TWENTY-THIRD

SUPPLEMENTAL INDENTURE

IOWA-ILLINOIS GAS AND ELECTRIC COMPANY

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TO

HARRIS TRUST AND SAVINGS BANK

AND

R. S. STAM
TRUSTEES

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MARY E. WELTY
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DATED AS OF NOVEMBER 1, 1984

CREATING AN ISSUE OF
FIRST MORTGAGE BONDS, FLOATING RATE
MONTHLY DEMAND SERIES DUE 2014

SUPPLEMENTAL TO
INDENTURE OF MORTGAGE AND DEED OF TRUST
DATED AS OF MARCH 1, 1947

IOWA-ILLINOIS GAS AND ELECTRIC COMPANY

TWENTY-THIRD SUPPLEMENTAL INDENTURE DATED AS OF

NOVEMBER 1, 1984

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Twenty-Third Supplemental Indenture dated as of the first day of November, 1984 between IOWA-ILLINOIS GAS AND ELECTRIC COMPANY, 206 East Second Street, Davenport, Iowa 52801, a corporation duly organized and existing under the laws of the State of Illinois (hereinafter called the "Company"), party of the first part, and HARRIS TRUST AND SAVINGS BANK, 111 West Monroe Street, Chicago, Illinois 60690, a corporation duly organized and existing under the laws of the State of Illinois having its principal place of business in Chicago, Illinois (hereinafter called the "Trustee"), and R. S. STAM of Wheaton, Illinois (hereinafter called the "Individual Trustee"), as Trustees (hereinafter called the "Trustees"), parties of the second part, under the Company's Indenture of Mortgage and Deed of Trust dated as of March 1, 1947 (hereinafter called the "Original Indenture"), as amended and supplemented by Supplemental Indentures dated, respectively, March 1, 1947, October 1, 1949, January 15, 1953, April 15, 1960, May 1, 1961, July 1, 1967, April 1, 1969, August 15, 1969, September 1, 1970, June 15, 1975, March 15, 1976, January 15, 1977, October 1, 1977, September 1, 1978, July 15, 1979, January 15, 1980, June 15, 1980, February 15, 1981, October 1, 1981, May 1, 1982, July 1, 1982 and February 15, 1984 (the Original Indenture, as so amended and supplemented, being hereinafter called the "Indenture" and such Supplemental Indentures being hereinafter called collectively the "Prior Supplemental Indentures").

WHEREAS, the Indenture provides for the issuance from time to time thereunder in series of bonds of the Company for the purposes and subject to the limitations therein specified;

WHEREAS, the Company desires in and by this Twenty-third Supplemental Indenture to create and define the terms of a twenty-fifth series of bonds to be issued under the Indenture;

WHEREAS, the Company has entered into a Loan Agreement dated as of November 1, 1984 (hereinafter called the "Louisa Loan Agreement") with Louisa County, Iowa, a political subdivision of the State of Iowa (hereinafter called "Louisa"), providing for the loan to the Company of the proceeds from the sale by Louisa of its Floating Rate Monthly Demand Pollution Control Revenue Bonds (Iowa-Illinois Gas and Electric Company Project) Series 1984 (hereinafter called the "Louisa Revenue Bonds") to be issued under and secured by Louisa's Indenture of Trust dated as of November 1, 1984 (hereinafter called the "Louisa Revenue

Indenture") to Manufacturers Hanover Trust Company of California, as trustee (hereinafter called the "Louisa Trustee"), such loan to be utilized by the Company to refinance a portion of the costs of the acquisition, construction and equipping of a portion of the Company's undivided interest (hereinafter called the "Louisa Project") in certain facilities (hereinafter called the "Louisa Facilities," more particularly described in Exhibit A to the Louisa Loan Agreement) to be used for pollution control at Unit 1 of the Louisa Generating Station; and such twenty-fifth series of bonds is to be issued in repayment of such loan and pledged by Louisa under the Louisa Revenue Indenture as security for the payment of the principal of, and premium, if any, and interest on, the Louisa Revenue Bonds;

WHEREAS, the Company also desires in and by this Twenty-third Supplemental Indenture to record the description of, and confirm unto the Trustees, certain property which has not been previously described in the Indenture but which is subject to the lien thereof; and

WHEREAS, all acts and things necessary to make this Twenty-third Supplemental Indenture, when duly executed and delivered, a valid, binding and legal instrument in accordance with its terms for the purposes herein expressed have been done and performed, and the execution and delivery of this Twenty-third Supplemental Indenture have been in all respects duly authorized;

NOW, THEREFORE, in consideration of the premises and in further consideration of the sum of One Dollar in lawful money of the United States of America paid to the Company by the Trustees at or before the execution and delivery of this Twenty-third Supplemental Indenture, the receipt whereof is hereby acknowledged, and of other good and valuable considerations, it is agreed by and between the Company and the Trustees as follows:

DESCRIPTION OF CERTAIN PROPERTY SUBJECT TO THE LIEN OF THE INDENTURE NOT PREVIOUSLY DESCRIBED

The Company hereby confirms unto the Trustees the property described in Schedule A attached hereto and expressly made a part hereof, which property has not been previously described in the Indenture but which is subject to the lien thereof in all respects as if originally described therein.

ARTICLE I

First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014

Section 1. There is hereby created a twenty-fifth series of bonds to be issued under and secured by the Indenture, to be designated, distinguished and known as "First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014" (hereinafter called collectively the "Bonds" and individually a "Bond"). The Bonds may be issued in the aggregate principal amount of $9,300,000 except as otherwise provided in the Indenture and in this Twenty-third Supplemental Indenture. The Bonds shall be evidenced by a single registered bond without coupons and shall be dated as of the interest payment date next preceding the authentication thereof by the Trustee, except that (i) if any Bond shall be authenticated before January 2, 1985, it shall be dated as of the date of the first authentication and delivery of the Louisa Revenue Bonds, (ii) if any Bond shall be authenticated on an interest payment date, it shall be dated such date and (iii) if the Company shall at the time of the authentication of any Bond be in default in the payment of interest upon the Bonds, such Bond shall be dated as of the date of the beginning of the period for which such interest is so in default.

The Bonds shall mature November 1, 2014.

