway and Light Company;

thence Southwesterly along the Northwesterly line of the right of way of said Iowa Railway and Light Company to the place of beginning, except the North thirty (30) feet thereof, subject, however, to restrictions contained in warranty deed from Alice M. Foulkes to Iowa Railway and Light Corporation, dated September 21, 1926, and recorded October 4, 1925, in Volume 519, on Page 141, restricting erection of structures, poles or wires within twenty-five (25) feet of the Northwesterly line, or within ten (10) feet of the Southwesterly line, and that structures or buildings containing electrical equipment which might endanger the public shall be properly protected by an enclosure of ornamental design not less than ten (10) feet.

(13) The North seventy (70) feet of the South One (1) acre of the North Two and One-Half ( $2\frac{1}{2}$ ) acres of the West Five (5) acres of the East Ten (10) acres of the West Half ( $W\frac{1}{2}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Twenty-Six (26), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., excepting from said above described premises the East twenty-five (25) feet thereof used for highway.

(14) Lot One (1) in Block Forty-Three (43) in James C. Young's Fifth Addition to Cedar Rapids.

The property last above described in parcels One (1) to Nine (9) and Eleven (11) to Fourteen (14) is subject to zoning and building ordinances of the City of Cedar Rapids.

*Central City Hydro Electric Plant.*

(15) Lot One (1) in Irregular Survey of that part of Government Lot Two (2) lying in the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Three (3) Township Eighty-Five (85) North, Range Six (6), West of the Fifth P. M., excepting, however, from the above described premises all water rights and privileges and matters affecting water power pertaining to said land.

(16) Blocks Twenty-Four (24) and Twenty-Six (26), also Lots Two (2) to Nine (9), both inclusive, in Block Twenty-Three (23) in the Town of Central City, excepting, however, from the above described premises all water rights and privileges and matters affecting water power pertaining to said land.

*Marion Electric Substation.*

(17) Lots One (1) to Six (6), both inclusive, in Block Sixty-One (61) in the Original Town of Marion, subject to right of way over said Lots of the Chicago, Milwaukee, St. Paul and Pacific Railway Company and right to lay and maintain a sewer, ditch and pipe over said Lots Three (3), Four (4) and Five (5) on and along the North side of said railroad track to and under the wagon bridge on Meridian Street.

*Mt. Vernon Substation and Gas Plant.*

(18) That part of Lots Three (3) and Four (4) in Block Three (3) in Wahn's Addition to the Town of Mount Vernon, described as: Commencing at a stone in a casting in the center line of First Street in the said Town of Mount Vernon at the intersection of the center line of "A" Avenue (formerly Wahn Street) and the center line of First Street; thence Northeasterly along the center line of said "A" Avenue seven hundred eight and eighty-five hundredths (.70885) feet to a point on the Northeasterly line of Third Street (formerly Monroe Street), being the intersection of the center line of "A" Avenue and the Northeasterly line of Third Street, said point also being located three hundred ten and five-tenths (310.5) feet Southeasterly of the Southeasterly line of First Avenue; running thence Southeasterly along the Northeasterly line of Third Street one hundred seventy-eight and five-tenths (178.5) feet to an iron pin marking the Westerly Corner of said Lot Four (4), which last mentioned point is the place of beginning; thence Northeasterly along the Northwesterly boundary line of said Lot Four (4) and of Lot Three (3) in said Block Three (3) to the Northerly Corner of said Lot Three (3) marked by an iron pipe; thence Southeasterly along the Northeasterly boundary of said Lot Three (3), one hundred thirty-two (132) feet to the Easterly Corner of said Lot Three (3) marked by an iron pipe; thence Southwesterly along the Southeasterly boundary line of said Lots Three (3) and Four (4) a distance of eighty-eight and five-tenths (88.5) feet to an iron pipe; thence Northwest-erly twenty-six and seventy-two hundredths (26.72)

feet to the Southeasterly wall of the Iowa Electric Light and Power Company plant at the point where the Northeasterly wall of a pump house of the Town of Mount Vernon meets the said plant wall, being a point forty-one and eighty-five hundredths (41.85) feet Northeasterly of the Southwesterly line of said Lot Four (4); thence Southwesterly along the said wall and the line of said wall extended to the Northeasterly boundary line of Third Street (formerly Monroe Street); thence Northwesterly along the Northeasterly line of Third Street a distance of one hundred six and five-tenths (106.5) feet, more or less, to the place of beginning, subject, however, to the right of way of the Mount Vernon Short Line Railroad Company over a portion of said premises.

MARSHALL COUNTY.

*Marshalltown Steam Electric Plant.*

(1) Lots One (1) to Thirteen (13), inclusive, in Cunningham's Addition to the Town of Marshall.

*Marshalltown Gas Plant and Steam Electric Plant.*

(2) Lot One (1) in Westlake's Subdivision of part of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ) of Section Thirty-Five (35), Township Eighty-Four (84) North, Range Eighteen (18), West of the Fifth Principal Meridian.

(3) Lots Four (4) to Seven (7), both inclusive, in Auditor's Plat of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ) of Section Thirty-Five (35), Township Eighty-Four (84) North, Range Eighteen (18), West of the Fifth Principal Meridian; also Lot Three (3) of said Auditor's Plat, except that part of said Lot described as: Beginning at a point which is one hundred ninety and five-tenths (190.5) feet East of the East line of Fourth Avenue (formerly Franklin Street) and two hundred forty-nine and five-tenths (249.5) feet South of the South line of Nevada Street, situated in the City of Marshalltown, said point being the Southwesterly corner of Lot Three (3) of the said Auditor's Plat; running thence Easterly along the South line of said Lot Three (3) forty (40) feet; thence Northwesterly on

a straight line to a point on the Westerly line of said Lot Three (3), which is one hundred ninety and five-tenths (190.5) feet East of the East line of said Fourth Avenue and fifty (50) feet North of the said Southwesterly Corner of said Lot Three (3); thence South fifty (50) feet to the place of beginning, being that part conveyed to Chicago and North Western Railroad by deed dated January 6, 1930 and recorded January 27, 1930 in Deed Record 345, Page 434.

STORY COUNTY.

*Nevada Diesel Electric Plant and Gas Storage Plant.*

(1) Sublots One (1) to Six (6), both inclusive, in the Subdivision of Lot Three (3) in the Southwest Quarter (SW $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Six (6), Township Eighty-Three (83) North, Range Twenty-two (22), West of the Fifth Principal Meridian.

*Nevada Diesel Electric Plant.*

(2) The East Half of Lots Twenty-Seven (27) and Twenty-Nine (29), and the South twenty (20) feet of the West Half (W $\frac{1}{2}$ ) of Lot Twenty-Seven (27) all in Block Seventeen (17) in Burris' Addition to the town of Nevada in the Southeast Quarter (SE $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Six (6), Township Eighty-Three (83) North, Range Twenty-Two (22), West of the Fifth Principal Meridian.

TAMA COUNTY.

*Montour Electric Substation.*

(1) Lots One (1) and Two (2) in Block Seven (7) in the Original Town of Montour, a Subdivision in the Southwest Quarter (SW $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Twenty-one (21), Township Eighty-three (83) North, Range Sixteen (16), West of the Fifth Principal Meridian.

*Toledo Diesel Electric Plant.*

(2) Lots One (1), Two (2) and Three (3) in Block Five (5) in Summit Addition to Toledo.



*Traer Electric Substation.*

(3) The North sixty (60) feet of the West twenty (20) feet of Lot Forty-eight (48) in Block Sixteen (16) in the Original Plat of the Town of Traer.

All the right, title and interest of the Company in and to all and singular the following described property situated in Boone, Dallas, Linn, Story and Tama Counties:

## BOONE COUNTY.

*Madrid Substation.*

The East twenty-four (24) feet of the South twenty-seven (27) feet of the West ninety (90) feet of Lot Three (3) in Block One (1) in Madrid, according to the plat thereof recorded September 14, 1857 in Book A of Lot Deeds, Page 409.

## DALLAS COUNTY.

*Perry Diesel, Hot Water Heat and Steam Electric Plants.*

That portion of Otley Avenue adjoining Block Twenty-One (21) in the Original Town, now City, of Perry, described as follows: Commencing at a point thirty-two and four one hundredths (32.04) feet East of the Northeast Corner of Lot Seven (7) in said Block; thence North thirty-one (31) feet; thence East sixty-six and ninety-six one hundredths (66.96) feet; thence South thirty-one (31) feet to the Northeast Corner of Lot Nine (9) in said Block; thence West sixty-seven and ninety-six hundredths (67.96) feet to the place of beginning.

## LINN COUNTY.

*Cedar Rapids Steam Heat and Steam Electric Plant.*

(1) That part of Lots One (1), Two (2) and Three (3) in Fractional Block Eighteen (18) in the City of Cedar Rapids, described as: Beginning at a point in the Southeasterly line of said Lot One (1), which point is twenty-nine (29) feet Northeasterly from the most Southerly corner of said Lot One (1); thence Northerly along the Westerly line of a tract of land heretofore conveyed by the Dubuque and Sioux City Railroad Co. to Iowa Railway and Light Co. by deed

dated August 25, 1927, a distance of forty-five (45) feet to a point twenty-three and three-tenths (23.3) feet Northwesterly from the Southeast line of said Lot Two (2), measured at a right angle thereto; thence continuing Northerly along the Westerly line of said tract of land, along a curve to the right having a radius of one hundred sixty-nine and two-tenths (169.2) feet a distance of ninety-two and one-tenth (92.1) feet, more or less, to a point twenty-four and eight-tenths (24.8) feet Southwesterly from the Northeastly line of said Lot Three (3) and forty-six and four-tenths (46.4) feet Northwesterly from the Southeast line of said Lot Three (3), measured at a right angle thereto; thence Southwesterly parallel with the Southeast line of said Lots Two (2) and Three (3), a distance of seventy-four (74) feet; thence Southerly a distance of ninety (90) feet, more or less, to a point in the Southeast line of said Lot One (1), two (2) feet Northeastly from the most Southerly corner of said Lot One (1); thence Northeastly along said Southeast line of Lot One (1), a distance of twenty-seven (27) feet to the point of beginning.

(2) That part of the West Half ( $W\frac{1}{2}$ ) of Section Twenty-One (21), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., described as: Beginning at a point on the Northwesterly line of a tract of land heretofore conveyed by the Dubuque and Sioux City Railroad Co. to Iowa Railway and Light Co. by deed dated September 27, 1923, said point being forty-six and four-tenths (46.4) feet perpendicularly distant Northwesterly from the Southeast line of Lot Four (4) in Fractional Block Eighteen (18) in the City of Cedar Rapids and sixty-five (65) feet Southwest of the Northeast line produced of said Fractional Block, measured at a right angle thereto; thence Northwesterly perpendicular to the Southeast line of said Lot Four (4), a distance of eleven and fifteen-hundredths (11.15) feet; thence Northeastly at a right angle sixty-five (65) feet to the Northeast line produced of said Fractional Block; thence Southeasterly along said Northeast line to an intersection with the present Northwesterly boundary line of the property of the Company; thence Southwesterly along said boundary line sixty-five (65) feet, more or less, to the point of beginning.

(3) A triangular tract of land in the City of Cedar Rapids located in the North Half ( $N\frac{1}{2}$ ) of Section Twenty-One (21), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., described as follows: Beginning at a point five hundred eighty-one and four-tenths (581.4) feet North of the center of said Section, said point being the intersection of the North and South center line of said Section with a line located parallel with and one hundred fifty (150) feet perpendicularly distant Southeasterly from the center line of the original one hundred (100) foot right of way of the Cedar Rapids and Chicago Railroad Co., now the Dubuque and Sioux City Railroad Company; running thence Northeasterly parallel with the center line of said right of way, a distance of four hundred thirty-three and seven-tenths (433.7) feet to an intersection with a line drawn parallel with and five hundred forty (540) feet perpendicularly distant Northeasterly from the Southwesterly line of Seventh Street in Cedar Rapids, produced; thence Southeast-erly on said last described line, a distance of two hun-dred twenty-nine and two-tenths (229.2) feet; thence Southwesterly a distance of four hundred seventy-two and seventy-three hundredths (472.73) feet to a point on said North and South center line of said Section which is four hundred two and eighty-four hundredths (402.84) feet North of the center of said Section; thence Southwesterly along a straight line projected to the Southwest corner of Lot Three (3) in Frac-tional Block Eighteen (18) in the City of Cedar Rapids, (said straight line being the Northwesterly line of a one (1) acre tract of land conveyed by the said Dubuque and Sioux City Railroad Co. to the Cedar Rapids, Iowa City and Southern Construction Com-pany in deed of exchange dated February 21, 1911) a distance of four hundred thirty-two (432) feet, more or less, to a point one hundred fifty (150) feet perpen-dicularly distant Southeasterly from the center line of said aforementioned original one hundred (100) foot right of way; thence Northeasterly parallel with origi-nal center line of said right of way five hundred eighty (580) feet, more or less, to the point of beginning.

(4) That part of Lots Eight (8) and Nine (9) in Fractional Block Eighteen (18) in the City of Cedar Rapids, described as: Beginning at a point in the Southerly line of Lot Eight (8) thirty (30) feet West-

erly from the Southeast Corner thereof; thence Northerly along a line, which produced would pass through the Northeast Corner of said Lot, a distance of six (6) feet; thence Westerly to a point in the Westerly line of Lot Nine (9) twenty-two (22) feet Northerly of the Southwest Corner thereof; thence Southerly along said Westerly line of Lot Nine (9) a distance of three (3) feet to a point nineteen (19) feet Northerly of the Southwest Corner of said Lot Nine (9); thence Easterly to a point in the Southerly line of Lot Eight (8), which is sixty-nine (69) feet Easterly from the Southwest Corner of said Lot Nine (9); thence Easterly along the Southerly line of said Lot Eight (8) a distance of twenty-one (21) feet, more or less, to the place of beginning.

*Cedar Rapids Electric Substation.*

(5) Lot Two (2) in Block Forty-Three (43) in James C. Young's Fifth Addition to Cedar Rapids.

*Central City Hydro-Electric Plant.*

(6) An easement over, upon, and across the East eighteen (18) feet of Lot Two (2) of the Irregular Survey of Government Lots Two (2) and Three (3) in Section Three (3), Township Eighty-Five (85) North, Range Six (6), West of the Fifth Principal Meridian in the City of Central City, for any and all uses and purposes in connection with the electrical system including the right to maintain a road thereon as created by instrument from Fred J. Cross to Tri-State Utilities Company, dated September 2, 1924, and recorded December 23, 1926 in Volume 519, Page 311 of the Records of Linn County.

(7) Part of Lot Two (2) of Irregular Survey of that part of Government Lot Two (2) lying in the Southwest Quarter (SW $\frac{1}{4}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ) of Section Three (3) Township Eighty-Five (85) North, Range Six (6) West of the Fifth Principal Meridian described as follows: beginning at a point on the West line of Lot Two (2) which is one hundred eighty-eight and five-tenths (188.5) feet East and three hundred sixty-three and five-tenths (363.5) feet North of the center of Section Three (3) aforesaid; thence North seventy-one (71) degrees thirty (30) minutes East eighty-three (83) feet to the West-

erly line of land deeded to C. J. Cross; thence North thirty-seven (37) degrees West along the Westerly line of said land deeded to C. J. Cross fifty-five (55) feet to the Northeasterly line of Lot Two (2); thence North seventy-two (72) degrees West along the Northerly line of said Lot Two (2), fifty (50) feet to the Northwest corner of said Lot Two (2); thence South along the West line of said Lot, eighty-four (84) feet to the place of beginning.

*Cedar Rapids Hydro-Electric Plant.*

(8) An undivided five-sixty-fourths ( $5/64$ ) interest in that certain dam and dam site, including all rights and appurtenances of every kind, nature and description thereunto belonging, located upon the Red Cedar River in the City of Cedar Rapids.

(9) The leasehold estate created in and by that certain unrecorded indenture of lease dated July 1, 1937 from the City of Cedar Rapids, as lessor, to the Company as lessee, demising and leasing for a term of twenty-five (25) years from and after the 22nd day of March 1937, an undivided fifty-nine-sixty-fourths ( $59/64$ ) interest in that certain dam and dam site, including all rights and appurtenances of every kind, nature and description thereunto belonging, located upon the Red Cedar River in the City of Cedar Rapids.

(10) That portion of the bed of said Red Cedar River, in the City of Cedar Rapids, whereon is now erected the Cedar Rapids Hydro-Electric Plant.

STORY COUNTY.

*Nevada Diesel Electric Plant.*

(1) The North fifteen (15) feet of the West Half ( $W\frac{1}{2}$ ) of Lot Twenty-Nine (29) in Block Seventeen (17) in Burris' Addition to the town of Nevada in the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section Six (6), Township Eighty-Three (83) North, Range Twenty-Two (22), West of the Fifth Principal Meridian.

*Gilbert Substation.*

(2) A tract of land Twenty-Five feet square lying West and South of and being at the point of intersection of the West line of Dunn Street and the South line of 1st Street in the Town of Gilbert.

## TAMA COUNTY.

*Toledo Diesel Electric Plant.*

That part of Broadway Street, now vacated, in the Original Town of Toledo described as: the East twenty-five (25) feet of that part thereof lying West of and adjoining Block Five (5) in Summit Addition to Toledo.

Electric substations and all electrical equipment necessary for the operation of the same, erected by the Company, in connection with the sale of electricity to certain customers, and located upon the following described property, not owned by the Company, situated in the State of Iowa, together with the purchase price for certain of said substations and equipment as hereinafter stated:

(1) Pump House property of the City of Boone, being a part of the Northeast Quarter (NE $\frac{1}{4}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ), lying on the East Bank of the Des Moines River, Section Twenty-Four (24), Township Eighty-Four (84) North, Range Twenty-Seven (27), West of the Fifth P. M., in Boone County.

(2) The South Half (S $\frac{1}{2}$ ) of Section Twenty-Nine (29), Township Eighty-Two (82) North, Range Twenty-Five (25), West of the Fifth P. M., at Scandia Coal Company's Mine #6, in Boone County.

(3) The Southwest Quarter (SW $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Thirty-Six (36), Township Eighty-Two (82) North, Range Twenty-Six (26), West of the Fifth P. M., at Scandia Coal Company's Mine #4, in Boone County.

(4) Lots Three (3) and Four (4) in Block Twenty (20) in the Original Town of Tipton, in Cedar County.

(5) The Northwest Corner of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ) of Section One (1), Township Seventy-Nine (79) North, Range Four (4), West of the Fifth P. M., in Cedar County.

(6) Waterworks property of the City of Dike, in Grundy County.

(7) Lot One (1) in Mill Block Addition to Coralville, being a part of Government Lot Three (3) in Section Five (5), Township Seventy-Nine (79) North, Range Six (6), West of the Fifth P. M., in Johnson

County; together with the purchase price in the event customer shall exercise right of termination of unrecorded contract dated July 1, 1931, and supplemental contracts, obligating it to purchase the substation and equipment. (Company owns an undivided one-half interest only.)

(8) Lot One (1) in Auditor's Plat No. 208 in Cedar Rapids, in Linn County; together with the purchase price in the event customer shall exercise right of termination of unrecorded contract dated January 1, 1921, and supplemental contract, obligating it to purchase the substation and equipment.

(9) Lot Three (3) Auditor's Plat No. 118 in Cedar Rapids, in Linn County.

(10) Lot One (1) Auditor's Plat No. 44 in Cedar Rapids, in Linn County; together with the purchase price in the event customer shall exercise right of termination of unrecorded contract dated May 27, 1921, and supplemental contract, obligating it to purchase the substation and equipment.

(11) A tract of land which lies between the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company on the North, and Thirtieth Street Drive, S. E., on the South, and First Avenue, S. E., on the West, and Second Avenue, S. E., on the East, otherwise known and described as 3015 First Avenue, S. E., in the City of Cedar Rapids, Linn County.

(12) The East Half ( $E\frac{1}{2}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Twenty-Eight (28), Township Eighty-Four (84) North, Range Six (6), West of the Fifth P. M., in Linn County.

(13) Lots Three (3) and Four (4) in Block Eleven (11) in the Original Town of West Liberty, Muscatine County.

(14) Southwest Corner of the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section Twelve (12), Township Eighty-One (81) North, Range Twenty-Three (23), West of the Fifth P. M., in Polk County.

(15) Pump House of the City of Dysart, located on the right of way of the Chicago, Rock Island and Pacific Railway Company, through said City, in Tama County.

## SECOND

## ELECTRIC TRANSMISSION LINES

All electric transmission lines of the Company, together with all pole lines, poles, wires, towers, cross-arms, insulators, supports, buildings, erections, structures, transformers, stations, substations, switchboard equipment, telephone equipment, cables, conduits, machinery, tools, apparatus, appliances, facilities and other property used or provided for use in the construction, maintenance, repair or operation thereof, and together also with all rights, privileges, rights-of-way, franchises, licenses, easements, grants and permits with respect to the construction, maintenance, repair and operation of such electric transmission lines, including, but not limited to, the following described transmission lines situated in the State of Iowa:

33 KV line from Mount Vernon Substation in Linn County and running through Jones and Cedar Counties to Nichols in Muscatine County 62.65 miles; 33 KV line from Cedar Rapids in Linn County to Iowa City in Johnson County 25.10 miles; 33 KV line from Cedar Rapids in Linn County and running through Benton and Tama Counties to Marshalltown in Marshall County 74.15 miles; 33 KV line from Marshalltown in Marshall County to McCallsburg in Story County 27.95 miles; 33 KV line from McCallsburg to Nevada, both in Story County, 12.90 miles; 33 KV line from Nevada in Story County to Marshalltown in Marshall County 29.35 miles; 33 KV line from Cedar Rapids in Linn County and running through Benton and Tama Counties to Reinbeck in Grundy County 59.55 miles; 33 KV line from Reinbeck in Grundy County and running through Tama County to Marshalltown in Marshall County 34.45 miles; 33 KV line from the Marion Tap (point of connection with Cedar Rapids to Mount Vernon line) in Linn County to Anamosa in Jones County 24 miles; 33 KV line from McCallsburg in Story County to Boone in Boone County 34.55 miles; 33 KV line from Boone in Boone County to Perry in Dallas County 31.05 miles; 33 KV line from Perry in Dallas County and running through Boone



County to Jefferson in Greene County 23.80 miles; 33 KV line from Jefferson in Greene County to Bayard in Guthrie County 28.90 miles; 33 KV line from Bayard in Guthrie County to Perry in Dallas County 25.10 miles; 33 KV line from Cedar Rapids in Linn County to Winthrop Tap in Buchanan County (point of connection with Winthrop-Manchester line) 38.05 miles; 33 KV line from Cambridge Tap (point of connection with Maxwell to Pipe Line Substation line) to Cambridge Substation, both in Story County, 3.40 miles; 33 KV line from Cedar Rapids Power Plant to 12th Street, all in the City of Cedar Rapids .40 mile; 33 KV line from Boone in Boone County to Grand Junction Substation in Greene County 22.10 miles; 33 KV line from Belle Plaine Substation in Benton County to Marengo in Iowa County 17.15 miles; 33 KV line from Nevada to Maxwell, both in Story County, 10.50 miles; 33 KV line from Maxwell in Story County to Pipe Line Substation in Polk County, 8.75 miles; 33 KV line from Reinbeck to Morrison, both in Grundy County 4.25 miles;

16.5 KV line from Center Point to Central City, both in Linn County, to Ryan in Delaware County 29.80 miles;

13.2 KV line from Blairstown to Van Horne to Keystone, all in Benton County, 13.10 miles; 13.2 KV line from Legrand to Tap (point of connection with Montour-Gilman line) both in Marshall County, 1.60 miles; 13.2 KV line from State Center in Marshall County to Baxter in Jasper County 15.80 miles; 13.2 KV line from Melbourne to Tap (point of connection with State Center-Baxter line) both in Marshall County, 3.65 miles; 13.2 KV line from Montour in Tama County to Gilman in Marshall County 10.95 miles; 13.2 KV line from Brick Yards to Boone River Pump Station, both in Boone County, 1.10 miles;

6.6 KV line from Norway to Atkins, both in Benton County, 8.75 miles; 6.6 KV line from Newhall to Tap (point of connection with Norway to Atkins line) both in Benton County, 5 miles; 6.6 KV line from Mount Vernon in Linn County to Solon in Johnson County 9.15 miles; 6.6 KV line from North Liberty to Oxford, both in Johnson County, 11.50 miles; 6.6 KV line from Tiffin to Tiffin Tap (point of connection with North Liberty to Oxford line) both in Johnson County, 3.25 miles; 6.6 KV line from Walford to Walford Tap

(point of connection with Norway to Fairfax line) both in Benton County, 2.70 miles; 6.6 KV line from Bertram Substation to Bertram, both in Linn County, 4.20 miles; 6.6 KV line from Norway Tap (point of connection with Norway to Fairfax line) both in Benton County, to Amana in Iowa County 8.75 miles; 6.6 KV line from Boone to Jordan, both in Boone County, 4.10 miles; 6.6 KV line from Beaver in Boone County to Beaver Tap (point of connection with Grand Junction to Paton line) in Greene County 5.50 miles; 6.6 KV line from Farlin to Tap (point of connection with Churdan to Tap line) both in Greene County, .50 mile; 6.6 KV line from Glidden to Ralston, both in Carroll County, to Scranton in Greene County 8.75 miles; 6.6 KV line from Adaza to Churdan, both in Greene County, 2.20 miles; 6.6 KV line from Coggon to Prairieburg, both in Linn County, 9.85 miles; 6.6 KV line from Marshalltown to Radio Station KFJB, both in Marshall County, .25 mile; 6.6 KV line from Garden City in Hardin County to McCallsburg in Story County 6.30 miles; 6.6 KV line from Baxter to Ira, both in Jasper County, 8.10 miles; 6.6 KV line from Laurel to Haverhill to Ferguson, all in Marshall County, 19.75 miles; 6.6 KV line from Mount Vernon in Linn County to West Branch in Cedar County 21.55 miles; 6.6 KV line from Springdale Substation to Springdale, both in Cedar County, 4 miles; 6.6 KV line from Rippey to Greene County Coal Company, both in Greene County, 5.45 miles; 6.6 KV line from Dinsdale to Buckingham, both in Tama County, 8.25 miles; 6.6 KV line from Clutier to Dysart, both in Tama County, 6.90 miles; 6.6 KV line from West Branch Tap (point of connection with Mount Vernon to West Branch line) in Cedar County to Oasis in Johnson County 3.50 miles; 6.6 KV line from Keystone in Benton County to Vining in Tama County 8.75 miles; 6.6 KV line from Garwin in Tama County to Reinbeck in Grundy County 19.20 miles; 6.6 KV line from Green Mountain in Marshall County to Tap (point of connection with Garwin to Gladbrook line) in Tama County 5.20 miles; 6.6 KV line from Legrand to Dillon, both in Marshall County, 3.50 miles; 6.6 KV line from Marshalltown to Albion, both in Marshall County, 8.90 miles; 6.6 KV line from Morrison to Dike, both in Grundy County, 11.10 miles; 6.6 KV line from Madrid in Boone County to Slater in Story County 6.75

miles; 6.6 KV line from Churdan Tap (point of connection with Jefferson to Scranton line) to Churdan, both in Greene County, 4 miles; 6.6 KV line from Grand Junction to Paton, both in Greene County, 10.05 miles; 6.6 KV line from Perry in Dallas County to Berkley in Boone County 6.40 miles; 6.6 KV line from Cedar Bluffs to Tap (point of connection with Mount Vernon to West Branch line) both in Cedar County, .90 mile; 6.6 KV line from Mount Auburn to Hi-Line one mile west of Garrison, both in Benton County, 11.10 miles; 6.6 KV line from Morrison to Grundy Center, both in Grundy County, 6.85 miles; 6.6 KV line from Springdale Substation to Downey, both in Cedar County, 6.70 miles; 6.6 KV line from Solon to McBride Park, both in Johnson County, 3.45 miles;

4.0 KV line from Quasqueton to Rowley, both in Buchanan County, 5.65 miles; 4.0 KV line from Legrand to Quarries, both in Marshall County, 2 miles; 4.0 KV line from Lafayette to Alburnett, both in Linn County, 2.45 miles; 4.0 KV line from Maxwell to Collins, both in Story County, 4.75 miles; 4.0 KV line from Maxwell in Story County to Farrar in Polk County 6.55 miles; 4.0 KV line from Madrid to Scandia Mine #4 both in Boone County .25 miles; 4.0 KV line from Mine #4 in Boone County to Mine #2 in Dallas County to Drill Hole and Mine #4 Air Shaft both in Polk County, 3.15 miles; 4.0 KV line from Bagley to Bagley Substation, both in Guthrie County, .75 mile; 4.0 KV line from Herndon to Tap (point of connection on Perry-Bayard line) both in Guthrie County, .80 mile; 4.0 KV line from Center Point to Walker, both in Linn County, 5.50 miles; 4.0 KV line from Center Point in Linn County to Urbana in Benton County 5.75 miles; 4.0 KV line from Atkins in Benton County to Railway Pump Station, in Linn County, 5.75 miles;

2.3 KV line from Cedar Rapids to Bertram Substation, both in Linn County, 1 mile; 2.3 KV line from Cedar Rapids to Robins, both in Linn County, 1.50 miles; 2.3 KV line from Garrison to Substation, both in Benton County, .30 mile; 2.3 KV line from Central City to Waubeek, both in Linn County, 7.20 miles; 2.3 KV line from Woodward in Dallas County to the State Farm, in Boone County, .80 mile; 2.3 KV line from Gilman to Dunbar, both in Marshall County, 3.25 miles; 2.3 KV line from Melbourne to Van Cleve, both in Marshall County, 5.25 miles; 2.3 KV line from McCallsburg

Boone line to Pump Station both in Story County, .10 mile; 2.3 KV line from Clarence Substation to Clarence, both in Cedar County, .50 mile; 2.3 KV line from Cambridge Substation to Cambridge, both in Story County, .60 mile.

The 33 KV line from Cedar Rapids to Mount Vernon, both in Linn County, 16 miles long and located on the right of way, together with a portion of said right of way, described as follows, to wit:

(1) A tract of land thirty (30) feet in perpendicular width lying Northerly of and adjacent to the following described line: A straight line which extended from the point of intersection of the Northwesterly line of "D" Avenue produced with the Northeasterly line of Eighth Street produced to a point which is twenty-five (25) feet Northwesterly, measured at right angles from the center line of the main track of the Chicago, Milwaukee, St. Paul and Pacific Railway Company, at the point where said center line of said track intersects the center line of Fourteenth Street produced, and extending from the Southwesterly line of Thirteenth Street Southwesterly to the Northeasterly line of a tract of land conveyed by S. G. Armstrong to Waterloo, Cedar Falls and Northern Railway Company by warranty deed dated May 26, 1915 and recorded October 20, 1915 in Book 382, Page 459, all of the above described land lying wholly within the limits of Block Five (5) in Auditor's Plat No. 47 in Cedar Rapids, subject, however, to (a) rights of the city and others to maintain an open ditch across and upon said premises for drainage purposes, and (b) rights of the Hawkeye Lumber & Coal Co. to construct and maintain two separate spur and switch tracks at any location selected by it across said premises to connect with Chicago, Milwaukee, St. Paul and Pacific right of way.

(2) All that part of Lot One (1) in Auditor's Plat No. 45 in Cedar Rapids, which Plat was recorded March 24, 1911 in Volume 334, on Page 488, lying Northerly of a line described as follows: Beginning on the Northwesterly line of said Lot One (1) ninety-nine and twenty-five hundredths (99.25) feet Northwesterly from a point where the said Northwesterly line of said Lot One (1) in Auditor's Plat No. 45

intersects the Easterly line of North Sixteenth Street; thence running Northeasterly two hundred twenty-five and seventy-five hundredths (225.75) feet, more or less, to a point on the Easterly line of said Lot One (1), thirty and ninety-two hundredths (30.92) feet South of the Northeasterly Corner of said Lot One (1).

(3) Lot Nine (9) in Block Four (4) in Greendale Addition to Cedar Rapids.

The property above described in parcels One (1) to Three (3) is subject to Zoning and Building Ordinances of the City of Cedar Rapids.

And also all the right, title and interest of the Company in and to the balance of the said transmission right of way described as follows, to-wit:

(1) All that part of Lots One (1), Two (2) and Three (3) of Block Three (3), Auditor's Plat No. 47, in Cedar Rapids, described as follows: Beginning at a point on the Westerly line of said Block Three (3), seven (7) feet South of the North line of said Lot One (1); thence in a Northeasterly direction crossing the North line of said Lot One (1), thirty-two (32) feet Easterly of the Westerly line of said Block Three (3), and crossing the Northerly line of Lot Two (2) in said Block Three (3), ninety-five (95) feet Easterly of the Westerly line of said Block Three (3); thence to a point on the Easterly line of said Lot Three (3) and on the Westerly line of the North and South alley in said Block, twenty (20) feet South of the Northerly line of said Lot Three (3); thence Southerly along the Easterly line of said Lot Three (3) and the Westerly line of said alley to the Northwesterly line of Oakland Avenue; thence Southwesterly along the Southeast-erly line of said Lots One (1), Two (2) and Three (3), being also the Northwesterly line of Oakland Avenue, to a point where said line intersects a line thirty-seven and five-tenths (37.5) feet parallel to and measured at right angles to the center line of the main track of the Chicago, Milwaukee, St. Paul and Pacific Railway Co., as now laid and operated; thence Southwesterly along the last described line to the Westerly line of Block Three (3); thence North along the West-erly line of Block Three (3) to the point of beginning.

(2) Commencing at the Southwest corner of Lot Three (3), Auditor's Plat No. 45, Cedar Rapids; thence North on the West line of said Lot Three (3), thirty-nine and five-tenths (39.5) feet; thence Northeasterly forty-four (44) feet to a point on the Southeasterly line of said Lot Three (3); thence Southwesterly seventy and thirty-three hundredths (70.33) feet to place of beginning.

(3) Commencing at a point on the Northwesterly line of Lot Two (2), Auditor's Plat No. 45, Cedar Rapids, fifteen and eighteen hundredths (15.18) feet Northeasterly from the Southwesterly corner of Lot Three (3), said Auditor's Plat No. 45; thence Northeasterly along the Northwesterly line of said Lot Two (2), fifty-five and one-tenth (55.1) feet; thence Northeasterly fifty-eight and fifty-eight hundredths (58.58) feet to a point on the Southeasterly line of said Lot Two (2); thence Southwesterly along the Southeasterly line of said Lot Two (2), fifty-five and one-tenth (55.1) feet to a point ninety-nine and twenty-five hundredths (99.25) feet Northeasterly from the South corner of said Lot Two (2); thence Southwesterly fifty-eight and fifty-eight hundredths (58.58) feet to place of beginning.

(4) Commencing at the Northeast corner of Lot Eleven (11), Block Three (3), Greendale Addition to Cedar Rapids; thence West along the North line of said Lot Eleven (11), ninety-three and nine hundredths (93.09) feet; thence Southwest forty-eight and two hundredths (48.02) feet to a point on the West line of said Lot Eleven (11), fourteen and thirty-one hundredths (14.31) feet South of the Northwest corner of said Lot Eleven (11); thence South along the West line of said Lot Eleven (11), thirty and ninety-two hundredths (30.92) feet; thence Northeasterly one hundred forty-four and nine-hundredths (144.09) feet to the East line of said Lot Eleven (11); thence North two and two tenths (2.2) feet to place of beginning.

(5) Commencing at the Southeast corner of Lot Ten (10), Block Three (3), Greendale Addition to Cedar Rapids; thence North on the East line of said Lot Ten (10), twenty-eight and seventy-seven hundredths (28.77) feet; thence Southwesterly ninety-six and fifteen hundredths (96.15) feet to a point on the South line of said Lot Ten (10); thence East ninety-

three and nine hundredths (93.09) feet to place of beginning.

(6) Commencing at a point on the East line of Lot Ten (10), Block Three (3), Greenedale Addition to Cedar Rapids, twenty-eight and seventy-seven hundredths (28.77) feet North of the Southeast corner of said Lot Ten (10); thence Northeasterly, angle seventy-five (75) degrees and thirteen (13) minutes to the right, from the East line of said Lot Ten (10), thirty-eight and eight tenths (38.8) feet; thence northeasterly on a six (6) degree and six (6) minute curve to the left four and sixteen hundredths (4.16) feet to the Westerly line of North Seventeenth Street in Central Park Addition, produced; thence Southeasterly along the said West line of said North Seventeenth Street, produced, thirty-two and twenty-three hundredths (32.23) feet; thence Southwesterly on a five (5) degree and fifty-four (54) minute curve to the right, whose tangent makes an angle of one hundred eleven (111) degrees and nineteen (19) minutes to the right, seventeen and three tenths (17.3) feet; thence Southwesterly forty-six and sixty-nine hundredths (46.69) feet to a point on the East line of Lot Eleven (11), Block Three (3), in said Greenedale Addition, two and twenty hundredths (2.20) feet South of the Northeast corner of said Lot Eleven (11); thence North thirty-one (31) feet to place of beginning.

(7) Commencing at a point on the Southeasterly line of Lot Nine (9), Block Four (4), Greenedale Addition to Cedar Rapids, twenty-five hundredths (0.25) feet Northeasterly from the South corner of said Lot Nine (9); thence Northeasterly on a five (5) degree and fifty-four (54) minute curve, to the left, whose tangent makes an angle of twenty (20) degrees and forty-one (41) minutes to the right with the Southeast line of said Lot Nine (9), eighty-five and seven-tenths (85.7) feet to its intersection with the West line of the alley East of said Block Four (4) produced; thence North along the West line of the alley East of said Block Four (4) produced, thirty-five and six tenths (35.6) feet to the Northeast corner of said Lot Nine (9), Block Four (4), in said Greenedale Addition; thence Southwesterly along the Southeasterly line of said Lot Nine (9), one hundred five and two hundredths (105.02) feet to place of beginning.

(8) A part of "G" Avenue (now vacated) in Greenedale Addition to Cedar Rapids described as follows: beginning at the Southerly corner of Lot Nine (9) in Block Four (4) in said Addition, said point being located at the intersection of the Northeasterly line of 17th Street and the Northwesterly line of "G" Avenue, as shown in the plat of said Addition, thence Southeasterly a distance of fifty-four and two-tenths (54.2) feet along said Northeasterly line produced Southeasterly to within sixteen (16) feet of the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway, thence Northeasterly parallel with said right of way sixty-one and ninety-five hundredths (61.95) feet to a point in the West line (produced Southerly) of the alley abutting the East line of said Block Four (4) thence North along said West line of alley produced to the Southeasterly corner of a tract conveyed by Pawnee Land and Improvement Company to Iowa Railway and Light Company by Warranty Deed dated November 4, 1913 and recorded November 12, 1913 in Book 363, Page 289 of the records of Linn County, thence Southwesterly along the Southeasterly line of said tract eighty-five and seven-tenths (85.7) feet to a point in the Southeasterly line of said Lot Nine (9) twenty-five hundredths (.25) of a foot Northeasterly of the Southerly point of said Lot Nine (9) thence Southwesterly along the Southeasterly line of said Lot Nine (9) twenty-five hundredths (.25) of a foot to the place of beginning.

(9) Commencing at a point on the East line of the alley East of Block Four (4), Greenedale Addition to Cedar Rapids; one thousand two hundred twenty-nine and four hundredths (1229.04) feet South of the North line of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Fifteen (15), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth Principal Meridian; thence Northeasterly on a six (6) degree and six (6) minute curve to the left one hundred twenty and nine tenths (120.9) feet to its intersection with a line parallel with the center line of the Chicago, Milwaukee, St. Paul and Pacific Railway Company's track and sixty-eight (68) feet northwesterly therefrom; thence Northeasterly one thousand six hundred eighty and six hundredths (1680.06) feet to a point on the North line of the Southwest Quarter (SW $\frac{1}{4}$ ) of said Section Fifteen (15), said point being sixty-eight (68) feet perpendicularly from



the center line of the Chicago, Milwaukee, St. Paul and Pacific Railway Company's track and one hundred fifty-six and seven tenths (156.7) feet West of the center of said Section Fifteen (15); thence East along the said North line of the Southwest Quarter ( $SW\frac{1}{4}$ ) of said Section Fifteen (15), fifty-seven and eighty-two hundredths (57.82) feet to the said Northwesterly right of way line; thence Southwesterly along said Northwesterly right of way line to its intersection with the Easterly line of the alley East of Block Four (4) in said Greendale Addition, produced; thence North to place of beginning.

(10) All those portions of the West Half ( $W\frac{1}{2}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) and of the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) and of the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) and of the South Half ( $S\frac{1}{2}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) and of the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Fifteen (15), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth Principal Meridian in Cedar Rapids, which are included in a strip, belt, or piece of land thirteen and seventy-five hundredths (13.75) feet in width lying between two parallel lines which are drawn parallel to the center line of the main track of the Chicago, Milwaukee, St. Paul and Pacific Railway Company as the same is now there established and operated over and across the lands aforesaid, one of which parallel lines being distant thirty-six and twenty-five hundredths (36.25) feet and the other thereof being distant fifty (50) feet Northwesterly, measured at right angles from said center line of said main track, said strip, belt, or piece of land extending in length Northeasterly over and across said lands from the East side line of Seventeenth Street in Central Park Addition to Cedar Rapids, according to the recorded plat thereof to the East side line of said Section Fifteen (15).

(11) Transmission line right of way one hundred (100) feet wide, more or less, and approximately twelve (12) miles long, extending from Cedar Rapids to Mt. Vernon across the following sections of land in said County, to wit: Beginning at the East line of Section Fourteen (14), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., being the corporate limits of the City of Cedar

Rapids; thence Easterly from the said corporate limits through the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section Thirteen (13); and the North Half ( $N\frac{1}{2}$ ) of Section Twenty-Four (24), all in said Township and Range; the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ); the North Half ( $N\frac{1}{2}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ); the Northwest Quarter ( $NW\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ), and the South Half ( $S\frac{1}{2}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ), all in Section Nineteen (19); the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section Twenty (20); the North Half ( $N\frac{1}{2}$ ) and the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Twenty-Nine (29); the South Half ( $S\frac{1}{2}$ ) of Section Twenty-eight (28); the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Thirty-Three (33); the North Half ( $N\frac{1}{2}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ); the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ); the Southwest Quarter of the Northeast Quarter ( $NE\frac{1}{4}$ ); the North Half ( $N\frac{1}{2}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ); the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ), all in Section Thirty-Four (34); the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section Thirty-Five (35); all in Township Eighty-Three (83), North, Range Six (6), West of the Fifth P. M.; the North Half ( $N\frac{1}{2}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ); the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ); the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) and the North Half ( $N\frac{1}{2}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ), all in Section Two (2); the Northwest Quarter ( $NW\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ); the South Half ( $S\frac{1}{2}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ), and the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ), all in Section One (1); the North Half ( $N\frac{1}{2}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Twelve (12), all in Township Eighty-Two (82) North, Range Six (6), West of the Fifth P. M.; the North Half ( $N\frac{1}{2}$ ) of Sections Seven (7), Eight (8) and Nine (9), all in Township Eighty-Two (82) North, Range Five (5), West of the Fifth P. M.

## THIRD

## ELECTRIC DISTRIBUTION SYSTEMS

All electric distribution systems of the Company, together with all pole lines, poles, wires, towers, cross-arms, insulators, supports, transformers, meters, buildings, erections, structures, stations, substations, switchboards, generating equipment, distributing and transmitting equipment, cables, conduits, tools, instruments, apparatus, appliances, machinery, facilities and other property used or provided for use in the construction, repair, maintenance or operation thereof, and together also with all rights, privileges, rights-of-way, franchises, licenses, easements, grants and permits with respect to the construction, maintenance, repair and operation of such electric distribution systems, including, but not limited to, the electric distribution systems owned and operated by the Company for the distribution and sale of electricity, located in the following named cities, towns, villages, unincorporated places and environs thereof in the State of Iowa:

## BENTON COUNTY

Atkins  
 Belle Plaine  
 Blairstown  
 Garrison  
 Keystone  
 Luzerne  
 Mount Auburn  
 Newhall  
 Norway  
 Shellsburg  
 Urbana  
 Van Horne  
 Walford  
 Watkins

## BOONE COUNTY

Beaver  
 Berkley  
 Boone  
 Jordan  
 Luther  
 Madrid  
 Sheldahl

## BUCHANAN COUNTY

Quasqueton  
 Rowley

## CARROLL COUNTY

Ralston

## CEDAR COUNTY

Buchanan  
 Cedar Bluff  
 Clarence  
 Downey  
 Mechanicsville  
 Rochester  
 Springdale  
 Stanwood  
 West Branch

## DALLAS COUNTY

Bouton  
 Dawson  
 Gardiner  
 Perry  
 Woodward  
 Zook Spur

DELAWARE COUNTY	LINN COUNTY
Ryan	(Continued)
GREENE COUNTY	Marion
Adaza	Mount Vernon
Churdan	Palo
Dana	Prairieburg
Farlin	Robins
Jefferson	Springville
Ralston	Troy Mills
Rippey	Viola
Scranton	Walker
GRUNDY COUNTY	Waubek
Morrison	Whittier
Reinbeck	MARSHALL COUNTY
GUTHRIE COUNTY	Albion
Bagley	Clemons
Bayard	Dillon
Herndon	Dunbar
HARDIN COUNTY	Ferguson
Garden City	Gilman
JASPER COUNTY	Green Mountain
Baxter	Haverhill
Ira	La Moille
JOHNSON COUNTY	Laurel
Community known as	Legrand
McBride Park on	Marietta
McBride Lake	Marshalltown
North Liberty	Melbourne
Oasis	Quarry
Oxford	Rhodes
Solon	Saint Anthony
Swisher	Van Cleve
Tiffin	POLK COUNTY
JONES COUNTY	Farrar
Stone City	Sheldahl
LINN COUNTY	STORY COUNTY
Alburnett	Cambridge
Bertram	Collins
Cedar Rapids	Colo
Center Point	Fernald
Central City	Gilbert
Covington	Maxwell
Ely	McCallsburg
Fairfax	Nevada
Lisbon	Sheldahl
	Slater
	Zearing

TAMA COUNTY  
 Buckingham  
 Chelsea  
 Clutier  
 Dinsdale  
 Elberon  
 Garwin  
 Gladbrook

TAMA COUNTY  
 (Continued)  
 Lincoln  
 Montour  
 Tama  
 Toledo  
 Vining

The following miscellaneous rural distribution lines consisting of 6.6 KV, 4.4 KV and 2.3 KV lines located in the following named Counties and aggregating the number of miles of line in each County as set forth as follows:

Benton .....	95.30 miles
Blackhawk .....	2.50 miles
Boone .....	86.17 miles
Buchanan .....	18.30 miles
Carroll .....	19.45 miles
Cedar .....	99.95 miles
Dallas .....	48.25 miles
Delaware .....	.75 mile
Greene .....	15.45 miles
Grundy .....	17.25 miles
Guthrie .....	3.40 miles
Hardin .....	18.70 miles
Iowa .....	.70 mile
Jasper .....	59.95 miles
Johnson .....	16.85 miles
Jones .....	8.85 miles
Linn .....	153.55 miles
Marshall .....	179.95 miles
Muscatine .....	2.10 miles
Polk .....	1.30 miles
Story .....	160.05 miles
Tama .....	149.80 miles

#### FOURTH

##### GAS GENERATING PLANTS AND GAS STORAGE PLANTS

All gas generating and gas storage plants of the Company, together with all buildings, erections, structures, generating apparatus, purifying and compressing apparatus, holders, engines, boilers, benches, retorts, connections, tools, instruments, appliances, apparatus, facilities, machinery and other

property, used or provided for use in the construction, maintenance, repair and operation thereof, and together also with all real property and interests in real property acquired for or used in connection with such gas generating and gas storage plants and all rights, privileges, rights-of-way, franchises, licenses, easements, grants and permits with respect to the construction, maintenance, repair and operation of such plants, including, but not limited to, the following described property situated in the State of Iowa acquired for or used in connection with the following named gas generating and gas storage plants:

BENTON COUNTY.

*Belle Plaine Gas Plant.*

(1) The West two hundred thirty (230) feet of Lot Two (2) in Block Two (2) in Charles Snyder's Fourth Addition to Belle Plaine.

*Vinton Gas Plant and Steam Heat Plant.*

(2) Lots One (1) and Two (2) and part of Lot Three (3), the North Half (N $\frac{1}{2}$ ) of alley, now vacated, lying between said Lots Two (2) and Three (3), all in Block Eight (8) in South Vinton, an Addition to Vinton, together with that part of Fourth Avenue, now vacated, East of and adjoining the North thirty (30) feet of said Lot One (1) and together with the South thirty-three (33) feet of that part of Seventh Street, now vacated, lying North of and adjoining all of the above mentioned property, all described as follows: Beginning at the Southeast corner of said Lot One (1); thence West along the South line of said Lots One (1) and Two (2) to the Southwest corner of Lot Two (2); thence North sixty-two (62) feet more or less along the West line of said Lot Two (2) to the South line of the North Half (N $\frac{1}{2}$ ) of Lots One (1), Two (2) and Three (3); thence West along said last mentioned line twelve (12) feet to the East line of Lot Three (3) and the West line of the North and South Alley in said Block; thence North thirty-two (32) feet along said line to a point thirty (30) feet South of the Northeast Corner of Lot Three (3);

thence West at right angles to the East line of said Lot Three (3), a distance of thirty-six (36) feet; thence North on a line at right angles to said last mentioned line, a distance of sixty-three (63) feet; thence East on a line parallel to the North line of said Lots One (1), Two (2) and Three (3), a distance of two hundred (200) feet to a point twenty-six (26) feet East and thirty-three (33) feet North of the Northeast Corner of said Lot One (1); thence South sixty-three (63) feet to a point twenty-six (26) feet East and thirty (30) feet South of the Northeast Corner of said Lot; thence West twenty-six (26) feet to the East line of Lot One (1) and the West line of said Fourth Avenue; thence South along said line to the place of beginning.

BOONE COUNTY.

*Boone Gas Plant.*

That part of Lot One (1) of Lot Four (4) in the Southwest Quarter (SW $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Twenty-Two (22), Township Eighty-Four (84) North, Range Twenty-Six (26), West of the Fifth Principal Meridian, lying East of the West line of Cedar Street in the City of Boone, extended North to the Chicago and North Western Railway right of way, described as: Beginning at the intersection of the West line of Cedar Street extended due North with the North line of Eighth Street in said city; thence due North to the right of way of the Chicago and North Western Railway; thence Southeasterly along said right of way to the intersection of the North line of Eighth Street; thence due West on the North line of Eighth Street to place of beginning; subject, however, to easement for railroad track on premises above described granted by instrument dated September 19, 1899, recorded November 11, 1899 in Book 116, Page 486.

CARROLL COUNTY.

*Carroll Gas Plant.*

Lot Three (3) in Block Twenty-Nine (29) in Second Addition to Carroll.