Until the interest rate on the Louisa Revenue Bonds shall have been converted to the Fixed Interest Rate (as defined in the Louisa Revenue Indenture) in accordance with the provisions of the Louisa Revenue Indenture, the Louisa Revenue Bonds will bear interest for each Interest Period (as defined in the Louisa Revenue Indenture) at a rate per annum determined for such Interest Period in accordance with the provisions of the Louisa Revenue Indenture, particularly Articles II and X thereof, which interest will be payable on the first day of the next succeeding Interest Period (except as otherwise provided in the Louisa Revenue Indenture), commencing January 2, 1985. In the event the interest rate on the Louisa Revenue Bonds shall be so converted to the Fixed Interest Rate, the Louisa Revenue Bonds will bear interest thereafter at the Fixed Interest Rate, which interest will be payable on May 1 and November 1 of each year (except as otherwise provided in the Louisa Revenue Indenture). The provisions of the Louisa Revenue Indenture applicable to the determination of the rate of interest to be borne from

time to time by the Louisa Revenue Bonds and the dates on which and the periods for which interest on the Louisa Revenue Bonds is to be payable are set forth in Schedule B attached hereto and expressly made a part hereof. The rate of interest per annum on the Bonds for any period shall be the same as the rate of interest per annum on the Louisa Revenue Bonds for such period, and interest on the Bonds shall be payable on the same dates and for the same periods as interest payable on the Louisa Revenue Bonds, as such rates, dates and periods are determined in accordance with such Schedule B. Unless and until the Louisa Revenue Indenture shall have been amended or otherwise modified to change in any manner the provisions thereof set forth in such Schedule B, the Trustee may conclusively rely upon written notice from the Louisa Trustee, signed by one of its officers, stating the then applicable rate of interest on the Louisa Revenue Bonds and the related interest period and interest payment date. In no event shall the interest rate on the Bonds exceed 15% per annum.

The terms of redemption shall be as described or referred to in Section 2 of this Article I.

Payment of the principal of, and premium, if any, and interest on, the Bonds shall be made to the registered owner of the Bonds in funds immediately available on or before the date payment is due at the address of the registered owner shown on the register maintained by the Trustee; provided that if payment or provision therefor has been made in respect of the principal of, or the premium, if any, or interest on, all or any portion of the Louisa Revenue Bonds in accordance with the Louisa Revenue Indenture, the corresponding principal of, or premium, if any, or interest on, the Bonds shall be deemed to have been paid to the extent of such payment or provision. The Trustee may at all times conclusively assume that the obligation of the Company to make payments with respect to the principal of, and premium, if any, and interest on, the Bonds, to the extent such payments have become due, has been satisfied and discharged unless and until the Trustee shall have received written notice from the Louisa Trustee, signed by one of its officers, stating that (i) timely payment of the principal of, or premium, if any, or interest on, the Bonds has not been made, (ii) the Company is in arrears as to payments required to be made to the Louisa Trustee, after giving effect to any available moneys in the Bond Fund provided for in the Louisa Revenue Indenture, and (iii) the amount of such arrearage.

Each registered owner of the Bonds, by acceptance thereof, shall be deemed to agree to make prompt entry thereon of all payments, prepayments and credits on account of the principal thereof, whether under any provision of the Louisa Revenue Indenture, this Twenty-third Supplemental Indenture or otherwise, to notify the Trustee of the amount of each such payment, prepayment or credit and that such entry has been duly made and to surrender the Bonds to the Trustee for cancellation when all principal, premium, if any, and interest thereon shall have been duly paid or provided for.

As used in this Section 1, the term "default in the payment of interest" means failure to pay interest on the applicable interest payment date disregarding any period of grace permitted by Section 9.02 of the Original Indenture.

SECTION 2. In the event that the Louisa Trustee shall have given notice to the holders of the Louisa Revenue Bonds pursuant to Section 5.05(c) of the Louisa Revenue Indenture that the Letter of Credit (as defined in the Louisa Revenue Indenture) will expire on a date specified in such notice, the Bonds shall be redeemed prior to maturity, in whole or in part as hereinafter provided, at the principal amount thereof, without premium, together with accrued interest to the redemption date, on notice given in the manner and with the effect provided in this Section 2 and in Article IV of the Original Indenture, on the interest payment date for the Bonds next preceding such expiration date, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to Section 2.02(e)(ii) of the Louisa Revenue Indenture. The principal amount of the Bonds to be so redeemed shall be determined on the basis of a notice from the Louisa Trustee to the Company and the Trustee pursuant to Section 2.02(g) of the Louisa Revenue Indenture specifying the principal amount of the Louisa Revenue Bonds to be concurrently redeemed pursuant to such Section 2.02(e)(ii).

In the event that the Louisa Trustee shall have given notice to the holders of the Louisa Revenue Bonds pursuant to Section 2.12 of the Louisa Revenue Indenture that the interest rate on the Louisa Revenue Bonds may be converted to the Fixed Interest Rate on the effective date specified therein, the Bonds shall be redeemed prior to maturity, in whole or in part as hereinafter provided, at the principal amount thereof, without premium, together with accrued interest to the redemption date, on

notice given in the manner and with the effect provided in this Section 2 and in Article IV of the Original Indenture, on such effective date, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to Section 2.02(e)(iii) of the Louisa Revenue Indenture. The principal amount of the Bonds to be so redeemed shall be determined on the basis of a notice from the Louisa Trustee to the Company and the Trustee pursuant to Section 2.12 of the Louisa Revenue Indenture specifying the principal amount of the Louisa Revenue Bonds to be concurrently redeemed pursuant to such Section 2.02(e)(iii).

Unless and until the interest rate on the Louisa Revenue Bonds and the Bonds shall have been converted to the Fixed Interest Rate, the Bonds shall be redeemable prior to maturity, in whole or in part on any interest payment date, at the principal amount thereof, without premium, together with accrued interest to the redemption date, on notice given in the manner and with the effect provided in this Section 2 and in Article IV of the Original Indenture, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to subparagraph (A)(1) of Section 3.01 of the Louisa Revenue Indenture.

After conversion of the interest rate on the Louisa Revenue Bonds and the Bonds to the Fixed Interest Rate, the Bonds shall be redeemable prior to maturity in whole, at the option of the Company, at the principal amount thereof, without premium, together with accrued interest to the redemption date, on notice given in the manner and with the effect provided in this Section 2 and in Article IV of the Original Indenture, on any date within 180 days after the occurrence of any of the following events, provided the Louisa Revenue Bonds are being redeemed in whole on the same date pursuant to subparagraph (A)(2) of Section 3.01 of the Louisa Revenue Indenture:

(a) all or substantially all of the Louisa Project shall be damaged or destroyed and the Company shall determine that it is not practicable or desirable to rebuild, repair and restore the Louisa Project;

(b) all or substantially all of the Louisa Project shall be condemned or such use or control thereof shall be taken by eminent domain as to render the Louisa Project unsatisfactory to the Company for continued operation;

(c) unreasonable burdens or excessive liabilities shall be imposed upon Louisa or the Company with respect to the Louisa Project or the operation thereof; or the Company shall have made a good faith determination that, as a result of any change in applicable federal income tax law after the date of original issuance of the Louisa Revenue Bonds, the Company would suffer a significant federal income tax detriment (including, but not limited to, the loss of all or a portion of the investment tax credit or the loss or deferral of all or a portion of the deduction for depreciation in respect of the Louisa Project or the loss of all or a portion of the deduction with respect to interest paid on the Louisa Revenue Bonds) resulting from the tax exempt status of interest paid on the Louisa Revenue Bonds; or

(d) as a result of any changes in the Constitution of Iowa or in the Constitution of the United States of America or of legislative or administrative action (whether state or federal), or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Company in good faith, the Louisa Loan Agreement shall have become impossible of performance in accordance with the intent and purposes of the parties as expressed therein.

After conversion of the interest rate on the Louisa Revenue Bonds and the Bonds to the Fixed Interest Rate, the Bonds shall be redeemed prior to maturity, in whole or in part as hereinafter provided, at the principal amount thereof, without premium, together with accrued interest to the redemption date, on notice given in the manner and with the effect provided in this Section 2 and in Article IV of the Original Indenture, on any date within 180 days after receipt by the Company of written notice of either of the following events, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to subparagraph (B) of Section 3.01 of the Louisa Revenue Indenture:

(a) the issuance of a private letter ruling or a technical advice memorandum by the Internal Revenue Service in a proceeding in connection with which the Company has had the opportunity to participate; or

(b) a final determination by any court of competent jurisdiction in the United States in a proceeding to which the Company is a party or in which the Company has had the opportunity to participate;

in either case, to the effect that, as a result of a failure by the Company to observe any covenant, agreement, representation or warranty by the

Company in the Louisa Loan Agreement, the interest payable on the Louisa Revenue Bonds is includable for federal income tax purposes in the gross income of the holders thereof (other than a holder who is a "substantial user" of the Louisa Facilities or a "related person" within the meaning of Section 103(b) of the Internal Revenue Code of 1954, as amended (hereinafter called the "Code"), and the applicable regulations thereunder). If any holder of the Louisa Revenue Bonds refuses to permit the Company to participate in any such proceeding (as a party or otherwise) to the extent the Company deems sufficient or if any holder of the Louisa Revenue Bonds fails to notify the Company of the pendency of any such proceeding, the Bonds will not, in the event of an adverse letter ruling, technical advice memorandum or court determination, be subject to the mandatory redemption provisions of this paragraph. The Bonds shall be redeemed in whole unless redemption of a portion of the Louisa Revenue Bonds then outstanding would have the result that interest payable on the Louisa Revenue Bonds to remain outstanding after such redemption would not be includable for federal income tax purposes in the gross income of any holders of any such Louisa Revenue Bonds (other than a holder who is a "substantial user" of the Louisa Facilities or a "related person" within the meaning of Section 103(b) of the Code and the applicable regulations thereunder), in which event the Bonds shall be redeemed only in the principal amount necessary to redeem Louisa Revenue Bonds in a principal amount to effect such a result.

After conversion of the interest rate on the Louisa Revenue Bonds and the Bonds to the Fixed Interest Rate (if such conversion shall occur prior to the interest payment date occurring in November, 1994), the Bonds shall also be redeemable prior to maturity on or after November 1 of the year which shall be the tenth year after the year in which such conversion shall have occurred, in whole at any time or in part on any interest payment date, at the redemption prices hereinafter stated (expressed as a percentage of the principal amount to be redeemed), together with accrued interest to the redemption date, on notice given in the manner and with the effect provided in this Section 2 and in Article IV of the Original Indenture, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant

to subparagraph (A)(3)(a) of Section 3.01 of the Louisa Revenue Indenture:

IF REDEEMED DURING THE TWELVE MONTHS' PERIOD BEGINNING NOVEMBER 1 OF THE:

	Redemption Price		Redemption Price
Tenth year	103.00%	Fourteenth year	101.00%
Eleventh year	102.50%	Fifteenth year	100.50%
Twelfth year	102.00%	Sixteenth year and thereafter	100.00%
Thirteenth year	101.50%		

After conversion of the interest rate on the Louisa Revenue Bonds and the Bonds to the Fixed Interest Rate (if such conversion shall occur on or after the interest payment date occurring in November, 1994), the Bonds shall also be redeemable prior to maturity on or after November 1 of the year which shall be the fifth year after the year in which such conversion shall have occurred, in whole at any time or in part on any interest payment date, at the redemption prices hereinafter stated (expressed as a percentage of the principal amount to be redeemed), together with accrued interest to the redemption date, on notice given in the manner and with the effect provided in this Section 2 and in Article IV of the Original Indenture, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to subparagraph (A)(3)(b) of Section 3.01 of the Louisa Revenue Indenture:

IF REDEEMED DURING THE TWELVE MONTHS' PERIOD BEGINNING NOVEMBER 1 OF THE:

	Redemption Price
Fifth year	103.00%
Sixth year	102.00%
Seventh year	101.00%
Eighth year and thereafter	100.00%

The Bonds shall be redeemed prior to maturity in whole at the principal amount thereof, without premium, together with accrued interest to the redemption date, on the date specified in a written notice to the Company and the Trustee from the Louisa Trustee, in accordance with the

last paragraph of Section 9.12 of the Louisa Revenue Indenture, stating *inter alia* that the principal of and interest on all the Louisa Revenue Bonds have been declared due and payable as a result of the occurrence of an event of default under the Louisa Revenue Indenture and demanding redemption of the Bonds, which redemption date shall be not less than seven nor more than 15 days after such written notice; provided that in the event of a waiver of any such event of default under the Louisa Revenue Indenture and its consequences and the rescission of the acceleration of the maturity of the principal of and interest on the Louisa Revenue Bonds, such demand for redemption of the Bonds shall be deemed to be rescinded.

In case of any redemption of Bonds pursuant to the provisions of this Twenty-third Supplemental Indenture, notice of redemption shall be mailed by or on behalf of the Company, postage prepaid, at least 15 days prior to such date of redemption, to the registered owner of the Bonds at its address appearing upon the register maintained by the Trustee; provided, however, in case of any redemption of Bonds pursuant to either of the first two paragraphs of this Section 2, such notice of redemption shall be so mailed at least one day prior to such date of redemption, and provided further that in the case of a redemption pursuant to the preceding paragraph of this Section 2, no notice of redemption shall be required. Any notice which is mailed as herein provided shall be conclusively presumed to have been properly and sufficiently given on the date of such mailing, whether or not the registered owner receives such notice.