## LINN COUNTY.

*Mt. Vernon Substation and Gas Plant.*

All that property described in Linn County Parcel (18) in Paragraph First of Granting Clause A.

## MARSHALL COUNTY.

*Marshalltown Gas Plant.*

Lots Three (3) and Four (4) in Barden's Subdivision of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ) of Section Thirty-Five (35), Township Eighty-Four (84) North, Range Eighteen (18), West of the Fifth Principal Meridian.

*Marshalltown Gas Plant and Steam Electric Plant.*

All that property described in Marshall County Parcels (2) and (3) in Paragraph First of Granting Clause A.

## STORY COUNTY.

*Ames Gas Storage Plant.*

(1) A part of the North Three-Quarters (N $\frac{3}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Two (2), Township Eighty-Three (83) North, Range Twenty-Four (24), West, bounded as follows: Beginning at a point on the South line of said North Three-Quarters (N $\frac{3}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) five hundred seventy-five (575) feet East of the Southwest Corner thereof, said point of beginning being marked by an iron rod being driven into the ground; thence North at right angles to said South line five hundred thirty-five and three-tenths (535.3) feet to an iron pipe which is one hundred fifty (150) feet Southerly measured at right angles from the center line of the Southerly main track of the Chicago and North Western Railway Company; thence North eighty-three (83) degrees, seven (7) minutes East, parallel with said main track two hundred forty and eight-tenths (240.8) feet to an iron pipe; thence South five hundred sixty-four and two-tenths (564.2) feet to an iron pipe at the South line of said North Three-Quarters (N $\frac{3}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of said Section; thence



West two hundred thirty-nine and one-tenth (239.1) feet to the place of beginning, containing three (3) acres, more or less, EXCEPTING, HOWEVER, a right of way for a driveway across the above described tract of land, which driveway extends from the Southwest Corner of said tract in a Northeasterly and Easterly direction as now graded and used to the East line of the land described at a point about two hundred (200) feet North of the Southeast Corner thereof.

*Ames Gas Storage Holder.*

(2) The East five (5) acres of that part of the South Half (S $\frac{1}{2}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Thirty-Two (32), Township Eighty-four (84) North, Range Twenty-Four (24), West of the Fifth Principal Meridian, lying South of the Chicago and North Western Railway right of way, except that part thereof, if any, owned, used or occupied by the Chicago and North Western Railway Company, and subject however, to roads and highways along the South line of said premises.

*Nevada Diesel Electric Plant and Gas Storage Plant.*

(3) All that property described in Story County Parcel (1) in Paragraph First of Granting Clause A.

All the right, title and interest of the Company in and to all and singular the following described property situated in Benton County:

BENTON COUNTY.

*Vinton Gas Plant and Steam Heat Plant.*

The West twenty-seven (27) feet of the North thirty (30) feet of Lot Three (3) in Block Eight (8) and a strip thirty-three (33) feet wide, being that part of Seventh Street, now vacated, North of and adjoining said West twenty-seven (27) feet, all in South Vinton, an Addition to Vinton.

FIFTH

GAS DISTRIBUTION SYSTEMS

All gas distribution systems of the Company, together with all pipe lines, mains, connections, service pipes, fittings, meters,

regulators, regulator stations and buildings, tools, instruments, appliances, apparatus, facilities, machinery and other property used or provided for use in the construction, maintenance, repair or operation thereof, and together also with all of the rights, privileges, rights-of-way, franchises, licenses, easements, grants and permits with respect to the construction, maintenance, repair and operation of such gas distribution systems, including, but not limited to, the plants and systems owned and operated by the Company for the distribution and sale of gas, located in the following named cities, towns, villages, unincorporated places and environs thereof in the State of Iowa:

BENTON COUNTY	LINN COUNTY
Belle Plaine	Lisbon
Vinton	Mount Vernon
BOONE COUNTY	MARSHALL COUNTY
Boone	Marshalltown
CARROLL COUNTY	STORY COUNTY
Carroll	Ames
GREENE COUNTY	Nevada
Jefferson	

And also a four inch welded copper bearing steel gas transmission pipe line being twenty-four and six-tenths (24.6) miles in length, running from the gas plant of the Company located in the City of Boone, Boone County, Iowa, and through the City of Ames in Story County, Iowa, and then to the gas storage tanks of the Company located in the City of Nevada in Story County, Iowa.

#### SIXTH.

#### STEAM AND HOT WATER HEATING PLANTS AND SYSTEMS.

All steam and hot water heating plants and systems, together with the buildings, structures, erections, pipe lines, service pipes, meters, engines, boilers, tools, apparatus, appliances, facilities, machinery and other property used or pro-

vided for use in the construction, maintenance, repair or operation thereof, and together also with all real property and interests in real property acquired for or used in connection with such steam and hot water heating plants and systems and all rights, privileges, rights-of-way, franchises, licenses, easements, permits and grants with respect to the construction, maintenance, repair and operation of such steam and hot water heating plants and systems, including, but not limited to, the following described property situated in the State of Iowa acquired for or used in connection with the following named steam and hot water heating plants and systems:

BENTON COUNTY.

*Vinton Gas Plant and Steam Heat Plant.*

All that property described in Benton County Parcel (2) in Paragraph Fourth of Granting Clause A, and all the right, title and interest of the Company in and to property described in the right, title and interest division of property with respect to Benton County in Paragraph Fourth of Granting Clause A.

BOONE COUNTY.

*Boone Hot Water Heat and Steam Electric Plant.*

All that property described in Boone County Parcels (1) and (2) in Paragraph First of Granting Clause A.

DALLAS COUNTY.

*Perry Diescl, Hot Water Heat and Steam Electric Plants.*

All that property described in Dallas County Parcel (2) in Paragraph First of Granting Clause A, and all the right, title and interest of the Company in and to property described in the right, title and interest division of property with respect to Dallas County in Paragraph First of Granting Clause A.

LINN COUNTY.

*Cedar Rapids Steam Heat and Steam Electric Plant.*

All that property described in Linn County Parcels (1) through (10), inclusive, in Paragraph First of Granting Clause A, and all the right, title and interest of the Company in and to property described in Parcels (1) through (4), inclusive, of the right, title and interest division of property with respect to Linn County, in Paragraph First of Granting Clause A.

And also the steam or hot water distribution systems now owned and operated by the Company in each of the following named municipalities and Counties in the State of Iowa:

Vinton, Benton County  
 Boone, Boone County  
 Perry, Dallas County  
 Cedar Rapids, Linn County

#### SEVENTH.

##### RAILWAY SYSTEMS.

All railway systems of the Company, together with all roadbed, railroads, rights-of-way, tracks, ties, bolts, connections, poles, wires, cross-arms, insulators, rolling stock, equipment, car barns, buildings, erections, structures, stations, substations, sidings, spurs, turntables, wyes, trestles, bridges, viaducts, culverts, repair shops, machine shops, overhead construction, power producing and power transforming equipment, tools, instruments, apparatus, machinery, facilities and other property used or provided for use in the construction, maintenance, repair or operation thereof, and together also with all of the rights, privileges, franchises, licenses, ordinances, permits, easements and grants with respect to the construction, maintenance, repair and operation of such railway systems, including, but not limited to, the following described railway systems:

That certain Railway, known as the Cedar Rapids and Iowa City Railway, operating between the cities of Cedar Rapids and Iowa City in Linn and Johnson Counties, Iowa, over certain portions of property hereinafter described, and also the following described property used in connection therewith:

##### JOHNSON COUNTY.

(1) A strip of land one hundred (100) feet in width over and across Outlot Thirty-seven (37) in Iowa City, being fifty (50) feet in width on each side of the center line of the Company's railway.

(2) The east eighty (80) feet of Outlot Forty-one (41) in Iowa City.

(3) All of Block Twenty-four (24) in County Seat Addition to Iowa City.

(4) Lots Five (5), Six (6), Seven (7) and Eight (8) in Block Five (5) in County Seat Addition to Iowa City, subject, however, to easement in favor of the City of Iowa City to install and maintain an out fall sewer line with appurtenances on said premises created by agreement dated April 30, 1935, recorded May 29, 1935 in Book 147, Page 456.

(5) Right of way fifty (50) feet wide, being twenty-five (25) feet on each side of the center line of the main track of the Company over and across Block Fourteen (14), (except Lots One (1), Two (2), Three (3) and Four (4) thereof) in County Seat Addition to Iowa City, subject, however, to easement in favor of the City of Iowa City to install and maintain an out fall sewer line with appurtenances on said premises created by agreement dated April 30, 1935, recorded May 29, 1935 in Book 147, Page 456.

(6) All that part of Block Twenty-three (23) in County Seat Addition to Iowa City which lies South of a line parallel with the track of the Chicago, Rock Island and Pacific Railway Co. and one hundred (100) feet South of the center line of said track, subject, however, to easement in favor of the City of Iowa City to install and maintain an out fall sewer line with appurtenances on said premises created by agreement dated April 30, 1935, recorded May 29, 1935 in Book 147, Page 456.

(7) That portion of South Madison Street, now vacated, lying between the South line of the right of way of the Chicago, Rock Island and Pacific Railway Co. and the North line of Lafayette Street and between Blocks Fifteen (15) and Twenty-three (23) in County Seat Addition to Iowa City.

(8) That part of Lafayette Street, now vacated, in the City of Iowa City, lying West of the West lines extended of the alleys through Blocks Fifteen (15) and Twenty-five (25) of County Seat Addition to Iowa City.

(9) Lots Five (5) and Six (6) in Block Fifteen (15) in County Seat Addition to Iowa City.

(10) The West Fractional Half of Block Twenty-five (25) in County Seat Addition to Iowa City, sub-

ject, however, to easement in favor of the City of Iowa City to install and maintain an out fall sewer line with appurtenances on said premises created by agreement dated April 30, 1935, recorded May 29, 1935 in Book 147, Page 456.

(11) Lots One (1), Two (2), Three (3) and Four (4) in Block Twenty-five (25) in County Seat Addition to Iowa City and all that part of Lafayette Street in the said City of Iowa City, described as follows, to wit: Commencing at the Northeast corner of Lot One (1) in said Block; running thence North along the West line of Capitol Street extended a distance of forty (40) feet to the center line of Lafayette Street; thence West along said center line a distance of one hundred sixty (160) feet; thence South on a line parallel with the West line of Capitol Street forty (40) feet to the North line of said Lot One (1) extended West; thence East along said North line extended and the North line of said Lot One (1), one hundred sixty (160) feet to the place of beginning, subject, however, to easement in favor of the City of Iowa City to install and maintain an out fall sewer line with appurtenances on said premises created by agreement dated April 30, 1935, recorded May 29, 1935 in Book 147, Page 456.

(12) That part of Block Twenty-six (26) in County Seat Addition to Iowa City bounded and described as follows: Beginning at a point twenty-eight and five-tenths (28.5) feet East of the Northwest corner of Block Twenty-six (26); thence East on the South line of Lafayette Street one hundred thirty-two and four-tenths (132.4) feet; thence South three hundred forty (340) feet; thence West seven and five-tenths (7.5) feet; thence North one hundred eighty-four and eight-tenths (184.8) feet; thence West two and five-tenths (2.5) feet; thence Northwesterly by a curve to the left of a one hundred sixty (160) foot radius to the place of beginning, subject, however, to the condition contained in the ordinance passed by the City Council of Iowa City vacating the alley in said Block and vacating a portion of Benton Street included within the above description, that the Iowa City Grape Sugar Company, its successors and assigns, shall grant at any time a right of way to the City of Iowa City over the South eighty (80) feet of Outlots Two (2) and Three (3) and over the South eighty (80) feet of vacated Capitol Street, and that in default, the property here-

in described falling in the West Half ( $W\frac{1}{2}$ ) of the vacated alley through Block Twenty-six (26) aforesaid and in Benton Street, shall revert to the City of Iowa City.

(13) Lots One (1), Two (2), Three (3) and Four (4) in Block Twenty-six (26) in the County Seat Addition to Iowa City, also the following: Commencing at the Southeast corner of said Block Twenty-six (26); thence West along the South side of said Block one hundred sixty (160) feet; thence South twenty (20) feet; thence East on a line parallel with the South line of said Block one hundred sixty (160) feet; thence North twenty (20) feet to the place of beginning, also the East Half ( $E\frac{1}{2}$ ) of the vacated alley through said Block Twenty-six (26) subject, however, as to said last two parcels, to the same condition set forth in parcel 12 above.

(14) Outlots Two (2) and Three (3) in County Seat Addition to Iowa City, except that part of Outlot Three (3), described as follows: Beginning at a point at the intersection of the most Easterly point on Capitol Street and the most Southerly point on Benton Street; thence West on a straight line to a point eighteen (18) feet South of the East end of the approach of Benton Street Bridge over the Iowa River; thence West parallel to said Bridge to the Iowa River; thence North to the South line of Benton Street; thence East along the South line of Benton Street to the place of beginning, subject, however, to the rights of the City of Iowa City in and to the South eighty (80) feet of said Outlots Two (2) and Three (3) for street purposes, without compensation to the owners thereof, as provided in Ordinance No. 535 passed by the City Council of said City on April 15, 1898, certified copy of which was recorded May 22, 1925 in Book 128, Page 514, and subject also to easement in favor of the City of Iowa City to install and maintain an out fall sewer line with appurtenances on said premises created by agreement dated April 30, 1935, recorded May 29, 1935 in Book 147, Page 456.

(15) The North one hundred ten (110) feet of Lot One (1) in Block Eighty-three (83) in Iowa City.

(16) That part of Lot Four (4) in Block Ninety-three (93) in Iowa City, described as follows: Commencing at the Southeast corner of said Lot; thence North along the East line thereof forty (40) feet; thence West parallel with the South line of said Lot eighty (80)

feet; thence South parallel with the East line of said Lot forty (40) feet to the South line of said Lot; thence East along the South line of said Lot eighty (80) feet to the place of beginning.

Certain of the parcels above described are subject to existing leases from the Company and to the rights of the respective tenants thereunder and to the ownership by certain of said tenants of the improvements and all of said parcels are subject to zoning and building ordinances of the City of Iowa City.

(17) All that part of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Eight (8) and of the West Half ( $W\frac{1}{2}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section Nine (9) in Township Seventy-nine (79) North, Range Six (6), West of the Fifth P. M., lying South of Clear Creek and the Iowa River, West of the Westerly line of the Black Road and Northerly of a line fifty (50) feet Northerly of and parallel to the center line of the Company's railway as the same is now located over and across said premises; subject, however, to rights of the public and the State of Iowa in and to so much of the premises as are covered by the waters of Iowa River and of Clear Creek; subject also to rights of the adjoining owners to the free and uninterrupted flow of the waters of the Iowa River and of Clear Creek; and subject also to zoning and building ordinances of the City of Iowa City.

#### LINN COUNTY.

(1) Lot 8 in Block Thirteen (13) in the Original Town, now City of Cedar Rapids.

(2) The front, or Southeasterly sixty (60) feet of Lots Nine (9) and Ten (10) in Block Thirteen (13) in the Original Town, now City, of Cedar Rapids, being more particularly described as follows: Beginning at the Southwesterly Corner of said Lot Ten (10), being the point of intersection of the Northwest-erly line of Fourth Avenue, S. E. (formerly Sugar Street) with the Northeasterly line of Second Street, S. E. (formerly Washington Street); thence North- westerly along the Southwesterly line of said Lot Ten (10) a distance of sixty (60) feet to a point; thence Northeasterly at right angles and along a line parallel to and sixty (60) feet distant Northwesterly from the Southeasterly line of said Lots Ten (10) and



Nine (9) to a point on the Northeasterly line of said Lot Nine (9); thence Southeasterly along the Northeasterly line of said Lot Nine (9) to the Southeasterly Corner of said Lot Nine (9); thence Southwesterly along the Southeasterly line of said Lots Nine (9) and Ten (10), to the place of beginning.

(3) The Southwesterly, or front one hundred five (105) feet of Lot Five (5) in Block Five (5) in the Original Town, now City, of Cedar Rapids, subject, however, to all party walls and party wall rights, if any.

(4) Lots Eight (8), Nine (9) and the Northerly One-Half of Lot Ten (10) in Block Five (5), also Lots Four (4), Five (5) and the Northerly One-Half of Lot Six (6) in Block Six (6), all in May's Second Addition to the town of May's Island, now a part of the City of Cedar Rapids, subject, however, to the rights of the city and of the public in and to the free and unobstructed flow of the waters of the Red Cedar River, over that portion of said property, if any, covered thereby, and the rights of said City in and to any part thereof, if any, formed by accretions.

(5) Lots Six (6), Seven (7), Eight (8) and Nine (9) in Auditor's Plat No. 3 in Cedar Rapids, subject, however, to the rights of the city and of the public in and to the free and unobstructed flow of the waters of the Red Cedar River, over that portion of said property, if any, covered thereby, and the rights of said City in and to any part thereof, if any, formed by accretions.

(6) Lot Twenty-three (23) in Block One (1) in Cooper's First Addition to the City of Cedar Rapids.

(7) The North sixty (60) feet of Lot Three (3) and the North sixty (60) feet of the West twenty-seven (27) feet of Lot Two (2) in Block Fifty (50), subject, however, to existing lease thereof and lessee's ownership of the improvements thereon; Lots One (1) to Seventeen (17), both inclusive, in Block Fifty-One (51); Outlot "A"; Lots Fifteen (15), Sixteen (16), Seventeen (17), and the South eight (8) feet of Lot Eighteen (18) and all of Lots Nineteen (19) to Twenty-Eight (28) in Block Fifty-Three (53); Lots Ten (10) and Twelve (12) in Block Fifty-Five (55); Lots Twelve (12) to Twenty-Two (22), both inclusive, in Block Fifty-Six (56); Lots Five (5) to Eighteen (18), both inclusive, in Block Fifty-Seven (57); Lots One (1)

to Twelve (12), both inclusive, in Block Sixty (60); Lots One (1) to Eight (8), both inclusive in Block Sixty-Two (62); Lots One (1) to Eleven (11), both inclusive, and also the North and South alley, now vacated, lying between said Lots, all in Block Sixty-Three (63); Lots One (1) to Four (4), both inclusive, in Block Sixty-Four (64); Lots One (1), Two (2) and Three (3), in Block Sixty-Five (65); Outlot "E"; Lots Five (5) to Thirteen (13), both inclusive, in Block Sixty-Six (66), all in James C. Young's Eighth Addition to Cedar Rapids.

(8) That part of the West Half ( $W\frac{1}{2}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Twenty-nine (29), Township Eighty-three (83) North, Range Seven (7), West of the Fifth P. M., formerly platted and known as Block Sixty-one (61) in James C. Young's Eighth Addition to Cedar Rapids, described as follows: Beginning at a point on the West line of 10th Street, S. W., thirty-three and seventy-five hundredths (33.75) feet South of the point of intersection of the West line of said 10th Street, S. W., and the South line of 12th Avenue, S. W., being the Northeast Corner of said former Block Sixty-one (61), said point being ten (10) feet Northerly of and measured at right angles to the center line of the track of the Cedar Rapids and Iowa City Railway, as now located and constructed; thence Southwesterly twenty-two and forty-six hundredths (22.46) feet parallel to and ten (10) feet Northerly of said center line; thence Southwesterly forty-seven and forty-two hundredths (47.42) feet on a curve of a two hundred forty-four (244) foot radius ten (10) feet Northerly of and parallel to said center line; thence Southwesterly ninety-two and thirty-nine hundredths (92.39) feet on a curve of a five hundred sixty-three and sixty-nine hundredths (563.69) foot radius ten (10) feet Northerly of and parallel to said center line to a point sixty-two (62) feet South of the South line of 12th Avenue, S. W.; thence West to a point on the East line of 11th Street, S. W., sixty-two (62) feet South of the South line of 12th Avenue, S. W.; thence South on the East line of 11th Street, S. W., to the Northerly line of the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Co.; thence Northeasterly on the Northerly line of said right of way to the West line of 10th Street, S. W.; thence North on the West line of said 10th Street, S. W., nineteen and twenty-five hun-

dredths (19.25) feet, more or less, to the place of beginning.

(9) That part of the alley, now vacated, lying between Lots Ten (10), Eleven (11) and Twelve (12) in Block Fifty-Five (55) in James C. Young's Eighth Addition to Cedar Rapids, and Lots Ten (10) and Eleven (11) in Block Twenty-Two (22) in Reed's Third Addition to Cedar Rapids, and North of the Northerly line of the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Co. and South of a line drawn from the Northeast Corner of Lot Ten (10) in said Block Fifty-Five (55) to the Northwest Corner of Lot Ten (10) in said Block Twenty-Two (22).

(10) Lots One (1) to Six (6), both inclusive, in Block Twelve (12) in James C. Young's Third Addition to Cedar Rapids.

(11) A strip of land thirty (30) feet wide lying Southerly of and adjacent to the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Co. in the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Twenty-nine (29), Township Eighty-three (83) North, Range Seven (7), West of the Fifth P. M., and extending from the East line of the alley in Block Twenty-three (23) to the West line of the North and South alley in Block Twenty (20), except that part of South 9th Street, West, in Reed's Third Addition to Cedar Rapids falling therein.

(12) A triangular parcel of land lying South of and adjoining Lot Eleven (11) in Block Twenty-Two (22) in Reed's Third Addition to Cedar Rapids and North of and adjoining the Northerly line of the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Co. and East of the West line of said Block Twenty-Two (22) extended South to the said right of way line.

(13) Those parts of the alley lying between Block Twenty-Three (23) of Reed's Third Addition to Cedar Rapids and Block Sixty-Two (62) of James C. Young's Eighth Addition to Cedar Rapids (the Easterly seventeen (17) feet of said alley being laid out and dedicated as a part of said Reed's Third Addition and lying in the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Twenty-Nine (29), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M. and the Westerly two (2) feet of said alley, being laid out and dedicated as a part of said James C. Young's Eighth Addition

and lying in the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of said Section Twenty-Nine (29)) and now vacated, described as follows, to wit: (a) That part lying South of the Southerly right of way line of the Chicago, Milwaukee, St. Paul and Pacific Railway Co. and Northerly of a line drawn parallel with and at right angles thereto and thirty (30) feet Southeasterly from said right of way; and (b) That part lying North of a line drawn from a point ten (10) feet North of the Southwest Corner of Lot Eight (8) in said Block Twenty-Three (23) to a point ten (10) feet North of the Southeast Corner of Lot Five (5) in said Block Sixty-Two (62) and lying South of a line drawn from a point six (6) feet North of the Southwest Corner of Lot Five (5) in said Block Twenty-Three (23) to a point six (6) feet North of the Southeast Corner of Lot Two (2) in said Block Sixty-Two (62).

(14) That part of Lots Three (3), Four (4) and Eighteen (18), lying Southeasterly of and adjacent to the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Company, and all of Lots Five (5), Six (6), Fifteen (15), Sixteen (16) and Seventeen (17), and that portion of the vacated alley lying Southerly of said right of way and North of a line drawn from the Southwest Corner of Lot Six (6) to the Southeast Corner of Lot Seventeen (17), and the North Half ( $N\frac{1}{2}$ ) of Lot Fourteen (14) and the West thirty-five (35) feet of the East seventy (70) feet of Lots Twelve (12) and Thirteen (13) and the West thirty-five (35) feet of the East seventy (70) feet of the South Half ( $S\frac{1}{2}$ ) of Lot Fourteen (14), all in Block Nineteen (19); that part of Lots Six (6), Seven (7), Fourteen (14) and Fifteen (15) lying Southeasterly of and adjacent to the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Company, and that part of Lots Seventeen (17) and Eighteen (18) lying Northerly of and adjacent to said right of way, and all of Lots Eight (8) to Thirteen (13), both inclusive, and Lot Nineteen (19), all in Block Twenty (20); that part of Lots Seven (7), Eight (8), Thirteen (13) and Fourteen (14) lying Northerly of and adjacent to said right of way, and all of Lots Six (6), Fifteen (15) and Sixteen (16), all in Block Twenty-One (21); all of Lot Ten (10) and that part of Lot Eleven (11) lying Northerly of and adjacent to said right of way in Block Twenty-Two (22); Lot Eight (8), except the South ten

(10) feet thereof in Block Twenty-Three (23); Lots Six (6) and Seven (7) in Block Twenty-Six (26); Lots One (1), Two (2), and Three (3) in Block Twenty-Nine (29), all in Reed's Third Addition to Cedar Rapids.

(15) That part of that part of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Twenty-Nine (29), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., otherwise known and described as the vacated portion of Reed's Third Addition to Cedar Rapids described as follows: Commencing at the point of intersection of the East line of South Ninth Street, W., with the North line of the alley lying North of Blocks Eight (8) and Nine (9) in James C. Young's Third Addition to Cedar Rapids; thence North along the East line of said South Ninth Street, W. one hundred sixty-two and five-tenths (162.5) feet, more or less, to the South line of that certain tract of land conveyed to National Refining Company by deed recorded March 24, 1930 in Book 546, Page 156; thence East along the South line of said tract two hundred (200) feet to the Southeast Corner thereof; thence North parallel with the East line of said South Ninth Street, W. one hundred fifty (150) feet to the Northeast Corner of said tract; thence West along the North line of said tract and at right angles to the East line of said South Ninth Street, W. a distance of two hundred (200) feet to the East line of said Street; thence North along the East line of said street thirty-two and a half (32 $\frac{1}{2}$ ) feet, more or less, to the North line of the Company's right of way; thence East along said right of way three hundred (300) feet to the point of intersection with the West line of South Eighth Street, W. produced South-erly; thence North on the West line of said South Eighth Street, W. produced, to the point of intersection of a line South of, parallel to, and thirty (30) feet removed from the South boundary line of the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Co., and being also the South line of another of the Company's rights of way; thence Northeasterly along said line thirty (30) feet Southerly from and parallel to the South boundary line of the right of way of said Chicago, Milwaukee, St. Paul and Pacific Railway Co., to the point of intersection with the West line of the North and South alley through Block Twenty (20) in Reed's Third Addition; thence South on the West line of said alley and said West line extended South to the South line of

12th Avenue, W.; thence East on said South line three hundred sixty-six (366) feet, more or less, to the point of intersection with the West line of the North and South alley in Block Twenty-Six (26) of Reed's Third Addition; thence South on the said West line and said West line extended South to the point of intersection with the South line of 14th Avenue, W.; thence South parallel to the East line of South 6th Avenue, W. to the point of intersection with the North line of the alley lying North of Block Eight (8) in James C. Young's Third Addition; thence West on the North line of said alley to the place of beginning, but subject to roads and highways, if any.

(16) A strip of land thirty (30) feet wide lying Southeasterly of and adjacent to the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Co., over and across parts of Lots Seven (7), Eight (8), Ten (10), Eleven (11) and Twelve (12) in Block Ninety (90) and parts of Lots Four (4), Five (5), Thirteen (13) and Fourteen (14) in Block Ninety-one (91) all in O. N. Hull's Eighth Addition to Cedar Rapids; subject, however, to the cross-over track agreement contained in deed to Company recorded June 11, 1915 in Book 376, page 609.

(17) That part of the Southwest Quarter (SW $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Twenty-Eight (28), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., and being a part of O. N. Hull's Eighth Addition to Cedar Rapids, described as follows: Commencing at a point on the South line of 12th Avenue, S. W. in the City of Cedar Rapids, two hundred seventy-two (272) feet East of the East line of Sixth Street, S. W.; thence South three hundred forty (340) feet; thence West thirty (30) feet to a point two hundred forty-two (242) feet East of the East line of Sixth Street, S. W., and one hundred sixty (160) feet North of the North line of 14th Avenue, S. W.; thence Southwest to a point two hundred (200) feet East of the East line of said 6th Street and seventy-two (72) feet North of the North line of said 14th Avenue; thence Southwesterly to a point one hundred thirty-six (136) feet East of the East line of said 6th Street and four hundred seventy (470) feet South of the South line of said 12th Avenue; thence West one hundred thirty-six (136) feet to the East line of said 6th Street; thence South to the North line of said 14th

Avenue; thence East along the North line of said 14th Avenue four hundred sixty (460) feet, more or less, to the West line of a sixteen (16) foot alley West of and adjoining Lot One (1) in Block Eighty-Eight (88) of said O. N. Hull's Eighth Addition; thence North fifty (50) feet; thence East one hundred forty-four (144) feet, more or less, to the West line of 4th Street, S. W.; thence North along the West line of said 4th Street to the South line of 12th Avenue, S. W., thence West to the place of beginning.

(18) Lots (10) and Eleven (11) in Block Two (2) in James C. Young's First Addition to Cedar Rapids.

(19) Outlot "A" of A. K. Murray's Fourth Addition to Cedar Rapids, excepting therefrom all that part of said Lot South of a line beginning at a point where the South line of said Lot crosses a line thirty (30) feet South of and parallel to the Northwesterly line of said Lot and running to a point on the Westerly line of Lot Four (4) in Block Eleven (11) of A. K. Murray's Third Addition to Cedar Rapids.

(20) Lot Four (4), excepting the Southeasterly Half ( $\frac{1}{2}$ ) thereof in Block Eleven (11) in A. K. Murray's Third Addition to Cedar Rapids.

(21) The Southeasterly forty-five (45) feet of Lot One (1) and all of Lot Two (2) in Block Seven (7) in A. K. Murray's Second Addition to Cedar Rapids.

(22) Lot Six (6), except therefrom the right of way of Chicago, Milwaukee, St. Paul and Pacific Railway Co. in Fractional Block Five (5) and Lots One (1) and Two (2) in Fractional Block Six (6) in West Cedar Rapids, formerly May and Covell's Addition to Kingston.

(23) Lots Two (2) and Nine (9) in Block Three (3) in West Cedar Rapids, formerly May and Covell's Addition to Kingston.

(24) Lots Five (5) to Eleven (11), both inclusive, in May, Palmer and Thompson's Re-plat of Block One (1) in West Cedar Rapids, formerly May and Covell's Addition to Kingston.

(25) Lots One (1) to Four (4), both inclusive, except therefrom the right of way of the Chicago, Rock Island and Pacific R. R. in Block One (1); Lots One (1) to Ten (10), both inclusive, in Block Two (2), and a part of Walnut Street, now vacated, lying between said Blocks One (1) and Two (2) and bounded and described as follows: Beginning at the Westerly cor-

ner of said Block One (1), being the point of intersection of the Easterly line of Walnut Street and the Southerly line of Seventh Avenue; thence in a Southwesterly direction to the Northerly corner of Block Two (2), being the point of intersection of the Westerly line of Walnut Street and the Southerly line of Seventh Avenue; thence Southeasterly along the Easterly line of said Block Two (2) to the Easterly corner of said Block Two (2), being the point of intersection of the Westerly line of said Walnut Street and the Northerly line of Eighth Avenue; thence Northeasterly along the Northerly line of Eighth Avenue a distance of thirty (30) feet to the center line of Walnut Street; thence Northwesterly along said center line of Walnut Street to a point where the same is intersected by the Southerly line of Lot Four (4) in Block One (1) produced Southwesterly; thence Northeasterly along the last described line to the Southerly corner of said Lot Four (4); thence Northwesterly along the Easterly line of Walnut Street to the place of beginning, all in Riverside Park Addition to West Cedar Rapids, subject, however, to (a) easement over a strip of land ten (10) feet on each side of the center line of Walnut Street for a distance of one hundred eighty (180) feet Northwesterly from the Northwesterly line of Eighth Avenue, W., created by a warranty deed from S. G. Armstrong, *et al.* to the Hedges Company, dated December 26, 1927, and recorded January 26, 1938, in Volume 523, Page 507, for the use and benefit of the grantors and grantees, their heirs, successors and assigns, and (b) reservation of the right to continue to maintain, repair and relay water mains under portions of Walnut Street contained in the deed from the City of Cedar Rapids to the National Tractor Company, dated March 20, 1919, and recorded March 26, 1919, in Volume 424, Page 37, and (c) conditions contained in Ordinance 1340 of the City of Cedar Rapids that the successors and assigns of said National Tractor Company, to whom the city conveyed vacated Walnut Street, will hold the city harmless against claims by property owners by reason of the vacation of said Street, and (d) the rights of the city and of the public in and to the free and unobstructed flow of the waters of the Red Cedar River, over that part of said Lots One (1) to Four (4) in Block One (1), if any, covered by the waters thereof.



Certain of the parcels last above described are subject to existing leases from the Company, and to the rights of the respective tenants thereunder, and to the ownership by certain of said tenants of the improvements, and all of said parcels, One (1) to Twenty-five (25) are subject to zoning and building ordinances of the City of Cedar Rapids.

(26) That part of the Northeast Quarter (NE $\frac{1}{4}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section Thirty-two (32), Township Eighty-three (83) North, Range Seven (7), West of the Fifth P. M., more particularly described as: all that part of said tract lying South of the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Co. and North of a line fifty (50) feet Southeasterly of and parallel with the center line of the Company's railway as the same is surveyed across said premises, containing about six and two-thirds (6 $\frac{2}{3}$ ) acres.

(27) That part of Lot Four (4) of Irregular Survey of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Thirty-Two (32), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., recorded May 12, 1911 in Volume 3, Irregular Plat Book Page 80, lying South-erly and Southwesterly of the Company's right of way through said Lot Four (4), subject, however, to roads and highways, if any.

(28) *Approximately twenty-eight (28) miles of right of way lying between Cedar Rapids and Iowa City described as follows:*

The Company's right of way one hundred (100) feet in width, more or less, extending from its point of contact with the North and South center line of the Northwest Quarter (NW $\frac{1}{4}$ ) of Section Thirty-two (32), Township Eighty-three (83) North, Range Seven (7), West of the Fifth P. M., in the City of Cedar Rapids, through the following Sections of land in Linn County, to wit: The West Half (W $\frac{1}{2}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) and the Southwest Quarter (SW $\frac{1}{4}$ ) of said Section Thirty-two (32); the East Half (E $\frac{1}{2}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) and the Northeast Quarter (NE $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) and the West Half (W $\frac{1}{2}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Five (5); the East Half (E $\frac{1}{2}$ ) of Section Eight (8); the Northeast Quarter (NE $\frac{1}{4}$ ) and the Southwest

Quarter (SW $\frac{1}{4}$ ) of Section Seventeen (17); the West Half (W $\frac{1}{2}$ ) of Sections Twenty (20), Twenty-nine (29) and Thirty-two (32), all in Township Eighty-two (82) North, Range Seven (7), West of the Fifth P. M.; and through the following Sections of land in Johnson County, to wit: West Half (W $\frac{1}{2}$ ) of Sections Five (5) and Eight (8); the Northwest Quarter (NW $\frac{1}{4}$ ) and the Northeast Quarter (NE $\frac{1}{4}$ ) and the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Seventeen (17); the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Sixteen (16); the Northwest Quarter (NW $\frac{1}{4}$ ) and the Northeast Quarter (NE $\frac{1}{4}$ ) and the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Twenty-one (21); the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Twenty-two (22); the Northwest Quarter (NW $\frac{1}{4}$ ), and the Northeast Quarter (NE $\frac{1}{4}$ ) and the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Twenty-seven (27); the Northeast Quarter (NE $\frac{1}{4}$ ) of Section Thirty-four (34); the West Half (W $\frac{1}{2}$ ) of Section Thirty-five (35), all in Township Eighty-one (81) North, Range Seven (7), West of the Fifth P. M.; the Northwest Quarter (NW $\frac{1}{4}$ ) and the Northeast Quarter (NE $\frac{1}{4}$ ) and the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Two (2); the Southwest Quarter (SW $\frac{1}{4}$ ) of Section One (1); the Northwest Quarter (NW $\frac{1}{4}$ ) and the East Half (E $\frac{1}{2}$ ) of Section Twelve (12); the East Half (E $\frac{1}{2}$ ) of Sections Thirteen (13), Twenty-four (24), and Twenty-five (25); the Southwest Quarter (SW $\frac{1}{4}$ ) and the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Thirty (30); the East Half (E $\frac{1}{2}$ ) of Section Thirty-one (31); all in Township Eighty (80) North, Range Seven (7), West of the Fifth P. M.; the Northeast Quarter (NE $\frac{1}{4}$ ) of Section Six (6); the Northwest Quarter (NW $\frac{1}{4}$ ) and the Northeast Quarter (NE $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Five (5); the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Five (5), being over Outlots Four (4) and Three (3) in Clarksville (now a part of Coralville) and over Lots Four (4) and Ten (10) of Cochran's Irregular Survey of Coralville and Lots Five (5), Six (6) and Seven (7) in Closes' Subdivision of the town of Coralville; the Northeast Quarter (NE $\frac{1}{4}$ ) of Section Eight (8); the Northwest Quarter (NW $\frac{1}{4}$ ) and the Northeast Quarter (NE $\frac{1}{4}$ ) and the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Nine (9); the Northwest Quarter (NW $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Ten (10), all in Township Seventy-nine (79) North, Range Six (6), West of the

Fifth P. M., to its point of contact with the Northwesterly line of Outlot Thirty-seven (37) in the Original Town of Iowa City.

All the right, title and interest of the Company in and to all and singular the following described property, situated in Johnson and Linn Counties:

JOHNSON COUNTY.

(1) A strip of land one hundred fifty (150) feet in width over and across Outlot Thirty-Six (36) in Iowa City, according to the recorded plat thereof, being seventy-five (75) feet in width on each side of the center line of the Company's railway.

(2) A strip of land one hundred (100) feet in width over and across the Northeast Corner of Outlot Thirty-eight (38) in Iowa City, according to the recorded plat thereof, being fifty (50) feet in width on each side of the center line of the Company's railway.

(3) That part of the West Half ( $W\frac{1}{2}$ ) of Front Street lying South of the South line of Iowa Street and North of the South line of Burlington Street in Iowa City.

(4) The West Half ( $W\frac{1}{2}$ ) of Front Street from the South line of Burlington Street to the North line of Harrison Street in Iowa City.

(5) That part of Court Street lying West of the center line of Front Street and East of a line eighty (80) feet West of the West line of Front Street in Iowa City.

(6) That part of the Northwest Quarter ( $NW\frac{1}{4}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section Fifteen (15), Township Seventy-Nine (79) North, Range Six (6), West of the Fifth P. M., described as: Commencing at the point of intersection of the East bank of the Iowa River and the North line of Harrison Street in Iowa City; thence East along the North line of Harrison Street to the center line of Front Street in said City; thence Southerly along the center line of Front Street to the South line of Harrison Street; thence East on the South line of Harrison Street to the East line of Front Street extended South (being also the West line of Block Five (5) in County Seat Addition to Iowa City); thence South along the West line of said Block Five (5) to the North line of Prentiss Street; thence West along the North line of Prentiss Street to the East bank of the

Iowa River; thence Northwesterly along the said East bank to the place of beginning.

(7) That part of Prentiss Street lying East of the East bank of the Iowa River and West of the West line of the North and South alley through Block Five (5) in County Seat Addition to Iowa City, extended South across said Prentiss Street to the South line of said Prentiss Street.

(8) That part of Des Moines Street lying between the East bank of the Iowa River and the West line of Lot Four (4) in Block Fourteen (14) in County Seat Addition to Iowa City, extended South to the North line of Block Twenty-Three (23) of said Addition.

(9) The West Half ( $W\frac{1}{2}$ ) of that part of the North and South alley East of and adjoining Lots Five (5) and Six (6) in Block Fifteen (15) of County Seat Addition to Iowa City.

(10) That part of the North and South alley through Block Twenty-Five (25) of the County Seat Addition to Iowa City, described as follows: Commencing at the Southwest corner of Lot One (1) in said Block; thence North along the West line of said Lot One (1), a distance of eighty (80) feet, to the Northwest corner of said Lot; thence West at right angles a distance of ten (10) feet to the center line of said alley; thence South along the center line of said alley eighty (80) feet, more or less, to a point due West of the place of beginning; thence East ten (10) feet to the place of beginning.

(11) That part of Capitol Street lying between Outlots Two (2) and Three (3) of County Seat Addition to Iowa City and South of the South line of Benton Street in Iowa City.

(12) All of Block Fourteen (14) except Lots One (1), Two (2), Three (3) and Four (4) thereof and except the Company's right of way fifty (50) feet wide over and across said Block, all in County Seat Addition to Iowa City.

(13) The North fifty (50) feet of Lot Six (6) in Block Ninety-Six (96) in Iowa City.

(14) That part of Lot Five (5) in Block Ninety-Four (94) in Iowa City, described as: Commencing at the Southwest corner of said Lot; running thence North along the West line thereof ten (10) feet; thence Southeasterly to a point on the South line of said Lot ten (10) feet East of the said Southwest corner; thence

West along the South line of said Lot ten (10) feet, to the place of beginning.

(15) That part of Lot Eight (8) in Block Four (4) of County Seat Addition to Iowa City, described as: Commencing at the Northwest corner of said Lot; thence South on the West line thereof fifteen (15) feet; thence Northeasterly to a point on the North line of said Lot fifteen (15) feet East of the Northwest corner thereof; thence West on the North line of said Lot to the place of beginning.

(16) A certain unrecorded contract between the Chicago, Rock Island and Pacific Railway Co. and Cedar Rapids and Iowa City Railway and Light Company, dated December 30, 1908, respecting the right of the Company to operate through Block Twenty-Three (23) of the County Seat Addition to Iowa City and under the tracks of said Railway Co., and also respecting certain switching agreements on Lafayette Street between the East line of Clinton Street and the West line of Capital Street and in an unrecorded agreement dated October 20, 1938 between Frank O. Lowden, *et al.*, as Trustees of said Railway Co. and Cedar Rapids and Iowa City Railway, extending and supplementing said original agreement.

#### LINN COUNTY.

(1) Lot Four (4) in Block Fifty-Seven (57) in James C. Young's Eighth Addition to Cedar Rapids.

(2) That part of (a) those certain lots, formerly known and described as Lot Eighteen (18) in Block Three (3) and Lots One (1), Two (2), Three (3), Eleven (11) to Sixteen (16) inclusive, and Eighteen (18) in Block Four (4) in Riverside Park Addition; (b) the former alleys in said Blocks Three (3) and Four (4), now vacated; and (c) "H" Street, now vacated, lying between said Blocks Three (3) and Four (4), all of which now constitute a part of present Lot Two (2) in Auditor's Plat No. 118 in Cedar Rapids, upon which the Company did heretofore lay and construct its present railroad track under and by virtue of an easement, established by an unrecorded agreement dated March 22, 1920, and entered into between Iowa Railway and Light Company, a corporation of Iowa, and Penick & Ford, Ltd., Incorporated, a corporation of Delaware, and an unrecorded agree-

ment dated November 18, 1920, between the same parties, amending and supplementing said agreement of March 22, 1920, authorizing the construction, at any time within ten (10) years from the date of the initial agreement, and authorizing thereafter the maintenance and operation of a single standard gauge railroad track over, across, and upon the property above described and designated by blue prints attached to the respective agreements.

(3) That part of Lots Six (6) and Twelve (12) lying Southerly of the Southeasterly line of the right of way of the Chicago, Milwaukee, St. Paul and Pacific Railway Co. in Block Ninety-One (91) in O. N. Hull's Eighth Addition to Cedar Rapids.

#### EIGHTH.

#### FRANCHISES.

All franchises owned by the Company for the construction, maintenance and operation of electric generating plants, electric transmission lines, electric distribution systems, gas generating plants, gas storage plants, gas distribution systems, steam and hot water heating plants and systems and railway systems, including, but not limited to, the following described franchises granted by the following named towns or cities in the State of Iowa:

<i>Grantor Town or City</i>	<i>Class of Service</i>	<i>Date of Franchise</i>	<i>Expiration Date of Franchise</i>
Albion	Electric	May 11, 1939	May 11, 1964
Alburnett	Electric	December 23, 1939	December 23, 1964
Ames	Gas	July 10, 1936	July 10, 1961
Atkins	Electric	March 29, 1920	March 29, 1945
Bagley	Electric	January 28, 1928	January 28, 1953
Bayard	Electric	October 7, 1920	October 7, 1945
Baxter	Electric	August 23, 1939	August 23, 1964
Beaver	Electric	January 13, 1926	January 13, 1951
Belle Plaine	Electric	October 4, 1929	October 4, 1954
Belle Plaine	Gas	October 4, 1929	October 4, 1954
Berkley	Electric	July 19, 1930	July 19, 1955
Bertram	Electric	December 12, 1938	December 12, 1963
Blairstown	Electric	November 6, 1936	November 6, 1961
Boone	Electric	August 10, 1936	August 10, 1951
Boone	Gas	March 29, 1923	March 29, 1948
Cambridge	Electric	November 23, 1925	November 23, 1950
Carroll	Gas	October 16, 1936	October 16, 1961
Cedar Rapids	Electric	July 22, 1937	July 22, 1962
Cedar Rapids	Steam Heat	July 22, 1937	July 22, 1962

<i>Grantor Town or City</i>	<i>Class of Service</i>	<i>Date of Franchise</i>	<i>Expiration Date of Franchise</i>
Central City	Electric	March 24, 1936	March 24, 1961
Chelsea	Electric	July 15, 1936	July 15, 1961
Churdan	Electric	September 13, 1919	September 13, 1944
Clarence	Electric	February 3, 1939	February 3, 1964
Clemons	Electric	March 15, 1939	March 15, 1964
Clutier	Electric	February 2, 1920	February 2, 1945
Collins	Electric	July 9, 1917	July 9, 1942
Coralville	Street Railway	August 10, 1903	Perpetual
Dana	Electric	January 3, 1940	January 3, 1965
Dawson	Electric	December 28, 1926	December 28, 1951
Elberon	Electric	October 18, 1920	October 18, 1945
Ely	Electric	September 26, 1938	September 26, 1963
Fairfax	Electric	July 14, 1938	July 14, 1963
Garrison	Electric	June 30, 1938	June 30, 1963
Gilbert	Electric	December 31, 1927	December 31, 1952
Gilman	Electric	July 12, 1939	July 12, 1964
Gladbrook	Electric	November 8, 1935	November 8, 1960
Iowa City	Street Railway	July 17, 1930	July 17, 1955
Jefferson	Electric	July 25, 1940	July 25, 1955
Jefferson	Gas	May 22, 1930	May 22, 1955
Keystone	Electric	September 10, 1936	September 10, 1961
Laurel	Electric	September 20, 1929	September 20, 1954
Legrand	Electric	August 29, 1938	August 29, 1963
Lincoln	Electric	October 26, 1915	October 26, 1940
Lisbon	Electric	July 10, 1930	July 10, 1955
Lisbon	Gas	September 5, 1930	September 5, 1955
Luther	Electric	December 10, 1937	December 10, 1962
Luzerne	Electric	October 24, 1939	October 24, 1964
Madrid	Electric	February 23, 1937	February 23, 1952
Marion	Electric	August 30, 1934	August 30, 1949
Marshalltown	Electric	August 27, 1937	August 27, 1962
Marshalltown	Gas	August 27, 1937	August 27, 1962
McCallsburg	Electric	November 30, 1938	November 30, 1963
Mechanicsville	Electric	November 18, 1931	November 18, 1956
Melbourne	Electric	August 28, 1917	August 28, 1942
Morrison	Electric	October 27, 1915	October 27, 1940
Mt. Auburn	Electric	February 27, 1920	February 27, 1945
Mt. Vernon	Electric	August 8, 1930	August 8, 1955
Mt. Vernon	Gas	August 8, 1930	August 8, 1955
Nevada	Electric	October 6, 1923	October 6, 1948
Nevada	Gas	September 7, 1928	September 7, 1953
Newhall	Electric	July 24, 1920	July 24, 1945
North Liberty	Electric	February 23, 1938	February 23, 1963
Norway	Electric	November 22, 1937	November 22, 1962
Oxford	Electric	January 21, 1938	January 21, 1963
Palo	Electric	December 1, 1938	December 1, 1963
Perry	Electric	July 26, 1927	July 26, 1952
Prairieburg	Electric	May 23, 1940	May 23, 1965
Quasqueton	Electric	April 1, 1916	April 1, 1941
Reinbeck	Electric	March 14, 1928	March 14, 1953
Rhodes	Electric	December 28, 1939	December 28, 1964
Ripley	Electric	September 16, 1915	September 16, 1940
Robins	Electric	October 31, 1938	October 31, 1963
Rowley	Electric	September 16, 1927	September 16, 1952

<i>Grantor Town or City</i>	<i>Class of Service</i>	<i>Date of Franchise</i>	<i>Expiration Date of Franchise</i>
Saint Anthony	Electric	April 12, 1939	April 12, 1964
Scranton	Electric	July 23, 1937	July 23, 1952
Sheldahl	Electric	June 6, 1938	June 6, 1963
Shellsburg	Electric	May 17, 1938	May 17, 1963
Solon	Electric	October 25, 1938	October 25, 1963
Stanwood	Electric	September 21, 1937	September 21, 1962
Swisher	Electric	December 19, 1938	December 19, 1963
Tama	Electric	August 10, 1927	August 10, 1952
Tiffin	Electric	August 26, 1938	August 26, 1963
Toledo	Electric	July 11, 1929	July 11, 1954
Urbana	Electric	November 10, 1938	November 10, 1963
Vinton	Heat	November 4, 1924	November 4, 1949
Van Horne	Electric	July 9, 1936	July 9, 1961
Vining	Electric	January 2, 1923	January 2, 1948
Walker	Electric	June 12, 1936	June 12, 1961
West Branch	Electric	March 29, 1926	March 29, 1951
Woodward	Electric	April 6, 1937	April 6, 1952
Zearing	Electric	January 10, 1916	January 10, 1941

## NINTH

## MISCELLANEOUS LANDS

All miscellaneous lands and rights and interests in lands of the Company, including, but not limited to, the following described property situated in the State of Iowa:

## BENTON COUNTY.

(1) The East eighty-eight and one half (88½) feet of Lots One (1) and Two (2) in Block One (1) in Hutton's Second Addition to Belle Plaine, a subdivision of a part of the Southwest Quarter (SW¼) of the Southwest Quarter (SW¼) of Section Twenty (20), Township Eighty-Two (82) North, Range Twelve (12), West of the Fifth Principal Meridian.

(2) That part of the Northwest Quarter (NW¼) of the Southwest Quarter (SW¼) of Section Twenty (20), Township Eighty-Two (82) North, Range Twelve (12), West of the Fifth Principal Meridian described as: Commencing at the Northwest Corner of the East Half (E½) of Lot One (1) in Block One (1), of Hutton's Second Addition to Belle Plaine; thence North to the right of way of the Chicago and North Western Railway; thence East along said right of way to a point directly North of the Northeast Corner of said Lot One (1); thence South along the West line of Tenth Avenue



to the Northeast Corner of said Lot One (1); thence West along the North line of said Lot One (1) to the place of beginning; subject, however, to (a) conditions contained in deed to S. M. Beeson, dated June 7, 1871 and recorded September 23, 1871, in Book 32, Page 202, relative to the sale of liquor on said premises, and (b) interest, if any, of the City of Belle Plaine in and to the East thirty (30) feet of the premises above described.

BOONE COUNTY.

Lots Eight (8), Nine (9) and Ten (10) in Block Ninety-five (95) in the Original Town of Boone.

CARROLL COUNTY.