Notwithstanding any provision of the Original Indenture, including Section 8.01, the Bonds are subject to redemption only as hereinabove provided in this Section 2.

SECTION 3. The Bonds shall be appropriately numbered, commencing with R-1.

The form of the Bonds shall be substantially as follows:

(FORM OF FACE OF BOND)

This Bond has not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in contravention of said Act and is not transferable except to a successor trustee under the Indenture of Trust dated as of November 1, 1984 from Louisa County, Iowa to Manufacturers Hanover Trust Company of California, as Trustee, or in the exercise of rights and remedies consequent upon an event of default thereunder.

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IOWA-ILLINOIS GAS AND ELECTRIC COMPANY

FIRST MORTGAGE BOND, FLOATING RATE MONTHLY DEMAND SERIES DUE 2014

No. $

IOWA-ILLINOIS GAS AND ELECTRIC COMPANY (hereinafter called the "Company"), a corporation of the State of Illinois, for value received, hereby promises to pay to

, or registered assigns, on November 1, 2014, the sum of Dollars in lawful money of the United States of America and to pay interest thereon from the date hereof at the rate per annum determined as provided in Section III on the reverse side hereof, in like lawful money, payable on the dates and for the periods determined as provided in such Section III, until the Company's obligation with respect to the payment of such principal sum shall be discharged as provided in the indentures hereinafter mentioned.

REFERENCE IS MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH ON THE REVERSE HEREOF. SUCH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

This Bond shall not be valid or become obligatory for any purpose unless and until the certificate of authentication hereon shall have been executed by the Trustee or its successor in trust under the within mentioned Indenture.

IN WITNESS WHEREOF, IOWA-ILLINOIS GAS AND ELECTRIC COMPANY has caused this Bond to be executed in its name by the manual or facsimile signature of its President or one of its Vice Presidents and its corporate seal to be impressed or imprinted hereon and attested by the manual or facsimile signature of its Secretary or one of its Assistant Secretaries.

Dated:

IOWA-ILLINOIS GAS AND ELECTRIC COMPANY

By _____
President

Attest:

_____
Secretary

(FORM OF REVERSE OF BOND)

I. This Bond is one of the Company's "First Mortgage Bonds" issued and to be issued in one or more series under and secured by an Indenture of Mortgage and Deed of Trust dated as of March 1, 1947 duly executed by the Company to HARRIS TRUST AND SAVINGS BANK (herein called the "Trustee") and LYNN LLOYD (R. S. Stam, successor Individual Trustee), Trustees, to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the property mortgaged and pledged, the nature and extent of the security, the terms and conditions upon which the bonds are, and are to be, issued and secured and the rights of the bearers or registered owners of the bonds and of the Trustees in respect of such security. As provided in said Indenture, the bonds may be for various principal sums, are issuable in series, may mature at different times, may bear interest at different rates and may otherwise vary as therein provided. This Bond is one of a series entitled "First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014," created by the Twenty-third Supplemental Indenture dated as of November 1, 1984.

II. Louisa County, Iowa (hereinafter called "Louisa") is issuing and selling, or has issued and sold, its Floating Rate Monthly Demand Pollution Control Revenue Bonds (Iowa-Illinois Gas and Electric Company Project) Series 1984 (hereinafter called the "Louisa Revenue Bonds") under and pursuant to Louisa's Indenture of Trust dated as of November 1, 1984 (hereinafter called the "Louisa Revenue Indenture") to Manufacturers Hanover Trust Company of California, as trustee (hereinafter called the "Louisa Trustee"). This Bond is issued as repayment of the loan of the proceeds of the Louisa Revenue Bonds to the Company pursuant to the Loan Agreement dated as of November 1, 1984 (hereinafter called the "Louisa Loan Agreement") between the Company and Louisa to refinance the acquisition, construction and equipping of a portion of the Company's undivided interest (hereinafter called the "Louisa Project") in certain facilities (hereinafter called the "Louisa Facilities," more particularly described in Exhibit A to the Louisa Loan Agreement) to be used for pollution control at Unit 1 of the Louisa Generating Station. Until the interest rate on the Louisa Revenue Bonds shall have been converted to the Fixed Interest Rate (as defined in the Louisa Revenue Indenture) in accordance with the provisions of the

Louisa Revenue Indenture, the Louisa Revenue Bonds will bear interest for each Interest Period (as defined in the Louisa Revenue Indenture) at a rate per annum determined for such Interest Period in accordance with the provisions of the Louisa Revenue Indenture, particularly Articles II and X thereof, which interest will be payable on the first day of the next succeeding Interest Period (except as otherwise provided in the Louisa Revenue Indenture), commencing January 2, 1985. In the event the interest rate on the Louisa Revenue Bonds shall be so converted to the Fixed Interest Rate, the Louisa Revenue Bonds will bear interest thereafter at the Fixed Interest Rate, which interest will be payable on May 1 and November 1 of each year (except as otherwise provided in the Louisa Revenue Indenture). The registered owner of this Bond may obtain from the Trustee a copy of the provisions of the Louisa Revenue Indenture applicable to the determination of the rate of interest to be borne from time to time by the Louisa Revenue Bonds and the dates on which and the periods for which interest on the Louisa Revenue Bonds is to be payable.*

III. The rate of interest per annum on the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, for any period shall be the same as the rate of interest per annum on the Louisa Revenue Bonds for such period, and interest on the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be payable on the same dates and for the same periods as interest payable on the Louisa Revenue Bonds, as such rates, dates and periods are determined in accordance with the Louisa Revenue Indenture (as originally executed). Unless and until the Louisa Revenue Indenture shall have been amended or otherwise modified to change in any manner the provisions thereof applicable to such determination, the Trustee may conclusively rely upon written notice from the Louisa Trustee, signed by one of its officers, stating the then applicable rate of interest on the Louisa Revenue Bonds and the related interest period and interest payment date. In no event shall the interest rate on the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, exceed 15% per annum.

IV. To the extent permitted by said Indenture, modifications or alterations of said Indenture or of any indenture supplemental thereto and of

*In the event the registered owner of a Bond is not the trustee under the Louisa Revenue Indenture, appropriate changes will be made in the form of the Bonds to reflect the manner in which the interest rate on the Bonds and the related interest periods and interest payment dates are to be determined.

the rights and obligations of the Company and of the bearers or registered owners of the bonds and coupons may be made, with the consent of the Company, by affirmative vote of the bearers or registered owners (or persons entitled to vote the same) of not less than sixty-six and two-thirds per cent (66⅔%) in principal amount of the bonds entitled to vote at a meeting of bondholders called and held as provided in said Indenture and by like affirmative vote of not less than sixty-six and two-thirds per cent (66⅔%) in principal amount of the bonds entitled to vote of each series affected by such modification or alteration in case one or more, but less than all, of the series of bonds then outstanding under said Indenture are so affected; provided, however, that no such modification or alteration shall be made without the consent of the registered owner hereof which will (a) affect the right of the registered owner hereof to receive payment of the principal of, or interest or premium (if any) on, this Bond, or to institute suit for the enforcement of any such payment on or after the respective due dates expressed herein, or (b) otherwise than as permitted by said Indenture, permit the creation of any lien ranking prior to or on a parity with the lien of said Indenture with respect to any property covered thereby, or deprive any bondholder of the security afforded by the lien of said Indenture, or (c) reduce the percentage of the principal amount of the bonds required to authorize any such modification or alteration.

V. Payment of the principal of, and premium, if any, and interest on, this Bond shall be made to the registered owner hereof in funds immediately available on or before the date payment is due at the address of the registered owner hereof shown on the register maintained by the Trustee; provided that if payment or provision therefor has been made in respect of the principal of, or the premium, if any, or interest on, all or any portion of the Louisa Revenue Bonds in accordance with the Louisa Revenue Indenture, the corresponding principal of, or premium, if any, or interest on, this Bond shall be deemed to have been paid to the extent of such payment or provision. The registered owner of this Bond, by acceptance hereof, agrees that whenever any payment, prepayment or credit on account of the principal of this Bond is made or occurs, whether under any provision of the Louisa Revenue Indenture, said Twenty-third Supplemental Indenture or otherwise, such registered owner shall promptly enter on the Schedule of Payments, Prepayments and Credits on Account of Principal the date and amount of each such payment, prepayment or credit and shall promptly notify the Trustee of the

amount of each such payment, prepayment or credit and that such entry has been duly made. The registered owner of this Bond, by acceptance hereof, further agrees to surrender this Bond to the Trustee for cancellation when all principal of, and premium, if any, and interest on, this Bond shall have been duly paid or provided for.

VI. The registered owner of this Bond, by acceptance hereof, agrees that any payment on this Bond shall be credited as and used to make a corresponding payment of the principal of, or premium, if any, or interest on, the Louisa Revenue Bonds.

VII. In the event that the Louisa Trustee shall have given notice to the holders of the Louisa Revenue Bonds pursuant to Section 5.05(c) of the Louisa Revenue Indenture that the Letter of Credit (as defined in the Louisa Revenue Indenture) will expire on a date specified in such notice, the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be redeemed prior to maturity, in whole or in part as hereinafter provided, at the principal amount thereof, without premium, together with accrued interest to the redemption date, on the interest payment date next preceding such expiration date, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to Section 2.02(e)(ii) of the Louisa Revenue Indenture. The principal amount of the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, to be so redeemed shall be determined on the basis of a notice from the Louisa Trustee to the Company and the Trustee pursuant to Section 2.02(g) of the Louisa Revenue Indenture specifying the principal amount of the Louisa Revenue Bonds to be concurrently redeemed pursuant to such Section 2.02(e)(ii).

In the event that the Louisa Trustee shall have given notice to the holders of the Louisa Revenue Bonds pursuant to Section 2.12 of the Louisa Revenue Indenture that the interest rate on the Louisa Revenue Bonds may be converted to the Fixed Interest Rate on the effective date specified therein, the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be redeemed prior to maturity, in whole or in part as hereinafter provided, at the principal amount thereof, without premium, together with accrued interest to the redemption date, on such effective date, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to Section

2.02(e)(iii) of the Louisa Revenue Indenture. The principal amount of the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, to be so redeemed shall be determined on the basis of a notice from the Louisa Trustee to the Company and the Trustee pursuant to Section 2.12 of the Louisa Revenue Indenture specifying the principal amount of the Louisa Revenue Bonds to be concurrently redeemed pursuant to such Section 2.02(e)(iii).

Unless and until the interest rate on the Louisa Revenue Bonds and the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall have been converted to the Fixed Interest Rate, the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be redeemable prior to maturity, in whole or in part on any interest payment date, at the principal amount thereof, without premium, together with accrued interest to the redemption date, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to subparagraph (A)(1) of Section 3.01 of the Louisa Revenue Indenture.

After conversion of the interest rate on the Louisa Revenue Bonds and the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, to the Fixed Interest Rate, the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be redeemable prior to maturity in whole, at the option of the Company, at the principal amount thereof, without premium, together with accrued interest to the redemption date, on any date within 180 days after the occurrence of any of the following events, provided the Louisa Revenue Bonds are being redeemed in whole on the same date pursuant to subparagraph (A)(2) of Section 3.01 of the Louisa Revenue Indenture:

(a) all or substantially all of the Louisa Project shall be damaged or destroyed and the Company shall determine that it is not practicable or desirable to rebuild, repair and restore the Louisa Project;

(b) all or substantially all of the Louisa Project shall be condemned or such use or control thereof shall be taken by eminent domain as to render the Louisa Project unsatisfactory to the Company for continued operation;

(c) unreasonable burdens or excessive liabilities shall be imposed upon Louisa or the Company with respect to the Louisa Project or

the operation thereof; or the Company shall have made a good faith determination that, as a result of any change in applicable federal income tax law after the date of original issuance of the Louisa Revenue Bonds, the Company would suffer a significant federal income tax detriment (including, but not limited to, the loss of all or a portion of the investment tax credit or the loss or deferral of all or a portion of the deduction for depreciation in respect of the Louisa Project or the loss of all or a portion of the deduction with respect to interest paid on the Louisa Revenue Bonds) resulting from the tax exempt status of interest paid on the Louisa Revenue Bonds; or

(d) as a result of any changes in the Constitution of Iowa or in the Constitution of the United States of America or of legislative or administrative action (whether state or federal), or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Company in good faith, the Louisa Loan Agreement shall have become impossible of performance in accordance with the intent and purposes of the parties as expressed therein.