The South seventy (70) feet of Lot One (1) and the South seventy (70) feet of the East thirty-eight (38) feet of Lot Two (2) and all of Lot Seven (7) in Block Twenty (20) Milwaukee Land Company's Addition to Coon Rapids.

IOWA COUNTY.

Lot One (1) and Lot Two (2), except the West eight (8) inches thereof in Block "C" in Durant's Addition to the City of Marengo in the Southeast Quarter of the Southeast Quarter of Section Twenty-Five (25), Township Eighty-One (81) North, Range Eleven (11), West of the Fifth Principal Meridian.

LINN COUNTY.

(1) That part of the West Half ( $W\frac{1}{2}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Twenty-Nine (29), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., formerly platted and known as Block Sixty-One (61) in James C. Young's Eighth Addition to Cedar Rapids, described as follows: Beginning at the point of intersection of the West line of 10th Street, S. W., and the South line of 12th Avenue, S. W., being the Northeast Corner of the Block formerly known as Block Sixty-One (61) in said Subdivision; thence South along the West line of 10th Street, S. W. thirty-three and seventy-five hundredths (33.75) feet to a point ten (10) feet Northerly of, measured at right angles to the center line of the track of the Cedar Rapids and Iowa City

Railway as now located and constructed; thence Southwesterly twenty-two and forty-six hundredths (22.46) feet parallel to and ten (10) feet Northerly of said center line; thence Southwesterly forty-seven and forty-two hundredths (47.42) feet on a curve of a two hundred forty-four (244) foot radius ten (10) feet Northerly of and parallel to said center line; thence Southwesterly ninety-two and thirty-nine hundredths (92.39) feet on a curve of a five hundred sixty-three and sixty-nine hundredths (563.69) foot radius ten (10) feet Northerly of and parallel to said center line to a point sixty-two (62) feet South of the South line of 12th Avenue, S. W.; thence West to a point on the East line of 11th Street, S. W. sixty-two (62) feet South of the South line of 12th Avenue, S. W.; thence North on the East line of 11th Street, S. W. sixty-two (62) feet to the point of intersection of the East line of said 11th Street, S. W. and the South line of said 12th Avenue, S. W., being the Northwest Corner of said former Block Sixty-One (61); thence East on the South line of 12th Avenue, S. W. three hundred (300) feet to the place of beginning.

(2) Lots Two (2), Three (3), Four (4) and Five (5) in Block Thirty-Six (36) of the Original Town, now City, of Cedar Rapids, except that part condemned by Chicago, Milwaukee, St. Paul and Pacific Railway Company by instrument recorded in Volume 21, Page 289, subject, however, to condition contained in the warranty deed from American Linseed Company to L. A. Upton, dated February 26, 1901, recorded May 7, 1901, in Book 252, Page 213, that said premises shall not be used for the purpose of the manufacture of linseed oil or cake.

(3) The Southwesterly Half of Lot Seven (7) in Block Thirteen (13) in the Original Town, now City, of Cedar Rapids, subject, however, to party walls and party wall rights on the Northeasterly line of the Southwesterly Half of said Lot Seven (7).

(4) Lots Eight (8), Nine (9) and Ten (10) in Block Three (3) in Auditor's Plat No. 47 in Cedar Rapids.

(5) Lot Eight (8) in Block Nine (9); Lots Eight (8) and Nine (9) in Block Ten (10); Lots Nine (9) and Ten (10) in Block Eleven (11) and Lots Ten (10) and Eleven (11) in Block Twelve (12), all in College

Park Addition to Cedar Rapids, a subdivision of part of the West Half ( $W\frac{1}{2}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) and part of the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section Sixteen (16), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M.

(6) Lot Nine (9) in Auditor's Plat No. 104 in Cedar Rapids, according to the Plat recorded in Book 427, Page 410, subject, however, to easement over, across and upon the North forty (40) feet and the East fifty (50) feet of Lot Nine (9) for private roadway for wagons and vehicles for benefit and use of owners of adjoining Lots in Auditor's Plat abutting on said Lot Nine (9) created by an instrument executed by Eunice A. Madison, recorded in Probate Record 92, Page 631.

(7) (Except the East thirty-three (33) feet thereof.) The South five (5) acres of that part of the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Eight (8), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., lying East of the center of the public road, subject, however, to all roads and highways.

(8) Lot Twenty-One (21) in Irregular Survey in the Northwest Quarter ( $NW\frac{1}{4}$ ) of Section Thirty-Five (35), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M.

The property above described in parcels One (1) to Eight (8) is subject to Zoning and Building Ordinances of the City of Cedar Rapids.

(9) The West forty (40) feet of the North seventy-four (74) feet and the North twenty (20) feet of the South seventy (70) feet of Lot Six (6) in Barkley's Addition to the Town of Lisbon.

(10) Lots One Hundred Seven (107) and One Hundred Eight (108) in the Original Town of Lisbon.

(11) A part of Lot One (1) in Block Three (3) in the Town of Mount Vernon described as follows: Beginning at the most Northerly corner of said Lot One (1); thence Southwesterly on Washington Street (now known as First Avenue, South) being the Northwesterly side of said Lot, ninety (90) feet and two (2) inches; thence Southeasterly parallel with Main Street (now known as First Street, East) twenty-seven (27)

feet and four (4) inches; thence Northeasterly parallel with Washington Street ninety (90) feet and two (2) inches to Main Street; thence Northwesterly on the Southwest side of Main Street twenty-seven (27) feet and four (4) inches to the place of beginning; also an undivided one-half interest in the following described portion of said Lot One (1) bounded as follows: Commencing at the Southeasterly Corner of the premises above described; thence Southeasterly parallel with Main Street ten (10) feet eight (8) inches; thence Southwesterly parallel with Washington Street sixteen (16) feet ten (10) inches; thence Southeasterly parallel with Main Street twenty-four (24) feet; thence Southwesterly parallel with Washington Street twenty-five (25) feet to the alley; thence Southeasterly along the alley four (4) feet to the South or Southeasterly Corner of said Lot One (1); thence Northeasterly along the Southeasterly line of said Lot forty-four (44) feet; thence Northwesterly parallel with Main Street eighteen (18) feet two (2) inches; thence Northeasterly parallel with Washington Street twenty (20) feet; thence Northwesterly parallel with Main Street twenty (20) feet six (6) inches; thence Southwesterly parallel with Washington Street twenty-two (22) feet two (2) inches, to the place of beginning. Main Street herein referred to is now known as First Street, East, and Washington Street herein referred to is now known as First Avenue, South, subject, however, as to said last described premises, to the rights of the owners of the other undivided one-half interest to partition and contribution.

(12) The South part of Government Lot One (1) of Section Seventeen (17), Township Eighty-Five (85) North, Range Five (5), West of the Fifth P. M., described as follows: Commencing at a point eighty (80) rods South of the Northeast Corner of said Section Seventeen (17); thence West eighty (80) rods to the West line of said Government Lot One (1); thence South on said West line to the bank of the Wapsipinicon River; thence Southeasterly along the left bank of said Wapsipinicon River to the East line of said Section Seventeen (17); thence North on said East line to the place of beginning, subject, however, to (a) all roads and highways, (b) rights of the

State of Iowa in and to so much of said premises as may be formed by means other than natural accretions, and (c) rights of the public and of the State of Iowa to the free and unobstructed flow of the waters of the Wapsipinicon River.

(13) Lots One (1), Two (2), Three (3) and Four (4) in Smyth's Subdivision of Government Lot Two (2) in Section Seventeen (17), Township Eighty-Five (85) North, Range Five (5), West of the Fifth P. M., subject, however, to all roads and highways.

(14) That part of Government Lot Eight (8) in Section Seventeen (17), Township Eighty-Five (85) North, Range Five (5), West of the Fifth P. M., described as follows: Commencing at a point one hundred twenty-one (121) rods North to the Southeast Corner of said Section; thence North of the right bank of the Wapsipinicon River; thence West following said bank to the West line of said Government Lot Eight (8); thence South on said West line of Government Lot Eight (8) five hundred eight (508) feet to one hundred two (102) contour as per Rosecran's survey; thence following said contour as follows: North seventy-nine (79) degrees, ten (10) minutes East, two hundred eight (208) feet; thence North eighty-six (86) degrees, twenty (20) minutes East, one hundred forty-eight (148) feet; thence South seventy-three (73) degrees, forty-five (45) minutes East, one hundred forty (140) feet; thence South fifty-six (56) degrees, fifty (50) minutes East, one hundred twenty (120) feet; thence South fifty-three (53) degrees, ten (10) minutes East, one hundred sixty-eight (168) feet; thence South thirty-six (36) degrees, ten (10) minutes East, two hundred forty-eight (248) feet; thence South sixty-four (64) degrees, fifteen (15) minutes East, one hundred two (102) feet to Station two hundred ninety-six (296); thence in a Southwesterly direction fifteen (15) rods to a point thirty (30) rods West of a point on the East line of said Section, one hundred twenty-one (121) rods North of the Southeast Corner of said Section; thence East thirty (30) rods to the place of beginning, subject, however, to (a) all roads and highways, (b) rights of the State of Iowa in and to so much of said premises as may be formed by means other than natural accretions and (c) rights of the

public and of the State of Iowa to the free and unobstructed flow of the waters of the Wapsipinicon River.

(15) That part of the Northwest Quarter ( $NW\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Five (5), Township Eighty-Six (86) North, Range Seven (7), West of the Fifth P. M., described as follows: Beginning twenty-five (25) rods South of the Northeast Corner of said Quarter Section; thence West nine (9) rods to the Wapsipinicon River; thence Northwesterly along the bank of said River to a point where said River crosses the North line of the Northwest Quarter ( $NW\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) in said Section Five (5); thence West along said North line across said River to the West bank of said River; thence Southeasterly and Easterly along the West-erly bank of said River to a point where it intersects the East line of the Northwest Quarter ( $NW\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of said Section Five (5); thence North to the place of beginning.

(16) That part of the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Five (5), Township Eighty-Six (86) North, Range Seven (7), West of the Fifth P. M., described as follows: Beginning twenty-three (23) rods nine (9) feet South of the Northwest Corner of said Quarter Section; thence East six (6) rods; thence South seven and one-half ( $7\frac{1}{2}$ ) feet; thence East four (4) rods; thence South fourteen (14) rods; thence West to the West line of the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of said Section Five (5); thence North to the place of beginning.

(17) The South seventy-five (75) feet of Lot Six (6) in Block Three (3) in Wellington Heights Addition to the City of Cedar Rapids, subject, however, to restrictions relating to the character, use and location of buildings to be erected on said premises contained in the (a) warranty deed from Higley Land Company of Linn County, Iowa, to John A. Reed, dated April 11, 1912, recorded April 15, 1912, in Book 345, Page 471, conveying the South seventy-five (75) feet of Lot Six (6) aforesaid, except the West thirty-two (32) feet thereof, and (b) in the warranty deed from Higley Land Company of Linn County, Iowa, to Julia A. Sopousek, dated April 19, 1910, recorded April 22,

1910, in Book 325, page 502, conveying the West thirty-two (32) feet of the South seventy-five (75) feet of said Lot Six (6).

MARSHALL COUNTY.

(1) The South One-Third ( $S\frac{1}{3}$ ) of Lot Seven (7) and the North Two-Thirds ( $N\frac{2}{3}$ ) of Lot Eight (8) in Block Two (2) in Anson's Second Addition to the Town of Marshall.

(2) The West Two-Thirds ( $W\frac{2}{3}$ ) of Lot Three (3) in Block Fourteen (14) in the original town of Marshall.

TAMA COUNTY.

(1) Lot Four (4) in Block Five (5) in Blair's Addition to the town of Chelsea, a Subdivision in the Northeast Quarter ( $NE\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Eighteen (18), Township Eighty-two (82) North, Range Thirteen (13), West of the Fifth Principal Meridian.

(2) All that part of the North Three-quarters ( $N\frac{3}{4}$ ) of the Northwest Quarter ( $NW\frac{1}{4}$ ) of the Northeast Quarter ( $NE\frac{1}{4}$ ) of Section Twenty-seven (27), Township Eighty-three (83) North, Range Fifteen (15), West of the Fifth Principal Meridian, lying East of McClelland Street in the Village of Tama, except that part thereof conveyed to Tama County for road purposes, described as follows: Commencing at the Northwest Corner of the Northeast Quarter ( $NE\frac{1}{4}$ ) of said Section Twenty-seven (27); thence East along the North line of said Section nine hundred sixty-eight and nine-tenths (968.9) feet; thence South five hundred sixty-eight and one-tenth (568.1) feet to the point of beginning; thence South eight (8) degrees East, sixty-six and five-tenths (66.5) feet; thence Southerly three hundred twenty and five-tenths (320.5) feet along a thirty-eight hundred fifty-five (3855) foot radius curve concave Westerly and having a central angle of four (4) degrees forty-six (46) minutes; thence North six (6) degrees two (2) minutes West, three hundred eighty-four and four-tenths (384.4) feet along the East line of McClelland Street to the place of beginning, containing twenty-five thousandths (.025) acres, more or less, subject, however, to the rights of Central Iowa Chatauqua Association under that certain lease dated May 25, 1915 and recorded September 13, 1919, in

Book 153, Page 372, for a period of five (5) years, from November 1, 1914, containing the privilege of renewing the same from year to year.

(3) Lots Three (3) to Six (6), both inclusive, in Block One (1) in Stone's Addition to Toledo, a Subdivision of part of the North sixty (60) acres of the East Half ( $E\frac{1}{2}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) of Section Fifteen (15), Township Eighty-three (83) North, Range Fifteen (15), West of the Fifth Principal Meridian, subject, however, to right of Tama and Toledo R. R. Co. under an unrecorded lease dated August 5, 1921, demising said Lot Six (6), for a period of twenty-five (25) years.

(4) That part of Lot One (1) in Block Six (6) in the Original Town of Toledo described as: Commencing at a point on the West line of Lot One (1) in Block Six (6) aforesaid, eighty (80) feet South of the Northwest Corner thereof; thence South on the West line of said Lot, forty-six (46) feet four (4) inches; thence East seventy-five (75) feet to the East line of said Lot One (1); thence North along the said East line forty-seven (47) feet; thence West twenty-five (25) feet; thence South eight (8) inches; thence West fifty (50) feet to the place of beginning, said premises being situated in the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Fifteen (15), Township Eighty-three (83) North, Range Fifteen (15), West of the Fifth Principal Meridian; subject, however, to (a) restrictions contained in the warranty deed dated March 16, 1905, recorded March 17, 1905, in Book 140, Page 488, that grantee is not to erect a building of more than one story and for the use by grantor of part of the North wall of the building on said premises, (b) party walls, party wall rights and rights of adjoining owners along the North line and along the South line of said premises, and (c) easements of record affecting the Easterly portion of said premises, also easements for drainage and other purposes.

All the right, title and interest of the Company in and to all and singular the following described property situated in Cedar, Greene, Iowa, Jones, Linn and Tama Counties:

**CEDAR COUNTY.**

(1) The Easterly three hundred (300) feet of Government Lot Two (2) in Section Twenty (20), Township



Eighty (80) North, Range Three (3), West of the Fifth Principal Meridian in Center Township.

(2) A part of Lot Two (2) in Block Thirty-four (34) in the town of Cameron, now West Branch, described as follows: Commencing at a point one hundred thirty-two (132) feet East of the Northwest Corner of said Lot Two (2); running thence South fifty-four (54) feet; thence East one hundred thirty-two (132) feet to First Street in said town; thence North along said First Street fifty-four (54) feet to the North line of said Lot Two (2); thence West along said North line one hundred thirty-two (132) feet to the place of beginning.

#### GREENE COUNTY.

Lot Five (5) in Block Fifty-Two (52) in Central Grand Junction.

#### IOWA COUNTY.

The West Half ( $W\frac{1}{2}$ ) of that part of Clinton Avenue now vacated, lying between Blocks "C" and "D" in Durant's Addition to the City of Marengo in the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Twenty-Five (25), Township Eighty-One (81) North, Range Eleven (11), West of the Fifth Principal Meridian.

#### JONES COUNTY.

(1) Lot One (1) of Government Lot Five (5) in Section Thirty-Three (33), Township Eighty-Four (84) North, Range Three (3), West of the Fifth Principal Meridian, being all of said Government Lot Five (5) lying North of the public highway and South of the Wapsipinicon River (excepting one (1) acre reserved on the West side of said Government Lot Five (5)), and containing six and sixty-one hundredths (6.61) acres, more or less.

(2) The following described tract in said Section Thirty-Three (33), to wit: Beginning at a point two hundred twenty-five (225) feet West of the center of the highway at the North end of the wagon bridge over the Wapsipinicon River; thence running West along the water's edge in said river, at normal stage, fifty (50) feet; thence Easterly parallel with the water's edge in said river at normal stage one hundred (100) feet; thence South to place of beginning; together with a per-

petual right of way from the said highway, at the North end of said bridge to the said tract of land fifty (50) by one hundred (100) feet as above described.

LINN COUNTY.

(1) The Southeasterly seventy (70) feet of Lot One (1) Block Thirty-Six (36) in the Original Town (now City) of Cedar Rapids, more particularly described as follows: beginning at the Southerly corner of said Lot being at the point of intersection of the Northeasterly line of Fifth Street (formerly Madison) and the Northwesterly line of the alley in said Block, thence Northwesterly along said Northeasterly line of Fifth Street seventy (70) feet, thence Northeasterly at right angles and parallel with said Northwesterly line of the alley sixty (60) feet to a point in the Northeasterly line of said Lot, which is seventy (70) feet Northwesterly of the Easterly corner of said Lot, thence Southeasterly along said Northeasterly line of said Lot, seventy (70) feet to the Easterly corner thereof (being a point in the Northwesterly line of said alley), thence Southwesterly along said Northwesterly line of the alley sixty (60) feet to the place of beginning.

(2) That part of Lot Two (2), Auditor's Plat No. 54, Cedar Rapids, described as follows: Beginning at a point on the Southwesterly line of North 16th Street where the same intersects the Southeasterly boundary line of Auditor's Plat No. 54; thence in a Southwesterly direction along the Southeasterly boundary line of said Lot Two (2) five hundred seventy-two and eight-tenths (572.8) feet, more or less, to the West boundary line of said Auditor's Plat; thence North along the Westerly line of said Auditor's Plat to a point fifteen (15) feet from the Southeasterly line of said Auditor's Plat measured at right angles from said Southeasterly line; thence in a Northeasterly direction fifteen (15) feet from and parallel to the Southeasterly line of said Auditor's Plat to a point of intersection with the Southwesterly line of said North 16th Street; thence Southeasterly along the Southwesterly line of North 16th Street to the place of beginning; but subject, however, to the following restrictions, namely, that it is to be used for a railroad track only; that it is not at any time to be used

for a storage track; that there are to be no buildings erected thereon; and that The Corno Mills Company shall have free and ready access across said parcel of land and across such track or tracks as may be laid thereon; and subject to the further condition that should The Corno Mills Company, as owner of Lot One (1), said Auditor's Plat, be required to lay a sidewalk along the South side of "H" Avenue by reason of the ownership of said Lot, that the cost is to be borne equally by the Company and The Corno Mills Company.

(3) A strip of land one hundred (100) feet in width across the Northwest Quarter (NW $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) and across the Northeast Quarter (NE $\frac{1}{4}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Eleven (11) Township Eighty-Three (83) North, Range Seven (7) West of the Fifth Principal Meridian, said strip of land being fifty (50) feet in width on either side of the center line of a railway constructed and operated by the Dubuque & Southwestern Railway Company until discontinued and abandoned at or about the close of the year 1888.

(4) Lot Three (3) in Auditor's Plat No. 104, in Cedar Rapids.

(5) That part of the Southeast Quarter (SE $\frac{1}{4}$ ) of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Northeast Quarter (NE $\frac{1}{4}$ ) of Section Ten (10), Township Eighty-Six North, Range Six (6) West of the Fifth Principal Meridian described as commencing at a point ninety-seven and one-half (97 $\frac{1}{2}$ ) feet East of the Northeast corner of Lot One (1) in Block Nine (9) in the Town of Coggon, as per recorded plat of said Town, thence running South one hundred eighty-six and ninety-nine hundredths (186.99) feet, thence East seventy (70) feet, thence North one hundred eighty-six and ninety-nine hundredths (186.99) feet, thence West seventy (70) feet to the place of beginning.

(6) Lots Sixty-Four (64), Sixty-Five (65) and One Hundred Six (106) in the Original Town of Lisbon.

(7) Lots One (1), Two (2), and Fifteen (15) of Auditors' Plat No. One (1) in Lisbon.

(8) That part of the Northeast Quarter (NE $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Five (5), Township Eighty-six (86) North, Range Seven (7), West of the Fifth P. M., described as: Commencing ten (10) rods East of the Northwest Corner of said Quarter

Section and at a point on the North bank of the Wapsipinicon River; thence running East thirty-one and one-half ( $31\frac{1}{2}$ ) rods; thence South to the middle of said River; thence West thirty-one and one-half ( $31\frac{1}{2}$ ) rods; thence North to the place of beginning.

(9) A tract of land described as commencing at the Southwest corner of the East ten (10) acres of the Southwest Quarter ( $SW\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Fourteen (14) Township Eighty-Three (83) North, Range Seven (7) West of the Fifth Principal Meridian; thence North along the Westerly boundary line of said ten (10) acre tract three hundred sixty-nine (369) feet; thence East and parallel with the South boundary line of said ten (10) acre tract three hundred thirty (330) feet; thence South along the Easterly boundary line of said ten (10) acre tract to the Southeast corner thereof three hundred sixty-nine (369) feet; thence West three hundred thirty (330) feet to the place of beginning.

(10) That part of Lot Five (5) in Block Thirteen (13) in Original Town of Mt. Vernon and of the Southeast Quarter ( $SE\frac{1}{4}$ ) of the Southwest Quarter ( $SW\frac{1}{4}$ ) and of the Northwest Quarter ( $NW\frac{1}{4}$ ) of the Southeast Quarter ( $SE\frac{1}{4}$ ) of Section Ten (10), Township Eighty-Two (82) North, Range Five (5), West of the Fifth P. M., described as: Commencing at the most Westerly corner of said Lot Five (5) on the Northeasterly line of First Street; and thence Northeasterly along the Northwesterly line of said Lot and the Southerly line of the alley through said Block to the Northeasterly corner thereof and the Southwesterly line of Second Street; thence Southeasterly along the Southwesterly line of Second Street ninety (90) feet; thence Southwesterly on a line parallel to and ninety (90) feet from the Northwesterly line of said Lot, to the point of intersection with the North and South center line of said Section Ten (10); thence South on said center line to the Northeasterly line of First Street; thence Northwesterly on the Northeasterly line of First Street, to the place of beginning.

(11) A strip of land one hundred (100) feet wide, more or less, beginning at the North line of Sinclair Avenue, in the City of Cedar Rapids, in Section Fourteen (14), Township Eighty-Three (83) North, Range Seven (7), West of the Fifth P. M., and running thence Northeasterly and East through the South Quarter

(S $\frac{1}{4}$ ) of said Section to the East line thereof; and also across the North Half (N $\frac{1}{2}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Ten (10) and the North Half (N $\frac{1}{2}$ ) of the Southwest Quarter (SW $\frac{1}{4}$ ) of Section Eleven (11), both in Township Eighty-Two (82) North, Range Five (5), West of the Fifth P. M.

**TAMA COUNTY.**

All that part of the following tract lying West of the West bank of Indian Creek, a part of the Northwest Quarter (NW $\frac{1}{4}$ ) of the Southeast Quarter (SE $\frac{1}{4}$ ) of Section Twenty-one (21), Township Eighty-Three (83) North, Range Sixteen (16), West of the Fifth Principal Meridian, described as: Commencing four hundred thirty-eight (438) feet North and three hundred forty-five (345) feet West of the Southeast Corner of said Northwest Quarter (NW $\frac{1}{4}$ ); thence North on the line of A. B. Taplin's land sixty (60) feet; thence West to the center of the Marengo and Fort Dodge State Road; thence Southeasterly along said road a sufficient distance to make sixty (60) feet South; thence East to the place of beginning.

**Clause B**

Without in any way limiting anything hereinbefore or hereinafter described, all and singular the lands, real estate, chattels real, interests in land, leaseholds, ways, rights-of-way, easements, servitudes, permits and licenses, franchises, privileges, power sites, street lighting systems and standards and other equipment appertaining thereto, telephone systems and all apparatus and equipment appertaining thereto, radio and television systems and all apparatus and equipment appertaining thereto, air conditioning systems and all apparatus and equipment appertaining thereto, ice and refrigeration plants and all apparatus and equipment appertaining thereto, plants for the generation of electricity and all apparatus and equipment appertaining thereto, plants for the manufacture of gas and all apparatus and equipment appertaining thereto, plants for the generation and manufacture of steam and hot water and all apparatus and equipment appertaining

thereto, lines for the transmission and distribution of electric current and all apparatus and equipment appertaining thereto, systems for the distribution of gas and all apparatus and equipment appertaining thereto, systems for the distribution of steam and hot water for any purpose and all apparatus and equipment appertaining thereto, railway systems, cars, car barns, railway rolling stock, trolleys, street cars, trolley coaches, engines, freight cars, lines, wires, cables, tracks, roadbeds, offices, buildings and other structures, machine shops, tools, materials and supplies and all property of any nature appertaining to any of the plants, systems, business or operations of the Company, whether or not affixed to the realty, used in the operation of any of the premises or plants or systems or otherwise, which are now owned or which may hereafter be owned or acquired by the Company other than Excepted Property as hereinafter defined.

#### Clause C

All corporate, Federal, State, municipal and other permits, consents, licenses, bridge licenses, bridge rights, river permits, franchises, including those hereinbefore described, grants, privileges and immunities of every kind and description, now belonging to or which may hereafter be owned, held, possessed or enjoyed by the Company (other than Excepted Property) and all renewals, extensions, enlargements and modifications of any of them.

#### Clause D

Also all other property, real, personal or mixed, tangible or intangible (other than Excepted Property as hereinafter defined) of every kind, character and description and where-soever situate, whether useful in the generating, manufacture, transmission, distribution or sale of electricity, or in the transportation, distribution or sale of natural gas, or in the manufacture, transportation, distribution or sale of manufac-

tured gas, or the operation of steam and/or hot water plants and systems, or the operation of railway systems, or otherwise, now owned or which may hereafter be acquired by the Company, it being the intention hereof that all property, rights and franchises acquired by the Company after the date hereof (other than Excepted Property as hereinafter defined) shall be as fully embraced within and subjected to the lien hereof as if such property were now owned by the Company and were specifically described herein and conveyed hereby.

**Clause E**

Together with all and singular the plants, buildings, improvements, additions, tenements, hereditaments, easements, rights, privileges, licenses and franchises and all other appurtenances whatsoever belonging or in any wise appertaining to any of the property hereby mortgaged or pledged, or intended so to be, or any part thereof, and the reversion and reversions, remainder and remainders, and the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and of every part and parcel thereof, and all the estate, right, title, interest, property, claim and demand of every nature whatsoever of the Company at law, in equity or otherwise howsoever, in, of and to such property and every part and parcel thereof.

**Clause F**

Also any and all property, real, personal or mixed, including Excepted Property, that may, from time to time hereafter, by delivery or by writing of any kind, for the purposes hereof be in any wise subjected to the lien hereof or be expressly conveyed, mortgaged, assigned, transferred, deposited and/or pledged by the Company or by anyone in its behalf or with its consent, to and with the Trustee, who is hereby authorized to receive the same at any and all times as and for additional security and also, when and as hereinafter provided, as substituted security hereunder, to the extent per-

mitted by law. Such conveyance, mortgage, assignment, transfer, deposit and/or pledge or other creation of lien by the Company or by anyone in its behalf or with its consent of or upon any property as and for additional security may be made subject to any reservations, limitations, conditions and provisions which shall be set forth in an instrument or agreement in writing executed by the Company or the person or corporation conveying, assigning, mortgaging, transferring, depositing and/or pledging the same and/or by the Trustee, respecting the use, management and disposition of the property so conveyed, assigned, mortgaged, transferred, deposited and/or pledged, or the proceeds thereof.

#### EXCEPTED PROPERTY

There is, however, expressly excepted and excluded from the lien and operation of this Indenture the following described property of the Company, herein sometimes referred to as "Excepted Property":

A. All cash on hand and in bank, all contracts, all shares of stock, bonds, notes, evidences of indebtedness and other securities; and bills, notes and accounts receivable acquired in the ordinary course of business; —other than any of the foregoing which are specifically by the express provisions of this Indenture subjected or required to be subjected to the lien hereof.

B. Goods, wares, materials, merchandise and supplies purchased or acquired for the purpose of sale in the ordinary course of business; and fuel and similar personal property which are consumable in their use in the operation of the plants or systems of the Company.

C. Automobiles, buses, trucks and similar vehicles, other than railway rolling stock.

The Company may, however, pursuant to the provisions of *Granting Clause F* above, subject to the lien and operation of this Indenture all or any part of the Excepted Property.



TO HAVE AND TO HOLD the Trust Estate and all and singular the lands, properties, estates, rights, franchises, privileges and appurtenances hereby mortgaged, conveyed, pledged or assigned, or intended so to be, together with all the appurtenances thereunto appertaining, unto the Trustee and its successors and assigns, forever;

*Subject, however, to the reservations, exceptions, limitations and restrictions contained in the several deeds, leases, servitudes, contracts or other instruments through which the Company acquired and/or claims title to and/or enjoys the use of the aforesaid properties; and subject also to such servitudes, easements, rights and privileges in, over, on and/or through said properties as have been granted by the Company to other persons prior to the date of this Indenture; and subject also to the lien of the Existing Mortgage (as defined in Section 71), until such lien is discharged in accordance with the covenants of the Company contained in Section 71; and subject also to Permitted Encumbrances (as defined in Section 24) and, as to any property hereafter acquired by the Company, to any liens thereon existing, and to any liens for unpaid portions of the purchase money placed thereon, at the time of such acquisition, but only to the extent that such liens are permitted by Sections 72 and 83;*

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate use, benefit, security and protection of those who from time to time shall hold the Bonds and coupons authenticated and delivered hereunder and duly issued by the Company, without any discrimination, preference or priority of any one Bond or coupon over any other by reason of priority in the time of issue, sale or negotiation thereof or otherwise, except as provided in Section 69, so that, subject to said provisions, each and all of said Bonds and coupons shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby (except as any sinking, amortization, improvement, renewal or other fund, established in accordance with the provisions of this Indenture, may afford addi-

tional security for the Bonds of any particular series), and shall have the same proportionate interest and share in the Trust Estate, with the same effect as if all of the Bonds and coupons had been issued, sold and negotiated simultaneously on the date of the delivery hereof; and in trust for enforcing payment of the principal of the Bonds and of the interest thereon, according to the tenor, purport and effect of the Bonds and coupons and of this Indenture, and for enforcing the terms, provisions, covenants and stipulations herein and in the Bonds set forth;

UPON CONDITION that, until the happening of a Default (as defined in *Section 105*), the Company shall be suffered and permitted to possess, use and enjoy the Trust Estate, except money, securities and other personal property pledged or deposited with or required to be pledged or deposited with the Trustee hereunder, and to receive and use the rents, issues, income, revenues, earnings and profits therefrom;

AND UPON THE TRUSTS, USES AND PURPOSES and subject to the covenants, agreements and conditions hereinafter set forth and declared.

## ARTICLE ONE

### CERTAIN DEFINITIONS; AND EFFECT OF INSTRUMENTS FILED WITH TRUSTEE

**Section 1. General Terms.** In these presents, for all purposes of this Indenture, unless the context otherwise requires:

A. "*Company*" shall mean and include not only Iowa Electric Light and Power Company, the party of the first part hereto, but also any successor corporation which shall become such in the manner prescribed in *Article Sixteen*.

B. "*Trustee*" shall mean the Trustee under this Indenture for the time being, including not only The First National Bank of Chicago, the party of the second part hereto, but also any successor Trustee which or

who shall become such in the manner described in *Section 148, 152 or 155.*

C. "*Resolution of the Board*" shall mean a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company under its corporate seal to have been duly adopted by the Board of Directors of the Company, at a meeting thereof duly called and held and at which a quorum was present, and to be still in full force and effect.

D. "*Written Order of the Company*", "*Written Request of the Company*" and "*Written Consent of the Company*" shall mean, respectively, a written order, request or consent signed in the name of the Company by the President or a Vice President and by the Treasurer or an Assistant Treasurer of the Company. "*Certificate of the Company*" shall mean a written certificate signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer of the Company, wherein the persons signing shall certify to the correctness of the statements therein contained. Every such certificate furnished pursuant to any provision hereof shall include the statements required by *Paragraph Q* of this Section.

E. "*Opinion of Counsel*" shall mean a written opinion of counsel selected by the Company, who may be counsel for the Company, and who shall be acceptable to the Trustee. Every such opinion furnished pursuant to any provision hereof shall include the statements required by *Paragraph Q* of this Section.

F. "*Bond*", "*Bondholder*" and "*holder*" shall include the plural as well as the singular number, and *vice versa*, unless otherwise expressly indicated, and "*Bondholder*" and "*holder*" shall include both the bearer of a Bond not registered as to principal and the registered owner of a Bond registered as to principal;

and "*registered owner*" shall include not only the person in whose name any Bond shall be registered as to principal, but also the executors, administrators or other legal representatives of such person.

G. The words "*Bonds outstanding under this Indenture*" or "*Bonds outstanding hereunder*", or words of similar import, shall mean, as of any particular time, all Bonds theretofore authenticated and delivered hereunder and not canceled by the Trustee at or before such time, *excepting, however*, Bonds for whose payment, redemption or other retirement sufficient cash shall be irrevocably deposited in trust with the Trustee at or prior to such time, and *excepting also*, Bonds in lieu of which other Bonds have been authenticated and delivered as provided in *Section 1A*; *provided, however*, that 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 for the purpose of determining whether the holders of the required percentage of the principal amount of Bonds have concurred in giving any direction, consent, demand, request, waiver, vote or notice provided for herein, *except that*, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent, demand, request, waiver, vote or notice, only Bonds which the Trustee knows are so owned shall be so disregarded. Bonds so owned which have been pledged in good faith shall not be disregarded as aforesaid if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is neither the Company nor a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company. In case of a dispute as to such right, any decision by the Trustee, based upon an Opinion of Counsel,

shall, subject to *Sections 137 and 138*, be full protection to the Trustee. The word "*amount*", when used with relation to the amount of any bonds or obligations, shall mean the principal amount of such bonds or obligations.

H. "*Affiliate of the Company*" shall mean and include (1) any person (as defined in *Paragraph I* of this Section) directly or indirectly owning 25% or more of any class of issued and outstanding capital stock of the Company, (2) any corporation 25% or more of any class of issued and outstanding capital stock of which shall be owned by the Company directly or indirectly, and (3) any corporation 25% or more of any class of issued and outstanding capital stock of which shall be owned directly or indirectly by any person of the character described in *Clause (1)* of this Paragraph. For the purpose of the foregoing definition, "*ownership*" shall be deemed to include any vested or contingent legal or equitable interest in such capital stock other than the interest of a pledgee therein.

I. The term "*corporation*" shall also include voluntary associations, joint stock companies and other similar organizations. The term "*person*" means an individual, a corporation, a partnership or a government or political subdivision thereof.

J. The term "*Independent*", when applied to any accountant, engineer, appraiser or other expert, shall mean such a person who (a) is in fact independent; (b) does not have any substantial interest, direct or indirect, in the Company or in any other obligor upon the Bonds issued hereunder or in any person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the Company or any such other obligor; and (c) is not connected with the Company or any other obligor upon the Bonds issued hereunder or any person directly or indirectly controlling, or controlled by, or under direct or indirect common control with, the Company or any such

other obligor, as an officer, employee, promoter, underwriter, trustee, partner, director, or person performing similar functions.

K. "*Default*" shall mean one of the events described in *Section 105*.

L. Wherever in this Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee or other person cash sufficient to pay or redeem any bonds, obligations or other indebtedness, the amount of cash so to be deposited or held shall be the principal amount of such bonds, obligations or other indebtedness and all unpaid interest thereon to maturity, unless said bonds, obligations or other indebtedness are redeemable and are to be redeemed prior to maturity and there shall be furnished to the Trustee proof satisfactory to it that notice of such redemption on a specified redemption date has been duly given or provision satisfactory to the Trustee shall be made for such notice, in which case the amount of cash so to be deposited or held shall be the principal amount of such bonds, obligations or indebtedness and interest thereon to the redemption date, together with the redemption premium, if any.

M. All references herein to "*Articles*", "*Sections*" and other subdivisions are to the corresponding Articles, Sections or other subdivisions of this Indenture; and the words "*herein*", "*hereof*", "*hereby*", "*hereunder*", "*hereinbefore*" and "*hereinafter*" and other words of similar purport refer to this Indenture and not to any particular Article, Section or other subdivision hereof.

N. An "*application*" for the authentication and delivery of Bonds, or the release of property, or the withdrawal of cash, under any Article of this Indenture, shall consist of, and shall not be deemed complete until the Trustee shall have been furnished with, such resolutions, certificates, opinions, cash, Bonds and other instruments as are required by such Article to establish

the right of the Company to the authentication and delivery of such Bonds, or to such release or to such withdrawal, as the case may be, and the date of such application shall be deemed to be the date upon which such application shall be so completed.

O. Whenever, in connection with any application to the Trustee under this Indenture, or to meet the requirements of *Section 74* or *Section 100*, the Company shall file with the Trustee a Property Additions Certificate or a Retirements Certificate or a Summary Certificate and Computation, the Property Additions, Additions Credits, Retirements, Retirement Credits and other matters set forth in said certificates are sometimes herein referred to as having been "*certified*", and, if the purpose of such application shall have been accomplished, said Property Additions and/or Additions Credits are sometimes herein referred to as having been "*made the basis*" for the purpose accomplished by such application, and (subject to the provisions of *Paragraph N* of *Section 24*) as having been "*used*" for such purpose or to meet the requirements of *Section 74* or *Section 100*.

P. The term "*Responsible Officers*" of any trustee hereunder shall mean and include the chairman of the board of directors, the president, every vice president, every assistant vice president, the secretary, every assistant secretary, the treasurer, every trust officer, and every officer and assistant officer of such trustee, other than those specifically above mentioned, to whom any corporate trust matter is referred because of his knowledge of, and familiarity with, a particular subject; and the term "*Responsible Officer*" shall mean and include any of said officers.

Q. Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:—(1) A statement that the person or persons making such certificate or opinion have read such covenant or condition; (2) a brief state-

ment 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; (3) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

R. "*Railway Subsidiary*" shall mean any corporation which shall, pursuant to the provisions of *Section 43*, acquire from the Company all or any part of the Transportation Property of the Company, so long as any shares of capital stock of such corporation shall be owned by the Company.

Definitions of other words and terms used principally in connection with the provisions of this Indenture governing the authentication and delivery of additional Bonds upon the basis of Property Additions, the release of property and the withdrawal of cash appear in *Section 24*.

**Section 2.** Wherever in this Indenture, in connection with any application or certificate or report to the Trustee hereunder, it is provided that the Company shall deliver certificates, opinions, reports and/or other documents as a condition of the granting of such application, or as evidence of the Company's compliance with any condition or covenant herein contained, it is intended that the truth and accuracy, at the time of the granting of such application or at the effective date of such certificate or report (as the case may be), of the facts and opinions stated in such documents shall in each and every such case be conditions precedent to the right of the Company to have such application granted or to the effectiveness of such certificate or report. Nevertheless, upon any such application, certificate or report, the documents required by any of the provisions of this Indenture



to be delivered to the Trustee as a condition of the granting of such application, or as evidence of such compliance, may, subject to *Sections 137* and *138*, be received by the Trustee as conclusive evidence of any statement therein contained, and shall, subject as aforesaid, be full warrant, authority and protection to the Trustee acting on the faith thereof. Before granting any such application, or accepting such evidence of compliance, the Trustee in its discretion may make any further inquiry or investigation into the truth and accuracy of the matters evidenced by any such document as to it may seem proper. If the Trustee shall determine to make such further inquiry or investigation, it 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 aforesaid, it shall be under no obligation to grant the application or to accept such evidence of compliance. The reasonable expenses of every such inquiry or investigation 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 6% per annum, and, until such repayment, shall be secured under this Indenture in priority to the Bonds and coupons.

## ARTICLE TWO

### THE BONDS

**Section 3.** The aggregate principal amount of Bonds which may be authenticated and delivered and outstanding under this Indenture is not limited, except as hereinafter in *Articles Three, Four, Five* and *Six* provided. The power of the Company to issue Bonds hereunder may be exercised from time to time whenever Bonds may be authenticated and delivered in accordance with *Article Three, Four, Five* or *Six*; and this Indenture shall be and constitute a continuing lien to secure the full and final payment of the principal of and interest on all Bonds which may, from time to time, be executed, authenticated and delivered hereunder, and issued by the Company.

**Section 4.** The Bonds issuable under this Indenture shall be issued in series as from time to time shall be authorized by the Board of Directors of the Company; and may be issued either as coupon Bonds or as registered Bonds without coupons.

**Section 5.** The Bonds of all series shall be known and entitled generally as the "First Mortgage Bonds" of the Company. With respect to the Bonds of any particular series, the Company may incorporate in the general title of such Bonds the rate of interest borne by the Bonds of such series, the maturity date and/or any other words or figures descriptive thereof or of the security therefor or distinctive or definitive of such series, as the Board of Directors of the Company may determine.

**Section 6.** The Bonds of each series (other than the Bonds of Series A, which are described and specifically provided for in *Section 15*) shall bear such date or dates, shall be payable at such place or places, shall mature on such date, shall bear interest at such rate payable in such instalments and on such dates, and may be redeemable before maturity at such price or prices and upon such terms and conditions, as shall be fixed and determined as aforesaid by the Board of Directors of the Company, and as shall be appropriately expressed in the Bonds of such series. The Company may, at the time of the creation of any particular series of Bonds (other than Bonds of Series A) or at any time thereafter, make, and the Bonds of such series may contain:

A. Provision for the payment of the principal of and/or the interest on the Bonds of such series without deduction for specified taxes, assessments or other governmental charges; and/or

B. Provision for refunding or reimbursing to the holders of the Bonds of such series, specified taxes, assessments or other governmental charges, but the obligation of the Company to refund or reimburse any

such taxes, assessments or other governmental charges shall not be deemed to be a part of the indebtedness secured by this Indenture; and/or

C. Provision for the exchange or conversion of the Bonds of such series for or into new Bonds issuable hereunder of a different series and/or shares of stock of the Company and/or other securities; and/or

D. Provision for a sinking, amortization, improvement, renewal or other analogous fund; and/or

E. Provision limiting the aggregate principal amount of the Bonds of such series;

all to such extent, at such times and upon such terms and conditions as the Board of Directors of the Company may determine and fix. All Bonds of the same series shall be identical as to date of maturity, rate of interest, and terms of redemption if redeemable.

Each series of Bonds (except the Bonds of Series A) shall be created by an indenture supplemental hereto authorized by a Resolution of the Board delivered to the Trustee.

The Bonds of each series and the coupons to be attached to the coupon Bonds shall be substantially of the forms hereinbefore recited, with such omissions, variations and insertions as are permitted by this Indenture, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon, as may be required to comply with the rules of any securities exchange or to conform to any usage in respect thereof, or as may, consistently herewith, be prescribed by the Board of Directors of the Company. The form of the Bonds of each series (except the Bonds of Series A) issued hereunder shall be established by the indenture supplemental hereto creating such series as hereinabove provided.

**Section 7.** The Bonds of each series shall be issued in such denominations (not less than \$1,000) as the Board of Directors of the Company may determine (except that Bonds of

Series A shall be issued in the denominations provided for in *Section 15*). They shall be numbered or otherwise distinguished in such manner or in accordance with such plan as the officers executing such Bonds may determine, such determination by said officers to be evidenced by their signing the Bonds. Whenever a registered Bond without coupons shall be issued, there shall be reserved in respect of the issuance thereof the number or numbers of a coupon Bond or Bonds not then outstanding of the denomination of \$1,000 of the same series, of an aggregate principal amount equal to the principal amount of such registered Bond without coupons; and such registered Bond without coupons shall bear such legend with respect to such reserved numbers as may be required to comply with the rules of any securities exchange or to conform to any usage in respect thereof.

Registered Bonds without coupons shall bear interest from, and shall be dated as of, the interest date next preceding the date on which the same shall be authenticated by the Trustee, or, if such date of authentication shall be an interest date, such Bonds shall bear interest from, and shall be dated as of, such interest date, or, if such date of authentication shall be a date prior to the first interest payment date for Bonds of the series being authenticated, such Bonds shall bear interest from, and shall be dated as of, the commencement of the first interest period for such series; *provided, however*, that, if at the time of authentication of any registered Bond without coupons, of any series, interest is in default on outstanding Bonds of such series, such Bond shall bear interest from, and shall be dated as of, the interest date for such series to which interest has previously been paid or made available for payment on outstanding Bonds of such series.

**Section 8.** If and to the extent that the Company, by Resolution of the Board, delivered to the Trustee or by an indenture supplemental hereto authorized by like resolution, shall so determine, either at the time of the creation of any series of Bonds or at any time thereafter,

(a) Bonds of such series may, at the option of the holders thereof, and upon the surrender thereof to the Trustee or otherwise as therein provided, be exchanged for Bonds of the same series, of the same aggregate principal amount, but of a different authorized denomination or denominations,

(b) coupon Bonds of such series may, at the option of the holders thereof, and upon the surrender thereof to the Trustee or otherwise as therein provided, be exchanged for registered Bonds without coupons of the same series, of the same aggregate principal amount, and of the same or of a different authorized denomination or denominations, and

(c) registered Bonds without coupons of such series may, at the option of the registered owners thereof or otherwise as therein provided, and upon the surrender thereof to the Trustee, be exchanged for coupon Bonds of the same series, of the same aggregate principal amount, and of the same or of a different authorized denomination or denominations.

All coupon Bonds so surrendered and all coupon Bonds delivered upon any such exchange shall be accompanied by all unmatured coupons, if any, appertaining thereto as well as all matured coupons thereto appertaining and representing interest not paid or made available for payment on the Bonds so surrendered. All registered Bonds without coupons surrendered for exchange shall be accompanied by a written instrument of transfer, in form approved by the Company, executed by the registered owner in person or by attorney authorized in writing. All Bonds and coupons so surrendered shall be forthwith canceled by the Trustee and thereafter all coupon Bonds so canceled together with the coupons appurtenant thereto shall be cremated. All Bonds executed, authenticated and delivered in exchange for Bonds so surrendered shall be the valid obligations of the Company, evidencing the same debt as the Bonds surrendered, and shall be secured by the lien of this Indenture and entitled to all of the benefits and

protection hereof to the same extent as the Bonds in exchange for which they shall be executed, authenticated and delivered.

**Section 9.** From time to time the Bonds issuable hereunder shall be executed on behalf of the Company by its President or a Vice President, under its corporate seal attested by its Secretary or an Assistant Secretary, or by such other form of execution as may be prescribed by a Resolution of the Board delivered to the Trustee. The corporate seal of the Company may be affixed to any Bond by printing, engraving, lithographing, stamping or otherwise making, placing or affixing upon such Bond, by any process whatsoever, any impression, facsimile or other representation of said corporate seal. In case any officer of the Company who shall have signed or sealed any Bond shall cease to be such officer of the Company before the Bond so signed or sealed shall have been actually authenticated and delivered by the Trustee, such Bond, nevertheless, may be authenticated and delivered and issued as though the person who had signed or sealed such Bond had not ceased to be an officer of the Company; and also any Bond may be signed and sealed on behalf of the Company by such person as at the actual date of the execution of such Bond shall be the proper officer of the Company, although at the date of such Bond such person shall not have been an officer of the Company. The coupons to be attached to the coupon Bonds shall be authenticated by the facsimile signature of the present or any future Treasurer of the Company, and the Company may adopt and use for that purpose the facsimile signature of any person who shall have been such Treasurer, notwithstanding the fact that he may not have been such Treasurer at the date of such Bond or that he may have ceased to be such Treasurer at the time when such Bond shall be actually authenticated and delivered.

**Section 10.** The Bonds when executed shall be delivered to the Trustee for authentication by it; and the Trustee shall authenticate and deliver said Bonds as in this Indenture pro-

vided and not otherwise. Only such Bonds as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee, shall be secured by this Indenture or be entitled to any lien, right or benefit hereunder. No Bond and no coupon thereunto appertaining shall be or become valid or obligatory for any purpose until such certificate of authentication shall have been duly executed on such Bond; and such authentication by the Trustee upon any Bond shall be conclusive evidence and the only evidence that the Bond so authenticated has been duly issued hereunder. Before authenticating and delivering any Bond, the Trustee shall, except as otherwise provided in *Section 14*, detach and cancel all coupons thereto appertaining then matured representing instalments of interest on such Bond which shall have been paid or for which payment shall have been provided, and such coupons shall thereafter be cremated by the Trustee.

**Section 11.** Pending the preparation of definitive Bonds of any series (other than Series A, as to which specific provision is made in *Section 15*), the Company may execute, and the Trustee shall authenticate and deliver, in lieu of such definitive Bonds and subject to the same provisions, limitations and conditions, one or more temporary printed, lithographed or typewritten Bonds, of any authorized denomination specified in the Written Order of the Company for the authentication and delivery thereof, substantially of the tenor of the Bonds to be issued as hereinbefore recited with or without coupons, or with one or more coupons, and with such omissions, insertions and variations as the officers executing such Bonds may determine. The Company shall without unreasonable delay, at its own expense, prepare, execute and deliver to the Trustee, and thereupon, upon the surrender of temporary Bonds, the Trustee shall authenticate and deliver in exchange therefor definitive Bonds of the same series and for the same principal amount in the aggregate as the temporary Bonds surrendered. Definitive Bonds may be in the form of fully engraved Bonds or printed or lithographed

Bonds on steel engraved borders. All temporary Bonds so surrendered, whether in exchange for definitive Bonds or for other temporary Bonds, shall be forthwith canceled by the Trustee and thereafter cremated. Until exchanged for definitive Bonds, each of the temporary Bonds shall in all respects be entitled to the lien and security of this Indenture, and interest thereon, when and as payable, shall be paid to the bearer of such Bond upon presentation thereof for notation of such payment thereon, unless such temporary Bond shall be a fully registered Bond or shall bear a coupon for such interest.

**Section 12.** The Company shall keep or cause to be kept at the office of the Trustee hereunder (and, in the case of the Bonds of Series A, at an office or agency to be maintained by the Company in the Borough of Manhattan, The City of New York), books for the registration and transfer of Bonds issued hereunder, which shall at all times be open to inspection by the Trustee; and, upon presentation for such purpose, the Company shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred therein any of the Bonds issued hereunder and entitled to be so registered or transferred.