After conversion of the interest rate on the Louisa Revenue Bonds and the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, to the Fixed Interest Rate, the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be redeemed prior to maturity, in whole or in part as hereinafter provided, at the principal amount thereof, without premium, together with accrued interest to the redemption date, on any date within 180 days after receipt by the Company of written notice of either of the following events, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to subparagraph (B) of Section 3.01 of the Louisa Revenue Indenture:

(a) the issuance of a private letter ruling or a technical advice memorandum by the Internal Revenue Service in a proceeding in connection with which the Company has had the opportunity to participate; or

(b) a final determination by any court of competent jurisdiction in the United States in a proceeding to which the Company is a party or in which the Company has had the opportunity to participate;

in either case, to the effect that, as a result of a failure by the Company to observe any covenant, agreement, representation or warranty by the Company in the Louisa Loan Agreement, the interest payable on the Louisa Revenue Bonds is includable for federal income tax purposes in

the gross income of the holders thereof (other than a holder who is a "substantial user" of the Louisa Facilities or a "related person" within the meaning of Section 103(b) of the Internal Revenue Code of 1954, as amended (hereinafter called the "Code"), and the applicable regulations thereunder). If any holder of the Louisa Revenue Bonds refuses to permit the Company to participate in any such proceeding (as a party or otherwise) to the extent the Company deems sufficient or if any holder of the Louisa Revenue Bonds fails to notify the Company of the pendency of any such proceeding, the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, will not, in the event of an adverse letter ruling, technical advice memorandum or court determination, be subject to the mandatory redemption provisions of this paragraph. The First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be redeemed in whole unless redemption of a portion of the Louisa Revenue Bonds then outstanding would have the result that interest payable on the Louisa Revenue Bonds to remain outstanding after such redemption would not be includable for federal income tax purposes in the gross income of any holders of any such Louisa Revenue Bonds (other than a holder who is a "substantial user" of the Louisa Facilities or a "related person" within the meaning of Section 103(b) of the Code and the applicable regulations thereunder), in which event the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be redeemed only in the principal amount necessary to redeem Louisa Revenue Bonds in a principal amount to effect such a result.

After conversion of the interest rate on the Louisa Revenue Bonds and the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, to the Fixed Interest Rate (if such conversion shall occur prior to the interest payment date occurring in November, 1994), the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall also be redeemable prior to maturity on or after November 1 of the year which shall be the tenth year after the year in which such conversion shall have occurred, in whole at any time or in part on any interest payment date, at the redemption prices hereinafter stated (expressed as a percentage of the principal amount to be redeemed), together with accrued interest to the redemption date, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to subparagraph (A)(3)(a) of Section 3.01 of the Louisa Revenue Indenture:

If Redeemed During the Twelve Months' Period Beginning November 1 of the:	Redemption Price	If Redeemed During the Twelve Months' Period Beginning November 1 of the:	Redemption Price
Tenth year	103.00%	Fourteenth year	101.00%
Eleventh year	102.50%	Fifteenth year	100.50%
Twelfth year	102.00%	Sixteenth year and thereafter	100.00%
Thirteenth year	101.50%		

After conversion of the interest rate on the Louisa Revenue Bonds and the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, to the Fixed Interest Rate (if such conversion shall occur on or after the interest payment date occurring in November, 1994), the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall also be redeemable prior to maturity on or after November 1 of the year which shall be the fifth year after the year in which such conversion shall have occurred, in whole at any time or in part on any interest payment date, at the redemption prices hereinafter stated (expressed as a percentage of the principal amount to be redeemed), together with accrued interest to the redemption date, provided that a like principal amount of the Louisa Revenue Bonds is being redeemed on the same date pursuant to subparagraph (A)(3)(b) of Section 3.01 of the Louisa Revenue Indenture:

If Redeemed During the Twelve Months' Period Beginning November 1 of the:	Redemption Price
Fifth year	103.00%
Sixth year	102.00%
Seventh year	101.00%
Eighth year and thereafter	100.00%

The First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be redeemed prior to maturity in whole at the principal amount thereof, without premium, together with accrued interest to the redemption date, on the date specified in a written notice to the Company and the Trustee from the Louisa Trustee, in accordance with the last paragraph of Section 9.12 of the Louisa Revenue Indenture, stating *inter alia* that the principal of and interest on all the Louisa Revenue

Bonds have been declared due and payable as a result of the occurrence of an event of default under the Louisa Revenue Indenture and demanding redemption of the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, which redemption date shall be not less than seven nor more than 15 days after such written notice; provided that in the event of a waiver of any such event of default under the Louisa Revenue Indenture and its consequences and the rescission of the acceleration of the maturity of the principal of and interest on the Louisa Revenue Bonds, such demand for redemption of the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, shall be deemed to be rescinded.

Notice of any redemption of First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, except that no notice of redemption shall be required in the case of a redemption pursuant to the preceding paragraph of this Section VII, shall be given by mail at least 15 days prior to the redemption date (one day in the case of any redemption pursuant to either of the first two paragraphs of this Section VII), all as more fully provided in said Twenty-third Supplemental Indenture and Indenture. Except as otherwise expressly provided herein, notice of redemption having been duly given, the First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, called for redemption shall become due and payable upon the redemption date.

VIII. In case 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, with the effect and subject to the conditions provided in said Indenture.

IX. This Bond shall be non-transferable except to a successor trustee under the Louisa Revenue Indenture or in the exercise of rights and remedies consequent upon an event of default thereunder. Subject to such restrictions, this Bond is transferable by the registered owner hereof in person, or by attorney duly authorized in writing, at the principal office of the Trustee in the City of Chicago, Illinois (or at the principal office of any successor in trust) upon surrender for cancellation of this Bond as provided in said Twenty-third Supplemental Indenture, and upon any such transfer a new registered Bond without coupons of the same series and for the same principal amount will be issued to the transferee in exchange herefor. Before any transfer of this Bond shall be recognized or given effect by the Trustee or the Company, the registered

owner hereof shall enter hereon the date to which interest has been paid and the amount of principal paid, prepaid or credited hereon, shall notify the Trustee and the Company of the name and address of the transferee and shall afford the Trustee and the Company the opportunity of verifying such entry.

X. The Company and the Trustees and any paying agent 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, and neither the Company nor the Trustees nor any paying agent shall be affected by any notice to the contrary.

XI. 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 any indenture supplemental thereto, against any incorporator, stockholder, director or officer, past, present or future, of the Company or of any predecessor or successor corporation, as such, 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 otherwise, all such liability of incorporators, stockholders, directors and officers being waived and released by every owner hereof by the acceptance of this Bond and as part of the consideration for the issue hereof, and being likewise waived and released by the terms of said Indenture.

The form of the Trustee's certificate of authentication to appear on all Bonds shall be substantially as follows:

(Form of Trustee's Certificate)

This Bond is one of the Bonds of the series designated therein described in the within mentioned Indenture and Twenty-third Supplemental Indenture.

Harris Trust and Savings Bank,
as Trustee

By_____
Authorized Officer

The form of the Schedule of Payments, Prepayments and Credits on Account of Principal to appear on all Bonds shall be substantially as follows:

(FORM OF SCHEDULE OF PAYMENTS, PREPAYMENTS AND CREDITS ON ACCOUNT OF PRINCIPAL)

Amount of Principal Paid, Prepaid or Credited	Date of Payment, Prepayment or Credit	Authorized Official and Title

(NOTICE: This Bond may not be transferred until this Schedule has been verified by Harris Trust and Savings Bank.)

SECTION 4. The Bonds shall be non-transferable except as required to effect a transfer to a successor trustee under the Louisa Revenue Indenture or in the exercise of rights and remedies consequent upon an event of default thereunder. Subject to such restrictions and to the provisions of Section 2.07 of the Original Indenture (except for the provision relating to service charges), the Bonds shall be transferable upon surrender thereof at the principal office of the Trustee in the City of Chicago, Illinois (or at the principal office of any successor in trust), such transfers to be made without charge (except for any stamp tax or other governmental charge). Any Bond issued upon transfer for another Bond shall be issued in the same denomination as the Bond being surrendered, but all payments, prepayments and credits against principal theretofore made on the surrendered Bond shall be duly noted by the Trustee on the Bond then being issued.

The Bonds shall bear the following legend:

"This Bond has not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in contravention of said Act and is not transferable except to a successor trustee under the Indenture of Trust dated as of November 1, 1984 from Louisa County, Iowa to Manufacturers Hanover Trust Company of California, as Trustee, or in the exercise of rights and remedies consequent upon an event of default thereunder."

SECTION 5. Until Bonds in definitive form are ready for delivery, the Company may execute, and upon its request in writing the Trustee shall authenticate and deliver in lieu thereof, Bonds in temporary form as

provided in Section 2.05 of the Original Indenture. Such Bonds in temporary form may, in lieu of the statement of the specific redemption prices required to be set forth in the Bonds in definitive form, include a reference to this Twenty-third Supplemental Indenture for a statement of such redemption prices.

SECTION 6. Definitive Bonds may be in the form of fully engraved bonds, bonds printed or lithographed with steel engraved borders or bonds printed.

ARTICLE II

ISSUE OF BONDS

The Bonds may be executed, authenticated and delivered from time to time as permitted by the provisions of Article III of the Original Indenture and shall be registered in the name of the Louisa Trustee.

ARTICLE III

NO SINKING FUND FOR THE BONDS

The Bonds shall not be entitled to the benefit of any sinking fund.

ARTICLE IV

REPLACEMENT FUND

SECTION 1. For the purposes of this Article IV, the definitions contained in and the methods of computation prescribed by this Section 1 shall be applied unless the context otherwise requires:

(a) The "amount of the electric property account" of the Company at any date shall be the original cost (estimated if necessary) of depreciable electric property in service (as shown by the Company's property accounts) subject to the Indenture. The "amount of the gas property account" of the Company at any date shall be the original cost (estimated if necessary) of depreciable gas property in service (as shown by the Company's property accounts) subject to the Indenture. Depreciable common plant subject to the Indenture shall be allocated between the gas and electric accounts on an equitable basis.

(b) The "amount of the electric property account for the period covered by the replacement certificate" shall be deemed to be the

average of the amounts of the electric property account of the Company at the end of the respective calendar months within the period covered by such replacement certificate. The "amount of the gas property account for the period covered by the replacement certificate" shall be deemed to be the average of the amounts of the gas property account of the Company at the end of the respective calendar months within the period covered by such replacement certificate.

(c) The "replacement requirement for the period covered by the replacement certificate" shall be deemed to be an amount equal to the sum of:

(i) 2½% of the amount of the electric property account for the period covered by the replacement certificate if such replacement certificate covers a period of one year, and a proportionately greater or lesser amount if such replacement certificate covers a period of more or less than one year; and

(ii) 2% of the amount of the gas property account for the period covered by the replacement certificate if such replacement certificate covers a period of one year, and a proportionately greater or lesser amount if such replacement certificate covers a period of more or less than one year.

(d) The "cumulative replacement requirement" shall be the sum of the replacement requirements for all periods covered by replacement certificates filed hereunder, including the replacement certificate then being filed.

SECTION 2. The Company covenants and agrees that so long as any of the Bonds are outstanding it will deliver to the Trustee a replacement certificate (1) within four months after the close of the calendar year 1949, covering the period beginning October 1, 1949 and ending December 31, 1949, and (2) within four months after the close of each calendar year thereafter, covering the period from the date of the next preceding replacement certificate filed hereunder to the end of such calendar year (such covenant with respect to the replacement certificates required to be filed within four months after the close of the calendar years 1949–1983, inclusive, shall be deemed to have been complied with by virtue of the filing of replacement certificates under the provisions of Section 2 of Article IV of the Prior Supplemental Indentures (other than the First, the Eighteenth, the Twentieth and the Twenty-second)). The Company also covenants and agrees that so long as any of the Bonds are outstand-

ing each time (after February 1, 1985) the Company shall request the Trustee to authenticate and deliver bonds pursuant to Section 3.03 of the Original Indenture, or shall request the Trustee to release mortgaged property from the lien of the Indenture pursuant to Section 7.03 of the Original Indenture and in such connection shall, pursuant to subdivision (c)(3) of said Section 7.03, reduce the amount of cash to be deposited with the Trustee, or shall request the Trustee to pay over cash pursuant to subdivision (a) of Section 8.01 of the Original Indenture, the Company will, unless it shall have theretofore filed a replacement certificate covering a period ending within the preceding three months, deliver to the Trustee a replacement certificate which shall cover the period from the date of the next preceding replacement certificate filed hereunder to and including the last day of the latest full calendar month for which information required by such replacement certificate is at the time reasonably available. The Company may in addition, at its election, at any time deliver to the Trustee a replacement certificate for the period specified therein, which shall cover the period from the date of the next preceding replacement certificate filed hereunder to a date within four months prior to the date when filed. Each replacement certificate filed hereunder shall be dated the last day of the period covered thereby, shall be signed by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company and shall show the following:

(a) The amount of the electric property account for the period covered by the replacement certificate, and the amount of the gas property account for the period covered by the replacement certificate.

(b) The replacement requirement for the period covered by the replacement certificate and the cumulative replacement requirement.