The holder of any coupon Bond may have the ownership thereof registered on said books, and such registration shall be noted on the Bond by the Registrar. After such registration, no transfer shall be valid unless made on said books by the registered owner in person, or by attorney authorized in writing, and similarly noted on the Bond; but such Bond may be discharged from registration by being in like manner transferred to bearer, and thereupon transferability by delivery shall be restored, but such Bond may again and from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, and every such coupon shall continue to be transferable by delivery merely, and shall remain payable to bearer, and payment thereof to bearer shall fully discharge



the Company in respect of the interest therein mentioned, whether or not the Bond be registered as to principal.

Whenever the registered owner of any registered Bond without coupons shall surrender the same to the Company for transfer at said office or agency, together with a written instrument of transfer in form approved by the Company executed by such registered owner in person, or by attorney authorized in writing, the Company shall execute, and the Trustee shall authenticate, and it or the Company shall deliver in exchange therefor, a new registered Bond or Bonds without coupons, of the same series, for the same aggregate principal amount. All Bonds so surrendered shall be forthwith canceled by the Trustee and thereafter delivered to the Company.

Similar books may also be kept at such other place or places as the Board of Directors of the Company may determine for the registration and transfer of the Bonds of any particular series, open in like manner to inspection by the Trustee, in which the Bonds of such series may be registered and transferred as in this Section provided; and such other place or places may (but need not) be appropriately recited in the Bonds of such series.

In lieu of inspecting any books for the registration and transfer of Bonds which shall not at the time be kept at the office of the Trustee, the Trustee shall be entitled to accept and conclusively rely upon a certificate of the agent or officer stated in such certificate to be in charge of such books as to the facts and matters therein appearing, including the names and addresses of the owners of Bonds registered therein and the amounts, numbers and series of such Bonds.

The Company and the Trustee may deem and treat the bearer of any coupon Bond or of any temporary Bond with or without coupons, which shall not at the time be registered in the name of the owner thereof as hereinbefore provided, and the holder of any coupon for interest appertaining to any temporary or definitive Bond, whether or not such Bond shall be registered, as the absolute owner of such Bond or coupon,

as the case may be, for the purpose of receiving payment of such Bond or coupon or on account thereof and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

The Company and the Trustee may deem and treat the person in whose name any registered Bond, temporary or definitive, without coupons shall be registered upon the books of the Company as hereinbefore provided as the absolute owner of such Bond for the purpose of receiving payment of or on account of the principal of and interest on such Bond and for all other purposes, and they may deem and treat the person in whose name any coupon Bond, temporary or definitive, shall be registered as to principal as the absolute owner thereof for the purpose of receiving payment of or on account of the principal thereof and for all other purposes, except receiving payment of interest represented by outstanding coupons; and all such payments so made to any such registered owner or upon his order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

Neither the Company nor the Trustee shall be bound to recognize any person as the holder of a Bond outstanding hereunder unless and until his Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

**Section 13.** For any exchange of Bonds for Bonds of another denomination, or of coupon Bonds for registered Bonds without coupons, or of registered Bonds without coupons for coupon Bonds, or for any transfer of any registered Bond without coupons, the Company at its option may (subject to the provisions of *Section 15* with respect to Bonds of Series A) require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge incident thereto and, in addition thereto, a further sum not exceeding \$2 for each new Bond, if any, issued upon such

exchange or transfer. No charge except for taxes or governmental charges shall be made against the holder for the registration or transfer of coupon Bonds.

**Section 14.** In case any Bond, with the coupons, if any, belonging thereto, shall be mutilated, lost, stolen or destroyed, then, upon the production of such mutilated Bond, or upon the receipt of evidence satisfactory to the Company and the Trustee of the loss, theft or destruction of such Bond and its coupons, if any, and of the ownership and authenticity thereof, and upon receipt also of indemnity satisfactory to each of them, the Company in its discretion may execute, and thereupon the Trustee shall authenticate and deliver, a new Bond and coupons in exchange for, and upon cancelation of, the mutilated Bond and its coupons, or in lieu of the Bond and its coupons so lost, stolen or destroyed, or, if any such mutilated, lost, stolen or destroyed Bond and coupons shall have matured or be about to mature, instead of issuing a substituted Bond and coupons the Company, with the consent of the Trustee, may pay the same, without surrender thereof, in the case of any such lost, stolen or destroyed Bond and coupons. Any new Bond or coupon issued under this Section in lieu of any Bond or coupon alleged to have been lost, stolen or destroyed shall constitute an additional original contractual obligation of the Company, whether or not the Bond or coupon alleged to have been lost, stolen or destroyed be at any time enforceable by anyone; and such new Bond or coupon shall be entitled to the benefits of this Indenture equally and ratably with all other Bonds and coupons issued hereunder (subject to the provisions of *Section 69*), and any such indemnity so given shall likewise be ratably applicable to the payment of all the Bonds and coupons. The Company and the Trustee, in their discretion, may place upon any such new Bond a distinguishing mark or a legend to comply with the rules of any securities exchange or to conform to any usage with respect thereto, but such mark or legend shall in no wise affect the validity of such new Bond. The Company

may at its option require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge, and any expenses incurred by the Company or the Trustee in connection with the issuance of any such new Bond, and also a further sum not exceeding \$2 for each such new Bond.

### ARTICLE THREE

#### BONDS OF SERIES A

**Section 15.** There shall be an initial series of Bonds, known as and entitled "First Mortgage Bonds, Series A, 3½%" (herein referred to as the "Bonds of Series A"), and the form thereof (to be prescribed by the officers executing the same) shall contain suitable provisions with respect to the matters hereinafter in this Section specified and shall in other respects be substantially as hereinabove set forth.

The principal amount of the Bonds of Series A shall be limited to \$12,600,000. The Bonds of Series A shall be coupon Bonds of the denomination of \$1,000 and registered Bonds without coupons of the denominations of \$1,000 and any multiple of \$1,000, and of such respective amounts of each of said kinds and denominations as may be executed by the Company and delivered to the Trustee for authentication and delivery. The coupon Bonds of Series A shall be dated August 1, 1940, which date shall be the date of the commencement of the first interest period for all Bonds of Series A, and the registered Bonds of Series A without coupons shall be dated as provided in *Section 7*. All Bonds of Series A shall mature August 1, 1965, and shall bear interest at the rate of 3½% per annum from their respective dates until the principal thereof shall have become due and payable, such interest to be payable semi-annually on the first day of February and August in each year, the first interest payment date being February 1, 1941. Both the principal of and the interest on the Bonds of Series A 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 trust office of The Chase National Bank of the

City of New York, in the Borough of Manhattan, 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 A shall be subject to redemption at the option of the Company as provided in *Article Eleven* and shall be entitled to the benefits of, and subject to redemption through the operation of, a Sinking Fund as provided in *Article Twelve*.

The definitive Bonds of Series A may be issued in the form of engraved Bonds or Bonds printed or lithographed on steel engraved borders; the Company will cause engraved Bonds to be prepared with all convenient speed at any time upon and after demand of any holder of Bonds of Series A printed or lithographed on steel engraved borders, if such engraved Bonds are not then available; such engraved Bonds to be in such authorized denominations, and in coupon or registered form or partly in one and partly in the other of such forms, as may be specified in such demand; and after preparation of engraved Bonds as aforesaid and upon surrender for exchange of any such Bond printed or lithographed on steel engraved border, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor an engraved Bond or Bonds of Series A for the same aggregate principal amount as the Bond so surrendered, all without charge to the holder. Subject to the foregoing provisions of this paragraph and to the provisions of *Section 13*, all definitive Bonds of Series A shall be fully interchangeable for other Bonds of Series A, and, upon surrender to the Trustee at its principal office or, at the option of the holder, at the principal trust office of The Chase National Bank of the City of New York, in the Borough of Manhattan, The City of New York, shall be exchangeable for other Bonds of Series A of a different kind and/or denomination or denominations, as requested by the holder surrendering the same. The Company shall execute, and the Trustee shall authenticate and deliver, coupon Bonds and/or registered Bonds without coupons, whenever the same shall be required for any such exchange.

The Trustee is hereby appointed Registrar of the Bonds of Series A for the purpose of registering and transferring Bonds of Series A as herein provided. Bonds of Series A may also be registered and transferred at the principal trust office of The Chase National Bank of the City of New York, in the Borough of Manhattan, The City of New York, which Bank is hereby authorized to act as co-Registrar of Bonds of Series A in The City of New York.

**Section 16.** Bonds of Series A for the aggregate principal amount of **Twelve million six hundred thousand Dollars (\$12,600,000)** may forthwith, upon the execution and delivery of this Indenture, or from time to time thereafter, be executed by the Company and delivered to the Trustee, and shall thereupon be authenticated and delivered by the Trustee upon the Written Order of the Company, without awaiting the recordation, registration or filing of this Indenture.

#### ARTICLE FOUR

##### AUTHENTICATION AND DELIVERY OF BONDS UPON THE BASIS OF PROPERTY ADDITIONS

**Section 24.** The terms hereinbelow in this Section mentioned shall, for all purposes of this Indenture, unless the context shall otherwise require, be taken to have the meanings hereinafter set forth.

A. "*Property Additions*" shall be taken to mean and comprise only physical property of a permanent nature (including in this term permanent physical betterments, improvements and additions of, upon and to the property of the Company, and equipment and appliances installed as a part of the fixed property of the Company), located in the State of Iowa and purchased, constructed or otherwise acquired by the Company subsequent to December 31, 1939, and used or useful in the business (hereinafter referred to as the "Public Utility Business") (i) of generating, purchasing, producing, manu-

facturing, transmitting, distributing and/or supplying electricity, and/or (ii) of manufacturing, purchasing, transmitting, distributing and/or supplying artificial or natural gas, and/or (iii) of generating, manufacturing, purchasing, transmitting, distributing and/or supplying steam and/or hot water (all such property of the character so described, whether now owned or hereafter acquired, being hereinafter sometimes called "*Public Utility Property*"), and the term "Property Additions" shall include

(1) property of the character above described acquired by the Company by merger or consolidation as well as property purchased or constructed by the Company;

(2) new plants and systems of the character above described;

(3) permanent improvements, betterments and additions of the character above described in process of construction or partially completed construction work, so far as actually constructed or erected; and

(4) property of the character above described acquired to replace an item of property whose retirement has been credited to plant account.

If the Company shall, as provided in *Article Sixteen*, consolidate with or merge into or convey all or substantially all of the Trust Estate (or all or substantially all of the Trust Estate other than Transportation Property) as an entirety to any other corporation, and such successor corporation shall execute a supplemental indenture of the character described in *Paragraph A of Section 134*, all property of the character herein described as Property Additions and owned by such successor corporation at the time of such consolidation, merger or conveyance, or acquired by it by such consolidation, merger or conveyance (excluding Bonded Property acquired from the Company), shall be deemed to be Property Additions acquired by such successor corporation at the date upon which it became such successor corporation. The

term "Property Additions" shall *not* be deemed to include (but the following specification of particular excluded property shall not, by implication or construction, be deemed to limit the required qualifications for Property Additions contained in the foregoing definition) and no Bonds shall be authenticated and delivered under this Article upon the basis of the acquisition or construction of

(5) any property acquired or constructed by the Company prior to January 1, 1940; or

(6) any item of property acquired or constructed to replace a similar item of property whose retirement has not been credited to plant account; or any property whose cost has been charged, or is properly chargeable, to repairs or maintenance or other operating expense account, or whose cost has not been charged, or is not properly chargeable, to plant or plant addition account; or

(7) any property used or useful primarily in the business (hereinafter sometimes called the "*Transportation Business*") of transporting persons or property for hire, including all cars, car barns, shops, buildings, motor coaches, trolleys, street cars, trolley coaches, engines, freight cars, lines, wires, cables, tracks, road bed and fixtures and all franchises, permits, ordinances, easements, rights-of-way, licenses and consents, in each case used primarily in connection with such business and including all industrial sites and facilities acquired for the purpose of furthering such business (all such property of the character described in this *Sub-paragraph (7)*, whether now owned or hereafter acquired, being hereinafter sometimes called "*Transportation Property*"); or

(8) any natural gas wells or natural gas leases or any property used or intended for use in the drilling for or production of natural gas or in the transmission of natural or artificial gas up to the point of connection with any distribution system owned by the Company, except that Property Additions may be deemed



to include any gas transmission system or systems used for the transmission of natural or artificial gas between any gas distribution systems owned by the Company; or

(9) any Excepted Property; or

(10) any leased plant or system or any betterments, extensions, improvements or additions of, upon or to any leased plant or system.

B. The "*amount*" of any Property Additions shall mean the Cost to the Company or the Fair Value at the time of determination (whichever is less) of such Property Additions. The "*Cost*" to the Company of Property Additions shall be taken to mean the sum of (1) the amount of cash expenditures made or agreed to be made by the Company therefor, (2) the ledger value in accordance with sound accounting practice, at the time of installation, of all materials and supplies (whether or not acquired prior to January 1, 1940) of the Company (not included in the preceding *Clause (1)*) which have been installed as a part of such Property Additions, including all salvaged or reclaimed property so installed which shall have been included in any Property Retirements then or theretofore certified to the Trustee in a Retirements Certificate under any provision hereof, whether or not such salvaged or reclaimed property shall upon such retirement have been transferred to materials and supplies account, (3) the Fair Value in cash (as of the date of delivery) of any securities delivered as consideration for such Property Additions, and (4) the aggregate of the amounts expended or agreed to be expended (excluding any amounts expended or to be expended in respect of interest or premium) by the Company to procure the satisfaction or discharge of any indebtedness secured by a Prior Lien upon such Property Additions outstanding or created at the time of the acquisition thereof or to cause the mortgage or other lien securing such indebtedness to become a Prepaid Lien, as defined in *Paragraph D* of this Section. The Cost to the Company of

any new plant or system may be deemed to include the Cost to the Company of any franchises, rights and intangible property simultaneously acquired with the same, for which no separate or distinct consideration shall have been paid or apportioned. The Cost to the Company of any property, part of which constitutes Property Additions, and part does not, and all of which is acquired for a single consideration, shall in all cases be properly allocated in the Property Additions Certificate filed with the Trustee pursuant to *Paragraph B of Section 25*. In determining the "Fair Value" of any new plant or system, consideration shall be given only to the value, in place, of the physical property acquired, including therein such elements of value as are inherent in such property by reason of the present and prospective use of such property but without inclusion therein of any separable intangible values. In the case of Property Additions subject to a Prior Lien or Liens, the Fair Value of such additions shall be determined as if such additions were free of such lien or liens. In the case of Property Additions consisting of property owned by a successor corporation immediately prior to the time it shall have become such by consolidation, merger or conveyance as provided in *Article Sixteen*, the Cost to the Company shall be the ledger value thereof on the books of such successor corporation, less applicable reserves for depreciation, retirements and/or depletion immediately prior to such consolidation, merger or conveyance.

C. "*Prior Lien*" shall mean and include any mortgage or other lien (except Permitted Encumbrances) prior to the lien of this Indenture upon property hereafter acquired by the Company, existing on said property and/or placed thereon to secure unpaid portions of the purchase price, at the time of such acquisition. "*Prior Lien Obligations*" shall mean any bonds or indebtedness and/or evidences of indebtedness secured by a Prior Lien. The term "*outstanding*", as of any particular time when used with reference to Prior Lien Obligations, shall mean all obligations secured by a Prior

Lien, *except* obligations for whose payment or redemption sufficient cash shall have been irrevocably deposited in trust with the Trustee hereunder or with the trustee or other holder of such Prior Lien.

D. "*Prepaid Lien*" shall mean and include any mortgage or other lien prior to the lien of this Indenture in respect of which cash sufficient to pay or redeem all indebtedness secured thereby shall be held in trust for such purpose by the Trustee hereunder or by the trustee or other holder of such mortgage or other lien, including the lien of any judgment rendered, or claim filed, against the Company which the Company shall be contesting in good faith and in respect of which there shall have been deposited with the Trustee hereunder cash in an amount sufficient to pay such judgment or claim or a surety bond, satisfactory to the Trustee, in an amount sufficient for such payment, or, as regards any such judgment, if a supersedeas bond, in an amount sufficient to pay such judgment, and with surety satisfactory to the Trustee, shall have been duly posted by the Company.

E. "*Permitted Encumbrances*" shall mean as of any particular time any of the following:

(1) Liens for taxes, assessments, or governmental charges for the then current year and taxes, assessments or governmental charges not then due and delinquent;

(2) Liens for taxes, assessments or governmental charges already due, but whose validity is being contested at the time by the Company in good faith as provided in *Section 72*;

(3) Undetermined liens and charges incidental to construction or current operation which have not at such time been filed pursuant to law against the Company;

(4) Liens, securing obligations neither assumed by the Company nor on account of which it customarily pays interest, existing, either at the date hereof, or, as

to property hereafter acquired, at the time of acquisition by the Company, upon real estate or rights in or relating to real estate acquired by the Company for substation, transmission line, distribution line or right-of-way purposes;

(5) Rights granted or created by the Company under the provisions of *Paragraph E* of *Section 40*.

F. "*Gross Bondable Additions*" shall mean the amount of certified Property Additions which have not previously become Bonded Property (as defined in *Paragraph K* of this Section) and which are not subject to any lien, charge or encumbrance prior to the lien of this Indenture, except Prepaid Liens and Permitted Encumbrances, and except easements and similar encumbrances which do not materially impair the use of such property in the operation of the business of the Company.

G. "*Retirements*" shall mean (a) all Bonded Property (other than Transportation Property) which, since December 31, 1939 (or prior thereto, as regards any of such Bonded Property, other than Transportation Property, owned by the Company on December 31, 1939), shall have been worn out, abandoned or destroyed, or released from the lien of this Indenture or taken by eminent domain, or purchased by any public authority pursuant to the right reserved to or vested in it by any license or franchise, or otherwise disposed of by the Company, or permanently retired from service for any reason, whether or not renewed or replaced, and (b) all Bonded Property (other than Transportation Property), which at the time has permanently ceased to be used or useful in the Public Utility Business of the Company, and whether or not the cost of any such property mentioned in the foregoing *Clauses (a)* or *(b)* shall have been written off or eliminated from the books of the Company, *except* that, when a minor item of property has been replaced by other property of substantially equal value and efficiency and the cost of such replacement has been charged to maintenance, repairs or other

operating expense account, the property replaced shall not be considered as a Retirement. The "amount" of all Retirements shall be computed as follows:

(1) As to property owned by the Company on December 31, 1939, the book value on that date (estimated, if necessary, as to particular property) of such property without deducting therefrom applicable reserves for depreciation and/or retirements as of that date, but not including that portion, if any, of the amount carried as of December 31, 1939 in the Company's intangible property account which may be allocated to the particular property being retired;

(2) As to Property Additions, the Cost to the Company or the Fair Value thereof (whichever is less), as certified to the Trustee at the time said Property Additions became Bonded Property, estimated, if necessary, as to particular property, or, if no such certification shall have been required hereunder, then the Cost of such Property Additions.

II. "Retirement Credits" shall mean the following credits which may be applied against the Retirements at any time certified to the Trustee in a Retirements Certificate under any provision hereof:

(1) The cash and the principal amount of any purchase money obligations, if any, deposited with the Trustee to obtain the release of, or representing the proceeds of the taking by eminent domain or of the purchase by a public authority or of any other disposition of, or of insurance on, any property included in the Retirements then so certified;

(2) The amount of all Property Additions, if any, used to obtain the release of any property included in the Retirements then so certified;

(3) The amount of all Property Additions and/or of any Additions Credit, if any, used to meet the requirements of Section 74, but not previously certified as a Retirement Credit;

(4) The principal amount of all Bonds, if any, whose acquisition or retirement has previously been used to meet the requirements of *Section 74*, but not previously certified as a Retirement Credit;

(5) The cash, if any, previously deposited with the Trustee to meet the requirements of *Section 74*, but not previously certified as a Retirement Credit; and

(6) The excess credit, if any, carried forward from a previous Retirements Certificate, as provided in the following *Paragraph I*.

I. "*Net Retirements*" as of any particular date shall mean the amount of all Retirements up to that date not previously certified to the Trustee in a Retirements Certificate filed under any provision hereof, less the aggregate amount of all Retirement Credits applicable to such Retirements. If in any case the aggregate amount of applicable Retirement Credits exceeds the amount of Retirements shown in any such Retirements Certificate, the amount of Net Retirements for the purpose of such certificate shall be deemed to be zero, but such excess may be carried forward and used as a Retirement Credit in a future Retirements Certificate.

J. "*Net Bondable Additions*" shall mean the amount of Gross Bondable Additions, plus the amount of any then unused Additions Credit (as said term is defined in *Paragraph N* of this Section), which the Company is entitled and elects to use, minus the amount of any Fair Value Deficiency (as said term is defined in *Clause 13* of *Paragraph B* of *Section 25*) and minus the amount of Net Retirements.

K. "*Bonded Property*" shall mean and include:

(1) All property (other than Excepted Property) owned by the Company on December 31, 1939, except materials and supplies owned by the Company on said date; *provided, however*, that salvaged or reclaimed property which shall have been a part of any present or future Bonded Property retired by the Company

subsequent to December 31, 1939 shall, from and after the date of its retirement, be deemed to be Unbonded Property for all purposes hereof;

(2) All Property Additions which have been made the basis for the authentication and delivery of Bonds or the release of any Bonded Property from the lien of this Indenture or the withdrawal of any Bonded Cash from the Trustee (or the withdrawal of any Unbonded Cash under *Section 50*, unless such withdrawal is made solely on the basis of specifically identified Property Additions), whether or not the entire amount of such Property Additions shall have been "used" for such purpose within the meaning of *Paragraph N* of this Section;

(3) All purchase money obligations and all securities delivered or required to be delivered to the Trustee to obtain the release of any Bonded Property from the lien of this Indenture, or constituting all or any part of the proceeds of any Bonded Property taken by eminent domain or purchased by a public authority or otherwise disposed of;

(4) All shares of stock and evidences of indebtedness of any Railway Subsidiary delivered or required to be delivered to the Trustee pursuant to *Section 43* or *Article Nine*;

(5) All Property Additions previously certified to the Trustee to meet the requirements of *Section 74* or to meet the requirements of *Section 100*; and

(6) All Property Additions previously certified to the Trustee to meet the requirements of any sinking, amortization, improvement, renewal or other analogous fund, if any, which may hereafter be created as provided in *Section 6*, but only if, and to the extent that, the supplemental indenture or other instrument creating such fund shall preclude the certification of such Property Additions as a basis for the authentication and delivery of Bonds under this Article; and

(7) All Property Additions certified to the Trustee for the purpose of establishing an Additions Credit, as permitted by *Paragraph N* of this Section.

L. "*Unbonded Property*" shall mean and include all property of the Company, other than Bonded Property and Excepted Property. Property Additions which have been made the basis for the release from the lien of this Indenture of *only* Unbonded Property, or the withdrawal of *only* Unbonded Cash (otherwise than under *Section 50*, unless such withdrawal of Unbonded Cash under *Section 50* is made solely on the basis of specifically identified Property Additions) from the Trustee or from the trustee or other holder of a Prior Lien shall not thereby become Bonded Property and such Property Additions may, subject to compliance with the other provisions of this Indenture, thereafter be certified to obtain the authentication and delivery of Bonds under this Article or to obtain the withdrawal of Deposited Cash under *Section 31* or to meet the requirements of *Section 74* or *Section 100*. Similarly, when any Additions Credit has been certified to the Trustee as a basis for the withdrawal of *only* Unbonded Cash from the Trustee, if all of the particular Property Additions forming the basis of such Additions Credit, or forming the basis of such portion thereof as is then being used, are specifically identified and if no part of any item of such Property Additions so specifically identified has theretofore (either directly or through the prior certification of a portion of such Additions Credit) been made the basis for the authentication and delivery of Bonds under this Article or the withdrawal of any Bonded Cash from the Trustee under *Section 31* or *Article Eight* or used to meet the requirements of *Section 74* or *Section 100*, then such Additions Credit, or said portion thereof, may, subject to compliance with the other provisions of this Indenture, thereafter be certified to obtain the authentication and delivery of Bonds under this Article or to obtain the withdrawal of



Deposited Cash under *Section 31* or to meet the requirements of *Section 74* or *Section 100*.

M. "*Bonded Cash*" shall mean and include:

(1) Cash deposited with the Trustee under *Section 29* or *74*;

(2) Cash (including the proceeds of purchase money obligations and of securities) deposited or required to be deposited with the Trustee to obtain the release of, or representing the proceeds of the taking by eminent domain or of the purchase by a public authority or of any other disposition of, or of insurance on, any Bonded Property, or representing the proceeds of, or payments on account of, any shares of stock or evidences of indebtedness constituting Bonded Property;

(3) Cash held by the Trustee in the Sinking Fund provided for in *Article Twelve*; and

(4) Cash held by the Trustee in any sinking, amortization, improvement, renewal or other analogous fund, if any, which may hereafter be created as provided in *Section 6*, but only to the extent that the supplemental indenture or other instrument creating such fund provides that such cash shall be Bonded Cash.

Cash, other than Bonded Cash, held by the Trustee or by the trustee or other holder of a Prior Lien is sometimes herein referred to as "*Unbonded Cash*". Bonds which have been made the basis for the withdrawal of *only* Unbonded Cash from the Trustee may, subject to compliance with the other provisions of this Indenture, thereafter be certified to obtain the authentication and delivery of Bonds under *Article Six* or to obtain the withdrawal of Deposited Cash under *Section 31* or to meet the requirements of *Section 74* or *Section 100*.

N. "*Additions Credit*".

(1) If and whenever any Net Bondable Additions shall have been certified to the Trustee and been made the basis for the authentication and delivery of Bonds

under this Article or the withdrawal of Deposited Cash under *Article Five* or the withdrawal of Trust Moneys under *Section 50* or shall have been so certified in lieu of the surrender of Bonds to meet the requirements of *Section 100*, and the amount of such Net Bondable Additions is in excess of the amount so required for such purpose by this Article or by *Article Five* or by *Section 50* or *Section 100*, as the case may be, then such Net Bondable Additions shall be deemed to have been "used" only up to an amount equal to 142 6/7% of the aggregate principal amount of the Bonds so authenticated and delivered under this Article or of the Deposited Cash so withdrawn under *Article Five* or of the principal amount of Bonds in lieu of which such certification was made under *Section 100*, or 100% of the amount of the Trust Moneys so withdrawn under *Section 50*, as the case may be; or

(2) If and whenever any Gross Bondable Additions shall have been certified to the Trustee to meet the requirements of *Section 74*, or to obtain the release of any Bonded Property under *Article Seven*, or the withdrawal of any Bonded Cash under *Section 49*, and the amount of such Gross Bondable Additions is in excess of the amount so required for such purpose by *Section 74* or *Article Seven* or *Section 49*, as the case may be, then such Gross Bondable Additions shall be deemed to have been "used" only up to the amount then required to be certified to meet the requirements of *Section 74* or to obtain such release of Bonded Property or such withdrawal of Bonded Cash, as the case may be;

and, in any such case, the excess shall be deemed to constitute an "Additions Credit".

The Company also shall have the right, at any time and from time to time, to establish an "Additions Credit" by delivering to the Trustee the Certificates, Opinions and Other Instruments which would be required to be delivered to the Trustee in lieu of cash pursuant to *Sub-paragraph (1)* of *Paragraph B* of *Section 74*, except that the Property Addi-

tions Certificate mentioned in *Clause (a)* of said *Sub-paragraph (1)* shall not include any Additions Credit, and except that the Summary Certificate mentioned in *Clause (c)* of said *Sub-paragraph (1)* shall show only Gross Bondable Additions and shall not show any unused Additions Credit.

Any Additions Credit established as provided in this *Paragraph N* shall be available, at the election of the Company as provided in *Clause (12)* of *Paragraph B* of *Section 25*, upon any subsequent application or certification, as a basis for the authentication and delivery of Bonds under this Article or the withdrawal of Deposited Cash under *Article Five* or the withdrawal of Trust Moneys under *Article Eight* or to meet the requirements of *Section 74* or *Section 100*; provided, however, that no such Additions Credit shall be available upon any such subsequent application or certification for any purpose under this Indenture unless certified to the Trustee, in connection with such subsequent application or certification, within five years from the date of the certificate hereunder which originally created such Additions Credit.

For the purpose of facilitating the subsequent identification of any Property Additions (including the identification of particular Property Additions forming the basis of any Additions Credit) at any time included (whether directly or through the certification of an Additions Credit) in any application to the Trustee under this Indenture or in any certification to meet the requirements of *Section 74* or *Section 100*, the Company may, in connection with any such application or certification, whenever a Property Additions Certificate, Independent Engineer's Certificate, Independent Appraiser's Certificate or a Retirements Certificate is required by any provision hereof to be delivered to the Trustee, deliver simultaneously to the Trustee two or more such certificates of the same character and bearing identical dates, but which, in the case of any such Property Additions Certificates, Independent Engineer's Certificates and/or Independent Appraiser's Certificates so simultaneously delivered, shall cover different items

of Property Additions or different amounts of unused Additions Credits, and, in the case of one of such Retirements Certificates so simultaneously delivered, shall include all Retirements to the date thereof and shall be expressly related to one or more of said Property Additions Certificates which in the aggregate include Property Additions and/or unused Additions Credits in an amount at least equal to the amount of the Net Retirements shown by said Retirements Certificate, and, in the case of all other such Retirements Certificates so simultaneously delivered, shall not include any Retirements but shall merely refer to the Retirements Certificate simultaneously delivered therewith which does include Retirements; *provided, however,* that, for the purpose of determining the necessity of filing an Independent Engineer's Certificate pursuant to *Paragraph C of Section 25* and for all other purposes hereunder other than for the purpose of identifying particular Property Additions, all of such simultaneously delivered certificates of the same character shall be deemed to constitute one single certificate of such character and all references herein to a particular certificate of such character in connection with any such application or certification shall be deemed to refer to all of said simultaneously delivered certificates of the same character, with the same effect as though they constituted a single certificate; *provided further* that, without limiting the effect of *Clauses (1) and (2) of this Paragraph N*, the Property Additions and/or Additions Credits included in any one or more of such Property Additions Certificates to which a Retirements Certificate has been expressly related as above set forth shall in any event be deemed to have been "*used*" for the purpose for which such Property Additions Certificate or Certificates were delivered to the Trustee, in an amount equal to the amount of the Net Retirements shown by such Retirements Certificate.

O. The "*Net Earnings*" of the Company for any particular period shall be computed and ascertained, in accordance with sound accounting practice, by deducting from the total

of the gross operating revenues of the Company and the net non-operating revenues of the Company, the following:

(1) All operating expenses, including therein (but without limitation) reasonable and proper charges for current repairs and current maintenance of its systems and properties, rentals, license charges, taxes (other than taxes measured by income for the determination of liability in respect of which the amount payable by way of interest is a deductible item), and insurance; (the term "repairs" shall include all renewals and replacements which, in the ordinary practice of companies carrying on businesses similar to those of the Company, are not charged to reserves but are charged to current repairs or maintenance or other operating expense account);

(2) Interest charges upon all indebtedness, either of the Company or upon which the Company customarily pays interest, outstanding at the date of the Net Earnings Certificate referred to in *Paragraph F* of *Section 25*, *excepting, however*, the Interest Charges on the Secured Bonded Debt of the Company as defined in *Paragraph F* of *Section 25*, and *excepting also* the interest charges on any indebtedness for the payment, redemption or other retirement whereof sufficient cash shall at the time be deposited with the Trustee; and

(3) The greater of either (a) an amount equal to the charges made by the Company for depreciation and/or retirement reserves during the period for which the computation is being made in respect of all properties of the Company, or (b) an amount equal to the amount of the excess of 15% of the gross operating revenues of the Company, for the period for which the computation is being made, over the net amount expended by the Company during said period for maintenance and repairs of its systems and properties.

If any of the property of the Company shall have been owned by it during a part, but not during the whole, of any period for which said net earnings are to be computed, or shall have

been acquired by the Company after the expiration of said period, and shall be subject to the lien of this Indenture, the net earnings of such property during such part of such period as shall have preceded the acquisition thereof by the Company shall be treated as net earnings of the Company for the purposes of this Paragraph, but such net earnings shall be ascertained and computed by the methods hereinabove in this Paragraph prescribed. In case, within or after the particular period for which the computation is made, (i) the Company shall have obtained the release of any property, pursuant to the provisions of *Section 41*, of a Fair Value in excess of \$250,000 as shown by the Certificate of the Company provided for in *Paragraph B or C of Section 41*, or (ii) any property shall have been taken by the exercise of the power of eminent domain or purchased in the manner specified in *Section 42* and the award for any such taking or the proceeds of any such purchase shall have exceeded \$250,000, then and in any such case the net earnings, estimated if necessary, of such property for the whole of such period shall be excluded from net earnings of the Company for the purposes of this Paragraph. "*Net Operating Revenues from the Public Utility Property*" shall mean the net revenues derived from the operation of physical properties which are owned by the Company and are operated as an integral part of the Public Utility Business of the Company and which are subject to the lien of this Indenture, and shall not include any non-operating revenue or income from stocks, bonds or other securities.

P. "*Engineer*" shall mean an individual or a co-partnership or a corporation engaged in the engineering profession.

Q. "*Appraiser*" shall mean any corporation engaged in the business of appraising property or any qualified individual or co-partnership.

R. "*Accountant*" shall mean any individual who is a certified or public accountant or any firm or co-partnership of certified or public accountants.

**Section 25.** Additional Bonds, of any series other than Series A, may at any time and from time to time be executed by the Company and delivered to the Trustee, and thereupon the same shall, subject to the provisions of *Section 26*, be authenticated and delivered under this Article by the Trustee upon the Written Order of the Company upon receipt by and deposit with the Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting the authentication and delivery pursuant to the provisions of this Article of a specified principal amount of Bonds of a designated series.

B. A PROPERTY ADDITIONS CERTIFICATE of the Company dated not more than 60 days prior to the application for the authentication and delivery of such Bonds, and signed also (except as to *Clauses (4), (5) and (14)* of this Paragraph) by an Engineer selected by the Company, who may be in the employ of the Company, and who shall be approved by the Trustee, setting forth in substance as follows:

(1) That the Company has acquired, by purchase, construction or otherwise, Property Additions, and giving a brief description of such Property Additions and the principal subdivisions of plant or plant addition account to which the cost of such Property Additions has been charged.

(2) That no part of said Property Additions consists of Bonded Property or is included in any other application or certificate then pending with the Trustee by virtue whereof said Property Additions or any part thereof would become Bonded Property.

(3) Whether the Property Additions described in said certificate include any additional tract or parcel of real estate, and, if so, a separate description of such tract or parcel shall be included in the certificate.

(4) Whether the Property Additions described in said certificate, or any part thereof, were, at the time of their acquisition by the Company, subject to a Prior

Lien or Liens existing or placed thereon at such time, and, if so, such certificate shall also state:

(a) the nature and extent of each such Prior Lien and the principal amount of all indebtedness secured thereby at said time;

(b) that all such Prior Liens have, at or prior to the date of the certificate, become Prepaid Liens or that all indebtedness secured thereby has been satisfied or discharged; and

(c) the aggregate of the amounts expended (excluding any amounts expended in respect of interest or premium) by the Company to cause such Prior Liens to become Prepaid Liens or to procure the satisfaction and discharge of the indebtedness secured thereby.

(5) That there is no outstanding indebtedness of the Company, or known, after due inquiry, to the Company, for the purchase price or construction of, or for labor, wages or materials in connection with the construction of, such Property Additions, which could become the basis of a lien upon said Property Additions prior to the lien of this Indenture (other than a Prior Lien described as provided in the preceding *Clause (4)*), which, in the opinion of the signers of said certificate, might materially impair the security afforded thereby.

(6) Whether any part of the Property Additions described in said Certificate consists of property which, within six months prior to the date of acquisition thereof by the Company, has been used or operated by others than the Company in the Public Utility Business; and, if so, such part of said Property Additions shall be separately described, and if such part of said Property Additions shall be shown pursuant to *Clause (9)* of this Paragraph to have a Fair Value at least equal to the greater of \$25,000 or 1% of the aggregate principal amount of all Bonds at the time outstanding hereunder, then an Independent Engineer's Certificate shall be required under *Clause (1)* of Para-



*graph C* of this Section and it shall be requisite for the Company to comply with the provisions of *Clause (13)* of this Paragraph.

(7) Whether any part of the Property Additions described in said certificate was acquired from an Affiliate of the Company; and, if so, such Property Additions shall be separately described.

(8) Whether any part of the Property Additions described in said certificate was acquired by the Company for a consideration consisting, in whole or in part, of securities; and, if so, such Property Additions shall be separately described, and said securities shall also be described.

(9) The Cost to the Company of said Property Additions, and also the Fair Value thereof at the date of such certificate as appraised by said Engineer; and stating that said Cost and Fair Value have been computed and ascertained as required by *Paragraph B* of *Section 24*. If, by virtue of the provisions of the foregoing *Clauses (6), (7)* and/or *(8)* of this Paragraph, any of said Property Additions shall be separately described in said certificate, the Cost and Fair Value of such Property Additions shall be separately stated; and, in the case of Property Additions of the character described in *Clauses (6)* and/or *(7)* of this Paragraph, said Fair Value shall not exceed the Fair Value of such Property Additions as stated in the certificate filed with the Trustee pursuant to *Paragraph C* of this Section if such a certificate is required by the provisions of said *Paragraph C*; and in the case of Property Additions of the character described in *Clause (8)* of this Paragraph, the portion of the Cost thereof represented by securities shall not exceed the Fair Value of such securities as shown by the Independent Appraiser's Certificate filed with the Trustee pursuant to *Paragraph D* of this Section.

(10) That all the Property Additions described in said certificate are used or useful in the Public Utility Business of the Company and constitute Property Addi-

tions as said term is defined in *Section 24*; that no part of said Property Additions is property whose acquisition under the provisions of *Section 24* is not permitted to be made the basis of the authentication and delivery of Bonds under this Article.

(11) That none of said Property Additions are subject to any lien, charge or encumbrance prior to the lien of this Indenture, *except* the Prepaid Liens described pursuant to *Clause (4)* of this Paragraph, Permitted Encumbrances, and easements and similar encumbrances which, in the opinion of the signers of said certificate, do not materially impair the use of said Property Additions in the operation of the business of the Company.

(12) Whether there is any unused Additions Credit which the Company desires to use, in whole or in part, as a basis for the authentication and delivery of the Bonds then applied for, and if so,

(a) a statement of the entire amount of each such unused Additions Credit and of the amount of each thereof which the Company so desires to use; and

(b) a reference to each previous certificate hereunder which originally created each such Additions Credit, respectively, and stating that no such previous certificate was dated more than five years prior to the date of the certificate then being furnished, and a reference to the instances, if any, in which any part of any such Additions Credit has been previously used; and

(c) whether any such previous certificate included any Property Additions which within six months prior to the date of acquisition thereof by the Company had been used or operated by others than the Company in the Public Utility Business, and, if so, and if the Company, as stated in *Clause (a)* above, desires to use an aggregate amount of unused Additions Credits which is at least equal to the greater of \$25,000 or 1% of the aggregate principal amount of all Bonds outstanding hereunder,

then it shall be requisite for the Company to comply with the provisions of *Clause (13)* of this Paragraph; and

(d) that no part of any such Additions Credit, or of any portion of any thereof which the Company so desires to use, has ever previously been certified to the Trustee as a basis for the authentication and delivery of Bonds under this Article or the withdrawal of Deposited Cash under *Section 31* or the withdrawal of Trust Moneys under *Article Eight* or to meet the requirements of *Section 74* or *Section 100*; provided, however, that, if such certificate shall, as permitted by *Paragraph L* of *Section 24*, include any Additions Credit, or any portion of any Additions Credit, which shall previously have been certified to the Trustee as a basis for the withdrawal of only Unbonded Cash from the Trustee or from the trustee or other holder of a Prior Lien, such certificate shall, in respect of such Additions Credit or such portion thereof, specifically identify all of the particular Property Additions forming the basis of such Additions Credit, or forming the basis of such portion thereof as is then being used, and shall state (in lieu of the statements with respect to such Additions Credit, or such portion thereof, which would otherwise be required under this *Sub-paragraph (d)*) that no part of any item of such Property Additions so specifically identified has theretofore (either directly or through the prior certification of a portion of such Additions Credit) been made the basis for the authentication and delivery of Bonds under this Article or the withdrawal of any Bonded Cash from the Trustee under *Section 31* or *Article Eight* or used to meet the requirements of *Section 74* or *Section 100*.

*(If pursuant to the foregoing Clause (12) it is stated that the Company has and desires to use an unused Additions Credit, and the amount thereof is sufficient after deducting the Fair Value Deficiency (as defined in the following Clause (13)) and the Net Retirements, if*

*any, and making the other computations provided for in Paragraph G of this Section, to entitle the Company to the authentication and delivery of the Bonds applied for, the Property Additions Certificate need state only the matters required by Clauses (12), (13) (if applicable) and (14) of this Paragraph, and the Opinion of Counsel required by Paragraph I of this Section need not include the matters referred to in Clauses (2), (3) and (4) of said Paragraph I.)*

(13) If, but only if, it shall, pursuant to either Clause (6) or Clause (12)(c) of this Paragraph, become requisite for the Company to comply with the provisions of this Clause (13), then such Property Additions Certificate shall state whether any Property Additions previously certified in a Property Additions Certificate filed with the Trustee during the then current calendar year, as a basis for the authentication and delivery of Bonds or the withdrawal of cash from the Trustee or the release of property from the lien hereof, consist of property which, within six months prior to the respective dates of acquisition thereof by the Company, had been used or operated by others than the Company in the Public Utility Business but as to which a Certificate of an Independent Engineer has not previously been furnished to the Trustee; and, if so, such previously certified Property Additions shall be specified and a reference shall be made to the previous Property Additions Certificate or Certificates whereby such Property Additions were originally certified to the Trustee and there shall be stated the aggregate Fair Value of such Property Additions as shown by such previous Property Additions Certificates, and also the excess, if any, of such aggregate Fair Value over the aggregate Fair Value of such Property Additions as shown by the Independent Engineer's Certificate furnished pursuant to Clause (2) of Paragraph C of this Section (such excess being herein sometimes referred to as the "Fair Value Deficiency").

(14) That the Company is not in default in the performance of any of the covenants on its part to be performed under this Indenture.

C. AN INDEPENDENT ENGINEER'S CERTIFICATE, dated not more than 60 days prior to the application for the authentication and delivery of such Bonds, signed by an Independent Engineer selected by the Trustee and approved by a Resolution of the Board,

(1) stating the Fair Value, in the opinion of the signer, at the date of said Independent Engineer's Certificate, of such part, if any, of such Property Additions as shall have been separately described pursuant to *Clause (6)* of the foregoing *Paragraph B*, if, but only if, an Independent Engineer's Certificate shall be required under this *Clause (1)* by virtue of the provisions of said *Clause (6)*; and

(2) stating the Fair Value, in the opinion of the signer, of all previously certified Property Additions, if any, which shall have been specified in said Property Additions Certificate pursuant to *Clause (13)* of the preceding *Paragraph B*, such Fair Value to be stated as of the dates of the respective Property Additions Certificates whereby such previously certified Property Additions were originally certified to the Trustee; and

(3) stating the Fair Value, in the opinion of the signer, at the date of said Independent Engineer's Certificate, of such part, if any, of such Property Additions as shall be shown by said Property Additions Certificate to have been acquired from an Affiliate of the Company, if such part of said Property Additions shall be shown by said Property Additions Certificate to have had a Cost to the Company in excess of \$100,000, and if the Fair Value thereof shall not have been required to be stated under *Clause (1)* of this *Paragraph C*.

No Independent Engineer's Certificate shall be required to be furnished pursuant to this *Paragraph C* unless necessary to

comply with the requirements of one or more of *Clauses (1), (2) and (3)* of this *Paragraph C*.

D. In case any part of such Property Additions is shown by said Property Additions Certificate to have been acquired by the Company for a consideration consisting, in whole or in part, of securities, a CERTIFICATE signed by an Independent Appraiser selected by the Trustee and approved by a Resolution of the Board, stating, in the opinion of the signer, the Fair Value of such securities at the time of the delivery thereof as consideration for the acquisition of such part of such Property Additions.

E. A RETIREMENTS CERTIFICATE of the Company dated not more than 60 days prior to the application for the authentication and delivery of such Bonds and signed also by an Engineer selected by the Company and approved by the Trustee, who may be in the employ of the Company, setting forth:

(1) The aggregate amount of all Retirements up to the date of said certificate which have not been included in a previous Retirements Certificate filed with the Trustee pursuant to this Section or *Section 31 or 50 or 100*, and stating that the amount of such Retirements has been computed as required by *Paragraph G* of *Section 24*;

(2) A brief description of such Retirements and the principal subdivisions of plant or capital account to which such Retirements have been or will be credited; and

(3) The amounts (stated separately according to the categories specified in *Paragraph II* of *Section 24*) of all Retirement Credits which, as provided in said *Paragraph H*, may be applied against such Retirements, and stating such Retirement Credits have been computed as required by said *Paragraph H*.

F. A NET EARNINGS CERTIFICATE of the Company dated not more than 60 days prior to the application for the authen-

tication and delivery of such Bonds (and unless one or more of the officers of the Company signing such certificate, as required by *Paragraph D of Section 1*, shall be an accounting officer, such certificate shall be signed also by an accounting officer of the Company), and setting forth:

(1) The amount of the Net Earnings of the Company, for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the calendar month in which the application for the authentication and delivery of the Bonds is made, and stating separately the gross operating and net non-operating revenues and the operating expenses of the Company and other deductions from such operating and net non-operating revenues, pursuant to *Paragraph O of Section 24*, with the principal subdivisions thereof.

(2) The aggregate amount of the annual "Interest Charges on the Secured Bonded Debt" of the Company, which term shall be taken to mean and comprise the annual interest charges on

(a) all Bonds outstanding hereunder at the date of said Certificate, *provided, however*, that, in the case of any Bonds which shall at such time be pledged as security for any indebtedness of the Company, the amount of the annual interest charges on such pledged Bonds shall be deemed to be either the amount of the annual interest charges on such indebtedness or the amount of the annual interest charges on such pledged Bonds, whichever shall be greater; and

(b) all Bonds whose authentication and delivery are applied for in such application or in any other pending application; and

(c) all indebtedness secured by a lien upon the Trust Estate, or any part thereof, prior to the lien of this Indenture, other than a Prepaid Lien.

(3) That the amount of the Net Earnings of the Company set forth as provided by *Clause (1)* of this Paragraph have been at least equal to two times the

aggregate amount of the annual Interest Charges on the Secured Bonded Debt of the Company, set forth as provided by *Clause (2)* of this Paragraph, and that at least 85% of such required minimum amount of Net Earnings consists of Net Operating Revenues from the Public Utility Property, as said term is defined in *Paragraph O* of *Section 24*.

(4) That such Net Earnings have been computed and ascertained as provided in *Paragraph O* of *Section 24*.

The Company covenants and agrees that if the annual Interest Charges on the Secured Bonded Debt of the Company shall be increased after the date of the Net Earnings Certificate hereinabove in this Paragraph described, and before the authentication and delivery of the Bonds then applied for, the Company will file with the Trustee a new Net Earnings Certificate showing the amount of said annual Interest Charges on the Secured Bonded Debt as so increased—it being the intention hereof that no Bonds shall be authenticated and delivered under the provisions of this Article unless the ratio provided for by *Clause (3)* of this Paragraph shall have been established with respect to the aggregate amount of the annual Interest Charges on the Secured Bonded Debt of the Company as constituted at the time of the authentication and delivery of the Bonds then applied for; but the Trustee shall be entitled to assume, in the absence of such new Net Earnings Certificate, that the aggregate amount of the annual Interest Charges on the Secured Bonded Debt of the Company, as constituted at the time of the authentication and delivery of the Bonds then applied for, is as stated in the Net Earnings Certificate filed with the Trustee as aforesaid.

In any application for the authentication and delivery of Bonds where a Net Earnings Certificate of the Company is required, if the aggregate principal amount of Bonds then applied for plus the aggregate principal amount of Bonds authenticated and delivered since the commencement of the



then current calendar year (other than Bonds with respect to which a Net Earnings Certificate is not required or with respect to which a Net Earnings Certificate signed by an Independent public accountant appointed by the Company and approved by the Trustee has been previously furnished) is 10% or more of the aggregate principal amount of the Bonds at the time outstanding hereunder, such Net Earnings Certificate shall be made and signed by an Independent public accountant appointed by the Company and approved by the Trustee, in addition to being signed and verified by the officers of the Company as required hereunder, but no such Net Earnings Certificate need be made or signed by any such Independent public accountant as to periods not covered by annual reports required to be filed by the Company, in the case of conditions precedent which depend upon a state of facts for a period or periods different from that required to be covered by such annual reports.

G. A SUMMARY CERTIFICATE and COMPUTATION OF THE COMPANY of Net Bondable Additions of substantially the following form:

IOWA ELECTRIC LIGHT AND POWER COMPANY  
INDENTURE OF MORTGAGE DATED AUGUST 1, 1940

Summary Certificate and Computation of Net Bondable Additions

Filed with THE FIRST NATIONAL BANK OF CHICAGO,  
Trustee,  
upon

Application for Authentication and Delivery  
Under Article Four, of \$. . . . . of First Mortgage Bonds,  
Series . . . . .

..... and .....,  
..... President and ..... Treasurer, respectively, of Iowa Electric Light  
and Power Company, hereby certify the following Summary of amounts shown in the Property Additions  
Certificate dated ..... and the Retirements Certificate dated .....,  
filed or to be filed in connection with the above-mentioned Application, and the Computation of the amount  
of Bonds to whose authentication and delivery said Company is now entitled:

- (1) Gross Bondable Additions, i. e., the amount of Property Additions not previously Bonded, at Cost or Fair Value (whichever is less), as shown by Clause (9) of said Property Additions Certificate ..... \$.....
- (2) Unused Additions Credit, as shown by Clause (12) of said Property Additions Certificate .....
- (3) Fair Value Deficiency, as shown by Clause 13 of said Property Additions Certificate .....
- (4) Retirements, as shown by Clause (1) of said Retirements Certificate .....
- (5) Retirement Credits, as shown by Clause (3) of said Retirements Certificate:
  - (a) Cash and purchase money obligations, deposited as provided in Section 24, Paragraph II (1), of the Indenture to obtain release of or representing proceeds of retired property included in item (4) .....
  - (b) Property Additions, if any, used to obtain release of retired property included in item (4) .....
  - (c) Property Additions and/or Additions Credit, if any, previously used to meet requirements of Section 74, but not previously certified as a Retirement Credit .....
  - (d) First Mortgage Bonds, if any, whose retirement has been previously used to meet requirements of Section 74, but not previously certified as a Retirement Credit .....
  - (e) Cash, if any, previously deposited with Trustee to meet requirements of Section 74, but not previously certified as a Retirement Credit .....
  - (f) Excess credit, if any, brought forward from previous Retirements Certificate .....
- (6) Total Retirement Credits—(a), (b), (c), (d), (e) and (f) .....
- (7) Net Retirements—item (4) minus item (6) .....
- (8) Net Bondable Additions—items (1) and (2) minus items (3) and (7) .....
- (9) Amount of First Mortgage Bonds which may be authenticated and delivered:—  
70% of item (8) .....

(Here insert statements required by Paragraph Q of Section 1 of the Indenture)

Dated .....

.....  
..... President  
.....  
..... Treasurer  
of Iowa Electric Light and Power Company.

H. The MORTGAGES, DEEDS, CONVEYANCES, ASSIGNMENTS, TRANSFERS and INSTRUMENTS OF FURTHER ASSURANCE and the CERTIFICATE or CERTIFICATES and OTHER EVIDENCE, if any, specified in the Opinion of Counsel as provided by *Clauses (2), (6) and (7) of the following Paragraph 1; provided, however*, that if said Property Additions Certificate shall state that the Property Additions therein described include any additional tract or parcel of real estate or any new plant or system, there shall in any event be delivered to the Trustee a supplemental indenture or other instrument of conveyance, specifically subjecting said tract, parcel, plant or system to the lien of this Indenture unless said Property Additions shall have been previously specifically subjected to the lien of this Indenture by a supplemental indenture or other instrument of conveyance.

I. AN OPINION OR OPINIONS OF COUNSEL:

(1) stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to authenticate and deliver the Bonds applied for, and that, upon the basis of the acquisition of the Property Additions described in and shown by said instruments delivered to the Trustee pursuant to this Section, the Bonds applied for may be lawfully authenticated and delivered under this Article;

(2) specifying the mortgages, deeds, conveyances, assignments, transfers and instruments of further assurance which will be sufficient to subject to the direct lien of this Indenture the Property Additions described in said Property Additions Certificate, and stating that upon the recordation or filing in the manner stated in such opinion of the instruments so specified, no further recording or re-recording or filing or re-filing of this Indenture or any other instrument is required to maintain the lien of this Indenture upon such Property Additions as against all creditors and

subsequent purchasers, or stating what further recordation or filing of this Indenture or any supplemental indenture is or will be necessary for that purpose, or stating that said Property Additions are then subject to the direct lien of this Indenture and that no such mortgage, deed, conveyance, transfer or instrument of further assurance is necessary for such purpose;

(3) stating that the Company has acquired a good and valid legal title to said Property Additions (subject, if such shall be the case, to defects and irregularities existing at the date of delivery hereof with respect to property at said date constituting Bonded Property, or, in respect of other property, to certain other minor defects and irregularities which, in the opinion of such counsel, do not materially impair the use of said Property Additions in the operation of the business of the Company), and that said Property Additions and every part thereof are free and clear of all liens, charges and encumbrances prior to the lien of this Indenture, *except* Permitted Encumbrances, and easements and similar encumbrances which, in the opinion of such counsel, do not materially impair the use of such Property Additions in the operation of the business of the Company, and *except also* the Prepaid Liens, if any, mentioned in said Property Additions Certificate and in such case that the nature, extent and amount of such Prepaid Liens are correctly stated in said certificate;

(4) stating that the Company has lawful power to acquire, own and use said Property Additions in its business, and, to the extent that any franchises, permits, licenses, rights-of-way or easements are necessary for the maintenance and use of such Property Additions, that the Company, either alone or jointly with some other person, lawfully holds such franchises, permits, licenses, rights-of-way and easements, and that each such franchise, permit, license, right-of-way or easement is in the opinion of such counsel adequate for the operations of the Company, and does not contain any pro-

visions materially prejudicial to the interests of the Bondholders, or if the Company does not have all the necessary franchises, permits, licenses, rights-of-way and easements, that the absence of such thereof as the Company does not have will not substantially adversely affect the operations, business and properties of the Company as a whole;

(5) that, since the date of the last previous Opinion of Counsel filed with the Trustee pursuant to this Paragraph or *Clause (4) of Paragraph E of Section 29* or of *Section 35* (or, in the case of the first such opinion, since the date of the execution and delivery hereof), no Bonded Property owned by the Company has become subject to any then subsisting lien or encumbrance (*except* Prepaid Liens, Permitted Encumbrances, and easements and similar encumbrances which, in the opinion of such counsel, do not materially impair the use of such Bonded Property in the operation of the business of the Company) not existing thereon at such prior date, prior to the lien created by this Indenture for the security of the Bonds whose authentication and delivery is then applied for;

(6) specifying the certificate or other evidence which will be sufficient to show compliance with the requirements, if any, of any mortgage recording tax law or other tax law applicable to the issuance of the Bonds then applied for, or stating that there are no such legal requirements; and

(7) specifying the certificate or other evidence which will be sufficient to show the authorization, approval or consent, of or to the issuance by the Company of the Bonds then applied for, by any Federal, State or other governmental regulatory body or commission at the time having jurisdiction in the premises, or stating that no such authorization, approval or consent is required.

**Section 26.** Upon compliance with the provisions of *Section 25*, the Trustee shall authenticate and deliver Bonds of

an aggregate principal amount up to, but not exceeding, 70% of the amount of Net Bondable Additions shown in any Summary Certificate and Computation filed pursuant to *Paragraph G of Section 25*.

#### ARTICLE FIVE

##### AUTHENTICATION AND DELIVERY OF BONDS UPON DEPOSIT OF CASH WITH TRUSTEE

**Section 29.** Additional Bonds, other than Bonds of Series A, may at any time and from time to time be executed by the Company and delivered to the Trustee for authentication, and thereupon the same shall be authenticated and delivered under this Article by the Trustee upon the Written Order of the Company, upon receipt by and deposit with Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting the authentication and delivery pursuant to the provisions of this Article of a specified principal amount of Bonds of a designated series.

B. CASH equal to the aggregate principal amount of the Bonds whose authentication and delivery is then applied for.

C. A CERTIFICATE OF THE COMPANY, stating that the Company is not in default in the performance of any of the covenants on its part to be performed under this Indenture.

D. The CERTIFICATES and OTHER EVIDENCE, if any, specified in the Opinion of Counsel as provided by *Clauses (2) and (3)* of the following *Paragraph E*.

E. AN OPINION OR OPINIONS OF COUNSEL,

(1) stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to authenticate and deliver the Bonds applied for, and that,

upon the deposit of an amount of cash equal to the aggregate principal amount of the Bonds then applied for, such Bonds may be lawfully authenticated and delivered under this Article;

(2) specifying the certificate or other evidence which will be sufficient to show compliance with the requirements, if any, of any mortgage recording tax law or other tax law applicable to the issuance of the Bonds then applied for, or stating that there are no such legal requirements;

(3) specifying the certificate or other evidence which will be sufficient to show the authorization, approval or consent, of or to the issuance by the Company of the Bonds then applied for, by any Federal, State or other governmental regulatory body or commission at the time having jurisdiction in the premises, or stating that no such authorization, approval or consent is required; and

(4) stating that, since the date of the last previous Opinion of Counsel filed with the Trustee pursuant to this Clause or *Clause (5) of Paragraph I of Section 25* or *Clause (4) of Paragraph E of Section 35* (or, in the case of the first such opinion, since the date of the execution and delivery hereof), no Bonded Property owned by the Company has become subject to any then subsisting lien or encumbrance (*except* Prepaid Liens, Permitted Encumbrances, and easements and similar encumbrances which, in the opinion of such counsel, do not materially impair the use of such Bonded Property in the operation of the business of the Company) not existing thereon at such prior date, prior to the lien created by this Indenture for the security of the Bonds whose authentication and delivery is then applied for.

F. The NET EARNINGS CERTIFICATE required by *Paragraph F of Section 25*.

**Section 30.** Upon compliance with the provisions of *Section 29* the Trustee shall authenticate and deliver Bonds of

an aggregate principal amount up to, but not exceeding, the amount of the cash deposited with the Trustee pursuant to *Paragraph B* of *Section 29*.

**Section 31.** Cash deposited with the Trustee under the provisions of *Section 29* is in this Indenture sometimes referred to as "*Deposited Cash*"; and, until the same shall have been paid over by the Trustee upon the Written Order of the Company as hereinafter in this Section provided, the Trustee shall hold all Deposited Cash as a part of the Trust Estate hereunder, and, upon default in the payment of the principal of any of the Bonds, when and as the same shall become due and payable, whether by the terms thereof or by declaration or otherwise as herein provided, any Deposited Cash then in the hands of the Trustee shall be forthwith applicable to the purposes specified in, and in accordance with the provisions of, *Section 114*.

At any time and from time to time, whenever the Company shall become entitled to the authentication and delivery of Bonds under any of the provisions of this Indenture (other than the provisions of *Sections 29* and *30*), the Trustee, upon receipt of a Resolution of the Board requesting the payment of a specified amount of Deposited Cash, and upon receipt also of the instruments required to be delivered to the Trustee by said provisions of this Indenture (with such appropriate omissions and variations as are applicable to Deposited Cash), shall pay upon the Written Order of the Company, and the Company shall be entitled to withdraw, Deposited Cash of an amount equal to the principal amount of the Bonds to whose authentication and delivery the Company would be so entitled; *provided, however*, that, upon an application to withdraw Deposited Cash under the provisions of this Section, it shall not be necessary for the Company to deliver to the Trustee (a) the Resolution required by *Paragraph A* of *Section 25* or of *Section 35*, or (b) any of the certificates or parts of the Opinion of Counsel referred to in *Clauses (5), (6)*



and (7) of *Paragraph I* of *Section 25* or *Clauses (2), (3) and (4)* of *Paragraph E* of *Section 35*, or (c) the Net Earnings Certificate required by *Paragraph F* of *Section 25* or by *Section 36*.

## ARTICLE SIX

### AUTHENTICATION AND DELIVERY OF BONDS UPON RETIREMENT OF BONDS PREVIOUSLY ISSUED HEREUNDER

**Section 35.** Additional Bonds, other than Bonds of Series A, may at any time and from time to time be executed by the Company and delivered to the Trustee for authentication, and thereupon the same shall be authenticated and delivered under this Article by the Trustee upon the Written Order of the Company, upon receipt by and deposit with the Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting the authentication and delivery pursuant to the provisions of this Article of a specified principal amount of Bonds of a designated series.

B. BONDS theretofore authenticated and delivered under this Indenture, matured or unmatured, in negotiable form, canceled or uncanceled, together with all unmatured coupons, if any, thereto belonging; *provided, however*, that, for the purposes of this Article, in lieu of depositing Bonds with the Trustee as aforesaid, the Company may deposit with or deliver to the Trustee:

(1) CASH sufficient to pay or redeem certain Bonds theretofore authenticated and delivered hereunder, which cash shall be irrevocably deposited in trust for such purpose; and/or

(2) A CERTIFICATE OF THE COMPANY, stating

(a) that cash sufficient to pay or redeem certain Bonds theretofore authenticated and delivered hereunder is then held by the Trustee in trust irrevocably for such purpose; and/or

(b) that certain Bonds theretofore authenticated and delivered hereunder have been paid, redeemed or otherwise retired and theretofore delivered to the Trustee.

C. A CERTIFICATE OF THE COMPANY, stating

(1) that the Company is not in default in the performance of any of the covenants on its part to be performed under this Indenture; and

(2) that the Bonds, whose retirement (or provision therefor) is made the basis for the authentication and delivery of Bonds hereunder as in the preceding *Paragraph B* provided, do not include

(a) any Bond, the retirement of which, in any other previous or pending application or certificate, has been made the basis for the authentication and delivery of a Bond or the withdrawal or application of Bonded Cash from or by the Trustee or which has been purchased, paid, redeemed or otherwise retired out of the proceeds of any insurance on any Bonded Property or out of the proceeds of any Bonded Property released from the lien of this Indenture or taken by eminent domain or otherwise disposed of free from the lien of this Indenture; or

(b) any Bond whose payment, redemption or other retirement, or provision therefor, has theretofore been certified to the Trustee to meet the requirements of *Section 74*; or

(c) any Bond delivered or certified to the Trustee pursuant to, or redeemed or otherwise retired through the operation of, the Sinking Fund provided for in *Article Twelve*; or

(d) any Bond purchased, paid, redeemed or otherwise retired through the operation of any sinking, amortization, improvement, renewal or other analogous fund, if any, which may hereafter be created as hereinabove in *Section 6* provided, but only if, and to the extent that, the supplemental indenture or other instru-

ment creating such fund shall preclude the authentication and delivery of Bonds under this Article upon the basis of the redemption, purchase or other retirement of such Bond.

D. The CERTIFICATES and OTHER EVIDENCE, if any, specified in the Opinion of Counsel as provided by *Clauses (2) and (3)* of the following *Paragraph E*.

E. AN OPINION OR OPINIONS OF COUNSEL,

(1) stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to authenticate and deliver the Bonds applied for, and that (a) upon the basis of the deposit with the Trustee of the Bonds and/or cash deposited, or cash certified to be held in trust, pursuant to *Paragraph B* of this Section, and/or (b) upon the basis of the payment, redemption or other retirement of Bonds as certified pursuant to *Paragraph B* of this Section, the Bonds applied for may be lawfully authenticated and delivered under this Article;

(2) specifying the certificate or other evidence which will be sufficient to show compliance with the requirements, if any, of any mortgage recording tax law or other tax law applicable to the issuance of the Bonds then applied for, or stating that there are no such legal requirements;

(3) specifying the certificate or other evidence which will be sufficient to show the authorization, approval or consent, of or to the issuance of the Bonds then applied for, by any Federal, State or other governmental regulatory body or commission at the time having jurisdiction in the premises, or stating that no such authorization, approval or consent is required; and

(4) stating that, since the date of the last previous Opinion of Counsel filed with the Trustee pursuant to this Clause or *Clause (5)* of *Paragraph I* of *Section 25* or

*Clause (4) of Paragraph E of Section 29* (or, in the case of the first such opinion, since the date of the execution and delivery hereof), no Bonded Property owned by the Company has become subject to any then subsisting lien or encumbrance (except Prepaid Liens, Permitted Encumbrances, and easements and similar encumbrances which, in the opinion of such counsel, do not materially impair the use of such Bonded Property in the operation of the business of the Company) not existing thereon at such prior date, prior to the lien created by this Indenture for the security of the Bonds whose authentication and delivery is then applied for.

**Section 36.** Upon compliance with the provisions of *Section 35*, the Trustee shall authenticate and deliver Bonds of an aggregate principal amount up to, but not exceeding, the principal amount of the Bonds deposited with the Trustee, and/or paid, redeemed or otherwise retired, and/or for whose payment or redemption cash has been deposited with or is held in trust by the Trustee, as in *Paragraph B of Section 35* provided; *provided, however*, that

(a) in case any of the Bonds, whose retirement (or provision therefor) is to be made the basis for the authentication and delivery of the Bonds then applied for, shall have ceased to be outstanding hereunder (as defined in *Paragraph G of Section 1*) during any period or periods prior to the authentication and delivery of the Bonds then applied for, and if during any such period or periods a Net Earnings Certificate shall have been delivered to the Trustee pursuant to any provision of this Indenture in which the annual interest requirements on any such Bond which shall have so ceased to be outstanding shall not have been included, or

(b) in case any of the Bonds, whose retirement (or provision therefor) is to be made the basis for the authentication and delivery of the Bonds then applied for, mature by their terms at a date more than two

years after the date for the authentication and delivery of the Bonds then applied for and bear a lower rate of interest than the Bonds whose authentication and delivery is then applied for,

then, in either such case, there shall also be furnished to the Trustee, in addition to the instruments specified in *Section 35*, the Net Earnings Certificate required by *Paragraph F of Section 25*.

**Section 37.** Every Bond and its coupons delivered uncanceled to the Trustee, and on the basis of which an additional Bond is authenticated and delivered under this Article, shall be immediately canceled and thereafter cremated if in coupon form, or delivered to the Company if in fully registered form.

## ARTICLE SEVEN

### RELEASE OF MORTGAGED PROPERTY

**Section 40.** The Company shall have the right, at any time and from time to time, unless a Default shall have occurred and shall not have been cured, without any release from or consent by the Trustee:

A. To sell or dispose of, free from the lien of this Indenture, any furniture, apparatus, tools, implements or other machinery or equipment of a similar nature which may have become worn out, obsolete or unfit for use or which are no longer useful, necessary or profitable in the conduct of the business of the Company, first or simultaneously replacing the same by new furniture, apparatus, tools, implements, machinery or equipment of a value and utility at least equal to that of those disposed of, which shall forthwith be subject to the direct lien of this Indenture; also to sell or otherwise dispose of, free from the lien of this Indenture, for a cash consideration representing not less than the Fair Value thereof, any materials and supplies at the time subject to the lien of this

Indenture, *provided, however*, that the Company shall, and the Company covenants that it will, either (1) within 90 days after each such sale or other disposition apply an amount equal to the proceeds of such sale or other disposition to the purchase or other acquisition of other materials and supplies which shall forthwith be subject to the direct lien of this Indenture, or (2) promptly after the expiration of any such 90-day period pay over to and deposit with the Trustee cash in an amount equal to the unexpended proceeds of any such sale or other disposition not applied by the Company pursuant to the preceding *Clause (1)* within the 90-day period as aforesaid; and no purchaser of any such property shall be bound to inquire into any question affecting the right of the Company to sell or otherwise dispose of the same free from the lien of this Indenture;

B. To abandon, terminate, cancel, release or make alterations in or substitutions of any rights-of-way, easements, licenses or permits subject to the lien of this Indenture; *provided* that any changed, altered or substituted rights-of-way, easements, licenses or permits shall forthwith become subject to the lien of this Indenture to the same extent and in the same manner as those previously existing and that such altered or substituted rights-of-way, easements, licenses or permits shall entitle the Company to conduct the same or an extended business in the territory in which it is then operating during the same or an extended period of time; and *provided further*, that, if the Company shall be entitled to receive any money or property as consideration or compensation for such termination, cancellation, release, alteration or substitution, such money or property, forthwith upon its receipt by the Company, shall (to the extent not payable to the trustee or other holder of a Prior Lien) be paid over by the Company to the Trustee and/or subjected to the lien of this Indenture and become a part of the Trust Estate;

C. To surrender or modify any franchise subject to the lien hereof which it may own or under which it may be oper-

ating, *provided, however*, that after the surrender or modification of any such franchise the Company shall still, in the opinion of the Board of Directors of the Company, be entitled, under some other, or without any, franchise, to conduct the same or an extended business in the territory in which it is then operating during the same or an extended period of time; and *provided further*, that, if the Company shall be entitled to receive any money or property as consideration or compensation for such surrender or modification, such money or property, forthwith upon its receipt by the Company, shall (to the extent not payable to the trustee or other holder of a Prior Lien) be paid over by the Company to the Trustee and/or subjected to the lien of this Indenture and become a part of the Trust Estate;

D. To alter, repair, replace, change the location or position of and to add to its plants, works, lines, buildings, structures, transmission and distribution systems, machinery, equipment, apparatus and other fixtures and appurtenances; *provided, however*, that no change shall be made in the location or position of any such property subject to the lien of this Indenture, which removes such property into a jurisdiction in which this Indenture has not been recorded or filed in the manner required by law to preserve the lien of this Indenture on such property;

E. To enter into agreements for the joint use of poles and equipment; and to assume the burdens created under any law or governmental regulation or permit requiring the Company to maintain certain facilities or perform certain acts as a condition of its occupancy of or interference with any public lands or any river or stream or navigable waters or bridge or highway.

**Section 41.** The Company shall have the right, at any time and from time to time, to sell or dispose of any part of the Trust Estate (except cash, obligations or other personal property pledged or deposited with or required to be pledged or

deposited with the Trustee hereunder) which shall no longer be useful, necessary, profitable or advantageous in the judicious management and maintenance of the Trust Estate or in the conduct of the business of the Company, or which the Company reasonably anticipates will be taken by eminent domain, or which the Company shall have been directed to sell or dispose of by order of any governmental authority having jurisdiction in the premises, and the Trustee shall, from time to time, release property so sold or disposed of from the operation and lien of this Indenture, but only upon receipt by and deposit with the Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting such release and describing the property so to be released.

B. A CERTIFICATE OF THE COMPANY, dated not more than 60 days prior to the application for such release, and signed also (except as to *Clauses (5), (7) and (8)* of this Paragraph) by an Engineer selected by the Company, who may be in the employ of the Company, and who shall be approved by the Trustee, setting forth in substance as follows:

(1) That the Company has sold or disposed of or has contracted to sell or dispose of the property so to be released.

(2) Either (a) that such sale or disposition is desirable in the conduct of the business of the Company, and that the property to be released is no longer useful, necessary, profitable or advantageous in the judicious management and maintenance of the Trust Estate or in the conduct of the business of the Company, or (b) that such sale or disposition has been or is to be made to a State, municipality or other governmental authority, which has the power to take such property by eminent domain, and that such sale or disposition has been made in lieu and in reasonable anticipation of such taking by such State, municipality or governmental authority, or (c) that such sale or disposition is made to comply with an order or orders of a designated



governmental authority having jurisdiction to require such sale or disposition.

(3) Whether any part of the property so to be released consists of Bonded Property, and, if so, such property shall be separately described.

(4) Whether any part of the property so to be released has been or is to be sold or disposed of for a consideration consisting, in whole or in part, of property or securities, and, if so, such part of said property shall be separately described, and said consideration shall also be described.

(5) Whether any purchase money obligations to be delivered to the Trustee (or to the trustee or other holder of a Prior Lien) under *Paragraph D* of this Section are to be secured by purchase money mortgage on less than all of the property to be released, and, if so, the property to be covered by such purchase money mortgage shall be separately described.

(6) (a) The Fair Value of the property to be released at the date of such Certificate as appraised by said Engineer, or (b) that the Fair Value of the property to be released is in excess of \$100,000 or (c) that the aggregate of the Fair Value of the property to be released and the Fair Value of all other property or securities released since the commencement of the then current calendar year (as previously certified to the Trustee in connection with the release thereof) is 10% or more of the aggregate principal amount of all Bonds at the time outstanding hereunder and that the Fair Value of the property to be released is at least equal to the greater of \$25,000 or 1% of the aggregate principal amount of all Bonds at the time outstanding hereunder. If, by virtue of the foregoing *Clauses (3), (4) and/or (5)* of this Paragraph, any of the property to be released shall be separately described in said Certificate, the Fair Value of such property shall be separately stated.

(7) As to any property to be released which is Unbonded Property, whether said property is at the

date of said Certificate, or was immediately before such sale or disposition, subject to a Prior Lien, and, if so, such lien shall be briefly described or otherwise identified.

(8) That no Default has occurred which has not been cured.

(9) That, in the opinion of the signers, the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

C. In case said Certificate prescribed by the preceding *Paragraph B* shall show (a) that the Fair Value of the property to be released is in excess of \$100,000 or (b) that the aggregate of the Fair Value of the property to be released and the Fair Value of all other property or securities released since the commencement of the then current calendar year is 10% or more of the aggregate principal amount of all Bonds at the time outstanding hereunder and that the Fair Value of the property to be released is an amount at least equal to the greater of \$25,000 or 1% of the aggregate principal amount of all Bonds at the time outstanding hereunder, an INDEPENDENT ENGINEER'S CERTIFICATE dated not more than 60 days prior to the application for the release of such property, signed by an Independent Engineer, selected by the Trustee and approved by a Resolution of the Board, stating the Fair Value, in the opinion of the signer, at the date of such Independent Engineer's Certificate, of the property to be released, stating separately the Fair Value of any of the property to be released which shall have been separately described by virtue of *Clause (3), (4) or (5) of Paragraph B* of this Section, and stating that in the opinion of the signer the proposed release will not impair the security under this Indenture in contravention of the provisions hereof.

D. Cash in an amount equal to the Fair Value (as certified pursuant to *Paragraph C* of this Section, if such certification shall have been required, otherwise as certified pursuant to *Clause (6) of Paragraph B* of this Section) of the property

to be released; *provided, however*, that, in lieu of all or any part of such cash, the Company shall have the right to deposit with or deliver to the Trustee any of the following:

(1) PURCHASE MONEY OBLIGATIONS secured by a mortgage on the property to be released, or a portion thereof, and maturing not more than 10 years after the date of such deposit, and not exceeding in principal amount 70% of the Fair Value (as certified as above set forth in this *Paragraph D*) of the property covered by such purchase money mortgage, which purchase money obligations, and the mortgages securing the same, shall be duly assigned to the Trustee and shall be received by the Trustee at the principal amount thereof in lieu of cash; *provided, however*, that the Trustee shall not accept any such purchase money obligations in lieu of cash as provided in this Clause if thereby the aggregate principal amount of all purchase money obligations received by the Trustee pursuant to this Clause and at the time held by the Trustee would exceed 10% of the principal amount of all Bonds then outstanding hereunder.

(2) A CERTIFICATE of the trustee or other holder of a Prior Lien on all or any part of the property to be released, stating that a specified amount of cash and/or a specified principal amount of purchase money obligations of the character described in the preceding *Clause (1)* of this Paragraph and representing proceeds of the sale of such property, have been deposited with such trustee or other holder pursuant to the requirements of such Prior Lien; and such certificate shall be received by the Trustee in lieu of cash equal to the cash and the principal amount of the purchase money obligations so certified to have been deposited with such trustee or other holder of such Prior Lien.

(3) A CERTIFICATE OF THE COMPANY, stating that the property to be released or a portion thereof has been sold or disposed of subject to a specified Prior Lien or Liens existing thereon immediately prior to such sale or other disposition, and briefly describing or otherwise identify-

ing such Prior Lien or Liens and stating the principal amount of the obligations secured thereby, and stating that such property or such portion thereof constitutes all of the property which immediately prior to such sale or other disposition was subject to such Prior Lien or Liens; and such Certificate of the Company shall be received by the Trustee in lieu of cash in an amount equal to the principal amount of obligations so stated to be secured by such Prior Lien or Liens.

(4) The CERTIFICATES, OPINIONS and OTHER INSTRUMENTS which the Company would be required to furnish to the Trustee upon an application for the authentication and delivery of Bonds on the basis of Property Additions under *Article Four*, but with the following variations and omissions of the instruments specified in *Section 25*, to wit:

(a) *Clause (1)* of the Property Additions Certificate shall contain an additional statement to the effect that no part of the Property Additions therein described has been acquired by the Company more than 30 days prior to the date of the application for such release;

(b) there shall be an additional statement in *Clause (2)* of the Property Additions Certificate, to the effect that no part of the Property Additions therein described has in any other previous or then pending application been made the basis for the release of any Unbonded Property from the lien of this Indenture or for the withdrawal of any Unbonded Cash from the Trustee or from the trustee or other holder of a Prior Lien; and said Property Additions Certificate need not contain the statements required by *Clauses (12), (13) and (14)* thereof;

(c) it shall not be necessary for the Company to deliver to the Trustee the Resolution required by *Paragraph A*, the Retirements Certificate required by *Paragraph E*, the Net Earnings Certificate required by *Paragraph F*, or any of the certificates or parts of the Opinion of Counsel referred to in *Clauses (5), (6) and (7)* of *Paragraph 1*, of *Section 25*;

(d) the Summary Certificate required by *Paragraph G* of *Section 25* shall show only Gross Bondable Additions, and shall not include any Additions Credit nor any Fair Value Deficiency nor Net Retirements;

(e) if none of the property to be released is Bonded Property and such property or any part thereof is subject to a Prior Lien, the Property Additions then so certified may be subject to the same Prior Lien, and the Property Additions Certificate required by *Paragraph B* of *Section 25* and the Opinion of Counsel required by *Paragraph I* of *Section 25* may be modified accordingly.

Such certificates, opinions and other instruments shall be received by the Trustee in lieu of cash up to the amount of the Gross Bondable Additions so certified to the Trustee.

E. AN OPINION OF OPINIONS OF COUNSEL,

(1) stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to execute and deliver the release requested, and that, upon the basis of the cash, purchase money obligations, certificates, opinions and other instruments delivered to the Trustee pursuant to *Paragraph D* of this Section, the property so sold or disposed of or contracted to be sold or disposed of may be released from the lien of this Indenture pursuant to the provisions of this Section;

(2) stating that the purchase money obligations, if any, delivered to the Trustee or to the trustee or other holder of a Prior Lien pursuant to *Clause (1)* or *(2)* of *Paragraph D* of this Section are valid obligations and are duly secured by a valid purchase money mortgage constituting a direct lien upon all property to be released, or upon the portion thereof described pursuant to *Clause (5)* of *Paragraph B* of this Section, free and

clear of all prior liens, charges or encumbrances, except any Prior Liens, or other charges or encumbrances prior to the lien of this Indenture, which may have existed on the property to be released immediately prior to such release, and that the assignment of any mortgage securing such purchase money obligations is valid and in recordable form;

(3) in case, pursuant to *Clause (2) of Paragraph D* of this Section, any cash or purchase money obligations shall be certified to have been deposited with the trustee or other holder of a Prior Lien, stating that the property to be released, or a specified portion thereof, is or immediately before such sale or disposition was subject to such Prior Lien and that such deposit is required by such Prior Lien;

(4) in case the sale or disposition of the property to be released shall have been certified, pursuant to *Clause (2) of Paragraph B* of this Section, to be in lieu and in reasonable anticipation of the taking of such property by the exercise of the power of eminent domain, stating that such property could have lawfully been taken by the grantee by the exercise of the power of eminent domain;

(5) in case the sale or disposition of the property to be released shall have been certified, pursuant to *Clause (2) of Paragraph B* of this Section, to be in compliance with an order or orders of a designated governmental authority, stating that such governmental authority has jurisdiction to require such sale or disposition, and that such sale or disposition complies with the terms of an order or orders duly made by such governmental authority in the exercise of such jurisdiction; and

(6) stating, in case pursuant to *Clause (3) of Paragraph D* of this Section a Certificate of the Company shall be delivered to the Trustee in lieu of any amount of cash, that the property to be released, or a specified portion thereof, was, immediately before such sale or other disposition, subject to the Prior Lien

or Liens stated in said Certificate of the Company, and was sold or otherwise disposed of subject thereto, and that the nature, extent and amount of such Prior Lien or Liens are correctly stated in said Certificate of the Company.

**Section 42.** Should any part of the Trust Estate be taken by the exercise of the power of eminent domain or should any State, municipality or other governmental authority at any time exercise any right which it may then have to purchase any part of the Trust Estate, the Company, forthwith upon receipt, shall deposit the award for any property so taken by eminent domain and/or the proceeds of any such purchase with the Trustee, or, to the extent required, in the Opinion of Counsel, by the terms of a Prior Lien on all or any part of any property so taken or purchased, with the trustee or other holder of such Prior Lien. In the event of any such taking or purchase, the Trustee shall release the property so taken or purchased, but only upon receipt by and deposit with the Trustee of:

A. A RESOLUTION OF THE BOARD, requesting such release and describing the property so to be released.

B. A CERTIFICATE OF THE COMPANY, stating that such property has been taken by eminent domain and the amount of the award therefor, or that said property has been purchased by a State, municipality or other governmental authority pursuant to a right vested in it to purchase such property and the amount of the proceeds of such purchase, and also stating whether any of such property was Bonded Property.

C. The AWARD for said property or the PROCEEDS of such purchase; *provided, however*, that, in lieu of all or any part of such award or proceeds, the Company shall have the right to deliver to the Trustee a CERTIFICATE of the trustee or other holder of a Prior Lien on all or any part of the property to be released, stating that said award or proceeds, or such specified part thereof, has

been deposited with such trustee or other holder pursuant to the requirements of such Prior Lien.

D. An OPINION OF COUNSEL, stating

(1) that such property has been duly taken by the exercise of the power of eminent domain, or has been duly purchased by a State, municipality or other governmental authority in the exercise of a right which it had to purchase such property, and that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to execute and deliver the release requested;

(2) that the amount of the award for the property so taken by eminent domain, or the amount of the proceeds of the property so purchased, is not less than the amount to which the Company is legally entitled under the applicable laws governing such taking, or under the terms of such right to purchase, as the case may be; and

(3) in case, pursuant to the preceding *Paragraph C*, the award for said property or the proceeds of such purchase, or any portion thereof, shall be certified to have been deposited with the trustee or other holder of a Prior Lien, that the property to be released, or a specified portion thereof, is or immediately before such taking or purchase was subject to such Prior Lien, and that such deposit is required by such Prior Lien.

In any proceedings for the taking or purchase of any part of the Trust Estate by the exercise of eminent domain or by virtue of any right of purchase vested in any State, municipality or other governmental authority, the Trustee may be represented by counsel who may be counsel for the Company. The amount of the award for any property so taken by eminent domain, or the amount of the proceeds of any property so purchased, as stated in the certificate of the Company furnished to the Trustee pursuant to *Paragraph B* of this Section,



shall be deemed to be the Fair Value of such property for the purposes of *Subsection (b)* of *Section 104*.

**Section 43.** Anything in *Sections 41* and *42* to the contrary notwithstanding, the Trustee shall release from the lien of this Indenture any Transportation Property constituting a part of the Trust Estate, on receipt by and deposit with the Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting such release and describing the property so to be released.

B. A CERTIFICATE OF THE COMPANY, dated not more than 60 days prior to the application for such release, and signed also (except as to *Clause (6)* of this Paragraph) by an Engineer, who may be in the employ of the Company and who shall be approved by the Trustee, setting forth in substance as follows:

(1) That the property so to be released constitutes Transportation Property as said term is defined in *Paragraph A* of *Section 24* and includes no property not falling within such definition of Transportation Property;

(2) That the Company has sold or disposed of or has contracted to sell or dispose of the Transportation Property so to be released to a corporation (hereinafter called a "Railway Subsidiary") for a consideration consisting of all of the shares of capital stock (except directors' qualifying shares) and all of the indebtedness of such Railway Subsidiary which will be outstanding upon the completion of such sale or other disposal; and stating separately the principal amount, if any, of any such indebtedness constituting a part of such consideration which arose out of the assumption by such Railway Subsidiary of indebtedness held by others than the Company;

(3) That, in the opinion of the signers, the transfer of such Transportation Property to such Railway Subsidiary, in the manner contemplated, is desirable in the interests of the Company and of the Bondholders.

and will not impair the security under this Indenture in contravention of the provisions hereof;

(4) Either (a) the Fair Value, in the opinion of the signers, of the Transportation Property to be released, or (b) that the aggregate of the Fair Value of the Transportation Property to be released and the Fair Value of all other property or securities released from the lien hereof since the commencement of the then current calendar year (as previously certified to the Trustee in connection with the release thereof) is 10% or more of the aggregate principal amount of all Bonds at the time outstanding hereunder and that the Fair Value of the Transportation Property to be released is at least equal to the greater of \$25,000 or 1% of the aggregate principal amount of Bonds then outstanding hereunder;

(5) Either (a) the Fair Value, in the opinion of the signers, of the securities of such Railway Subsidiary to be delivered to the Trustee pursuant to *Paragraph E* of this Section, or (b) that the aggregate of the Fair Value of such securities and the Fair Value of all other securities, if any, which during the then current calendar year have been made the basis for the release of property from this Indenture is 10% or more of the aggregate principal amount of the Bonds at the time outstanding and that the Fair Value of the securities to be delivered to the Trustee as aforesaid is at least equal to the greater of \$25,000 or 1% of the aggregate principal amount of Bonds then outstanding hereunder; and

(6) That no Default has occurred which has not been cured.

C. In case said Certificate prescribed by the preceding *Paragraph B* shall contain the statements specified in *Sub-paragraph (b)* of *Clause 4* of said *Paragraph B*, an INDEPENDENT ENGINEER'S CERTIFICATE, dated not more than 60 days prior to the application for the release of such Transportation Property, signed by an Independent Engineer selected by the Trustee and approved by a Resolution of the Board, stating the Fair Value, in the

opinion of the signer, at the date of such Independent Engineer's Certificate, of the Transportation Property to be released, and stating that, in the opinion of the signer, the transfer of such Transportation Property to such Railway Subsidiary, in the manner contemplated, is desirable in the interests of the Company and of the Bondholders, and will not impair the security under this Indenture in contravention of the provisions hereof.

D. In case said Certificate prescribed by *Paragraph B* of this Section shall contain the statements specified in *Sub-paragraph (b)* of *Clause (5)* of said *Paragraph B*, a CERTIFICATE signed by an Independent Engineer, selected by the Trustee and approved by a resolution of the Board, stating, in the opinion of the signer, the Fair Value of the securities of such Railway Subsidiary to be delivered to the Trustee pursuant to *Paragraph E* of this Section.

E. The securities, i. e., the shares of capital stock and the evidences of indebtedness, of such Railway Subsidiary constituting the consideration for such sale or other disposition of such Transportation Property so to be released, excluding, however, any such indebtedness which constitutes a part of such consideration but which arose out of the assumption by the Railway Subsidiary of indebtedness held by others than the Company.

F. AN OPINION OR OPINIONS OF COUNSEL:

(1) Stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to execute the release requested, and that upon the basis of the securities delivered to the Trustee pursuant to *Paragraph E* of this Section the Transportation Property so sold or disposed of or contracted to be sold or disposed of may be released from the lien of this Indenture pursuant to the provisions of this Section;

(2) Stating that such Railway Subsidiary has been duly incorporated and is a validly existing corporation

possessing all requisite corporate powers to acquire and operate said Transportation Property;

(3) Stating that the shares of stock of such Railway Subsidiary delivered to the Trustee pursuant to *Paragraph E* of this Section have been duly authorized and issued by such Railway Subsidiary and are fully paid and non-assessable and that the evidences of indebtedness of such Railway Subsidiary so delivered to the Trustee have been duly authorized and are valid and binding obligations of such Railway Subsidiary in accordance with their terms, and that all such shares of stock and evidences of indebtedness have been, or upon delivery thereof to the Trustee will be, duly pledged under and subjected to the lien of this Indenture free and clear of all liens, charges or encumbrances ranking equal with or prior to the lien of this Indenture; and

(4) Stating that the proposed sale or other disposition of such Transportation Property to such Railway Subsidiary and the acquisition and operation thereof by such Railway Subsidiary and the issuance by such Railway Subsidiary of the securities delivered to the Trustee pursuant to *Paragraph E* of this Section, have been duly authorized, approved or consented to by each Federal, State or other governmental regulatory body or commission at the time having jurisdiction in the premises, or stating that no such authorization, approval or consent is required.

All shares of stock or evidences of indebtedness received by the Trustee pursuant to this Section shall constitute a part of the Trust Estate and shall, subject to the provisions of *Section 44*, be held and disposed of by the Trustee as provided in *Article Nine*.

**Section 44.** The Trustee shall release from the lien of this Indenture the shares of stock and evidences of indebtedness of any Railway Subsidiary at the time held by the Trustee, upon receipt by and deposit with the Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting such release and describing the securities so to be released.

B. A CERTIFICATE OF THE COMPANY dated not more than 60 days prior to the application for such release and signed also (except as to *Clause 4* of this Paragraph) by an Engineer, who may be in the employ of the Company and who shall be approved by the Trustee, setting forth in substance as follows:

(1) That the securities so to be released constitute shares of stock and/or evidences of indebtedness of a specified Railway Subsidiary and constitute all the shares of stock and evidences of indebtedness of such Railway Subsidiary which are at the time held by the Trustee hereunder or are required to be deposited with the Trustee hereunder;

(2) Either (a) that the Company has sold or disposed of or has contracted to sell or dispose of the securities so to be released or (b) that such Railway Subsidiary has contracted to sell or dispose of all of its property as an entirety, and, in either such case, (c) that, in the opinion of the signers, such sale or other disposition of such securities or property is desirable in the interests of the Company and of the Bondholders and will not impair the security under this Indenture in contravention of the provisions hereof.

(3) The Fair Value, in the opinion of the signers, of the securities to be released, or that the Fair Value of such securities is at least equal to the greater of \$25,000 or 1% of the aggregate principal amount of Bonds then outstanding hereunder; and

(4) That no Default has occurred which has not been cured.

C. In case said Certificate prescribed by the preceding *Paragraph B* shall show that the Fair Value of the securities so to be released is at least equal to the greater of \$25,000 or 1% of the aggregate principal amount of all Bonds at the time outstanding hereunder, a CERTIFICATE signed by an Independent Appraiser, selected by the Trustee and approved by a Resolution of the Board,

stating, in the opinion of the signer, the Fair Value of such securities at the date of such Certificate, and stating that, in the opinion of such signer, such sale or other disposition is desirable in the interests of the Company and of the Bondholders and will not impair the security under this Indenture in contravention of the provisions hereof.

D. CASH in an amount equal to the Fair Value (as certified pursuant to *Paragraph C* of this Section if such certification shall have been required, otherwise as certified pursuant to *Paragraph B* of this Section) of the securities to be released.

E. AN OPINION OR OPINIONS OF COUNSEL, stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to release the securities whose release is so requested, and that upon the basis of the cash deposited with the Trustee pursuant to *Paragraph D* of this Section such securities may be released from the lien of this Indenture pursuant to the provisions of this Section.

All Cash received by the Trustee pursuant to this Section shall be deemed to constitute Bonded Cash and shall be held and paid over or applied by the Trustee as provided in *Article Eight*.

**Section 45.** In case a Default shall have happened and shall not have been remedied, the Company, while in possession of the Trust Estate (other than securities and cash held by the Trustee or the trustee or other holder of a Prior Lien), may do any of the things enumerated in *Sections 40, 41, 43, and 44*, if the Trustee, in its uncontrolled discretion, or the holders of at least a majority in amount of the Bonds at the time outstanding, shall in writing expressly authorize or consent to such action, in which event the certificates required

by *Paragraph B* of *Sections 41, 43 and 44* need not contain the statement that no Default has occurred.

In case the Trust Estate (other than securities and cash held by the Trustee or the trustee or other holder of a Prior Lien) shall be in the possession of a receiver or trustee lawfully appointed, the powers in this Article conferred upon the Company with respect to the sale or other disposition and release of the Trust Estate may be exercised by such receiver or trustee (subject to authorization or consent of the Trustee or Bondholders as hereinabove in this Section provided), in which case a written request signed by said receiver or trustee shall be deemed the equivalent of the Resolution of the Board required by *Section 41, 42, 43 or 44*, and a certificate signed by such receiver or trustee shall be deemed the equivalent of any Certificate of the Company required by any provision of this Indenture. If the Trustee shall be in possession of the Trust Estate (other than securities and cash held by the Trustee or the trustee or other holder of a Prior Lien) under any provision of this Indenture, then such powers may be exercised by the Trustee in its uncontrolled discretion.

**Section 46.** No purchaser in good faith of property purporting to be released herefrom shall be bound to ascertain the authority of the Trustee to execute the release or to inquire as to the existence of any conditions required by the provisions hereof for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by this Article to be sold, granted or otherwise disposed of by the Company be under any obligation to ascertain or inquire into the authority of the Company to make any such sale, grant or other disposition.

**Section 47.** Except as herein otherwise specifically provided, cash received by the Trustee pursuant to this Article shall be held and paid over or applied by the Trustee as provided in *Article Eight*, and all purchase money obligations received by the Trustee pursuant to this Article or pursuant

to *Section 76*, shall be held and disposed of by the Trustee as provided in *Article Nine*. Unless to the knowledge of the Trustee a Default shall have occurred and shall not have been cured, all interest received by the Trustee on any such purchase money obligation shall be paid from time to time to the Company upon its Written Order. Upon payment by or on behalf of the Company to the Trustee of the principal amount of any such obligation, or the portion thereof remaining unpaid, the Trustee shall release and surrender such obligation to the Company upon its Written Order.

## ARTICLE EIGHT

### APPLICATION OF TRUST MONEYS

**Section 48.** All moneys received by the Trustee upon the release of property from the lien of this Indenture, including the principal of all purchase money obligations and securities when paid, and all moneys received by the Trustee as compensation for any part of the Trust Estate taken by the exercise of the power of eminent domain or purchased by a public authority, and all moneys received by the Trustee as proceeds of the sale of or insurance upon any part of the Trust Estate or as the proceeds of securities constituting a part of the Trust Estate, and all other moneys elsewhere herein provided to be held and applied as in this Article provided, and all moneys, if any (but in no event including Deposited Cash as defined in *Section 31*), received by the Trustee whose disposition is not elsewhere herein otherwise specifically provided for,—(herein sometimes called “Trust Moneys”, whether the same be Bonded Cash or Unbonded Cash) shall be held by the Trustee as a part of the Trust Estate, and, upon default in the payment of the principal of any of the Bonds when and as the same shall become due and payable, whether by the terms thereof or by declaration or otherwise, as herein provided, said moneys shall, unless and until such default shall be remedied, be applicable only to the purposes specified in, and in accordance with the provisions



of, *Section 114*; but unless, to the knowledge of the Trustee, a default on the part of the Company under any of the provisions of this Indenture shall have happened and shall not have been remedied, all or any part of said Trust Moneys, at the request and election of the Company, may be withdrawn from and shall be applied by the Trustee from time to time as provided in *Section 49, 50, 51, 52 or 53*.

**Section 49.** Trust Moneys may be withdrawn and shall be paid by the Trustee upon the Written Order of the Company at any time and from time to time, upon receipt by and deposit with the Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting the withdrawal and payment of a specified amount of Trust Moneys, and designating the Trust Moneys so to be withdrawn.

B. A CERTIFICATE OF THE COMPANY, stating whether any part of the Trust Moneys so to be withdrawn is Bonded Cash.

C. The CERTIFICATES, OPINIONS and OTHER INSTRUMENTS which the Company would be required to furnish to the Trustee upon an application for the authentication and delivery of Bonds on the basis of Property Additions under *Article Four*, but with the following variations and omissions of the instruments specified in *Section 25*, to wit:

(1) *Clause (1)* of the Property Additions Certificate shall contain an additional statement to the effect that no part of the Property Additions therein described has been acquired by the Company more than 30 days prior to the date when the Trustee received the Trust Moneys whose withdrawal is then requested (or in the case of Trust Moneys representing the proceeds of purchase money obligations or securities, the date when the Trustee received such obligations or securities);

(2) There shall be an additional statement in *Clause (2)* of the Property Additions Certificate, to the effect that no part of the Property Additions therein described has in any other previous or then pending application been made the basis for the release of any Unbonded Property from the lien of this Indenture, or for the withdrawal of any Unbonded Cash from the Trustee or from the trustee or other holder of a Prior Lien; and said Property Additions Certificate need not contain the statements required by *Sub-paragraph (c)* of *Clause (12)* or by *Clause (13)* thereof;

(3) In case said Property Additions Certificate shall include any unused Additions Credit, there shall be an additional statement in *Clause (12)* of said Property Additions Certificate to the effect that no part of any Additions Credit included in said Property Additions Certificate has previously been certified to the Trustee as a basis for the withdrawal of any Unbonded Cash from the Trustee, and such Property Additions Certificate shall specifically identify all of the particular Property Additions forming the basis of such Additions Credit, or forming the basis of such portion thereof as is then being used, and shall state that no part of any item of such Property Additions so specifically identified was acquired by the Company more than 30 days prior to the date when the Trustee received the Trust Moneys whose withdrawal is then requested (or in the case of Trust Moneys representing the proceeds of purchase money obligations or securities, the date when the Trustee received such obligations or securities);

(4) It shall not be necessary for the Company to deliver to the Trustee the Resolution required by *Paragraph A*, the Retirements Certificate required by *Paragraph E*, the Net Earnings Certificate required by *Paragraph F*, or any of the certificates or parts of the Opinion of Counsel referred to in *Clauses (5), (6)* and *(7)* of *Paragraph I*, of *Section 25*;

(5) The Summary Certificate required by *Paragraph G* of *Section 25* shall show only Gross Bondable

Additions and any Additions Credit which the Company then elects, and is entitled under the provisions hereof, to use, and shall not include any Fair Value Deficiency nor any Net Retirements.

D. AN OPINION OR OPINIONS OF COUNSEL, stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to pay over the Trust Moneys applied for, and that upon the basis of the acquisition of the Property Additions described in, and/or the Additions Credit included in, the Property Additions Certificate delivered to the Trustee pursuant to *Paragraph C* of this Section, the Trust Moneys whose withdrawal is then requested may be lawfully paid over under this Section.

Subject to the provisions of *Section 54*, upon compliance with the foregoing provisions of this Section, the Company shall be entitled to withdraw and the Trustee shall pay upon the Written Order of the Company an amount of Trust Moneys up to, but not exceeding, the amount of the Gross Bondable Additions and/or Additions Credits so certified to the Trustee pursuant to *Paragraph C* of this Section.

Section 50. Whenever the Company shall become entitled to the authentication and delivery of Bonds on the basis of Net Bondable Additions under the provisions of *Article Four*, Trust Moneys may be withdrawn and shall be paid by the Trustee on the Written Order of the Company at any time and from time to time upon receipt by and deposit with the Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting the withdrawal and payment of a specified amount of Trust Moneys, and designating the Trust Moneys so to be withdrawn.

B. A CERTIFICATE OF THE COMPANY, stating whether any part of the Trust Moneys so to be withdrawn is Bonded Cash.

C. THE CERTIFICATES, OPINIONS and OTHER INSTRUMENTS which the Company would be required to furnish to the Trustee upon an application for the authentication and delivery of Bonds on the basis of Net Bondable Additions under *Article Four*, but with the following variations and omissions of the instruments specified in *Section 25*, to wit:

(1) *Clause (1)* of the Property Additions Certificate shall contain an additional statement to the effect that no part of the Property Additions therein specified has been acquired by the Company more than five years prior to the date when the Trustee received the Trust Moneys whose withdrawal is then requested (or in the case of Trust Moneys representing the proceeds of purchase money obligations or securities, the date when the Trustee received such obligations or securities).

(2) There shall be an additional statement in *Clause (2)* of the Property Additions Certificate to the effect that no part of the Property Additions therein described has in any other previous or then pending application been made the basis for the release of any Unbonded Property from the lien of this Indenture or for the withdrawal of any Unbonded Cash from the Trustee or from the trustee or other holder of a Prior Lien; and said Property Additions Certificate need not contain the statements required by *Sub-paragraph (c)* of *Clause (12)* or by *Clause (13)* thereof.

(3) In case said Property Additions Certificate shall include any unused Additions Credit, there shall be an additional statement in *Clause (12)* of said Property Additions Certificate to the effect that no part of any Additions Credit included in said Property Additions Certificate has previously been certified to the Trustee as a basis for the withdrawal of any Unbonded Cash from the Trustee, and such Property Additions Certificate shall specifically identify all of the particular Property Additions forming the basis of such Additions Credit, or forming the basis of such portion there-

of as is then being used, and shall state that no part of any item of such Property Additions so specifically identified was acquired by the Company more than five years prior to the time when the Trustee received the Trust Moneys whose withdrawal is then requested (or in the case of Trust Moneys representing the proceeds of purchase money obligations or securities, the date when the Trustee received such obligations or securities).

(4) It shall not be necessary for the Company to deliver to the Trustee the Resolution required by *Paragraph A*, the Net Earnings Certificate required by *Paragraph F*, or any of the certificates or parts of the Opinion of Counsel referred to in *Clauses (5), (6) and (7) of Paragraph I, of Section 25*.

(5) The Summary Certificate required by *Paragraph G of Section 25* shall not include any Fair Value Deficiency.

D. AN OPINION OR OPINIONS OF COUNSEL, stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to pay over the Trust Moneys applied for, and that upon the basis of the acquisition of the Net Bondable Additions included in the Property Additions Certificate delivered to the Trustee pursuant to *Paragraph C* of this Section, the Trust Moneys whose withdrawal is then requested may be lawfully paid over under this Section.

Subject to the provisions of *Section 54*, upon compliance with the foregoing provisions of this Section, the Company shall be entitled to withdraw and the Trustee shall pay upon the Written Order of the Company an amount of Trust Moneys up to, but not exceeding, the amount of the Net Bondable Additions so certified to the Trustee pursuant to *Paragraph C* of this Section.

**Section 51.** Trust Moneys may be withdrawn and shall be paid by the Trustee upon the Written Order of the Com-

pany at any time and from time to time, upon receipt by and deposit with the Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting the withdrawal and payment of a specified amount of Trust Moneys, and designating the Trust Moneys so to be withdrawn.

B. A CERTIFICATE OF THE COMPANY, stating whether any part of the Trust Moneys so to be withdrawn is Bonded Cash.

C. The BONDS, CERTIFICATES, OPINIONS and OTHER INSTRUMENTS which the Company would be required to furnish to the Trustee upon an application for the authentication and delivery of Bonds under *Article Six*, but with the following variations or omissions of the instruments specified in *Section 35*, to wit:

(1) The Certificate of the Company required by *Paragraph C* of *Section 35* shall contain an additional statement to the effect that all of the Bonds which are then made the basis of the withdrawal of such Trust Moneys are Bonds which were originally issued by the Company by way of *bona fide* sale other than to an Affiliate of the Company and which were outstanding in the hands of holders thereof, other than the Company or an Affiliate of the Company, within the 30 days immediately preceding the date when the Trustee received the Trust Moneys whose withdrawal is then requested (or in the case of Trust Moneys representing the proceeds of purchase money obligations or securities, the date when the Trustee received such obligations or securities);

(2) The Certificate of the Company required by *Paragraph C* of *Section 35* shall contain an additional statement to the effect that the Bonds which are then made the basis for the withdrawal of the Trust Moneys then applied for do not include any Bond which in any other previous or then pending application has been made the basis for the withdrawal or application of any Unbonded Cash from or by the Trustee;

(3) It shall not be necessary for the Company to deliver to the Trustee the Resolution required by *Paragraph A* of *Section 35* or any of the certificates or parts of the Opinion of Counsel referred to in *Clauses (2), (3)* and *(4)* of *Paragraph E* of *Section 35*, nor the Net Earnings Certificate required by *Section 36*.

D. AN OPINION OR OPINIONS OF COUNSEL, stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and constitute sufficient authority under this Indenture for the Trustee to pay over the Trust Moneys applied for, and that, upon the basis of the retirement (or provision therefor) of the Bonds then made the basis of the withdrawal of such Trust Moneys pursuant to *Paragraph C* of this Section, such Trust Moneys may be lawfully paid over under this Section.

Subject to the provisions of *Section 54*, upon compliance with the foregoing provisions of this Section, the Company shall be entitled to withdraw and the Trustee shall pay upon the Written Order of the Company an amount of Trust Moneys equal to the principal amount of the Bonds then made the basis of such withdrawal of Trust Moneys pursuant to *Paragraph C* of this Section.

**Section 52.** Trust Moneys may be applied by the Trustee at any time and from time to time to the payment of the principal of Bonds upon redemption prior to maturity or to the purchase of Bonds upon tender or in the open market or at private sale or upon any securities exchange or in any one or more of said ways, according as the Company shall determine, upon receipt by and deposit with the Trustee of the following:

A. A RESOLUTION OF THE BOARD, requesting the application pursuant to the provisions of this Section of a specified amount of Trust Moneys, designating the Trust Moneys so to be withdrawn, and specifying the principal amount of Bonds and the series thereof to be redeemed and the redemption price, or, in case such moneys are to be applied to the purchase of Bonds, prescribing the

method of purchase, the price or prices to be paid, and the maximum principal amount of Bonds and the series thereof to be purchased.

B. CASH equivalent to the maximum amount of the accrued interest and the premium, if any, required to be paid in connection with any such redemption or purchase, which cash shall be held by the Trustee in trust for such purpose, and, to the extent not required for such purpose, shall be repaid to the Company.

C. A CERTIFICATE OF THE COMPANY, setting forth:

(1) Whether any of the Trust Moneys so to be applied is Bonded Cash;

(2) That all Bonds so to be redeemed or purchased have been originally issued by the Company by way of *bona fide* sale other than to an Affiliate of the Company;

(3) Whether any of the Bonds so to be redeemed or purchased are owned legally or equitably by the Company or any Affiliate of the Company and, if so, that they were acquired by the Company otherwise than from an Affiliate of the Company, or by such Affiliate of the Company otherwise than from the Company, not more than 30 days prior to the date when the Trustee received the Trust Moneys whose application to such redemption or purchase is then requested (or in the case of Trust Moneys representing the proceeds of purchase money obligations or securities, the date when the Trustee received such obligations or securities);

(4) That the Company is not in default in the performance of any of the covenants on its part to be performed under this Indenture.

D. AN OPINION OF COUNSEL, stating that it is proper for the Trustee, under the provisions of this Section, to apply Trust Moneys in accordance with such Resolution of the Board.

Subject to *Section 54*, upon compliance with the foregoing provisions of this Section, the Trustee may apply Trust



Moneys as requested by said Resolution of the Board, in an amount up to, but not exceeding, the principal amount of the Bonds so redeemed or purchased, using the cash deposited pursuant to *Paragraph B* of this Section, to the extent necessary, to pay any accrued interest and premium required in connection with any such redemption or purchase.

**Section 53.** To the extent that any Trust Moneys are proceeds of insurance upon any part of the Trust Estate, they may, subject to the provisions of *Section 54*, be paid over upon the Written Request of the Company to reimburse the Company for expenditures made for the purpose of repairing, restoring or replacing the property destroyed or damaged, upon the receipt by the Trustee of the following:

A. A CERTIFICATE OF THE COMPANY, and signed also (except as to *Clause (4)* of this *Paragraph A*) by an Engineer selected by the Company, who may be in the employ of the Company and who shall be approved by the Trustee, stating:

(1) Whether any of the Trust Moneys so to be withdrawn is Bonded Cash;

(2) That expenditures have been made for such purpose, and the amount thereof, and giving a brief description of the nature of such repairs, restorations and replacements and also stating that the amount so expended is not in excess of the Fair Value of such repairs, restorations or replacements, and also stating that no part of such repairs, restorations or replacements has in any previous or then pending application been made the basis for the authentication and delivery of Bonds or the withdrawal of any cash or the release of any property from the lien of this Indenture, or of a Prior Lien, or has been certified to meet the requirements of *Section 74* or *Section 100*.

(3) That there is no outstanding indebtedness of the Company, or known, after due inquiry, to the Company, for the purchase price or construction of, or for labor, wages or materials in connection with the con-

struction of, such repairs, restorations or replacements, which could become the basis of a lien on said Property Additions prior to the lien of this Indenture and which, in the opinion of the signers of said certificate, might materially impair the security afforded thereby; and

(4) That the Company is not in default in the performance of any of the covenants on its part to be performed under this Indenture.

B. If the amount of the expenditures stated in said Certificate is in excess of the greater of \$25,000 or 1% of the aggregate principal amount of all Bonds at the time outstanding hereunder, and if any part of such repairs, restorations or replacements have within six months prior to the date of acquisition thereof by the Company been used or operated by others than the Company in a business similar to that in which such property has been or is to be used or operated by the Company, an INDEPENDENT ENGINEER'S CERTIFICATE, dated not more than 60 days prior to the application for the withdrawal of such Trust Moneys, signed by an Independent Engineer selected by the Trustee and approved by a Resolution of the Board, stating the Fair Value, in the opinion of the signer, at the date of such Independent Engineer's Certificate, of such repairs, restorations or replacements.

C. AN OPINION OF COUNSEL to the effect that such repairs, restorations or replacements are subject to the direct lien of this Indenture free from all other liens, charges or encumbrances prior to the lien of this Indenture, *except* Permitted Encumbrances, and easements and similar encumbrances which, in the opinion of such counsel, do not materially impair the use of such repairs, restorations or replacements in the operation of the business of the Company, and *except also*, any Prior Liens, charges or encumbrances to which the property so destroyed or damaged shall have been subject at the time of such destruction or damage.

The amount of Trust Moneys so to be paid shall be an amount up to, but not exceeding, the amount of the expen-

ditures stated in such certificate, provided, that in any case in which an Independent Engineer's Certificate shall have been required pursuant to *Paragraph B* of this Section, the amount of Trust Moneys so to be paid shall not exceed the Fair Value of such repairs, restorations or replacements as stated in such Independent Engineer's Certificate.

**Section 54.** In the event that at any time there shall be on deposit with the Trustee under this Article Trust Moneys in an amount in excess of \$200,000, and if at all times during the preceding two years the amount of Trust Moneys so on deposit with the Trustee shall have exceeded such amount, then, and in every such case, the Trustee shall set aside all Trust Moneys then held by it and which have been held by it for more than two years, and thereafter the Trust Moneys so set aside may be applied only in accordance with the provisions of *Section 52*. In case of the taking by eminent domain or of the purchase by a public authority (pursuant to any right which it may then have to make such purchase) of Bonded Property, the cash proceeds of which taking or purchase exceed \$2,000,000, then all Trust Moneys received by the Trustee under this Article representing the proceeds of such taking or purchase shall be applicable only to the redemption of Bonds outstanding hereunder in accordance with the provisions of *Section 52*, except that, in any such case, the redemption price for Bonds designated for such redemption shall be the principal amount thereof plus accrued interest to the redemption date thereof, without premium, and the Bonds to be designated for such redemption shall be prorated, in amount, as between the Bonds of all series then outstanding hereunder, in proportion to the respective total amounts of the Bonds of each series then outstanding hereunder.

**Section 55.** In case the Company shall be in default hereunder (other than a default in the payment of the principal of any Bond), the Company, while in possession of the Trust

Estate (other than securities and cash held by the Trustee or the trustee or other holder of a Prior Lien), may do any of the things enumerated in *Sections 49 to 53, inclusive*, if the Trustee, in its uncontrolled discretion, or the holders of at least a majority in amount of the Bonds at the time outstanding, shall in writing expressly authorize or consent to such action, in which event no certificate filed pursuant to any of said Sections need contain a statement to the effect that the Company is not in default hereunder.

In case the Trust Estate (other than securities and cash held by the Trustee or the trustee or other holder of a Prior Lien) shall be in the possession of a receiver or trustee lawfully appointed, the powers hereinbefore in this Article conferred upon the Company with respect to the withdrawal of Trust Moneys may be exercised by such receiver or trustee (subject to authorization or consent of the Trustee or Bondholders as hereinabove in this Section provided), in which case a written request signed by said receiver or trustee shall be deemed the equivalent of any Resolution of the Board or any Written Request of the Company required by any provision of this Article, and a certificate signed by such receiver or trustee shall be deemed the equivalent of any Certificate of the Company required by any provision of this Indenture. If the Trustee shall be in possession of the Trust Estate (other than securities and cash held by the Trustee or the trustee or other holder of a Prior Lien) under any provision of this Indenture, then such powers may be exercised by the Trustee in its uncontrolled discretion.

**Section 56.** All Bonds and their accompanying coupons delivered uncanceled to the Trustee and on the basis of which Trust Moneys are paid over, or for whose redemption or purchase Trust Moneys are applied, under this Article, when received by the Trustee, shall be immediately canceled and thereafter cremated if in coupon form, or delivered to the Company if in fully registered form.

## ARTICLE NINE

## CONTROL OF PLEDGED SECURITIES

**Section 57.** As and when any certificates for any shares of stock or any evidences of indebtedness, which the Company has agreed to pledge or deposit with the Trustee, shall come into the possession of the Company or under its control, the Company shall forthwith pledge and deposit the same with the Trustee, together with such proper instruments of assignment and transfer as the Trustee may require, which shall include express authority to the Trustee to vote such shares of stock to the extent herein provided or permitted and to cause such authority to be recorded in the transfer of such stock on the books of the corporation issuing the same.

The Trustee may require any securities pledged and deposited hereunder to be registered in its name or in the name of any nominee of the Trustee, or the Trustee may receive and hold such securities in the name of the Company or anyone else, endorsed in blank or in favor of the Trustee or with a power of assignment in blank or in favor of the Trustee. The Trustee may hold any obligations or evidences of indebtedness pledged and deposited hereunder in bearer form or otherwise, as it may see fit.

The Trustee may do whatever in its judgment may be necessary for the purpose of maintaining, preserving, renewing or extending the corporate existence of any corporation, any of the shares of stock of which shall at the time be subject to this Indenture. Upon the Written Request of the Company, the Trustee shall assign, transfer and deliver, or permit the Company to assign, transfer and deliver to the persons designated in such request, a sufficient number of any shares of stock then held by the Trustee in pledge hereunder to qualify such persons to act as directors of or in any other official relation to the corporation which issued such shares; and in every such case the Trustee may make such arrangements as it shall deem necessary for the protection of the trust hereunder in respect of the shares so assigned, transferred and delivered.

**Section 58.** Unless a Default shall have occurred and shall not have been cured, the Company from time to time shall be entitled to receive and collect for its own use all dividends paid on shares of stock of any corporation held by the Trustee hereunder which are paid in cash out of the earned surplus or net profits of the issuing corporation and all interest upon obligations or indebtedness of any corporation held by the Trustee hereunder; and the Trustee from time to time shall execute and deliver upon the Written Order of the Company suitable assignments and orders in favor of the Company or its nominee named in such order for the payment of such cash dividends and interest, and as the date of their maturity approaches shall deliver upon a like order any and all coupons representing such interest.

After a Default has occurred, then, unless and until such Default shall be cured, in addition to the other remedies herein provided, the Trustee shall collect and receive all dividends on any stock and all sums payable for interest on any obligations or indebtedness held by the Trustee hereunder, and the Trustee shall cancel and revoke all such assignments and orders, and all moneys so received by the Trustee shall, prior to any sale of the Trust Estate under this Indenture, be applied to any one or more of the purposes to which income from the Trust Estate may be applied as provided in *Section 108* hereof, and upon any such sale shall be held and applied in the same manner as the proceeds of such sale; but in every such case, after the Company's rights shall have been restored as hereinafter in *Section 108* provided, the right of the Company to receive and collect interest and dividends to the extent aforesaid, and the duty of the Trustee to execute and deliver assignments and orders for the same as hereinabove provided, shall revive and continue as though no Default had occurred; and the Trustee shall pay over upon the Written Order of the Company the amount, if any there be, of any such interest or dividends collected or received by the Trustee and then remaining unexpended in its hands.

*Provided, however,* and it is hereby declared and agreed that the Company shall not be entitled to receive and the Trustee shall not pay over to it,

(a) the principal of any obligation or indebtedness at the time held by the Trustee hereunder, or

(b) any dividend upon any share of stock at the time held by the Trustee hereunder other than a dividend paid in cash out of the earned surplus or net profits of the issuing corporation, or

(c) any sum paid upon liquidation or dissolution or reduction of capital or redemption, upon any obligation or indebtedness or share of stock at the time held by the Trustee hereunder.

Subject to *Sections 137 and 138*, the Trustee shall be entitled to assume that any cash dividend received by it on shares of stock held by it is paid out of the earned surplus or net profits of the issuing corporation, unless and until notified in writing to the contrary by any Bondholder or by the Company or by the obligor making such payment. All sums paid on account of any of the items specified in the preceding *Clauses (a), (b) and (c)* shall be paid to the Trustee and the same shall be held or applied by the Trustee as provided in *Article Eight*.

The Company hereby authorizes and directs all corporations whose stock or obligations or indebtedness may at any time be held by the Trustee hereunder to pay to the Trustee all interest and dividends and other amounts not receivable by the Company as aforesaid.

**Section 59.** Unless a Default shall have occurred and shall not have been cured, the Company shall have the right, except as hereafter expressly limited, to vote and/or give consents with respect to all shares of stock held by the Trustee hereunder; and from time to time, in case such shares of stock shall have been transferred into the name of the Trustee or of its nominee or nominees, the Trustee, upon the Written Request of the Company, shall execute and deliver or cause

to be executed and delivered to the Company or its nominee named in such Written Request appropriate powers of attorney or proxies to vote such stock or to execute a waiver or consent or certificate with respect to such stock, for such purpose or purposes as may be specified in such request, except that each such power of attorney or proxy may be limited so as to provide in effect that the powers thereby conferred do not include any power to vote for or to authorize or consent to any act or thing inconsistent with this Indenture.

After a Default has occurred, then, unless and until such Default shall be cured, in addition to the other remedies herein provided, the Trustee, if it shall deem it advisable, shall revoke all such powers of attorney and proxies and shall vote and exercise or cause its nominee to vote and exercise all the powers of an owner with respect to any such shares of stock then subject to the lien hereof; but after the Company's rights shall have been restored as hereinafter in *Section 108* provided, the right of the Company to vote such shares, and the duty of the Trustee to execute powers of attorney and proxies as hereinabove provided shall revive and continue as though such Default had not occurred.

**Section 60.** The Company will not sanction or permit any issue of additional shares of any Railway Subsidiary unless simultaneously there shall be made effective provision that certificates for all such additional shares, forthwith upon the issue thereof, shall be deposited and pledged with the Trustee hereunder and be made subject to the lien of this Indenture as a direct lien thereon subject to no prior lien or encumbrance. The Company will not sanction or permit the creation or existence of any indebtedness by or of any Railway Subsidiary, whether directly or by guaranty, assumption or otherwise (except indebtedness for the current operating expenses of such Railway Subsidiary and except purchase money obligations for not exceeding in principal amount 70% of the purchase price of additional property required in the business



of such Railway Subsidiary), unless such indebtedness shall be issued to the Company and shall, forthwith upon the issue thereof, be deposited and pledged with the Trustee hereunder and be made subject to the lien of this Indenture as a direct lien thereon subject to no prior lien or encumbrance. If any Railway Subsidiary shall fail to pay or discharge promptly in the usual course of business any indebtedness incurred or made by it as aforesaid for its current operating expenses, and if the Company shall elect to acquire any such indebtedness, the Company will forthwith pledge with the Trustee hereunder all such indebtedness so acquired by the Company. The Company will not permit any Railway Subsidiary to assume or guarantee the indebtedness of or make loans or advances or extend its credit to the Company or any affiliate of the Company.

**Section 61.** The Company will not permit any Railway Subsidiary to sell, lease or otherwise dispose of all or substantially all of its property, except that, anything in this Indenture to the contrary notwithstanding, (a) any Railway Subsidiary may sell all of its property as an entirety, provided that prior to or simultaneously with any such sale the Company shall have, by compliance with the provisions of *Section 44*, become entitled to obtain the release from the lien of this Indenture of all of the shares of stock and evidences of indebtedness of such Railway Subsidiary at the time held by the Trustee or required to be deposited with the Trustee, and (b) any Railway Subsidiary may be merged or consolidated into or with, or may sell, lease or transfer all or substantially all of its property to any other corporation, certificates for all of whose capital stock (except directors' qualifying shares) shall at the time be held in pledge by the Trustee hereunder and upon whose property there shall be no lien except a lien or liens securing obligations all of which shall at the time be pledged and deposited hereunder, provided that, upon such consolidation, merger, sale, lease or transfer becoming effective, all of the outstanding capital stock (except directors'

qualifying shares) and all of the outstanding indebtedness of such consolidated corporation or of the corporation into which such Railway Subsidiary shall have been merged, or to which such sale, lease or transfer shall have been made, shall forthwith be subjected to the lien of this Indenture as a direct lien thereon subject to no prior lien or encumbrance and the certificates for such stock and evidences of such indebtedness be pledged and deposited with the Trustee hereunder; and the Trustee may make or consent that there be made any exchange, substitution, cancelation or surrender required for the purpose, or in the accomplishment of, any such merger, consolidation, sale, lease or transfer.

The capital stock of any corporation whose shares may be held by the Trustee under this Indenture may be increased or reduced or reclassified and any such corporation may be dissolved; *provided, however*, that in every case of any such increase effective provision shall be made that the certificates for all such additional stock, or such part thereof as shall be proportionate to the part of the entire issued capital stock of such corporation previously subject to this Indenture, shall be deposited and pledged with the Trustee hereunder and subjected to the lien hereof as a direct lien thereon subject to no prior lien or encumbrance, and in every case of such reduction there shall continue to be held by the Trustee subject to the lien hereof certificates for not less than the same proportion of the reduced capital stock as the proportion of such capital stock that was held by the Trustee before such reduction. The Trustee may make any exchange, substitution, cancelation or surrender of certificates of stock held by it for the purpose of such increase, reduction, reclassification or dissolution; *provided, however*, that prior to any such cancelation or surrender of certificates for the purpose of dissolution, the share, if any, of all the assets of the corporation so dissolved distributable to the holder of such stock shall be subjected to the lien of this Indenture as a direct, first and prior lien thereon. The Company shall furnish to the Trustee a Certificate of the Company as to the amount of the share of the assets of any cor-

poration dissolved as aforesaid which is distributable to the holder of any stock held in pledge hereunder.

**Section 62.** In case default shall be made in the payment of the principal of or interest on any obligation or indebtedness which shall at the time be held by the Trustee hereunder, or in the due performance of any covenant contained in any instrument securing the same, then and in any such case (without prejudice, however, to any right to claim a Default under this Indenture or to assert any right consequent upon such Default), upon the Written Request of the Company, the Trustee shall cause, or join with other owners of like obligations or indebtedness in causing, proper proceedings to be instituted and prosecuted in some court of competent jurisdiction to enforce payment of such obligation or indebtedness and to collect the amounts due upon the same and/or to enforce the performance of such covenant. If a Default hereunder shall have occurred and shall not have been cured, the Trustee in its discretion may, and upon written request of the holders of at least 50% in amount of the Bonds then outstanding shall, institute such proceedings without such Written Request of the Company.

If and so long as the Trustee shall hold in pledge hereunder any overdue obligation or any obligation payable on demand, the Company will cause to be filed with the Trustee with respect to each such overdue obligation and each such demand obligation, at least annually after such overdue obligation became payable or such demand obligation became pledged, as the case may be, an acknowledgment of indebtedness by each obligor upon each such overdue obligation and demand obligation.

**Section 63.** With the Written Consent of the Company, the Trustee may at any time vote upon any shares of stock that shall be held by it hereunder, and with or without such Written Consent may take such action as in its discretion it shall deem advisable to protect its interests and the interests

of the Bondholders in respect of any obligations, indebtedness or stock subject to the lien hereof; and with such Written Consent of the Company the Trustee may join in any plan of voluntary or involuntary reorganization or readjustment or rearrangement in respect of any such obligations, indebtedness and/or stock, and may accept or authorize the acceptance of new securities issued in exchange therefor under any such plan. After a Default hereunder has occurred, then, unless and until such Default shall be cured, the Trustee shall be entitled to take such steps without the consent of the Company. Any new securities so received shall be held by the Trustee subject to the direct lien of this Indenture, and all the provisions herein contained shall be applicable to such new securities in like manner as to the securities in exchange for which they were issued. In case the Trustee shall not join in (or be bound by) such plan of reorganization or readjustment or rearrangement, then the Trustee shall receive any moneys apportioned to such securities and such moneys shall be held and paid over or applied by the Trustee as provided in *Article Eight*.

**Section 64.** Nothing herein contained shall prevent

(1) the renewal or extension, without impairment of lien or security, at the same or at a higher rate of interest (or, in the case of a Railway Subsidiary, at the same or a higher or a lower rate of interest) by any corporation of any of its obligations and indebtedness which shall at the time be subject to the lien hereof; or

(2) the issue, in place of or in discharge of or in substitution for any such obligations or indebtedness, of other obligations or indebtedness of the same corporation for equivalent amounts, secured by a mortgage or lien of at least substantially equal rank upon the same property;

*provided, however,* that in case any obligation or indebtedness held by the Trustee shall be so renewed or extended such

obligation or indebtedness as so renewed or extended, to the same extent and in the same manner as heretofore, shall continue to be subject to the lien hereof; and that in case any obligations or indebtedness held by the Trustee shall be exchanged for obligations or indebtedness substituted as aforesaid, the substituted obligations or indebtedness and the evidences thereof, to the same extent and in the same manner as those for which they are substituted, shall be deposited in pledge with the Trustee and shall become subject to the lien hereof. At any time in its discretion the Trustee may, and unless a Default hereunder shall have occurred and shall not have been cured the Trustee, upon receipt of the Written Request of the Company, shall, consent to such renewal, extension or substitution, but the Trustee shall be entitled before taking any action under this Section to receive an Opinion of Counsel that any such renewal, extension or substitution is in compliance with the provisions of this Section.

## ARTICLE TEN

### PARTICULAR COVENANTS OF THE COMPANY

The Company hereby covenants, agrees and warrants as follows:

**Section 68.** The Company will duly and punctually pay the principal of and interest and premium, if any, on every Bond issued under this Indenture, on the dates and at the place and in the manner specified in the Bonds and in the coupons thereto belonging. The interest accrued up to the date of maturity on coupon Bonds shall be payable only upon presentation and surrender of the several coupons as they respectively mature. When paid, such coupons shall forthwith be canceled. If paid by any person other than the Trustee, such coupons or evidence satisfactory to the Trustee of their payment and cancelation shall be promptly filed with the Trustee. All canceled coupons held by the Trustee shall be cremated or delivered, as directed by the Written Order of the Company.

The interest on registered Bonds without coupons shall be paid to or upon the order of the registered owners thereof. Money deposited with the Trustee or with any paying agent for the purpose of paying the principal of or interest on Bonds, shall constitute a trust fund for such purpose and for no other purpose whatsoever. Every paying agent which may be appointed for the purpose of making payments of the principal of or the interest on any Bond shall be required to notify the Trustee promptly of any default by the Company in the payment of any such principal or interest.

**Section 69.** The Company will not, directly or indirectly, extend, or assent to the extension of, the time for payment of the principal of any Bond, or any coupon or claim for interest upon any Bond, and it will not, directly or indirectly, take part in any arrangement therefor by purchasing or funding Bonds or such coupons or claims or in any other manner. No such Bond, coupon or claim so extended, nor any coupon or claim for interest belonging to any Bond which in any way at or after its maturity shall have been transferred or pledged separate and apart from the Bond to which it belongs, shall be entitled, in case of default hereunder, to the benefit or security of this Indenture, until the prior payment in full of the principal of all Bonds issued hereunder and outstanding not so extended and of all such coupons and claims not so extended or transferred or pledged.

**Section 70.** At all times, until the payment of all the Bonds, both principal and interest, the Company will cause an office or agency to be maintained in the City of Chicago and, so long as any Bonds of Series A shall be outstanding, an office or agency to be maintained in the City of New York, where the Bonds and coupons may be presented for payment, and notices and demands in respect of the Bonds and coupons or this Indenture may be served. The Company will from time to time give the Trustee written notice of the location of each such office or agency and in case the Company shall

fail to maintain either such office or agency or to give the Trustee written notice of the location thereof, any such presentation, notice or demand in respect of the Bonds or coupons or this Indenture may be made or given, unless other provision is expressly made herein, to or upon the Trustee, and the Company hereby authorizes such presentation and demand to be made to and such notice to be served on the Trustee in such event.

**Section 71.** The Company hereby does and will forever warrant and defend the title to the property now owned by the Company described in the Granting Clauses against the claims and demands of all persons whomsoever, unless and until any such property shall be released from the lien hereof. At the time of the ensembling and delivery of this Indenture, the Company is well seized and possessed of the real property described in *Granting Clause A* (except as to property of which only the right, title and interest of the Company is expressed to be mortgaged hereby), subject to no mortgage, lien, charge or encumbrance, except as hereinabove recited, and has full power and lawful authority to grant, bargain, sell, convey, assign and mortgage the said property in the manner and form aforesaid. The Company lawfully owns and is possessed of the personal property described in *Granting Clause A*, subject to no mortgage, pledge, lien, charge or encumbrance, except as hereinabove recited, and has full power and lawful authority to mortgage, assign and transfer said personal property in the manner and form aforesaid.

The Company covenants and agrees that, prior to or simultaneously with the authentication and delivery of any Bonds hereunder, the Company will, by proper resolution of the Board, call for redemption all of the bonds (hereinafter called the "Existing Bonds") outstanding under the indenture of mortgage dated September 30, 1925 made by the Company (under its former name Iowa Railway and Light Corporation) and Iowa Railway and Light Company to Harris Trust and Savings Bank and Murdoch H. MacLean, as Trus-

tees, and the various indentures supplemental thereto (said mortgage and supplemental indentures being herein sometimes referred to as the "Existing Mortgage"), under which Existing Bonds in the total aggregate principal amount of \$12,600,000 are presently outstanding, consisting of \$6,000,000 aggregate principal amount of Existing Bonds of Series C, \$3,000,000 aggregate principal amount of Existing Bonds of Series D, and \$3,600,000 aggregate principal amount of Existing Bonds of Series E; that the respective redemption dates for said Existing Bonds shall be on or before September 1, 1941 for said Existing Bonds of Series C, on or before November 1, 1940 for said Existing Bonds of Series D, and on or before December 1, 1940 for said Existing Bonds of Series E; and that prior to or simultaneously with the authentication and delivery of any Bonds hereunder, the Company will deposit with Harris Trust and Savings Bank funds sufficient to redeem, on the respective redemption dates thereof, all said Existing Bonds so called for redemption, in trust for the purpose of such redemption and accompanied by irrevocable instructions to apply the same to effect such redemption, and, that at the earliest date permitted by the terms of the Existing Mortgage but in no event later than September 2, 1941, the Company will procure from the trustees under the Existing Mortgage duly executed counterparts of appropriate instruments evidencing the satisfaction and discharge thereof; and, promptly after the receipt of such instruments of satisfaction and discharge, the Company will cause the Existing Mortgage to be discharged of record in all places in which the Existing Mortgage has been recorded.

The Company further agrees that it will take or cause to be taken all other action which may be necessary to effect the redemption as aforesaid of the Existing Bonds and the satisfaction and discharge of the Existing Mortgage.

**Section 72.** This Indenture is, and so long as any Bonds are outstanding hereunder will be kept, a direct lien upon the Trust



Estate, subject only to such liens as are permitted by this Indenture; and, except as otherwise herein expressly permitted, the Company will not create or suffer to be created any debt, lien or charge which would constitute a lien prior to or upon a parity with the lien of this Indenture upon the Trust Estate or any part thereof or upon the income therefrom; and the Company will from time to time pay or cause to be paid all taxes and assessments lawfully levied or assessed upon the Trust Estate or upon any part thereof or upon any income therefrom, when the same shall become lawfully due and payable, and also all taxes and assessments lawfully levied or assessed upon the lien or interest of the Trustee or of the Bondholders in respect of the Trust Estate, so that the lien of this Indenture shall at all times be wholly preserved at the cost of the Company and without expense to the Trustee or the Bondholders; and the Company will not suffer any mechanics', laborers', materialmen's statutory or other similar liens to remain upon the Trust Estate or any part thereof, the lien whereof might or could be held to be prior to or on a parity with the lien of this Indenture, and the Company will not suffer any other matter or thing whatsoever whereby the lien hereby created might be impaired; *provided, however*, that, if the Company shall have set up on its books in respect thereof such reserves as may be required by accepted accounting practice, the Company shall have the right to contest, in good faith, by legal proceedings, any such taxes, assessments or liens, and pending such contest may delay or defer the payment thereof, unless thereby the property will be forfeited; and *provided further*, that, except as provided in *Section 83*, nothing in this Indenture contained shall prevent the Company from hereafter acquiring any property subject to an existing mortgage, lien or other encumbrance thereon or from placing a purchase money mortgage or lien upon any such after-acquired property, at the time of its acquisition, as security for any unpaid balance of the purchase price thereof and holding the same subject to such mortgage, lien or other encumbrance or from subjecting to any Prior Lien hereby permitted, in priority to the lien

of this Indenture, any property acquired as betterments, extensions, improvements, repairs, renewals, replacements, substitutions or alterations to, upon, for and of property subject to such Prior Lien, but only to the extent that the after-acquired property provisions or other provisions of such Prior Lien attach thereto, but no such mortgage, lien or other encumbrance shall be permitted to exist upon any such after-acquired property which is made the basis of the authentication and delivery of Bonds under *Article Four* or the withdrawal of Deposited Cash under *Section 31* or the release of property under *Article Seven* or the withdrawal of Trust Moneys under *Article Eight* (except to the extent expressly permitted by *Articles Seven and Eight*) or which is used to meet the requirements of *Section 74* or *Section 100*.

**Section 73.** The Company will not, except as herein permitted, do or suffer any act or thing whereby the Trust Estate might or could be impaired, and it will at all times maintain, preserve and keep the Trust Estate and every part thereof, in good condition, repair and working order. The Company will from time to time make all needful and proper repairs, replacements, additions, betterments and improvements, so that the operations and business of and pertaining to the Trust Estate and every part thereof shall at all times be conducted properly and advantageously, and so that at all times the efficiency of the Trust Estate shall be fully maintained.

Nothing herein contained, however, shall be held to prevent the Company from permanently discontinuing the operation of any of its plants or properties, if, in the judgment of the Company, it is no longer advisable to operate the same, or if the Company intends to sell or dispose of the same and within a reasonable time shall endeavor to effectuate such sale; nor shall anything herein contained be construed to prevent the Company from taking such action with respect to the user of its plants and properties as is proper under the circumstances, including the cessation or omission to exercise rights, permits, licenses, privileges or franchises which, in the

judgment of the Company, can no longer be profitably exercised or availed of.

The Company will promptly classify as Retirements for the purpose of the computation of Net Bondable Additions hereunder all Bonded Property, except Transportation Property, that has permanently ceased to be used or useful in the Public Utility Business of the Company.

Whenever the holders of at least 25% in amount of the Bonds outstanding hereunder shall so request in a written notice, but in no event more frequently than at five year intervals, served upon the Trustee and the Company, the Trustee shall furnish to the Company the names of five Independent Engineers selected by it, and the Company shall promptly appoint one of said five Independent Engineers to make an inspection of the Trust Estate.

The Company shall cause such Independent Engineer, within a reasonable time after the date of his appointment, to report to the Company and to the Trustee whether or not the Trust Estate, as an operating system or systems, has been maintained in good repair, working order and condition, and whether or not there is any property of the Company which should be classified as Retirements for the purpose of computing Net Bondable Additions hereunder and which has not been retired on the books of the Company. If such Independent Engineer shall report that the Trust Estate, as an operating system or systems, has not been so maintained, he shall state clearly in his report the character and extent and estimated cost of making good such deficiency, and, if longer than one year, the time reasonably necessary to make good such deficiency and, if he shall report that there is property of the Company which should be classified as Retirements for the purpose of computing Net Bondable Additions hereunder and which has not been retired on the books of the Company, his report shall briefly describe such property and shall state the aggregate amount, if separately shown on the books of the Company, or the amount estimated by the Company if not separately shown, which should be so deducted

in the computation of Net Bondable Additions hereunder. Said report shall be placed on file by the Trustee and shall be open to inspection by any Bondholder at any reasonable time.

If the Company, within 30 days after the filing of the report of such Independent Engineer, does not consent to and approve in writing the amount stated therein as aforesaid as the estimated cost of making good such maintenance deficiency and/or the amount stated therein which should be deducted as Retirements for the purpose of the computation hereunder of Net Bondable Additions, the amount of such maintenance deficiency, if any, and/or the amount, if any, so to be deducted in any computation of Net Bondable Additions, shall be forthwith referred to three arbitrators selected in the following manner: The Trustee, within 10 days after the expiration of said period of 30 days, shall name one arbitrator and give notice of such selection to the Company. Within 10 days after receipt of such notice, the Company shall name one arbitrator and give notice of such selection to the Trustee, and failure so to do shall entitle the Trustee to name an arbitrator to represent the Company. The two thus selected shall, within 10 days after the appointment of the arbitrator representing the Company, select a third arbitrator, but if said arbitrators are unable, within said 10 days, to agree upon such third arbitrator, then, upon the election of either the Company or the Trustee, the person who is the District Judge of the United States of America for the Northern District of Illinois, Eastern Division, senior in service shall have the power to appoint such third arbitrator, upon application to said District Judge by either party on 5 days' notice thereof to the other party. The written decision of a majority of such arbitrators shall be filed as soon as practicable with the Trustee and a copy thereof delivered to the Company, and shall be binding upon the Trustee, the Company and the Bondholders.

Pending the final determination pursuant to the foregoing provisions of this Section as to whether or not the Company

has maintained the Trust Estate as an operating system or systems, in good repair, working order and condition, no statement contained in any report of any Independent Engineer filed with the Trustee as hereinbefore in this Section provided, shall be deemed to be in any way evidence or proof of a failure to comply with this Section.

The Company shall, with all reasonable speed, do such maintenance work as may be necessary to make good any such maintenance deficiency as shall have been determined to exist as hereinabove provided at the time of the report of such Independent Engineer or at the time of such decision of arbitrators, as the case may be, whereupon such Independent Engineer or such arbitrators, as the case may be (or, in case of his or their refusal or inability to act, some other Independent Engineer), shall report in writing to the Trustee whether such deficiency has been made good.

Unless the Trustee shall be so advised in writing by such Independent Engineer or arbitrators, as the case may be, within one year from the date of the report of such Independent Engineer or the date of such decision of arbitrators, as the case may be, or such longer period as may be reported by such Independent Engineer or the arbitrators, as the case may be, to be reasonably necessary for the purpose, that such deficiency has been made good, the Company shall be deemed to have defaulted in the due performance of the covenants of this Section, so far as concerns the maintenance of the Trust Estate; and in any proceedings consequent upon such default, said report or reports of such Independent Engineer or said decision or decisions of such arbitrators, as the case may be, shall be conclusive evidence against the Company of the existence of the facts and conditions therein set forth, and the Trustee shall be fully protected in relying thereon.

In the computation hereunder of Net Bondable Additions, after any such report of an Independent Engineer or any such decision of arbitrators shall have been filed with the Trustee, the Company shall classify as Retirements, at the amount or amounts which such report or decision (as the case may be)

specifies, the property which said report or decision (as the case may be) states should be classified as Retirements for the purpose of such computation and which has not been retired on the books of the Company.

All expenses incurred pursuant to this Section shall be borne by the Company.

In the event that any regulatory authority having jurisdiction over the Company shall determine that the expenditures required by this Section for repairs and maintenance are excessive, or shall, by order or regulation, prohibit, in whole or in part, any such expenditures for repairs and maintenance, then, upon filing with the Trustee a certified copy of such order or a copy of such regulation, as the case may be, the Company shall, so long as such order or such regulation remains in effect, be relieved from compliance with the covenants contained in this Section, to the extent that such expenditures for repairs and maintenance shall have been held excessive or shall be prohibited.

**Section 74.** For each calendar year beginning with the year 1940, the Company shall have a specific obligation in respect of the maintenance, repair and replacement of the physical property owned by the Company and constituting a part of the Trust Estate, in an amount equal to 15% of the gross operating revenues of the Company during such year, which term shall include the revenues derived from the operation of physical properties which are owned by the Company and are subject to the lien of this Indenture, but shall not include any revenue from construction work or the sale of appliances or any other non-operating revenue or any income from stocks, bonds or other securities. Said specific obligation shall be met by the Company in the following manner, that is to say, on or before May 1, 1941, and on or before May 1 in each year thereafter, the Company shall deliver to the Trustee the following:

A. A MAINTENANCE CERTIFICATE OF THE COMPANY, setting forth the amount of the gross operating revenues of

the Company for the next preceding calendar year, and also the net amount expended by the Company during said calendar year for repairs and maintenance (including replacements whose cost has been charged to maintenance or other operating expense account) of the physical properties owned by the Company and subject to the lien of this Indenture; *provided, however*, that the Company shall not be entitled to include in any such Maintenance Certificate an amount in respect of expenditures for repairs and maintenance of Transportation Property during said calendar year in excess of 15% of the gross operating revenues derived from the operation of Transportation Property during said calendar year, whether or not the amount actually expended during said calendar year for maintenance and repairs of Transportation Property shall have exceeded such percentage; and *provided further*, that, with respect to any plant or system which is subject to a Prior Lien (other than a Prepaid Lien), if the gross operating revenues from such plant or system and the amount expended by the Company for repairs and maintenance thereof are separately ascertainable in accordance with sound accounting practice, the Company may, at its option, exclude from any such Maintenance Certificate all the gross operating revenues during said calendar year from such plant or system, and in any such case there shall also be excluded from such Maintenance Certificate all the expenditures of the Company during said calendar year for repairs and maintenance of such plant or system.

B. CASH equal to the amount, if any, by which 15% of the gross operating revenues of the Company as so certified exceeds the amount so certified to have been expended for repairs and maintenance; *provided, however*, that, in lieu of all or any part of such cash, the Company shall have the right to deliver to or deposit with the Trustee any of the following:

- (1) The CERTIFICATES, OPINIONS and OTHER INSTRUMENTS which the Company would be required to furnish

to the Trustee upon an application for the authentication and delivery of Bonds on the basis of Property Additions under *Article Four*, but with the following variations and omissions of the instruments specified in *Section 25*, to wit:

(a) The Property Additions Certificate required by *Paragraph B* of *Section 25* need not contain the statements required by *Sub-paragraph (c)* of *Clause (12)* thereof nor the statements required by *Clauses (13)* and *(14)* thereof;

(b) It shall not be necessary for the Company to deliver to the Trustee the Resolution required by *Paragraph A*, the Retirements Certificate required by *Paragraph E*, the Net Earnings Certificate required by *Paragraph F*, or any of the certificates or parts of the Opinion of Counsel referred to in *Clauses (5)*, *(6)* and *(7)* of *Paragraph I*, of *Section 25*;

(c) The Summary Certificate required by *Paragraph G* of *Section 25* shall show only Gross Bondable Additions and/or any unused Additions Credit which the Company shall elect to use to meet the requirements of this Section;

Such Certificates, Opinions and Other Instruments shall be received by the Trustee in lieu of cash up to, but not exceeding, the amount of Gross Bondable Additions and/or Additions Credit so used to meet the requirements of this Section;

(2) THE BONDS, CERTIFICATES, OPINIONS and OTHER INSTRUMENTS which the Company would be required to furnish to the Trustee upon an application for the authentication and delivery of Bonds under *Article Six*; *except, however*, that it shall not be necessary for the Company to deliver to the Trustee the Resolution required by *Paragraph A*, or any of the certificates or parts of the opinion of Counsel referred to in *Clauses (2)*, *(3)* and *(4)* of *Paragraph E*, of *Section 35*, nor the Net Earnings Certificate required by *Section 36*. Such Bonds, Certificates, Opinions and Other Instruments



shall be received by the Trustee in lieu of cash equal to the principal amount of the Bonds then so used to meet the requirements of this Section ;

C. AN OPINION OF COUNSEL, stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and that the Cash, Bonds, Certificates, Opinions and/or Other Instruments delivered to the Trustee pursuant to *Paragraph B* of this Section constitute compliance by the Company with its said specific obligation under this Section.

Cash deposited with the Trustee under the provisions of this Section shall be held and paid over or applied by the Trustee as provided in *Article Eight*. All Bonds and their accompanying coupons, delivered uncanceled to the Trustee and used as aforesaid to meet the requirements of this Section, shall be immediately canceled, and thereafter cremated if in coupon form, or delivered to the Company if in fully registered form.

**Section 75.** The Company will not permit any increase of the aggregate principal amount of outstanding Prior Lien Obligations secured by any Prior Lien, but the Company shall have the right to issue new Obligations under a Prior Lien, in place of, and in substitution for, or to refund, other Obligations secured by the same Prior Lien, if the principal amount of such new Obligations shall not exceed the principal amount of the Obligations in place of which, or to refund which, such new Obligations are being issued.

The Company will not permit any default to occur in the payment of any principal of or any interest or premium, if any, on any Prior Lien Obligations, and will not permit any act or omission, which is or may be declared to be a default under any mortgage securing Prior Lien Obligations, to occur hereafter or to continue beyond the period of grace, if any, specified in any such mortgage, and will, at all times, protect

its title to the Trust Estate and every part thereof against loss by reason of any foreclosure or other proceeding to enforce any Prior Lien thereon.

**Section 76.** Upon the cancelation and discharge of any Prior Lien, the Company will cause all cash, obligations or other property then held by the trustee or other holder of such Prior Lien, which were received by such trustee or other holder by reason of the release of, or which represent the proceeds of the taking by eminent domain or the purchase by a public authority or any other disposition of, or insurance on, any of the Trust Estate (including all proceeds of or substitutes for any thereof), to be paid to and/or deposited and pledged with the Trustee, subject to no lien or charge prior to the lien of this Indenture, such cash to be held and paid over or applied by the Trustee as provided in *Article Eight* and such obligations or other property to be held and disposed of by the Trustee as provided in *Article Nine*; provided, however, that in lieu of paying or delivering to the Trustee all or any part of such cash, obligations or other property, the Company may deliver to the Trustee a certificate of the trustee or other holder of some other Prior Lien, stating that a specified amount thereof has been deposited with such trustee or other holder pursuant to the requirements of such other Prior Lien, in which case there shall also be delivered to the Trustee an Opinion of Counsel stating that such deposit is required by such other Prior Lien.

**Section 77.** All property of every kind, real, personal or mixed, other than Excepted Property, which may be acquired by the Company after the date hereof, shall, immediately upon the acquisition thereof by the Company, to the extent of such acquisition, and without any further conveyance or assignment, become and be subject to the direct lien of this Indenture as fully and completely as though now owned by the Company and specifically granted and described in the Granting Clauses. At any and all times, the Company will do, execute, acknowl-

edge and deliver or will cause to be done, executed, acknowledged and delivered, all and every such further acts, deeds, transfers and assurances for the better assuring, conveying and confirming unto the Trustee all and singular the property hereby conveyed or intended so to be, as the Trustee shall reasonably require for better accomplishing the provisions and purposes of this Indenture, and for securing payment of the principal of and interest on the Bonds issued hereunder.

The Company will promptly record, register, file, re-record, re-register, refile and renew this Indenture and every indenture supplemental hereto and instrument of conveyance which hereafter may be executed and all such documents as may be required by law in order to maintain this Indenture at all times as a mortgage of both real estate and personal property, all in such manner, at such times and from time to time, and in such places as may be required by law in order fully to preserve and protect the security of the Bondholders and the rights of the Trustee. So far as permitted by law, the Company will pay any mortgage recording or other tax due on any recording or filing hereof or of any such supplemental indenture or instrument of conveyance and any further mortgage recording or other tax due at any time hereafter upon the issuance of additional Bonds hereunder and will comply with the requirements of any and every mortgage recording tax law or similar law affecting the due recording or maintaining of this Indenture, and, so far as permitted by law, will do whatever else may be necessary or be reasonably required by the Trustee in order to perfect and continue the lien of this Indenture upon the property mortgaged, pledged or assigned hereunder or intended so to be. The Company will, promptly after the execution and delivery of this Indenture and of each supplemental indenture, furnish to the Trustee an Opinion of Counsel either stating that in the opinion of such counsel this Indenture or such supplemental indenture has been properly recorded and filed so as to make effective the lien intended to be created thereby and fully to preserve and protect the security of the Bondholders and all rights of the Trustee, and reciting the

details of such action, or stating that in the opinion of such counsel no such action is necessary for such purpose. The Company will, at least annually after the execution and delivery of this Indenture, furnish to the Trustee an Opinion of Counsel either stating that in the opinion of such counsel such action has been taken with respect to the recording, filing, re-recording and re-filing of this Indenture and each supplemental indenture as is necessary to maintain the lien thereof, and fully to preserve and protect the security of the Bondholders and all rights of the Trustee, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary for such purpose.

In furtherance of, but without limiting the generality of, the foregoing covenants of this Section, the Company will furnish to the Trustee on or before December 31st in each year, commencing with the year 1941, the following:

A. A CERTIFICATE OF THE COMPANY, briefly describing any additional land or interest in land and any new plant or system which the Company may have acquired since the date of the most recent Certificate filed with the Trustee pursuant to this Section (or, in the case of the first such Certificate, since the date of the execution and delivery hereof); and

B. The MORTGAGES, DEEDS, CONVEYANCES, ASSIGNMENTS, TRANSFER AND INSTRUMENTS OF FURTHER ASSURANCE, if any, specified in the Opinion of Counsel referred to in the following *Paragraph C*; and

C. AN OPINION OF OPINIONS OF COUNSEL, specifying the mortgages, deeds, conveyances, assignments, transfers and instruments of further assurance which will be sufficient to subject to the direct lien of this Indenture (so far as permitted by law) all the Company's right, title and interest in and to the land and interests in land and any new plant or system described in said Certificate or stating that no such mortgage, deed, conveyance, assignment, transfer or instrument of further assurance is necessary for such purpose, and that, upon

the recordation or filing, in the manner stated in such opinion, of the instruments so specified, if any, and, upon the recordation or filing of this Indenture or any supplemental indenture in the manner stated in such opinion, or without any such recordation or filing if such opinion shall so state, this Indenture will (so far as permitted by law) constitute a valid direct lien upon all the Company's right, title and interest in and to such land, interest in land, plant and/or system as against all creditors and subsequent purchasers, subject only to liens permitted by the terms of this Indenture.

**Section 78.** The Company will at all times keep all of its property which is of an insurable nature and of the character usually insured by companies operating properties similar to the properties of the Company, insured against loss or damage by fire and from other causes customarily insured against by similar companies and in such amounts as are usually insured against by such companies. The Company will also at all times maintain proper insurance against loss or damage from such hazards and risks to the person and property of others as are usually insured against by companies operating properties similar to the properties of the Company and in such amounts as are usually insured against by such companies. All such insurance shall be effected by one or the other of the following methods, or partly by one and partly by the other:

A. Such insurance shall be carried with insurers of good standing. All policies or other contracts for such insurance upon any part of the Trust Estate shall provide that the proceeds of such insurance shall be payable to the Trustee as its interest may appear. The proceeds of all such insurance received by the Trustee shall be deposited with the Trustee and shall be held and paid over or applied by the Trustee as provided in *Article Eight*. In case any part of the Trust Estate covered by any policy of insurance shall suffer loss or damage, any appraisalment or adjustment of any such loss or damage and any settlement and payment of indemnity

therefor which may be agreed upon between the Company and any insurer, as evidenced by a Certificate of the Company, may be assented to and accepted by the Trustee in its discretion without any inquiry or investigation whatsoever, and the Trustee shall be under no duty or responsibility for the collection of any insurance moneys in case of any loss or damage.

As soon as practicable after the execution of this Indenture, but not later than November 1, 1940, and not later than the first day of March of each year thereafter, and at any time upon the request of the Trustee, the Company will file with the Trustee a Certificate of the Company containing a detailed list of all such insurance then in effect on a date therein specified (which date shall be within 30 days of the filing of such certificate), and stating that said insurance complies with the provisions of this Section, and that the Company has complied with all the provisions of said insurance policies. The Trustee shall be entitled to accept such list and certificate as satisfactory evidence of compliance by the Company with the provisions of this Section. In case the Trustee shall at any time notify the Company in writing that it disapproves of any insurer with which the Company has insured itself or any part of its property, other insurance satisfactory to the Trustee shall forthwith be effected by the Company.

B. In lieu of or to supplement the plan of insurance provided for in the preceding *Paragraph A*, in respect of all or any part of its property, the Company shall be at liberty to adopt such other proper plan or method of protection against the casualties aforesaid, whether by the establishment of an insurance fund or reserve to be held and applied to make good losses from such casualties, or otherwise, and upon such terms and conditions, but conforming to the approved practices of similar companies maintaining systems of self-insurance, as may be determined by the Board of Directors of the Company. In such case, the annual certificate provided for in the preceding *Paragraph A* shall be varied accordingly. If the Company shall adopt such other plan or method, it hereby

covenants and agrees to pay to the Trustee, as its interest may appear, the amounts of all losses, to the extent that such amounts shall not be payable by insurance companies, and the amounts so required to be paid to the Trustee shall be deemed to constitute proceeds of insurance for all purposes of this Indenture.

**Section 79.** The Company will keep full and complete records and accounts showing the sale of all Bonds authenticated and delivered hereunder, and the price or prices received therefor, and the several purposes for which the proceeds thereof were expended, and the amounts of such several expenditures.

**Section 80.** The Company will keep proper books of record and account, in which full, true and correct entries shall be made of all dealings or transactions of or in relation to the plants, properties, business and affairs of the Company. The Company will at any and all times, upon the written request of the Trustee and at the expense of the Company, (a) permit the Trustee by its agents, engineers, accountants and attorneys to examine and inspect the plants and properties, books of account, and records of the Company, and will afford and provide a reasonable opportunity to make any such examination and inspection, and (b) furnish the Trustee any and all such other information as the Trustee may reasonably request.

The Company will, within 120 days after the close of each fiscal year, beginning with the fiscal year ending in 1940, file with the Trustee a balance sheet and an income and surplus account of the Company, prepared by independent certified or public accountants of recognized standing, approved by the Trustee, showing, respectively, the financial condition of the Company at the close of the preceding fiscal year, and the financial operations of the Company during such fiscal year. Such balance sheet shall contain, among other things, a statement in reasonable detail of the amount of the assets and liabilities of the Company as of the close of such fiscal year, and shall bear a certificate of audit signed by said ac-

countants. Such income and surplus account shall contain, among other things, a statement of the amount of the operating and net non-operating revenues and operating expenses (with the principal divisions thereof) of the Company during such fiscal year, and shall bear a certificate of audit signed by said accountants and shall be accompanied by a statement of the "Net Earnings" of the Company, certified by said accountants to have been prepared in accordance with the definition thereof set forth in *Paragraph O* of *Section 24*.

The balance sheets and income and surplus accounts of the Company furnished to the Trustee under this Section shall at all reasonable times during business hours be open to inspection by the holders of Bonds.

**Section 81.** Except in the case of a merger, consolidation, conveyance or transfer as in *Article Sixteen* provided, the Company will at all times maintain its corporate existence and right to carry on business, and will duly procure all renewals and extensions thereof, and, subject to the provisions of *Section 73*, will use its best efforts diligently to maintain, preserve and renew all the rights, powers, privileges, immunities, franchises and good-will owned by it; *provided, however*, that the Company shall have the right to abandon any corporate powers not necessary in the operation of the business at the time conducted by it. The Company will not enter into any merger or consolidation, or make any conveyance or lease of all or substantially all the Trust Estate (or substantially all of the Trust Estate exclusive of Transportation Property) as an entirety, unless, in connection therewith, the Company and/or the successor corporation and/or the lessee, as the case may be, shall observe and comply with the terms and conditions of *Article Sixteen* applicable to such transaction.

**Section 82.** If the Company shall fail to perform any of the covenants contained in this Article, the Trustee may, in its uncontrolled discretion, at any time and from time to time make advances (either from its own funds or from



moneys furnished to it for such purpose by one or more Bondholders or by any committee formed to protect the rights of Bondholders), to effect performance of such covenants by or on behalf of the Company, but the Trustee shall not be under any obligation so to do; and any and all moneys paid or advanced by the Trustee for any such purpose, together with interest thereon at the rate of 6% per annum, shall be repaid by the Company upon demand and shall be secured under this Indenture by a lien in favor of the Trustee upon the Trust Estate prior to the lien of the Bonds and coupons; but no such advance shall operate to relieve the Company from any default hereunder.

**Section 83.** So long as any Bonds of Series A shall be outstanding, the Company will not acquire, by purchase, merger or otherwise, any property subject to any lien prior to the lien of this Indenture, either existing thereon prior to such acquisition or placed thereon at the time of such acquisition, other than Prepaid Liens and Permitted Encumbrances, unless the Company shall, and the Company covenants that in case it shall propose to acquire any such property it will, prior to or simultaneously with the acquisition thereof, file with the Trustee the following:

A. A CERTIFICATE OF THE COMPANY, dated not more than 60 days prior to the date as of which such property is to be acquired, and signed also by an Engineer selected by the Company, who may be in the employ of the Company, and who shall be approved by the Trustee, setting forth in substance as follows:

(1) That the Company proposes to acquire certain property which upon such acquisition will be subject to one or more liens prior to the lien of this Indenture, other than a Prepaid Lien or Permitted Encumbrance, and giving a brief description of such property and the principal subdivisions of plant or plant addition account to which the cost of such property is to be charged.

(2) The nature and extent of all such liens and the principal amount of all indebtedness secured thereby which is to be outstanding upon such acquisition.

(3) Whether any part of the property described in said certificate is to be acquired by the Company in whole or in part for a consideration consisting of securities; and if so such part of such property shall be separately described, and said securities shall also be described.

(4) The Cost to the Company of such property, and also the Fair Value thereof, as of the proposed date of acquisition thereof, as appraised by said Engineer; and stating that said Cost and Fair Value have been computed and ascertained as required, with respect to Property Additions, by *Paragraph B of Section 24*. In the case of property of the character described in *Clause (3)* of this Paragraph, the portion of the Cost thereof represented by securities shall not exceed the Fair Value of such securities as shown by the Appraiser's Certificate filed with the Trustee pursuant to *Paragraph B* of this Section.

(5) That the principal amount of the indebtedness secured by liens on such property, as set forth pursuant to *Clause (2)* of this Paragraph, does not exceed 70% of the Cost or Fair Value of such property, whichever shall be less, as shown pursuant to *Clause (4)* of this Paragraph.

B. In case any part of such property is, as shown by the Certificate required by the preceding *Paragraph A*, to be acquired by the Company in whole or in part for a consideration consisting of securities, a CERTIFICATE, dated not more than 60 days prior to the date as of which such property is to be acquired, signed by an Appraiser appointed by the Trustee and approved by a Resolution of the Board, stating, in the opinion of the signer, the Fair Value of such securities as of the date of such Certificate.

C. A NET EARNINGS CERTIFICATE of the Company, dated not more than 60 days prior to the date as of which such property is to be acquired, of the character required by *Paragraph F* of *Section 25* (with such appropriate omissions and variations as are applicable by reason of the fact that the Certificate is being furnished under this Section); *provided, however*, that (a) the period of 12 months adopted for the purpose of such Net Earnings Certificate shall be a period of twelve months within the fifteen calendar months immediately preceding the calendar month in which such property is to be acquired, (b) effect shall be given to the proposed acquisition in determining the amount of the annual Interest Charges on the Secured Bonded Debt of the Company, (c) the net earnings from the property to be acquired, for the entire 12 months' period aforesaid, shall be included in the computations of Net Earnings of the Company, and (d) in determining Net Operating Revenues from the Public Utility Property all of the property so to be acquired other than property of the character of Excepted Property shall be treated as property owned by the Company and subject to the lien of this Indenture.

D. AN OPINION OR OPINIONS OF COUNSEL stating that the nature and extent of the lien or liens on the property so to be acquired are correctly stated in said Certificate of the Company.

*Provided, however*, that if the Net Earnings Certificate required by *Paragraph C* of this Section shall show that the Net Earnings of the Company set forth therein have been at least equal to three times the aggregate amount of the annual Interest Charges on the Secured Bonded Debt of the Company as set forth therein and that such Net Earnings consist of Net Operating Revenues from the Public Utility Property to an extent at least equal to 85% of three times said aggregate amount of annual Interest Charges on the Secured Bonded Debt of the Company, then and in any such case the Certificate of the Company required by *Paragraph A* of this

Section need not contain the statements required by *Clauses (3), (4) and (5)* of said *Paragraph A*, and it shall not be necessary for the Company to deliver to the Trustee the Appraiser's Certificate referred to in *Paragraph B* of this Section.

The Company further covenants that, within 10 days after each such acquisition, it will file with the Trustee a supplemental Opinion or Opinions of Counsel stating that all such property so acquired which is of the character required to be subjected to the lien of this Indenture has become subject to the lien hereof free and clear of all liens prior to the lien of this Indenture except the lien or liens specified in the Certificate of the Company filed with the Trustee pursuant to *Paragraph A* of this Section and except Prepaid Liens and Permitted Encumbrances.

**Section 84.** The Company covenants and agrees that whenever necessary to avoid or to fill a vacancy in the office of Trustee, the Company will in the manner provided in *Section 152* appoint a Trustee so that there shall at all times be a Trustee hereunder which shall at all times be a bank or trust company having its principal office and place of business in the City of Chicago, Illinois, or in the Borough of Manhattan, The City of New York, if there be such a bank or trust company willing and able to accept the trust upon reasonable or customary terms, and which shall at all times be a corporation organized and doing business under the laws of the United States or of any State or Territory or of the District of Columbia, with a capital and surplus of at least \$5,000,000, and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority.

**Section 85.** The Company covenants and agrees that it will not declare or pay any dividend (except a dividend payable in shares of stock of the Company) or make any other distribution on any of the shares of its stock of any class or to any

of its stockholders and that it will not redeem, purchase or otherwise acquire any shares of its stock, unless, immediately after such dividend, distribution, redemption, purchase or other acquisition, the net income of the Company available for dividends, for the period from December 31, 1939 to and including the date of such dividend, distribution, redemption, purchase or other acquisition, shall be at least equal to the sum of all payments made or required in respect of all such dividends, distributions, redemptions, purchases or other acquisitions occurring during said period; *provided, however*, that the Company may also redeem, purchase or otherwise acquire any shares of its stock in exchange for or out of the proceeds received by the Company from the sale of any other shares of its stock or any security issued by it representing an equity interest in the Company subordinate to all debts, secured and unsecured.

For the purposes of any computation under this Section, the "net income of the Company available for dividends" for any period shall be computed and ascertained in accordance with sound accounting practice (on a cumulative basis and after making proper deductions for any deficits occurring during any part of said period), except that in making any such computation (1) the amount deducted as charges for depreciation and/or retirement reserves shall be the greater of either (a) an amount equal to the charges made by the Company for depreciation and/or retirement reserves during such period in respect of all properties of the Company, or (b) an amount equal to the excess of 15% of the gross operating revenues of the Company during such period over the net amount expended by the Company during such period for maintenance and repairs of its systems and properties, and (2) no deduction or addition shall be made for any amounts properly charged or credited directly to surplus in accordance with sound accounting practice.

## ARTICLE ELEVEN

## REDEMPTION OF BONDS

Section 95. Such of the Bonds issued hereunder as are by their terms redeemable before maturity may, at the election of the Company evidenced by a Resolution of the Board delivered to the Trustee, be redeemed at such times, in such amounts and at such prices as may be specified therein, and in accordance with the provisions of this Article.

Section 96. The Bonds of Series A shall be redeemable at the option of the Company, at any time and from time to time, in whole or in part, at redemption prices constituting, respectively, percentages of the principal amount thereof, as follows:

At 106% if redeemed on or before August 1, 1943;  
 At 105% if redeemed thereafter and on or before August 1, 1946;  
 At 104% if redeemed thereafter and on or before August 1, 1949;  
 At 103¾% if redeemed thereafter and on or before August 1, 1950;  
 At 103½% if redeemed thereafter and on or before August 1, 1951;  
 At 103¼% if redeemed thereafter and on or before August 1, 1952;  
 At 103% if redeemed thereafter and on or before August 1, 1953;  
 At 102¾% if redeemed thereafter and on or before August 1, 1954;  
 At 102½% if redeemed thereafter and on or before August 1, 1955;  
 At 102¼% if redeemed thereafter and on or before August 1, 1956;  
 At 102% if redeemed thereafter and on or before August 1, 1957;  
 At 101¾% if redeemed thereafter and on or before August 1, 1958;  
 At 101½% if redeemed thereafter and on or before August 1, 1959;  
 At 101¼% if redeemed thereafter and on or before August 1, 1960;  
 At 101% if redeemed thereafter and on or before August 1, 1961;  
 At 100¾% if redeemed thereafter and on or before August 1, 1962;  
 At 100½% if redeemed thereafter and on or before August 1, 1963;  
 At 100¼% if redeemed thereafter and on or before August 1, 1964; and  
 At 100% if redeemed subsequent to August 1, 1964 and prior to maturity.

and, in each such case, if the redemption date be not an interest payment date, there shall also be included in the redemption price the interest accrued on the Bonds to be redeemed from the next preceding interest payment date to such redemption date.

For the purposes of redemption pursuant to the Sinking Fund provided for in *Article Twelve*, the redemption price of Bonds of Series A shall be the principal amount thereof, without premium, and for the purposes of redemption of Bonds of Series A under certain circumstances specified in *Section 54*, the redemption price of Bonds of Series A shall be the principal amount thereof with accrued interest to the redemption date, without premium.

**Section 97.** If the Company shall elect to exercise such right of redemption, it shall give notice thereof in accordance with this Section. If all Bonds outstanding, of all series of which any Bonds are to be redeemed, shall be registered Bonds without coupons or coupon Bonds registered as to principal, notice of redemption shall be sufficiently given if mailed, postage prepaid, at least 30 days prior to the date on which such redemption is to be made, to all registered owners of Bonds to be redeemed, at their addresses as the same shall appear on the Bond registry of the Company; otherwise notice of redemption shall be given by publication thereof once in each of any 4 successive calendar weeks prior to the date on which such redemption is to be made, in at least one daily newspaper of general circulation regularly published in the English language in the Borough of Manhattan, The City of New York (in each instance upon any day of the week and in any such newspaper, but the publication in the first calendar week to be made not less than 30 and not more than 50 days prior to such redemption date). If notice by publication shall be required, notice shall also be mailed as aforesaid to each registered owner of Bonds to be redeemed, but in such case neither failure so to mail such notice to any such registered owner or owners nor any imperfection or defect in such notice shall affect the validity of the proceedings for redemption. Each notice of redemption shall state such election on the part of the Company and shall specify, in case less than all of the Bonds of a series are to be redeemed, the distinctive numbers of the Bonds to be redeemed, and shall also

state that the interest on the Bonds in such notice designated for redemption shall cease on such redemption date and that on said date there will become due and payable upon each of said Bonds the redemption price therein specified, and shall also state the place or places where said Bonds shall be surrendered for payment of such redemption price (which, in the case of any Bond of Series A, shall be at the office of the Trustee or, at the option of the holder thereof, at the principal trust office of The Chase National Bank of the City of New York, in the Borough of Manhattan, The City of New York).

Any election of the Company pursuant to *Section 95* to redeem Bonds may be rescinded by the Company at any time prior to the first publication or the mailing of the notice of redemption.

In case the Company shall have elected to redeem less than all the outstanding Bonds of any series, it shall, in each such instance, at least 10 days before the date upon which the first publication or the mailing of notice of redemption is required to be made, notify the Trustee in writing of such election and of the aggregate principal amount of Bonds of such series to be redeemed.

The selection of Bonds to be redeemed shall, in case less than all of the outstanding Bonds of any series are to be redeemed, be made by the Trustee either (a) in accordance with the provisions of any agreement, satisfactory to the Trustee, duly executed by the registered owners of all of the Bonds of such series if at the time of selection all of the outstanding Bonds of such series shall be either registered Bonds without coupons or coupon Bonds registered as to principal and shall all be registered in the names of one or more parties to said agreement and an executed counterpart of said agreement shall have been filed with the Trustee at or prior to the time of selection, or (b) if the provisions of the preceding *Clause (a)* shall not be applicable, by drawing the Bonds to be redeemed by lot, from the Bonds of such series theretofore authenticated and delivered hereunder and not previously canceled by the Trustee or called for redemption,



in any manner deemed by the Trustee to be fair and proper, taking into consideration the distinctive numbers of the coupon Bonds which are outstanding and the distinctive numbers of the coupon Bonds in lieu of which registered Bonds without coupons are outstanding. The Trustee shall promptly notify the Company in writing of the distinctive numbers of the Bonds so selected for redemption.

If any distinctive numbers so drawn shall be the numbers of coupon Bonds reserved in respect of the issuance of outstanding registered Bonds without coupons, the notice of redemption hereinabove mentioned shall specify the distinctive numbers of such registered Bonds as well as the numbers of the coupon Bonds so drawn. In case any registered Bond without coupons shall be redeemed in part only, said notice shall specify the principal amount thereof to be redeemed and shall state that, upon the presentation of such registered Bond for partial redemption, a new Bond or Bonds of the same series of an aggregate principal amount equal to the unredeemed portion of such registered Bond will be issued in lieu thereof; and in such case the Company shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered (in the case of any Bond of Series A, such delivery shall, at the option of the registered owner, be made by the New York co-Registrar) to or upon the written order of the registered owner of any such registered Bond, at the expense of the Company, a Bond or Bonds of the same series, and in either coupon or registered form (but only in authorized denominations) for the principal amount of the unredeemed portion of such registered Bond, or, at the option of the registered owner of such registered Bond, the Trustee shall, upon presentation thereof for the purpose, make or cause to be made (in the case of Bonds of Series A, such notation shall, at the option of the registered owner, be made by the New York co-Registrar) a notation thereon of the payment of the portion thereof so called for partial redemption and of the distinctive number or numbers of the coupon Bonds reserved in respect of such portion, and the reservation of such number or numbers shall be canceled.

Notice having been given as aforesaid, the Bonds (or the specified portion of registered Bonds without coupons) so to be redeemed shall on the date designated in such notice become due and payable at the redemption price so specified; and from and after the date of redemption so designated (unless the Company shall make default in the payment of the redemption price of such Bonds) interest on the Bonds so designated for redemption (or in the case of partial redemption of a registered Bond without coupons, on the portion thereof to be redeemed) shall cease to accrue, and upon surrender, in accordance with said notice, of any Bond specified therein, together with all coupons thereto appertaining maturing after the date of redemption, such Bond (or the portion thereof to be redeemed) shall be paid by the Company at the redemption price aforesaid. In the case of a coupon Bond, the interest due on the date of redemption (if it be an interest date) and the interest which shall have become due prior to the redemption date shall continue to be payable (but without interest thereon, unless the Company shall make default in the payment thereof upon demand) to the respective bearers of the coupons therefor, upon the presentation and surrender thereof.

The Company shall deposit in trust with the Trustee, prior to the date designated for redemption, an amount of money sufficient to pay the redemption price of all the Bonds which the Company has elected to redeem on such date. For all purposes of this Article and *Articles Twelve and Eighteen*, The Chase National Bank of the City of New York, as the New York Paying Agent for Bonds of Series A, shall 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 A, and any money so deposited with The Chase National Bank of 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 A, 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 this Article or *Article Twelve* or *Article Eighteen*.

**Section 98.** If and so soon as

A. The Company shall have duly elected to redeem any Bond pursuant to *Section 95* and shall have delivered to the Trustee

(1) proof satisfactory to the Trustee that notice of redemption thereof has been duly published and/or mailed as required by *Section 97*, or

(2) a written instrument executed by the Company under its corporate seal and expressed to be irrevocable, authorizing the Trustee to give such notice on behalf of the Company;

and shall have deposited with the Trustee an amount of money sufficient to pay the redemption price of such Bond;  
or

B. The Trustee, pursuant to *Section 100*, shall have selected any Bond of Series A for redemption and completed the first publication or the mailing of notice of such redemption, or, pursuant to any sinking, amortization, improvement, renewal or other analogous fund, if any, which may hereafter be created as in *Section 6* provided, shall have selected any Bond for redemption and completed the first publication or the mailing of notice of such redemption, and the Company shall have deposited with the Trustee an amount of money sufficient to pay the redemption price of any such Bond for the purposes of the Sinking Fund created by *Section 100*, or for the purposes of such other fund, as the case may be;

and in either such case

C. The Company shall have made proper provision for the payment of all interest on any such Bond payable on or before the date designated for redemption thereof which is not included in the redemption price thereof;

then and in every such case the money held by the Trustee for the redemption of such Bond shall, without further act, be deemed forthwith to be reserved for the benefit of, and shall constitute a trust fund for, the holder of such Bond, but no interest shall accrue thereon in his favor. Thereafter, such Bond (or in the case of partial redemption of a registered Bond without coupons, the portion thereof to be redeemed) shall be excluded from participation in the lien of this Indenture or in the Trust Estate. Money held in trust by the Trustee for the redemption of any Bond shall not be deemed to be a part of the Trust Estate.

**Section 99.** All Bonds redeemed pursuant to *Section 97* and the appurtenant coupons shall be canceled by the Trustee, and shall thereafter be cremated if in coupon form or delivered to the Company if in fully registered form, upon the Written Order of the Company. All interest coupons maturing subsequent to the date so designated for redemption appurtenant to Bonds so redeemed shall be null and void.

## ARTICLE TWELVE

### SINKING FUND FOR BONDS OF SERIES A

**Section 100.** The Company will, subject to the provisions of this Article, maintain a Sinking Fund to be applied as hereinafter provided for the benefit of Bonds of Series A, and for that purpose will pay to the Trustee on July 31, 1941 and on July 31 of each year thereafter to and including July 31, 1964 (said dates being herein referred to as Sinking Fund Payment Dates) the sum of \$126,000. The Company shall have the right, at its option, subject to the conditions hereinafter stated:

A. To satisfy any Sinking Fund obligation in whole or in part by delivering to the Trustee for the Sinking Fund, at least 40 days prior to any Sinking Fund Payment Date, any Bonds of Series A theretofore authenticated

and delivered hereunder and not previously canceled or called for redemption, together with all unmatured coupons thereto appertaining, and the Trustee shall credit such Sinking Fund obligation with an amount equal to the principal amount of the Bonds of Series A so delivered; and/or

B. To satisfy any Sinking Fund obligation in whole or in part by delivering to the Trustee, at least 40 days prior to any Sinking Fund Payment Date, the following:

(1) A CERTIFICATE OF THE COMPANY, stating

(a) that specified Bonds of Series A theretofore authenticated and delivered hereunder have been paid, redeemed or otherwise retired and theretofore delivered to the Trustee and that the Company desires to have such Bonds applied, to the extent of the principal amount thereof, in satisfaction of its Sinking Fund obligation; and

(b) that such Bonds do not include

(i) any Bond, the retirement of which has, in any other previous or pending application or certificate, been made the basis for the authentication and delivery of a Bond or the withdrawal or application of Bonded Cash from or by the Trustee or which has been purchased, paid, redeemed or otherwise retired out of the proceeds of any insurance on any Bonded Property or out of the proceeds of any Bonded Property released from the lien of this Indenture or taken by eminent domain or otherwise disposed of free from the lien of this Indenture; or

(ii) any Bond whose payment, redemption or other retirement, or provision therefor, has theretofore been certified to the Trustee to meet the requirements of *Section 74*; or

(iii) any Bond theretofore delivered or certified to the Trustee pursuant to, or redeemed or otherwise retired through the operation of, the Sinking Fund provided for in this Article; or

(iv) any Bond purchased, paid, redeemed or otherwise retired through the operation of any sinking, amortization, improvement, renewal or other analogous fund, if any, which may hereafter be created as hereinabove in *Section 6* provided;

Such Certificate shall be received by the Trustee in lieu of cash in an amount equal to the principal amount of the Bonds of Series A so certified to the Trustee pursuant to this *Paragraph B*;

(2) AN OPINION OF COUNSEL, stating that the Certificate which has been or is therewith delivered to the Trustee pursuant to *Clause (1)* of this *Paragraph B* conforms to the requirements of this Indenture and constitutes compliance by the Company, to an extent permitted by this *Paragraph B*, with its Sinking Fund obligation under this Section; and/or

C. To satisfy in whole or in part (but only in amounts constituting multiples of \$1,000) any Sinking Fund obligation maturing on July 31 in any of the years 1941 to 1945, both inclusive, by delivering to the Trustee, in lieu of all or any part of the cash required to be paid on the Sinking Fund Payment Date in any such year, at least 40 days prior to such Sinking Fund Payment Date, the following:

(1) The Certificates, Opinions and Other Instruments which the Company would be required to furnish to the Trustee upon an application for the authentication and delivery of Bonds on the basis of Net Bondable Additions under *Article Four*, but with the following variations and omissions of the instruments specified in *Section 25*, to wit:

(a) The Property Additions Certificate required by *Paragraph B* of *Section 25* need not contain the statements required by *Sub-paragraph (c)* of *Clause (12)* thereof nor the statements required by *Clause (13)* or *Clause (14)* thereof;

(b) It shall not be necessary for the Company to deliver to the Trustee the Resolution required by *Paragraph A*, the Net Earnings Certificate required by *Paragraph F*, nor any of the certificates or parts of the Opinion of Counsel referred to in *Clauses (5), (6) and (7) of Paragraph I, of Section 25*;

(c) The Summary Certificate required by *Paragraph G of Section 25* need not show any Fair Value Deficiency;

Such Certificates, Opinions and Other Instruments shall be received by the Trustee in lieu of cash in an amount (which shall in all cases be a multiple of \$1,000) up to, but not exceeding, 70% of the Net Bondable Additions shown in the Summary Certificate, prescribed by *Paragraph G of Section 25*, so delivered to the Trustee pursuant to this *Paragraph C*;

(2) AN OPINION OF COUNSEL, stating that the instruments which have been or are therewith delivered to the Trustee conform to the requirements of this Indenture and that the Certificates, Opinions and/or Other Instruments delivered to the Trustee pursuant to *Clause (1) of this Paragraph C* constitute compliance by the Company, to an extent permitted by this *Paragraph C*, with its Sinking Fund obligation under this Section.

If the Company elects to satisfy any Sinking Fund obligation in whole or in part by the delivery of Bonds of Series A as provided in *Paragraph A* of this Section and/or by certifying Bonds of Series A as provided in *Paragraph B* of this Section and/or by certifying Net Bondable Additions as provided in *Paragraph C* of this Section, it shall deliver such Bonds of Series A, together with all unmatured coupons thereto appertaining, and/or the instruments prescribed by said *Paragraph B* and/or said *Paragraph C*, at least 40 days prior to the Sinking Fund Payment Date, and also written notice of such election, signed by the Treasurer or an Assistant Treasurer of the Company, specifying the aggregate principal amount of

Bonds of Series A so delivered and the distinctive numbers thereof and/or specifying the amount of such Sinking Fund obligation which the Company elects to satisfy in the manner permitted by said *Paragraph B* and/or said *Paragraph C*; and in case such notice be not given and such Bonds of Series A and/or such instruments be not delivered at or before the time so required, the Sinking Fund obligation shall be paid entirely in cash.

Forthwith after the fortieth day prior to each Sinking Fund Payment Date, the Trustee shall proceed to select for redemption, from the Bonds of Series A theretofore authenticated and delivered hereunder and not previously canceled or called for redemption, exclusive of any Bonds of Series A so delivered to the Sinking Fund in satisfaction of any part of the Sinking Fund payment due on the next succeeding Sinking Fund Payment Date, and otherwise in the manner provided in *Article Eleven*, a principal amount of Bonds of Series A equal to the excess of the amount of such Sinking Fund payment over the aggregate of (i) the principal amount of said Bonds of Series A, if any, so delivered to the Sinking Fund plus (ii) the amount, if any, of such Sinking Fund payment which shall have been satisfied in accordance with *Paragraph B* and/or *Paragraph C* of this Section; and, for and on behalf of the Company, the Trustee shall give notice by publication, mail, or both, as may be required by the provisions of *Article Eleven*, of the redemption for the Sinking Fund on the next ensuing August 1st, of the Bonds of Series A so selected. Subject to the provisions of this Article, the redemption of such Bonds of Series A shall be effected in the manner and upon the terms provided in *Section 97*, except that the redemption price of the Bonds of Series A for the purposes of the Sinking Fund shall be 100% of the principal amount thereof being redeemed, without premium. All moneys paid to the Trustee as in this Article provided shall be by it applied to the redemption of the Bonds of Series A so called for redemption for the Sinking Fund.



All Bonds of Series A delivered to the Trustee for the Sinking Fund or redeemed pursuant to the provisions of this Article, and the appurtenant coupons, if any, shall be canceled by the Trustee and shall thereafter be delivered to or upon the Written Order of the Company, and no Bonds shall be authenticated hereunder in lieu thereof or in exchange therefor. All interest coupons maturing subsequent to the redemption date, appurtenant to Bonds so called for redemption, shall be null and void.

### ARTICLE THIRTEEN

#### BONDHOLDERS' LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE

**Section 101.** The Company covenants and agrees that it will furnish or cause to be furnished to the Trustee between March 15th and April 1st and between September 15th and October 1st in each year beginning with the year 1941, and at such other times as the Trustee may request in writing, a list in such form as the Trustee may reasonably require containing all the information in the possession or control of the Company or of its paying agents, as to the names and addresses of the holders of Bonds obtained since the date as of which the next previous list, if any, was furnished. Any such list may be dated as of a date not more than fifteen days prior to the time such information is furnished or caused to be furnished, and need not include information received after such date.

**Section 102.** (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 (1) contained in the most recent list furnished to it as provided in *Section 101*, (2) received by it in the capacity of paying agent hereunder, and (3) filed with it within two preceding years pursuant to the provisions of *Paragraph (2) of Subsection (c) of Section 104*. The Trustee may (i) destroy any list fur-

nished to it as provided in *Section 101* upon receipt of a new list so furnished; (ii) destroy any information received by it as paying agent upon delivering to itself as Trustee, not earlier than 45 days after an interest payment date of the Bonds, a list containing the names and addresses of the holders of Bonds obtained from such information since the delivery of the next previous list, if any; (iii) destroy any list delivered to itself as Trustee which was compiled from information received by it as paying agent upon the receipt of a new list so delivered; and (iv) destroy any information received by it pursuant to the provisions of *Paragraph (2)* of *Subsection (c)* of *Section 104*, but not until two years after such information has been filed with it.

(b) In case three 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 6 months preceding the date of such application, and such application states that the applicants desire to communicate with 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 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 *Subsection (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 *Subsection (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 *Subsection (a)* of this Section, a copy 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 5 days after such tender the Trustee shall mail to such applicants and file with the Securities and Exchange Commission together with a copy of the material to be mailed, 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, said 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 obligation or duty to such applicants respecting their application.

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

**Section 103.** The Company covenants and agrees (if this Indenture shall be qualified under the Trust Indenture Act of 1939)

(1) to file with the Trustee within 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 such Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with such 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, or reports pursuant to either of such sections, then to file with the Trustee and the Securities and Exchange Commission, in accordance with rules and regulations 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) to file with the Trustee and the Securities and Exchange Commission, in accordance with the rules and regulations 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;

(3) to transmit to the holders of Bonds in the manner and to the extent provided in *Subsection (c)* of *Section 104* with respect to reports pursuant to *Subsection (a)* of *Section 104*, such summaries of any information, documents and reports required to be filed by the Company pursuant to *Subsections (1)* and *(2)* of this Section as may be required by the rules and regulations prescribed from time to time by the Securities and Exchange Commission.

**Section 104.** (a) The Trustee shall transmit, within sixty days after May 15 in each year beginning with the year 1941, to the Bondholders as hereinafter in this Section provided, a brief report dated as of such May 15 with respect to

(1) its eligibility and its qualifications under *Sections 84, 136 and 148*, or in lieu thereof, if to the best of its knowledge it has continued to be eligible and qualified under such Sections, a written statement to such effect;

(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 Trust Estate or on property or funds held or collected by it as Trustee, if such advances so remaining unpaid aggregate more than  $\frac{1}{2}$  of 1% of the principal amount of the Bonds outstanding on the date of such report;

(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 of such report, with a brief description of any property held as collateral security therefor, except an indebtedness based upon a creditor relationship arising in any manner described in *Paragraph (2), (3), (4), or (6) of Subsection (b) of Section 149*;

(4) the property and funds physically in the possession of the Trustee as such, or of a depository for it, 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 it has not previously reported; *provided, however*, that to the extent that the aggregate value as shown by the release papers of any or all of such released properties does not exceed an amount equal to 1% of the principal

amount of Bonds then outstanding, the report need only indicate the number of such releases, the total value of property released as shown by the release papers, the aggregate amount of cash received and the aggregate value of property received in substitution therefor as shown by the release papers;

(6) any additional issue of Bonds which it has not previously reported; and

(7) 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 Trust Estate, 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 106*.

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

(1) the 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 certificate required by *Section 41, 42, 43 or 44*, is less than 10% of the principal amount of Bonds outstanding at the time of such release, or such release and substitution, such report to be so transmitted within 90 days after such time; 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 *Subsection (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 Trust Estate or on 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 10% of the principal amount of Bonds outstanding at such time; such report to be transmitted within 90 days after such time.

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

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

(2) to such holders of Bonds as have, within 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 *Subsection (b)* of this Section, to each Bondholder whose name and address is preserved at the time by the Trustee, as provided in *Subsection (a)* of *Section 102*.

(d) The Trustee shall, at the time of the transmission to the Bondholders of any report pursuant to this Section, file a copy of such report with each securities exchange upon which the Bonds are listed, and, if this Indenture shall be qualified under the Trust Indenture Act of 1939, also with the Securities and Exchange Commission.

## ARTICLE FOURTEEN

### REMEDIES IN EVENT OF DEFAULT

**Section 105.** The following events are hereby defined for all purposes of this Indenture (except where the term is otherwise defined for specific purposes) as "*Defaults*":

(a) Failure to pay the principal of any Bond hereby secured when the same shall become due and payable, whether at maturity as therein expressed, or by declaration or otherwise;

(b) Failure to pay interest upon any Bond hereby secured as and when such interest shall have become due and payable;

(c) Failure to perform or observe any covenant or condition prescribed by *Section 100* with respect to Bonds of Series A;

(d) The expiration of a period of 30 days following:

(1) the adjudication of the Company as a bankrupt by any court of competent jurisdiction;

(2) the entry of an order approving a petition seeking reorganization of the Company under the Federal Bankruptcy Laws or any other applicable law or statute of the United States of America or of any State thereof;

unless during such period such adjudication or order shall be vacated;

(e) The expiration of a period of 90 days following the appointment of a trustee or a receiver of all or substantially all of the property of the Company, unless during such period such appointment shall be vacated;

(f) The filing by the Company of a voluntary petition in bankruptcy or the making of an assignment for the benefit of creditors; the consenting by the Company to the appointment of a receiver or trustee of all or any part of its property; the filing by the Company of a petition or answer seeking reorganization under the Federal Bankruptcy Laws, or any other applicable law or statute of the United States of America or of any State thereof; or the filing by the Company of a petition to take advantage of any insolvency act;

(g) Failure to perform any other covenant or agreement contained herein or in any indenture supplemental hereto or in any Bond secured hereby for a period of 60 days following the mailing by the Trustee, or by the holders of at least 15% in amount of the Bonds then outstanding, to the Company of a written demand that such failure be cured, such failure not having been cured in the meantime. The Trustee may, and, if requested in writing so to do by the holders of a majority in principal amount of the Bonds then outstanding, shall make such demand;



(h) The entry of any judgment for the payment of money in excess of the sum of \$100,000 against the Company, if such judgment shall remain unsatisfied and execution thereon shall remain unstayed for a period of 30 days after the entry of such judgment, or if such judgment shall remain unsatisfied for a period of five days after the termination of any stay of execution thereon entered within such 30-day period; or

(i) The assumption by any governmental agency or any court at the instance of any governmental agency of custody of the whole or any substantial part of the Trust Estate or of control over the Company's affairs or operations to the exclusion of management by the Company.

**Section 106.** The Trustee shall, within 90 days after the occurrence thereof, give to the Bondholders, in the manner and to the extent provided in *Subsection (c) of Section 104*, notice of all Defaults known to the Trustee, unless such Defaults shall have been cured before the giving of such notice (the term "*Defaults*" for the purposes of this Section being hereby defined to be the events specified in *Subsections (a) to (i)*, both inclusive, of *Section 105*, not including any periods of grace provided for in said Subsections); provided that, except in the case of Default in the payment of the principal of or interest on any of the Bonds, or in the payment of any Sinking Fund instalment, 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, of the Trustee in good faith determine that the withholding of such notice is in the interests of the Bondholders.

**Section 107.** Upon the occurrence of a Default, the Trustee may, and upon the written request of the holders of a majority in amount of the Bonds then outstanding shall, and the holders of at least 25% in amount of the Bonds then outstanding may, by notice in writing to the Company, declare

the principal of and interest on all the Bonds then outstanding to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything in this Indenture or in the Bonds contained to the contrary notwithstanding. This provision is subject, however, to the condition that if, at any time after such declaration, but before any sale of the Trust Estate, or any part thereof, shall have been made under this Article, all overdue instalments of interest upon all the Bonds, with interest on overdue instalments of interest at the rate of 6% per annum (to the extent that payment of such interest is enforceable under applicable law) together with all sums paid or advanced by the Trustee under any provision hereof and the reasonable and proper charges, expenses and liabilities of the Trustee, its agents, attorneys and counsel, and all other sums payable by the Company hereunder, except the principal of, and interest accrued since the next preceding interest date on, the Bonds due and payable solely by virtue of such declaration, shall either be paid by or for the account of the Company or provision satisfactory to the Trustee shall be made for such payment, and all Defaults hereunder shall be remedied, then, and in every such case, the holders of at least a majority in amount of the Bonds then outstanding, by written notice to the Company and to the Trustee, may rescind and annul such declaration in its entirety; but no such action shall extend to or affect any subsequent Default or impair any right consequent thereon.

**Section 108.** Upon the occurrence of a Default, then, unless such Default shall have been cured, the Trustee personally or by agents or attorneys, may enter into and upon all or any part of the Trust Estate (including the books, papers and accounts of the Company, but excluding money, securities and property deposited or pledged, or required by the terms hereof to be deposited or pledged, with the Trustee hereunder or with the trustee, mortgagee or other holder of some Prior Lien), and may exclude the Company,

its agents and servants, and all persons claiming under the Company, wholly or partly therefrom; and having and holding the same, may use, operate, manage and control the Trust Estate and conduct the business thereof, by superintendents, managers, receivers, agents, servants and/or attorneys. Upon every such entry, the Trustee may, from time to time, at the expense of the Trust Estate, make all such repairs, renewals, replacements and useful or required alterations, additions, betterments and improvements to and on the Trust Estate, as to it may seem necessary, proper or judicious. In each such case, the Trustee shall have the right to manage the Trust Estate and to carry on the business and to exercise all rights and powers of the Company, either in the name of the Company, or otherwise, as the Trustee shall deem best, and the Trustee shall be entitled to collect and receive all earnings, income, rents, issues and profits of the same and every part thereof, without prejudice, however, to any right of the Trustee as provided in *Articles Seven and Nine* to collect and receive all income from money, obligations or other property deposited or pledged, or required by the terms hereof to be deposited or pledged, with the Trustee or with the trustee, mortgagee or other holder of some Prior Lien. Such earnings, income, rents, issues and profits shall be applied to pay the expenses of holding and operating the Trust Estate and of conducting the business thereof, and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements, and to make all payments which the Trustee may be required or may elect to make, if any, for taxes, assessments, insurance and other prior or proper charges upon the Trust Estate or any part thereof (including interest on and principal of Prior Lien Obligations), and all other payments which the Trustee may be required or authorized to make under any provision of this Indenture, as well as just and reasonable compensation for the services of the Trustee, and of all superintendents, managers, receivers, agents, attorneys, counsel, servants and other employees engaged and employed in conducting the business of the Company, and/or to aid, by

loans or otherwise, any subsidiary, and to employ engineers or accountants to investigate and make reports upon the business and affairs of the Company or of any Subsidiary. The remainder of such income, rents, issues and profits shall be applied as follows:

*First:* To the payment, at such date or dates as may be fixed by the Trustee, of the instalments of interest upon the Bonds (and for this purpose treating each semi-annual accrual of interest on overdue Bonds as an instalment of interest), in the order of the maturity of such instalments, with interest on such instalments (other than such accruals of interest on overdue Bonds) at the rate of 6% per annum (to the extent that payment of such interest is enforceable under applicable law) such payments to be made ratably to the persons entitled thereto without discrimination or preference, *subject, however,* to the provisions of *Section 69*; and

*Second:* Any amount not required for the payment of interest as aforesaid shall be held by the Trustee, and, after any sale of the Trust Estate, or any part thereof, under this Article, shall be applied in accordance with *Section 114*.

If and whenever, prior to any such sale of the Trust Estate, or any part thereof, all overdue instalments of interest upon all the Bonds, with interest on overdue instalments of interest at the rate of 6% per annum (to the extent that payment of such interest is enforceable under applicable law) together with all sums paid or advanced by the Trustee under any provision hereof and the reasonable and proper charges, expenses and liabilities of the Trustee, its agents, attorneys and counsel, and all other sums then payable by the Company hereunder, including the principal of and all accrued unpaid interest on all Bonds which shall then be payable, by declaration or otherwise, shall either be paid by or for the account of the Company or provision satisfactory to the Trustee shall be made for such payment, and all Defaults hereunder shall be

remedied, the Trustee shall surrender to the Company, its successors or assigns, the possession of the Trust Estate (except money, securities or property deposited or pledged, or required by the terms hereof to be deposited or pledged, with the Trustee hereunder or with the trustee, mortgagee or other holder of some Prior Lien), and shall pay over upon the Written Order of the Company the amount, if any there be, of any earnings, income, rents, issues and profits of the Trust Estate then remaining unexpended in the hands of the Trustee and thereupon the Company and the Trustee shall be restored to their former positions and rights hereunder in respect of the Trust Estate, but no such surrender shall extend to or affect any subsequent Default or impair any right consequent thereon.

**Section 109.** Upon the occurrence of a Default, then, unless such Default shall have been cured, the Trustee, by its agents or attorneys, with or without entry, if the Trustee shall deem it advisable, may proceed to protect and enforce its rights and the rights of the Bondholders under this Indenture, by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for the foreclosure of this Indenture or for the enforcement of any other legal or equitable right, as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties hereunder, and without limiting the generality of the foregoing, the Trustee shall have the power, by its agents or attorneys, to sell all or any part of the stocks, obligations, evidences of indebtedness or other securities at the time held by it hereunder, such sale to be made at public auction at such place and at such time or times and upon such terms as the Trustee may fix and briefly specify in the notice of sale to be given in such manner as may be determined by the Trustee or as may be required by law. The provisions of this Section shall be deemed to be subject to the provisions of the last paragraph of *Section 142*.

**Section 110.** The holders of not less than a majority in principal amount of the Bonds at the time outstanding may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee.

**Section 111.** Upon the completion of any sale or sales under this Indenture, the Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient deed or deeds of conveyance, sale and transfer of all the property sold; and the Trustee, or its successor for the time being, is hereby irrevocably appointed the true and lawful attorney of the Company, in its name and stead, to make all necessary deeds and conveyances of the property thus sold; and for that purpose it may execute all necessary deeds and instruments of assignment and transfer, the Company hereby ratifying and confirming all that its said attorney shall lawfully do by virtue hereof.

Any such sale or sales made under or by virtue 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.

The receipt of the Trustee or of the court officer conducting any such sale shall be a full and sufficient discharge to any purchaser of any property sold as aforesaid, for the purchase money; and no such purchaser, or his representatives, grantees or assigns, after paying such purchase money and receiving such receipt, shall be bound to see to the application of such purchase money upon or for any trust or purpose of this Indenture, or in any manner whatsoever be answerable for any loss, misapplication or non-application of any such purchase money or any part thereof, or be bound to inquire as to

the authorization, necessity, expediency or regularity of any such sale.

**Section 112.** In the event of any sale under this Article, the whole of the Trust Estate shall be sold in one parcel and as an entirety, unless the holders of at least a majority in amount of the Bonds then outstanding shall in writing request the Trustee to cause said property to be sold in parcels, in which case the sale shall be made in such parcels as may be specified in such request, or unless such sale as an entirety is impracticable by reason of some statute or other cause.

**Section 113.** In case of any sale of the Trust Estate, or any part thereof, under this Article, the principal of and accrued interest on all the Bonds then outstanding, if not already due, shall immediately become due and payable, anything in the Bonds or in this Indenture to the contrary notwithstanding.

**Section 114.** The purchase money, proceeds and avails of any such sale, together with any other sums which may then be held by the Trustee as part of the Trust Estate, shall be applied as follows:

*First.* To the payment of the costs and expenses of such sale, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and of all charges, expenses and liabilities incurred (and all advances made) by the Trustee in managing and maintaining the Trust Estate or in executing any trust or power hereunder, and to the payment of all taxes, assessments or liens prior to the lien of this Indenture, except any taxes, assessments or other superior liens subject to which such sale shall have been made;

*Second.* To the payment of the whole amount then due and unpaid upon the Bonds then outstanding, for principal and interest, with interest on the overdue principal and overdue instalments of interest at the rate of 6% per annum (to the extent that payment of

such interest is enforceable under applicable law); and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon the Bonds, then to the payment of such principal and interest, 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, or of any series of the Bonds over any other series of the Bonds, ratably according to the aggregate so due (in lawful money of the United States of America) for such principal and the accrued and unpaid interest, at the date fixed by the Trustee for the distribution of such moneys, *subject, however, to the provisions of Section 69*; and

*Third.* The surplus, if any, shall be paid to the Company, its successors or assigns, or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

Section 115. In case of any sale as aforesaid of the Trust Estate or any part thereof, any purchaser shall be entitled, for the purpose of making settlement or payment for the property purchased, to use and apply any Bonds then outstanding and any matured and unpaid coupons and claims for interest, in order that there may be credited thereon the sums payable out of the net proceeds of such sale to the holder of such Bonds and coupons and claims for interest (subject to the provisions of *Section 69*) as his ratable share of such net proceeds; and thereupon such purchaser shall be credited, on account of such purchase price, with the portion of such net proceeds that shall be applicable to the payment of, and that shall have been credited upon, the Bonds and coupons and claims for interest so used and applied; and at any such sale, any Bondholder or the Trustee may bid for and purchase the property offered for sale, may make payment on account thereof as aforesaid, and upon compliance with the terms of sale, may hold, retain and dispose of such property without further accountability therefor.



**Section 116.** Upon filing a bill in equity or upon other commencement of judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all other rights and powers herein conferred and provided to be exercised by the Trustee upon the occurrence of a Default; and, as a matter of right, without notice or demand and without regard to the adequacy of the security for the Bonds, the Trustee shall be entitled to the appointment of a receiver of the Trust Estate, and of the tolls, earnings, revenue, rents, issues, profits and other income thereof, with all such powers as the court or courts making such appointment shall confer; but, notwithstanding the appointment of any receiver, the Trustee shall be entitled to retain possession and control of, and to collect and receive the income from, any money, obligations, evidences of indebtedness, and other securities and property deposited or pledged with it hereunder or agreed or provided to be delivered to or deposited or pledged with it hereunder.

**Section 117.** The Company covenants that

(1) in case default shall be made in the payment of any interest on any Bond when and as the same shall become due and payable, or

(2) in case default shall be made in the payment of the principal of any Bond when and as the same shall become due and payable, whether by the terms thereof or otherwise as herein provided,

then, and upon demand of the Trustee, the Company will pay to the Trustee for the benefit of the holders of the Bonds and coupons in respect of which such default shall be made, the whole amount due and payable on all such Bonds and coupons, for the principal and interest, including the redemption price of any Bonds called for redemption, with interest upon the overdue principal and overdue instalments of interest at the rate of 6% per annum (to the extent that payment of such interest is enforceable under applicable law); 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 recover judgment for the whole amount so due and unpaid.

The Trustee shall be entitled to recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of the lien of this Indenture, and the right of the Trustee to recover such judgment shall not be affected by any entry or sale hereunder or by the exercise of any other right, power or remedy for the enforcement of the provisions of this Indenture or the foreclosure of the lien hereof. In case of a sale of the Trust Estate and the application of the proceeds of sale to the payment of the Bonds, the Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon any and all of the Bonds and coupons then outstanding, for the benefit of the holders thereof, and shall be entitled to recover judgment for any portion of the same remaining unpaid, with interest. No recovery of any such judgment by the Trustee shall in any manner or to any extent affect the lien of the Trustee upon the Trust Estate or any part thereof or any rights, powers or remedies of the Trustee hereunder or any rights, powers or remedies of the holders of the Bonds; but such lien, rights, powers and remedies shall continue unimpaired as before.

All moneys collected by the Trustee under this Section shall be applied as follows:

*First.* To the payment of the costs and expenses of the proceedings resulting in the collection of such moneys, including counsel fees, and of the charges, expenses and liabilities incurred and all advances made by the Trustee in theretofore managing and maintaining the Trust Estate or in executing any trust or power hereunder; and

*Second.* To the payment of the amounts then due and unpaid upon the Bonds and coupons in respect of which or for the benefit of which such moneys shall

have been collected, ratably and without any preference or priority of any kind (except as provided in *Section 69*) 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.

**Section 118.** No holder of any Bond or coupon issued hereunder shall have any right to institute any suit, action or proceeding at law or in equity for the foreclosure of this Indenture or for the execution of any trust hereunder or for the appointment of a receiver or for any other remedy hereunder, unless such holder shall have previously given to the Trustee written notice of the occurrence of a Default, as hereinbefore provided and the holders of at least 25% in amount of the Bonds then outstanding shall have filed a written request with the Trustee and shall have offered it reasonable opportunity either to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; it being understood and intended that no one or more holders of Bonds or coupons shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the lien of this Indenture or to enforce any right hereunder, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the outstanding Bonds and coupons (subject to the provisions of *Section 69*).

PROVIDED, HOWEVER, that nothing in this Indenture or in the Bonds or in the coupons contained shall affect or impair the obligation of the Company, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective holders thereof, or affect or impair the right of action, which is also absolute and unconditional, of such holders to enforce such payment; and *provided further*, that, in case of the designation for redemption of a part but

not all of the Bonds, the holder of any Bond so designated, without reference to the Trustee or the request of the holders of other Bonds, may individually enforce payment of the Bond so designated, by any appropriate proceedings.

**Section 119.** Except as herein expressly provided to the contrary, no remedy herein conferred upon or reserved to the Trustee or to the holders of Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

**Section 120.** No delay or omission of the Trustee or of any holder of Bonds to exercise any right or power arising upon the happening of any Default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Article to the Trustee or to the Bondholders, may, subject to the provisions of *Section 118*, be exercised from time to time and as often as may deemed expedient by the Trustee or by the Bondholders.

All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or coupons or the production thereof on the trial or other proceedings, and any such suit or proceedings instituted by the Trustee shall be brought in its name.

The Trustee shall be entitled and empowered either in its own name and as trustee of an express trust, or as attorney-in-fact for the holders of the Bonds and the holders of the coupons, or in any one or more such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the holders of Bonds and of the coupons allowed in any equity receivership, insolvency, bankruptcy, liquidation, readjustment, reorganization or other similar proceedings relative to the Company or its creditors. The Trustee is hereby irrevocably appointed (and the suc-

cessive respective holders of the Bonds and of the coupons, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Bonds and coupons, with authority to make or file in the respective names of the holders of the Bonds and/or coupons, or on behalf of all the holders of the Bonds and/or coupons as a class (subject to deduction from any such claim of the amounts of any claims filed by any of the holders of the Bonds and/or coupons themselves), any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any other papers and documents and to do and perform any and all acts and things for and on behalf of such holders of the Bonds and/or coupons, as may be necessary or advisable in the opinion of the Trustee in order to have the respective claims of the holders of the Bonds and coupons against the Company and/or its property allowed in any such proceeding, and to receive payment of or on account of such claims; *provided, however*, that nothing herein contained shall be deemed to authorize or empower the Trustee to consent to or accept or adopt, on behalf of any Bondholder, any plan of reorganization or readjustment of the Company affecting the Bonds.

**Section 121.** The Trustee shall have power to institute and to maintain such suits and proceedings as it may be advised shall be necessary or expedient to prevent any impairment of the security hereunder by any acts which may be unlawful or in violation of this Indenture, and such suits and proceedings as the Trustee may be advised shall be necessary or expedient to preserve or protect its interests and the interests of the Bondholders in respect of the Trust Estate and in respect of the income, earnings, issues and profits arising therefrom.

**Section 122.** In case the Trustee shall have proceeded to enforce any right under this Indenture by foreclosure, entry

or otherwise, and such proceeding 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 without further act be restored to their former positions and rights hereunder in respect of the Trust Estate, and all rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

**Section 123.** The Company will not at any time insist upon or plead or in any manner whatever claim or take the benefit or advantage of any appraisement, valuation, stay, extension or redemption law now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Indenture or the absolute sale of the Trust Estate or the possession thereof by any purchaser at any sale made pursuant to any provision hereof, or pursuant to the decree of any court of competent jurisdiction; but the Company, for itself and all who may claim through or under it, so far as it or they now or hereafter lawfully may, hereby waives the benefit of all such laws. The Company, for itself and all who may claim through or under it, waives, to the extent that it may lawfully do so, any and all right to have the property included in the Trust Estate marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may sell the Trust Estate as an entirety.

If any law in this Section referred to and now in force, of which the Company or its successor or successors might take advantage despite the provisions hereof, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to constitute any part of the contract herein contained or to preclude the operation or application of the provisions of this Section.

**Section 124.** No recourse under or upon any obligation, covenant or agreement contained in this Indenture or in any Bond or coupon issued hereunder or under or upon any in-

debtedness hereby secured or arising out of this Indenture, shall be had against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or of any predecessor or successor corporation, either directly or through the Company or any such 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. It is expressly agreed and understood that this Indenture and the Bonds and coupons are solely corporate obligations and that no personal liability whatever does or shall attach to or be incurred by the incorporators, stockholders, officers or directors of the Company or of any predecessor or successor corporation, or any of them, because of the indebtedness represented by the Bonds or coupons, or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the Bonds or coupons, or implied therefrom; and that any and all personal liability of every name and nature, either at common law or in equity or by statute or constitution, of every such incorporator, stockholder, officer or director, is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of this Indenture and the issuance of the Bonds and coupons. Nothing herein or in the Bonds contained shall be taken, however, 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.

## ARTICLE FIFTEEN

### EVIDENCE OF RIGHTS OF BONDHOLDERS

**Section 130.** Any request, consent or other instrument required by this Indenture to be signed and executed by Bondholders may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bondholders in person or by agent or agents duly

appointed in writing. Proof of the execution of any such request or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee or of the Company, if made in the manner provided in this Article.

**Section 131.** The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof.

**Section 132.** The amount of Bonds transferable by delivery held by any person executing any such request, consent or other instrument as a Bondholder, and the distinguishing numbers of the Bonds held by such person, and the date of his holding the same, may be proved by a certificate executed by any trust company, bank, banker 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, or exhibited to it, the Bonds therein described; or such facts may be proved by the certificate or affidavit of the person executing such request or other instrument as a Bondholder, if such certificate or affidavit shall be deemed by the Trustee to be satisfactory. The Trustee and the Company may conclusively assume that such ownership continues until written notice to the contrary is served upon the Trustee. The fact and the date of execution of any request, consent or other instrument and the amount and distinguishing numbers of Bonds held by the person so executing such request, consent or other instrument may also be proved in any other manner which the Trustee may deem sufficient. The Trustee



may nevertheless, in its discretion, require further proof in cases where it may deem further proof desirable.

The ownership of coupon Bonds registered as to principal and registered Bonds without coupons shall be proved by the register of such Bonds.

The foregoing provisions of this Article are subject to the provisions of *Article Twenty* with respect to the calling of and voting at meetings of Bondholders.

Any request, consent or vote of the holder of any Bond shall bind every future holder of the same Bond and the holder of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Company in pursuance of such request, consent or vote.

## ARTICLE SIXTEEN

### MERGER, CONSOLIDATION, TRANSFER OR LEASE

**Section 133.** Nothing in this Indenture contained shall prevent any consolidation or merger of the Company with or into any other corporation or corporations, or any conveyance, transfer or lease, subject to the lien of this Indenture, of all or substantially all the Trust Estate (or substantially all of the Trust Estate exclusive of Transportation Property), or the lease of all or substantially all of the Transportation 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 or security of this Indenture or any of the rights or powers of the Trustee or the Bondholders hereunder; *provided further*, that every such lease shall be made expressly subject to termination by the Company or by the Trustee at any time upon the happening of a Default hereunder, and also by the purchaser at any sale hereunder of the property so leased; *provided further*, that, upon and in connection with any such consolidation, merger, conveyance or transfer, the due and punctual payment of the

principal of and interest on all the Bonds according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be performed or observed by the Company, shall be assumed by the successor corporation formed by such consolidation or into which such merger shall have been made or which acquires by conveyance or transfer all or substantially all the Trust Estate (or substantially all of the Trust Estate exclusive of Transportation Property) as an entirety; and such successor corporation shall execute and deliver to the Trustee, simultaneously with such consolidation, merger, conveyance or transfer an indenture supplemental hereto containing

(1) an agreement on the part of such successor corporation punctually to make all the payments and to perform and observe all the covenants and conditions of this Indenture which are to be made or performed or observed by the Company, with the same effect and to the same extent as if the maker of such agreement had been the party of the first part hereto, and

(2) a grant, conveyance, transfer and mortgage of the character described in *Paragraph A or B of Section 134*;

*provided further, that*, upon and in connection with any such lease (other than a lease of all or substantially all of the Transportation Property), the lessee under such lease shall execute and deliver to the Trustee, simultaneously with such lease, an indenture supplemental hereto containing a grant, conveyance, transfer and mortgage subjecting to the direct lien of this Indenture all properties and franchises of the character described in *Paragraph B of Section 134* which may be acquired by such lessee after the date of such lease.

**Section 134.** In case the Company, pursuant to *Section 133*, shall be consolidated with or merged into any other corporation or corporations or shall convey or transfer, subject to the lien of this Indenture, all or substantially all the Trust

Estate (or substantially all of the Trust Estate exclusive of Transportation 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 causing to be recorded the supplemental indenture referred to in said *Section 133*, shall succeed to and be substituted for the Company with the same effect as if it had been named herein as the party of the first part, *subject, however*, to the following limitations and restrictions:

A. If said supplemental indenture shall contain a grant, conveyance, transfer and mortgage in terms sufficient to include and subject to the lien of this Indenture all property and franchises then owned and which may be thereafter acquired by such successor corporation (other than Excepted Property), thereupon and thereafter such successor corporation may cause to be executed, either in its own name or in the name of Iowa Electric Light and Power Company, and delivered to the Trustee for authentication, any Bonds issuable hereunder; and upon the order of such successor corporation in lieu of the Company, and subject to all the terms, conditions and restrictions in this Indenture prescribed, the Trustee shall authenticate and deliver any of the Bonds which shall have been previously executed and delivered by 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. Such changes in phraseology and form (but not in substance) may be made in such Bonds as may be appropriate in view of such consolidation or merger or conveyance or transfer. All such Bonds when issued by such successor corporation shall in all respects have the same legal rank and security as the Bonds theretofore or thereafter authenticated and delivered in accordance with the terms of this Indenture and issued.

as though all of said Bonds had been issued at the date of the execution hereof.

B. If said supplemental indenture shall not contain the grant, conveyance, transfer and mortgage described in the preceding *Paragraph A*, then such successor corporation shall not be entitled to procure the authentication and delivery of Bonds hereunder pursuant to *Article Four, Five or Six*, and (notwithstanding the generality of the *Granting Clauses*) this Indenture shall not, by virtue of such consolidation, merger, conveyance or transfer, or by virtue of said supplemental indenture, become a lien upon any of the properties or franchises of such successor corporation owned by it at the time of such consolidation, merger, conveyance or transfer (unless such successor corporation, in its discretion, shall subject the same to the lien hereof), but this Indenture shall become and be a lien upon the following, and only the following, properties and franchises acquired by such successor corporation after the date of such consolidation, merger, conveyance or transfer, to wit:

(1) all betterments, extensions, improvements, additions, repairs, renewals, replacements, substitutions, and alterations to, upon, for and of the property and/or franchises subject to the lien hereof, and all property constituting appurtenances of the Trust Estate;

(2) all Property Additions made the basis of the withdrawal of cash from the Trustee or from the trustee, mortgagee or other holder of a Prior Lien, or the release of property from the lien of this Indenture, and all property acquired or constructed with the proceeds of any insurance on any part of the Trust Estate or with the proceeds of any part of the Trust Estate released from the lien of this Indenture or a Prior Lien, or disposed of free from such lien, or taken by the exercise of the power of eminent domain, or purchased by a public authority;

(3) all Property Additions certified to the Trustee to meet the requirements of *Section 74* or of *Section 100*; and

(4) all property acquired in pursuance of the covenants herein contained to maintain and preserve and keep the Trust Estate in good condition, repair and working order, or in pursuance of some other covenant or agreement herein contained to be performed by the Company;

and in such event said supplemental indenture shall contain a grant, conveyance, transfer and mortgage subjecting the property described in the preceding *Clauses (1), (2), (3) and (4)* of this Paragraph to the direct lien of this Indenture.

## ARTICLE SEVENTEEN

### CONCERNING THE TRUSTEE

**Section 136.** The Trustee shall at all times be a bank or trust company eligible under *Section 84* and have a combined capital and surplus of not less than \$5,000,000. 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 *Section 84*, 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.

**Section 137.** The Trustee hereby accepts the trust hereby created. The Trustee undertakes, prior to Default, and after the curing of all Defaults which may have occurred, to perform such duties and only such duties as are specifically set forth in this Indenture, and in case of Default (which has not been cured) to exercise such of the rights and powers vested in it by this Indenture, and to 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.

The Trustee, upon receipt of evidence furnished to it by or on behalf of the Company pursuant to any provision of this Indenture, will examine the same to determine whether or

not such evidence conforms to the requirements of this Indenture.

**Section 138.** No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that

(a) prior to Default hereunder and after the curing of all Defaults which may have occurred, the Trustee shall not be liable except for the performance of such duties as are specifically set forth 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 Default and after the curing of all Defaults which may have occurred, shall be determined solely by the express provisions of this Indenture; and

(b) prior to Default hereunder and after the curing of all Defaults which may have occurred, and in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions conforming to the requirements of this Indenture; but in the case of any certificates, opinions or other instruments which by any provision hereof are required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture; and

(c) the Trustee shall not be personally liable 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

(d) the Trustee shall not be personally liable 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 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 the Trustee, under this Indenture.

**Section 139.** The recitals of fact contained herein and in the Bonds shall be taken as the statements of the Company and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the value of the mortgaged and pledged property or any part thereof, or as to the title of the Company thereto, or as to the validity or adequacy of the security afforded thereby and hereby, or as to the validity of this Indenture or of the Bonds or coupons issued hereunder.

**Section 140.** 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 or 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 for the purposes of this Section), as follows:

IOWA ELECTRIC LIGHT AND POWER COMPANY  
Cedar Rapids, Iowa,

or addressed to the Company at such other address as may be filed in writing by the Company with the Trustee.

**Section 141.** To the extent permitted by *Sections 137 and 138*:

(1) The Trustee may rely and shall be protected in acting upon any resolution, certificate, opinion, notice, request, consent, order, appraisal, report, Bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties; and

(2) The Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel.

**Section 142.** The Trustee shall not be under any responsibility for the selection or approval of any expert for any of the purposes expressed in this Indenture, except that nothing in this Section contained shall relieve the Trustee of its obligation to exercise reasonable care with respect to the selection or approval of independent experts who may furnish opinions or certificates to the Trustee pursuant to any provision of this Indenture.

Any resolution of the Board of Directors of the Company shall be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company, under its corporate seal, to have been duly adopted at a meeting duly called and held at which a quorum was present, and to be still in full force and effect, and the Trustee may accept such copy as conclusive evidence of the adoption of such resolution.

Nothing contained in this Section shall be deemed to modify the obligation of the Trustee to exercise after default the rights and powers vested in it by this Indenture with the degree of care and skill specified in *Section 137*; but none of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it.

**Section 143.** The Trustee, in its individual or any other capacity, may become the owner or pledgee of Bonds or coupons secured hereby with the same rights it would have if it were not Trustee.



**Section 144.** All moneys received by the Trustee whether as Trustee or paying agent shall, until used or applied as herein provided, be held in trust for the purposes for which they were paid. The Trustee may allow and credit to the Company interest on any moneys received by it hereunder at such rate, if any, as may be agreed upon with the Company from time to time and as may be permitted by law.

**Section 145.** The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust, and the Company will reimburse the Trustee for all advances made by the Trustee in accordance with any of the provisions of this Indenture and will pay to the Trustee from time to time its expenses and disbursements (including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ). The Company also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending against any claim of liability in the premises. The Company further covenants and agrees to pay interest to the Trustee at the rate of 6% per annum upon all amounts paid, advanced or disbursed by the Trustee for which it is entitled to reimbursement or indemnity as herein provided. The obligations of the Company to the Trustee under this Section shall constitute additional indebtedness secured hereby. Such additional indebtedness shall be secured by a lien prior to that of the Bonds upon the Trust Estate, including all property or funds held or collected by the Trustee as such.

**Section 146.** Whenever in the administration of the trusts of this Indenture, prior to a Default hereunder and after the curing of any such Default, 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 be deemed to be conclusively proved and established by a Certificate of the Company 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.

**Section 147.** Whenever it is provided in this Indenture that the Trustee shall take any action upon the happening of a specified event or upon the fulfilment 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 and things incidental to such action.

**Section 148.** (a) If the Trustee has or acquires any conflicting interest, as defined by *Subsection (d)* of this Section, the Trustee shall within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign by giving written notice to the Company, but such resignation shall not become effective until the appointment of a successor trustee and such successor's acceptance of such appointment. The Company covenants to take prompt steps to have a successor appointed in the manner hereinafter provided in *Section 152*. Upon giving such notice of resignation, the resigning Trustee shall publish notice thereof in one newspaper printed in the English language and customarily published on each business day, and of general circulation in the Borough of Manhattan, The City of New York, once in each of three successive calendar weeks, in each case on any business day of the week. If the resigning Trustee fails to publish such notice within ten days after giving

written notice of its resignation to the Company, the Company shall publish such notice.

(b) In the event that the Trustee shall fail to comply with the provisions (other than as to giving notice) of the preceding *Subsection (a)* of this Section, the Trustee shall within 10 days after the expiration of such 90 day period transmit notice of such failure to the Bondholders, in the manner and to the extent provided in *Subsection (c)* of *Section 104* with respect to reports pursuant to *Subsection (a)* of *Section 104*.

(c) Any Bondholder who has been a *bona fide* holder of a Bond or Bonds for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor if the Trustee fails, after written request therefor by such holder, to comply with the provisions of *Subsection (a)* of this Section.

(d) The Trustee shall be deemed to have a conflicting interest if

(1) the 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 under this Indenture;

(2) the Trustee or any of its directors or executive officers is an obligor upon the Bonds or an underwriter for the Company;

(3) the 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) the 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 the 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 the 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 the Trustee and the Company; (B) if and so long as the number of directors of the Trustee in office is more than nine, one additional individual may be a director and/or an executive officer of the Trustee and a director of the Company; and (C) the 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 *Subsection (d)*, to act as trustee whether under an indenture or otherwise;

(5) 10% or more of the voting securities of the Trustee is beneficially owned either by the Company or by any director, partner or executive officer thereof, or 20% or more of such voting securities is beneficially owned, collectively, by any two or more of such persons; or 10% or more of the voting securities of the Trustee is beneficially owned either by an underwriter for the Company or by any director, partner or executive officer thereof, or is beneficially owned, collectively, by any two or more such persons;

(6) the Trustee is the beneficial owner of or holds as collateral security for an obligation which is in default, (A) 5% or more of the voting securities or 10% or more of any other class of security of the Company, not including the Bonds issued under this Indenture and securities issued under any other indenture under which the Trustee is also trustee, or (B) 10% or more of any class of security of an underwriter for the Company;

(7) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default, 5% or more of the voting securities of any person who, to the knowledge of the Trustee, owns 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) the Trustee is the beneficial owner of or holds as collateral security for an obligation which is in default, 10% or more of any class of security of any person who, to the knowledge of the Trustee, owns 50% or more of the voting securities of the Company; or

(9) the Trustee owns on May 15th 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 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 *Paragraph (6), (7) or (8) of this Subsection (d)*. As to any such securities of which the Trustee acquired ownership through becoming executor, administrator or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply for a period of two years from the date of such acquisition, to the extent that such securities included in such estate do not exceed 25% of such voting securities or 25% of any such class of security. Promptly after May 15th, in each calendar year, the Trustee shall make a check of its holdings of such securities in any of the above-mentioned capacities as of May 15th. If the Company fails to make payment in full of principal or interest upon the Bonds when and as the same become due and payable, and such failure continues for 30 days thereafter, the 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 30-day period and after such date, notwithstanding the foregoing provisions of this Paragraph, all such securities so held by the Trustee with sole or joint control over such securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of *Paragraphs (6), (7) and (8) of this Subsection (d)*.

The specifications of percentages in *Paragraphs (5) to (9)*, inclusive, of this subsection 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 *Paragraph (3) or (7)* of this *Subsection (d)*.

For the purposes of *Paragraphs (6), (7), (8) and (9)* of this *Subsection (d)* only, (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 30 days or more and shall not have been cured; and (C) the Trustee shall not be deemed to be 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 agent for collection, or as custodian, escrow agent or depository, or in any similar representative capacity.

The percentages of voting securities and other securities specified in this Section shall be calculated in accordance with the following provisions:

(a) A specified percentage of the voting securities of the Trustee, the Company or any other person referred to in this Section (each of whom is referred to as a "person" in this Paragraph) means such amount of the outstanding voting securities of such person as entitles the holder or holders thereof to cast such specified percentage of the aggregate votes which the holders of all the outstanding voting securities of such person are entitled to cast in the direction or management of the affairs of such person.

(b) A specified percentage of a class of securities of a person means such percentage of the aggregate amount of securities of the class outstanding.

(c) The term "*amount*", when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(d) The term "*outstanding*" means issued and not held by or for the account of the issuer. The following securities shall not be deemed outstanding within the meaning of this definition:

(1) Securities of an issuer held in a sinking fund relating to securities of the issuer of the same class;

(2) Securities of an issuer held in a sinking fund relating to another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(3) Securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise;

(4) Securities held in escrow if placed in escrow by the issuer thereof;

*provided, however*, that any voting securities of an issuer shall be deemed outstanding if any person other than the issuer is entitled to exercise the voting rights thereof.

(e) A security shall be deemed to be of the same class as another security if both securities confer upon the holder or holders thereof substantially the same rights and privileges; *provided, however*, that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series different classes; *provided further*, that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient

to constitute them securities of different classes, whether or not they are issued under a single indenture.

If a separate or co-trustee is appointed pursuant to *Section 153*, the provisions of this Section which have been made specifically applicable to the Trustee, shall also apply to any separate or co-trustee, except that in case of the resignation of a separate or co-trustee such resignation and the appointment of a successor shall (subject to the provisions of *Subsection (c)* of this Section) be governed by the provisions of *Paragraph (3)* of *Section 153*.

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, has purchased from the Company with a view to, or has sold for the Company in connection with, the distribution of any security of the Company outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking, but such term shall not include a person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors' or sellers' commission.

**Section 149.** (a) Subject to the provisions of *Subsection (b)* of this Section, if the Trustee shall be or shall become a creditor, directly or indirectly, secured or unsecured, of the Company within four months prior to a default (as defined in the last Paragraph of this subsection), or subsequent to such a default, then, unless and until such default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the holders of the Bonds, and the holders of other indenture securities (as defined in the last Paragraph of this Subsection)

(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 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 subsection or from the exercise of any right of set-off which the 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 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 herein contained, however, shall affect the right of the 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 the 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 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 months' period and such property was received as security therefor simultaneously with the creation

thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a default as defined in the last Paragraph of this Sub-section would occur within four months; or

(D) to receive payment on any claim referred to in *Paragraph (B)* or *(C)*, against the release of any property held as security for such claim as provided in *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)*, property substituted after the beginning of such four 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 pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee shall be required to account, the funds and property held in such special account and the proceeds thereof shall be apportioned between the Trustee, the Bondholders, and the holders of other indenture securities in such manner that the Trustee, the Bondholders, and the holders of 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 the 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 the Trustee, the Bondholders, and the holders of 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 distribution 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 proceeding for reorganization is pending shall have jurisdiction (i) to apportion between the Trustee, the Bondholders, and the holders of other indenture securities, 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 the 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 who has resigned or been removed after the beginning of such four months' period shall be subject to the provisions of this *Subsection (a)* as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such four months' period, it shall be subject to the provisions of this *Subsection* 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 months' period; and

(ii) such receipt of property or reduction of claim occurred within four months after such resignation or removal.

As used in this Section, the term "*default*" means any failure to make payment in full of the principal of or interest upon the Bonds or upon the 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 (a) under which the Trustee is also trustee, (b) which contains provisions substantially similar to the provisions of this subsection, and (c) under which a default exists at the time of the apportionment of the funds and property held in said special account.

(b) There shall be excluded from the operation of *Subsection (a)* of this Section a creditor relationship arising from

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee;

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction or by this Indenture for the purpose of preserving the property subject to the lien of this Indenture or of discharging tax liens or other prior liens or encumbrances on the Trust Estate, if notice of such advance and of the circumstances surrounding the making thereof is given to the Bondholders as provided in *Subsections (a), (b) and (c)* of *Section 104* with respect to advances by the Trustee as such;

(3) disbursements made in the ordinary course of business in the capacity of trustee under an indenture, transfer agent, registrar, custodian, paying agent, fiscal agent or depositary, or other similar capacity;

(4) an indebtedness created as a result of services rendered or premises rented; or an indebtedness created as a result of goods or securities sold in a cash transaction as defined in the last Paragraph of this Subsection;

(5) 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; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of self-liquidating paper as defined in the last Paragraph of this Subsection.

As used in this Section, the term "*cash transaction*" shall mean 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; the term "*self-liquidating paper*" shall mean 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 obligor arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

**Section 150.** The Trustee may at any time resign and be discharged of the trusts hereby created by giving written notice to the Company specifying the day upon which such resignation shall take effect and thereafter publishing notice thereof, in one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, The City of New York, once in each of three successive calendar weeks, in each case on any business day of the week, and such resignation shall take effect upon the day specified in such notice unless previously a successor trustee shall have been appointed by the Bondholders or the Company in the manner hereinafter provided in *Section 152*, and in such event such resignation shall take effect immediately on the appointment of such successor trustee. This Section shall not be applicable to resignations pursuant to *Section 148*.

**Section 151.** The Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with the Trustee and signed and acknowledged by the holders of a majority in principal amount of the Bonds then outstanding or by their attorneys in fact duly authorized.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of *Section 136*, then the Trustee shall resign immediately in the manner and with the effect specified in *Section 150*; and, in the event that the Trustee does not resign immediately in such case, then it may be removed forthwith by an instrument or concurrent instruments in writing filed with the Trustee and either (a) signed by the President or a Vice President of the Company with its corporate seal attested by a Secretary or an Assistant Secretary of the Company, or (b) signed and acknowledged by the holders of 15% in principal amount of the Bonds then outstanding or by their attorneys in fact duly authorized.

**Section 152.** In case at any time the Trustee shall resign or shall be removed (unless the Trustee shall be removed

as provided in *Subsection (c) of Section 148* in which event the vacancy shall be filled as provided in said subsection) or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, a vacancy shall be deemed to exist in the office of Trustee, and a successor or successors 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 retiring trustee; *provided, nevertheless,* that until a new trustee shall be appointed by the Bondholders as aforesaid, the Company, by instrument executed by order of its board of directors and duly acknowledged by its President or a Vice President, may appoint a trustee to fill such vacancy until a new trustee shall be appointed by the Bondholders as herein authorized. The Company shall publish notice of any such appointment made by it in the manner provided in *Section 150*. Any new trustee appointed by the Company shall, immediately and without further act, be superseded by a trustee appointed by the Bondholders as above provided if such appointment by the Bondholders be made prior to the expiration of one year after the first publication of notice of the appointment of the new trustee by the Company.

If in a proper case no appointment of a successor trustee shall be made pursuant to the foregoing provisions of this Section within six months after a vacancy shall have occurred in the office of trustee, the holder of any Bond outstanding hereunder or any retiring trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon after such notice, if any, as such court may deem proper and prescribe, appoint a successor trustee.

If the Trustee resigns because of a conflict of interest as provided in *Subsection (a)* of *Section 149* and a successor has not been appointed by the Company or the Bondholders or, if appointed, has not accepted the appointment within 30 days after the date of such resignation, the resigning Trustee may apply to any court of competent jurisdiction for the appointment of a successor trustee.

Any trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company eligible under *Sections 84* and *136* and qualified under *Section 148*.

Any trustee which has resigned or been removed shall nevertheless retain the lien upon the Trust Estate, including all property or funds held or collected by the trustee as such, to secure the amounts due to the trustee as compensation, reimbursement, expenses and indemnity, afforded to it by *Section 145*.

**Section 153.** At any time or times, for the purpose of conforming to any legal requirements, restrictions or conditions in any State or jurisdiction in which any part of the Trust Estate 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 performance 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 such appointment within 15 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 any trustee which may be appointed as successor to The First National Bank of Chicago shall, to



the extent permitted by law, but to such extent only, be appointed subject to the following provisions and conditions, namely:

(1) The rights, powers, duties and obligations conferred or imposed upon trustees hereunder or any of them shall be conferred or imposed upon and exercised or performed by the Trustee or the Trustees and such separate trustee or separate trustees or co-trustee or co-trustees jointly, as shall be provided in the supplemental indenture appointing such separate trustee or separate trustees or co-trustee or co-trustees, except to the extent that under any law of any jurisdiction in which any particular act or acts are to be performed the Trustee shall be incompetent or unqualified to perform such act or acts, in which event such rights, powers, duties and obligations shall be exercised and performed by such separate trustee or separate trustees or co-trustee or co-trustees.

(2) 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 Bonds and other securities and of all cash pledged or deposited hereunder, shall be exercised solely by The First National Bank of Chicago or its successor in the trust hereunder.

(3) The Company and the Trustee, at any time by an instrument in writing executed by them jointly, may accept the resignation of or remove any separate trustee or co-trustee appointed under this Section or otherwise, and, upon the request of the Trustee, the Company shall, for such purpose, join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to make effective such resignation or removal. In the event that the Company shall not have joined in such action within 15 days after the receipt by it of a request so to do, the Trustee alone shall have power to accept such resignation or to remove any such separate trustee or co-trustee. A successor to a separate trustee or co-trustee

so resigned or removed may be appointed in the manner provided in this Section.

(4) No trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

Any notice, request or other writing, by or on behalf of the holders of the bonds delivered to The First National Bank of Chicago, or its successor in the trust hereunder, shall be deemed to have been delivered to all of the then trustees or co-trustees as effectually as if delivered to each of them. Every instrument appointing any trustee or trustees other than a successor to The First National Bank of Chicago shall refer to this Indenture and the conditions in this Article expressed, and upon the acceptance in writing by such trustee or trustees or co-trustee or co-trustees, he, they or it shall be vested with the estates or property specified in such instrument, either jointly with The First National Bank of Chicago, 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 First National Bank of Chicago or its successor in the trust hereunder. Any separate trustee or trustees, or any co-trustee or co-trustees, may at any time by an instrument in writing constitute The First National Bank of Chicago or its successor in the trust hereunder his, their or its agent or attorney-in-fact, with full power and authority, to the extent which may be permitted 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. 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, property, 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 First National Bank of Chicago or its successor in the trust here-

under, without the appointment of a new trustee as successor to such separate trustee or co-trustee.

**Section 154.** Any successor trustee appointed hereunder shall execute, acknowledge and deliver to his or 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 obligations of his or 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, or of the holders of 10% or more in principal amount of the Bonds then outstanding hereunder, 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 he or it succeeds, in and to the Trust Estate 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, including any pledged securities which may then be in his or 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 estates, properties, rights, powers, trusts and duties, any and all such deeds, conveyances and instruments in writing shall, on request, be executed, acknowledged and delivered by the Company.

**Section 155.** Any corporation into which the Trustee may be merged or with which it may be consolidated or any corporation resulting from any merger or consolidation to which the Trustee shall be a party or any corporation to which

substantially all the business and assets of the Trustee may be transferred, provided such corporation shall be eligible under *Sections 84 and 136* and qualified under *Section 148*, shall be the successor trustee under this Indenture, without the execution or filing of any paper or the performance of any further act on the part of any other parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds contemplated to be issued hereunder shall have been authenticated but not delivered, any such successor to the Trustee may, subject to the same terms and conditions as though such successor had itself authenticated such Bonds, adopt the certificate of authentication of the original Trustee or of any successor to it as trustee hereunder, and deliver said Bonds so authenticated; and in case any of said Bonds shall not have been authenticated, any successor to the Trustee may authenticate such Bonds either in the name of any predecessor hereunder or in the name of the successor trustee, and in all such cases such certificate shall have the full force which it is anywhere in said Bonds or in this Indenture provided that the certificate of the Trustee shall have; *provided, however*, that the right to authenticate Bonds in the name of the Trustee shall apply only to its successor or successors by merger or consolidation or sale as aforesaid.

## ARTICLE EIGHTEEN

### DEFEASANCE

**Section 157.** If the Company shall pay and discharge the entire indebtedness on all Bonds outstanding hereunder in any one or more of the following ways, to wit:

A. By well and truly paying or causing to be paid the principal of (including redemption premium, if any) and interest on Bonds outstanding hereunder, as and when the same become due and payable;

B. By depositing with the Trustee, in trust, at or before maturity, cash sufficient to pay or redeem (as

defined in *Paragraph L of Section 1*) Bonds outstanding hereunder; and/or

C. By delivering to the Trustee, for cancelation by it, Bonds outstanding hereunder, together with all unpaid coupons thereto belonging;

and if the Company shall also pay or cause to be paid all other sums payable hereunder by the Company (except in respect of the refund or reimbursement of taxes, assessments or other governmental charges, for which the holders of Bonds shall look only to the Company), then and in that case this Indenture and the lien, rights and interests hereby granted shall cease, determine, and become null and void, and thereupon the Trustee shall, upon demand of the Company, forthwith cause satisfaction and discharge of this Indenture to be entered upon the record at the cost and charge of the Company, and shall execute and deliver such instruments of satisfaction as may be necessary, and forthwith the estate, right, title and interest of the Trustee in and to any securities, cash (except cash deposited under this Section) and other personal property held by it under this Indenture shall thereupon cease, determine, and become null and void, and the Trustee shall in such case transfer, deliver and pay the same to or upon the Written Order of the Company.

The Company may at any time surrender to the Trustee for cancelation by it any Bonds previously authenticated and delivered hereunder, together with all unpaid coupons thereto belonging, which the Company may have acquired in any manner whatsoever, and such Bonds and coupons, upon such surrender and cancelation, shall be deemed to be paid and retired. The Trustee shall be under no duty whatsoever to inquire into the ownership of any Bonds or coupons delivered to it by the Company as aforesaid.

## ARTICLE NINETEEN

## SUPPLEMENTAL INDENTURES

Section 158. Without any action on the part of the Bondholders, the Company, when authorized by a Resolution of the Board, and the Trustee, from time to time and at any time, subject to the restrictions in this Indenture contained, may, and when so required by this Indenture, shall, enter into such indentures supplemental hereto as may or shall by them be deemed necessary or desirable, for one or more of the following purposes:

A. To correct the description of any property hereby conveyed or pledged or intended so to be, or to assign, convey, mortgage, pledge, transfer and set over unto the Trustee, additional property of the Company;

B. To add to the conditions, limitations and restrictions on the authorized amount, terms, provisions, purposes of issue, authentication and delivery of Bonds or of any series of Bonds, as herein set forth, other conditions, limitations and restrictions thereafter to be observed;

C. To add to the covenants and agreements of the Company in this Indenture contained other covenants and agreements thereafter to be observed by the Company, and/or to surrender any right or power herein reserved to or conferred upon the Company;

D. To provide for the creation of any series of Bonds (other than Bonds of Series A), designating the series to be created and specifying the form and provisions of the Bonds of such series as hereinbefore provided or permitted;

E. To provide a sinking, amortization, improvement or other analogous fund for the benefit of all or any of the Bonds of any one or more series, of such character and of such amount and upon such terms and conditions as shall be contained in such supplemental indenture;

F. To provide the terms and conditions of the exchange of Bonds of one series for Bonds of another or other series, or of the exchange of Bonds of one denomination or kind for Bonds of another denomination or kind, of the same series;

G. To provide that the principal of the Bonds of any series may be converted at the option of the holders into capital stock, bonds and/or other securities, and the terms and conditions of such conversion;

H. To change, alter, modify, vary or eliminate any of the terms, provisions, restrictions or conditions of this Indenture; *provided, however*, that any such changes, alterations, modifications, variations or eliminations made in a supplemental indenture pursuant to this Paragraph shall be expressly stated in such supplemental indenture to become effective only when there are no Bonds outstanding of any series authenticated and delivered prior to the execution of such supplemental indenture; *provided further*, that such supplemental indenture shall be specifically referred to in the text of all Bonds of any series authenticated and delivered after the execution of such supplemental indenture; *provided further*, that the Trustee may, in its uncontrolled discretion, decline to enter into any such supplemental indenture which, in its opinion, may not afford adequate protection to the Trustee when the same shall become operative; and/or

I. For any other purpose not inconsistent with the terms of this Indenture and which shall not impair the security of the same, or for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any supplemental indenture.

**Section 159.** The Trustee is authorized to join with the Company in the execution of any such supplemental indenture, to make the further agreements and stipulations which may be therein contained, and to accept the conveyance,

transfer and assignment of any property thereunder. Any supplemental indenture executed in accordance with any of the provisions of this Article shall thereafter form a part of this Indenture; and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes, and, if deemed necessary or desirable by the Trustee, any of such terms or conditions may be set forth in reasonable and customary manner in the Bonds of the series to which such supplemental indenture shall apply. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Bonds of any series authenticated and delivered thereafter, if deemed necessary or desirable by the Trustee.

**Section 160.** In each and every case provided for in this Article, the Trustee shall be entitled to exercise its discretion in determining whether or not any proposed supplemental indenture, or any term or provision therein contained, is proper or desirable, having in view the purposes of such instrument, the needs of the Company, and the rights and interests of the Bondholders, and the Trustee shall be under no responsibility or liability to the Company or to any Bondholder or to anyone whomsoever, for any act or thing which it may do or decline to do in good faith, subject to the provisions of this Article, in the exercise of such discretion.

## ARTICLE TWENTY

### MEETINGS OF BONDHOLDERS

**Section 161.** 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 provided in *Sections 162 to 170, inclusive.*



**Section 162.** The Trustee may at any time call a meeting of the Bondholders affected by the business to be submitted to the meeting and it shall call such a meeting on the Written Request of the Company, given pursuant to a Resolution of the Board, or on the written request of the holders of not less than a majority in principal amount of Bonds outstanding at the time of such request. In the event the Trustee shall fail for 10 days to call a meeting, after being thereunto requested by the Company or such Bondholders as aforesaid, the holders of not less than a majority in principal amount of the then outstanding Bonds, or the Company pursuant to a Resolution of the Board, may call such meeting. Every such meeting called by the Trustee shall be held in the City of Chicago, State of Illinois, or, with the approval of the Company evidenced by a Resolution of the Board, at any other place in the United States of America, and 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 30 days before such meeting (a) to each registered holder of outstanding Bonds affected by the business to be submitted to the meeting addressed to him at his address appearing on the Bond register of the Company, (b) to each holder of any such Bond payable to bearer who shall have filed with the Trustee an address for notices to be addressed to him, (c) to each other holder of any Bond affected by the business to be submitted to the meeting whose name and address appears on the information preserved at the time by the Trustee as provided in *Subsection (a) of Section 102*, and (d) to the Company, and shall be published by the Trustee once in each of the four successive calendar weeks immediately preceding the week in which the meeting is to be held, in at least one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, The City of New York (in each instance upon any day of the week and in any such newspaper, but the publication in the first calendar

week to be made not less than 28 days prior to the date of such meeting); *provided, however*, that the mailing of such notice to any Bondholder affected by the business to be submitted to the meeting, shall in no case be a condition precedent to the holding of such meeting, and neither failure so to mail such notice to any such holder or holders nor any defect in such notice shall affect the validity of the proceedings taken at such meeting. If such meeting is called by the Company or Bondholders, it shall be held at such place in the United States of America as may be specified in the notice calling such meeting and notice thereof 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 transacted. Any meeting of Bondholders, including any adjourned meeting, shall be valid without notice if the holders of all outstanding Bonds affected by the business to be submitted to the meeting 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 the Company, the holders of all outstanding Bonds affected by the business to be submitted to the meeting, or by such as are not present in person or by proxy, and by the Trustee.

**Section 163.** Officers and nominees of the Company may attend such meeting, but shall not be entitled to vote thereat. Officers and nominees of the Trustee may attend such meeting and may vote thereat Bonds held by it in its individual or any other capacity but not Bonds held by the Trustee as such hereunder. 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 the deposit of Bonds with or the exhibition of Bonds to any banks, bankers or trust companies, and for the issue, to the persons depositing or

exhibiting such Bonds, of certificates by such depositaries entitling the holders thereof to be present and vote at any such meeting and to appoint proxies to represent them and vote for them at any such meeting in the same way as if the persons so present and voting, either personally or by proxy, were the actual bearers of the Bonds in respect of which such certificates shall have been issued, notwithstanding any transfer of such Bonds subsequent to the issuance of such certificates, and any regulations so made shall be binding and effective. Each such certificate shall state the date on which the Bond or Bonds in respect of which such certificate was issued were deposited with or exhibited to such bank, banker or trust company and the series and serial numbers of such Bonds. Any such certificate which does not require such Bond or Bonds to be deposited and remain on deposit until after the meeting or until surrender of such certificate, shall either (a) recite that the Bond or Bonds in respect of which such certificate was issued have been endorsed by any such bank, banker or trust company with a notation as to the issuance of such certificate (and all such Bonds shall be so endorsed), or (b) shall entitle the holder thereof or his proxy to vote at any meeting only if the Bond or Bonds in respect of which it was issued are not produced at the time of the meeting by any person and are not at the time of the meeting registered in the name of any person or exchanged for a registered Bond or Bonds without coupons. In the event that two or more such certificates shall be issued with respect to the same Bond or Bonds, the certificate bearing the latest date shall be recognized and be deemed to supersede any certificate or certificates previously issued in respect of such Bond or Bonds. If any such meeting shall have been called by Bondholders, affected by the business to be submitted to the meeting, or by the Company as aforesaid upon failure of the Trustee to call the same after having been so requested to do under the provisions of *Section 162*, regulations to like effect for such deposit of Bonds with, or such exhibition of Bonds to, 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 164.** Subject to the restrictions specified in *Sections 163* and *167*, any registered holder of outstanding Bonds affected by the business to be submitted to the meeting, and any holder of a certificate provided for in *Section 163* for Bonds affected by the business to be submitted, shall be entitled in person or by proxy to attend and vote at such meeting as holder of the Bonds registered or certified in the name of such holder, 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 entitled to vote at such meeting, 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 before an officer authorized to take acknowledgments of instruments to be recorded in the jurisdiction where such acknowledgment is taken, and all proxies and cer-

tificates presented at any meeting shall be delivered to said Inspectors of Votes and filed with the Trustee.

**Section 165.** Persons named by the Trustee, if represented at the meeting, shall act as temporary Chairman and temporary 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 and entitled to vote shall, by a majority vote, irrespective of the amount of their holdings, 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 and entitled to vote, by a majority vote 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 shall be filled by appointment by the permanent Chairman of the meeting.

**Section 166.** Subject to the provisions of this Section, the holders of not less than 75% 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 in case more than one series of

Bonds shall be outstanding under this Indenture, and the business to be submitted to such meeting shall affect the rights of holders of the Bonds of one or more series and shall not affect the rights of holders of the Bonds of one or more of the other series, then only holders of Bonds of the series to be affected shall have the right to notice of such meeting or to be counted for the purpose of a quorum, and only holders of Bonds of the series to be affected by any particular business to be considered at such meeting shall have the right to vote with respect to such business. The determination of the Trustee as to which series of Bonds are to be affected shall be conclusive. If such meeting is adjourned by less than a quorum for more than 30 days, notice thereof shall forthwith be mailed by the Trustee if such meeting shall have been called by it (a) to the Company, (b) to each registered holder of outstanding Bonds entitled to notice, addressed to him at his address appearing on the Bond register of the Company, and (c) to each holder of any such Bond payable to bearer who shall have filed with the Trustee an address for notices, addressed to him at such address, or whose name and address appears on the information preserved at the time by the Trustee as provided in *Subsection (a) of Section 102*, and shall be published at least once in each 30-day period of such adjournment in at least one newspaper printed in the English language and customarily published on each business day and of general circulation in the Borough of Manhattan, The City of New York (in each instance upon any day of the week and in any such newspaper); *provided, however*, that the mailing of such notice to any Bondholder affected by the business to be considered at such adjourned meeting shall in no case be a condition precedent to the holding of such meeting, and neither failure so to mail such notice to any such holder or holders nor any defect in such notice shall affect the validity of the proceedings taken at such meeting. 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 162*, notice of such adjournment shall be given by the permanent Chairman and the permanent 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 167.** Subject to the provisions of *Section 166*, 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 of the holders of 75% or more in principal amount of the Bonds outstanding at the time such meeting is held and entitled to vote at such meeting upon such resolution, and approved by a Resolution of the Board as hereinafter specified; *provided, however*, that no such modification or alteration shall, without the consent of the holder of any Bond issued hereunder affected thereby, permit

(A) the reduction of the principal of such Bond or of the rate of interest thereon, the extension of the maturity of such principal, or any other modification in the terms of payment of such principal or interest, or

(B) the creation of any lien ranking prior to, or on a parity with, the lien of this Indenture with respect to the Trust Estate or any part thereof, or

(C) the depriving of any non-assenting Bondholder of a lien upon the Trust Estate for the security of his Bonds (subject only to the lien of taxes, assessments or governmental charges not then due and delinquent and to any mortgage or other liens existing upon the Trust

Estate which are prior hereto at the date of the calling of any such Bondholders' meeting), or

(D) 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.

**Section 168.** 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 166*, and showing that said notices were mailed and published as provided in *Section 162*, and, in a proper case, as provided in *Section 166*. 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 and such record shall be conclusive, and any resolution or proceeding stated in such record to have been adopted or taken, shall be deemed conclusively to have been duly adopted or taken by such meeting. A true copy of any resolution adopted by such meeting shall be mailed by the Trustee to each registered holder of outstanding Bonds entitled to vote at such meeting addressed to him at his address appearing on the Bond register of the Company and to each holder of any such Bond payable to bearer who shall have filed with the Trustee



an address for notices, addressed to him at such address, and to each other holder of any such bond whose name and address appears on the information preserved at the time by the Trustee as provided in *Subsection (a) of Section 102*; and proof of such mailing by the affidavit of some person having knowledge of the fact shall be filed with the Trustee, but neither failure to mail copies of such resolution as aforesaid, nor any defect therein, shall affect the validity thereof. No such resolution shall be binding unless and until such resolution is approved by a Resolution of the Board filed by the Company with the Trustee, but if such Resolution of the Board is adopted and filed with the Trustee, the resolution so adopted at such meeting of Bondholders shall be binding upon the Company, the Trustee and the holders of all Bonds and coupons issued hereunder, at the expiration of 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 60-day period; *provided, however*, that no such resolution of the Bondholders or of the Company shall in any manner 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 a 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 169.** 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 affected thereby and upon 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 endorsement or otherwise, of 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 executed, authenticated and delivered, and, upon demand of the holders of any Bonds then outstanding and affected by such resolution, shall be issued, without cost to such Bondholders, in exchange for such outstanding Bonds 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. An instrument or instruments supplemental to this Indenture embodying any modification or alteration of this Indenture or of any indenture supplemental hereto made at any Bondholders' meeting and approved by Resolution of the Board, 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. Subject to *Sections 137 and 138*, the Trustee shall be fully protected in relying upon an Opinion of Counsel as conclusive evidence that any such supplemental indenture complies with the provisions of this Indenture and that it is proper for the Trustee, under the provisions of this Article, to join in the execution thereof.

All expenses incurred in connection with the calling and holding of any meeting of Bondholders pursuant to this Article shall be borne by the Company. The Trustee shall not be required to expend or risk its own funds or otherwise incur personal financial liability in connection with the calling or holding of any such meeting.

**Section 170.** Anything in this Article contained to the contrary notwithstanding, the Company may at any time, or from time to time, by Resolution of the Board 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 or effect whatever either with respect to (1) all Bonds heretofore authenticated and delivered by the Trustee hereunder and then outstanding, and/or (2) 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 of the Board shall be made.

## ARTICLE TWENTY-ONE

### SUNDRY PROVISIONS

**Section 171.** All the covenants, stipulations, promises and agreements in this Indenture contained, by or in behalf of the Company, shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

**Section 172.** Nothing in this 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 Bonds and coupons issued hereunder, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein 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 Bonds and coupons issued hereunder.

**Section 173.** If any provision of this Indenture limits, qualifies, or conflicts with another provision appearing herein which would have been required to be included herein by the Trust Indenture Act of 1939 had this Indenture been qualified under said Act, such required provision shall control.

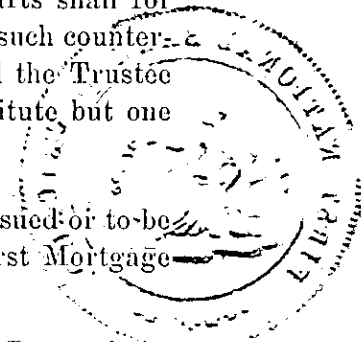
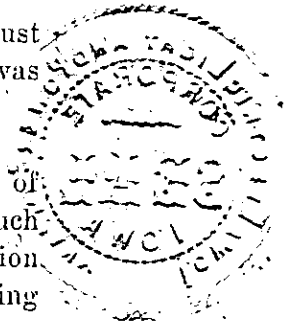
Whenever reference is made in this Indenture to the Trust Indenture Act of 1939, reference is made to such Act as it was in force on the date of this Indenture.

**Section 174.** Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person or corporation entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Section 175.** This 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.

**Section 176.** The amount of the obligations issued or to be issued forthwith hereunder is \$12,600,000 of First Mortgage Bonds, Series A, 3½%, due August 1, 1965.

**In Witness Whereof,** Iowa Electric Light and Power Company has caused this 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 Indenture to be signed in its corporate name by one of its Vice Presidents and its corporate seal to be hereunto



affixed and attested by its Secretary or one of its Assistant Secretaries, all as of the day and year first above written.

IOWA ELECTRIC LIGHT AND POWER COMPANY,

By *F L Chambers*

Vice President.

Attest:

*C Woodward*

Secretary.

Signed, sealed and delivered by  
IOWA ELECTRIC LIGHT AND POWER COMPANY  
in the presence of:

*Carl Myers*

*J W White*

THE FIRST NATIONAL BANK OF CHICAGO,

By *Robert G. Gurnee*

Vice President.

Attest:

*[Signature]*  
Assistant Secretary.

Signed, sealed and delivered by  
THE FIRST NATIONAL BANK OF CHICAGO  
in the presence of:

*J M J Rorery*

*[Signature]*

checked and found correct and true to the original as shown to me by the person who presented it for recording.

STATE OF IOWA }  
COUNTY OF LINN } ss.:

On this *17th* day of August, 1940, before me, *Clin... Carstens*, a notary public in and for the said county in the state aforesaid, personally appeared: *F. C. Chambers* and *C. S. Woodward*, to me personally known, and to me known to be the *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 for himself did say that he the said *F. C. Chambers* is the *vice.* president, and that he the said *C. S. Woodward* is the ..... 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 *F. C. Chambers* and *C. S. Woodward* each acknowledged the execution of said instrument to be the voluntary act and deed of the said corporation by it voluntarily executed.

Witness my hand and notarial seal this *17th* day of August, 1940.

*Clin Carstens*  
Notary Public in and for  
Linn County, Iowa

My commission expires *July 7, 1942*



STATE OF ILLINOIS }  
COUNTY OF COOK } ss.:

On this 19<sup>th</sup> day of August, 1940, before me, **Dean C. Houk**, a notary public in and for the said county in the state aforesaid, personally appeared **ROBERT L. GRINNELL** and **J. H. HAMEL**, to me personally known, and to me known to be a vice president and assistant secretary, 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 for himself did say that he the said **ROBERT L. GRINNELL** is a vice president, and that he the said **J. H. HAMEL** is an assistant secretary 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 board of directors, and the said **ROBERT L. GRINNELL** and **J. H. HAMEL** each acknowledged the execution of said instrument to be the voluntary act and deed of the said corporation by it voluntarily executed.

Witness my hand and notarial seal this 19<sup>th</sup> day of August, 1940.

*Dean C. Houk*

Notary Public in and for  
Cook County, Illinois

My Commission Expires Jan. 25, 1943

My commission expires .....