(c) The lesser of the cost or fair value to the Company (both of which shall be stated) of property additions (whether or not theretofore bonded) purchased, constructed or otherwise acquired by the Company from October 1, 1949 to and including the date of such replacement certificate in renewal or replacement of, in substitution for or in lieu of, property retirements (including therein retirements consisting of property additions not theretofore bonded) made subsequent to October 1, 1949, showing separately the cost or fair value to the Company, whichever shall be less, of such property additions not included in item (c) of any previous replacement certificate. For this purpose, any property additions shall be deemed to be in substi-

tution for or in lieu of such property retirements to the extent that the cost or fair value to the Company, whichever shall be less, of such property additions does not exceed the amount of such property retirements, irrespective of the kind or character of the property additions, but in no event shall the amount of the credit available to the Company pursuant to this item (c) exceed the amount of property retirements stated pursuant to this item (c). For the purposes of this item (c), the amount of such property retirements shall be computed as specified in the definition of "property retirements" in Article I of the Original Indenture except that retirements consisting of property additions not theretofore bonded shall be computed at the cost thereof to the Company. The fair value to the Company of property additions for the purpose of this item (c) shall be as stated in the replacement certificate in which such property additions were included in item (c) for the first time. If any property additions made the basis of a credit under this item (c) are subject to any prior lien, then the amount of such credit otherwise available to the Company shall be reduced by an amount equal to 166⅔% of the principal amount of the then outstanding prior lien bonds secured by such prior lien and not theretofore deducted in connection with any application under the Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash. Property additions shall not be considered to be bonded by reason of their utilization under this item (c).

(d) The aggregate of (1) the amount of any net property additions not theretofore bonded which the Company in such replacement certificate elects to make the basis of a credit under this Article IV and (2) the amount of net property additions utilized under item (d) of all previous replacement certificates, but only so far as the net property additions so utilized have not ceased to be bonded as permitted by Section 5 of this Article IV at the date of the replacement certificate then being filed. The amount of net property additions utilized under item (d) of a replacement certificate for the first time shall be separately stated. The fair value to the Company of property additions for the purpose of their inclusion in net property additions under this item (d) shall be as stated in the replacement certificate in which such property additions were included in item (d) for the first time. If any property additions made the basis of a credit under this item (d) are subject to any prior lien, then the amount of such credit otherwise available to the Company shall be reduced by an amount equal to 166⅔% of the principal amount of the then outstanding prior lien bonds secured by such prior lien and not theretofore deducted in connection with any application under the Indenture for the authentication and delivery of bonds or the

withdrawal or reduction of cash. Subject to the provisions of the last paragraph of this Section 2, to the extent that net property additions are utilized under this item (d), they shall be deemed to have been bonded for all purposes of the Indenture; provided, however, that any net property additions not theretofore bonded which the Company elected to make the basis of a credit in maintenance and replacement certificates and replacement certificates filed for periods ended prior to or on December 31, 1983 pursuant to supplemental indentures heretofore executed and delivered shall not be deemed to be bonded by their use in such certificates so as to prevent their utilization as a credit under this Article IV, and said net property additions shall constitute a credit under this Article IV whether or not they shall remain bonded or be bonded under any other provision of the Original Indenture or any indenture supplemental thereto on account of their use in such certificates; and to the extent that prior lien bonds are deducted under this item (d), they shall be deemed to have been deducted for all purposes of the Indenture in connection with an application for the withdrawal or reduction of cash.

(e) The aggregate of (1) an amount equal to (i) 100% of the principal amount of prior lien bonds which have been theretofore deducted in connection with the authentication and delivery of bonds plus (ii) 166⅔% of the principal amount of prior lien bonds with respect to which 166⅔% of the principal amount thereof has been theretofore deducted in connection with the withdrawal or reduction of cash under any provision of the Indenture, in each case which prior to or simultaneously with the filing of such replacement certificate shall have been deposited with the Trustee or paid or redeemed or reduced or ascertained by final judicial determination to be invalid, which the Company in such replacement certificate elects to make the basis of a credit under this Article IV and which shall not theretofore have been bonded and (2) the aggregate amount of credit based on prior lien bonds utilized under item (e) of all previous replacement certificates, but only so far as the prior lien bonds so utilized have not ceased to be bonded as permitted by Section 5 of this Article IV at the date of the replacement certificate then being filed. The amount of prior lien bonds utilized under item (e) of a replacement certificate for the first time shall be separately stated. Subject to the provisions of the last paragraph of this Section 2, to the extent that prior lien bonds are utilized under this item (e), they shall be deemed to have been bonded for all purposes of the Indenture.

(f) The aggregate of (1) the principal amount of bonds theretofore authenticated and delivered under any provision of the Indenture which after such delivery and prior to or simultaneously with the

filing of such replacement certificate shall have been or be surrendered for conversion (if convertible) except into other bonds, or paid or redeemed or otherwise surrendered to the Trustee, as the case may be, and cancelled (otherwise than upon exchange of bonds of one denomination for bonds of another denomination or of coupon bonds for registered bonds or of registered bonds for coupon bonds or upon the transfer of registered bonds or in lieu of lost, mutilated, stolen or destroyed bonds), which the Company in such replacement certificate elects to make the basis of a credit under this Article IV and which shall not theretofore have been bonded and (2) the principal amount of bonds utilized under item (f) of all previous replacement certificates, but only so far as the bonds so utilized have not ceased to be bonded as permitted by Section 5 of this Article IV at the date of the replacement certificate then being filed. The amount of bonds utilized under item (f) of a replacement certificate for the first time shall be separately stated. Subject to the provisions of the last paragraph of this Section 2, to the extent that bonds are utilized under this item (f), they shall be deemed to have been bonded for all purposes of the Indenture.

(g) The amount, if any, of cash previously deposited by the Company with the Trustee pursuant to Section 3 of this Article IV, or previously (but after December 31, 1983) or concurrently so deposited pursuant to Section 3 of Article IV of the Prior Supplemental Indentures (other than the Eighteenth, the Twentieth and the Twenty-second), and not subsequently withdrawn pursuant to subdivision (a) of Section 4 of this Article IV or pursuant to subdivision (a) of Section 4 of Article IV of the Prior Supplemental Indentures (other than the Eighteenth, the Twentieth and the Twenty-second).

(h) The amount, if any (hereinafter sometimes referred to as the "replacement fund credit"), by which the aggregate of the foregoing subdivisions (c), (d), (e), (f) and (g) exceeds the cumulative replacement requirement.

(i) The amount, if any (hereinafter sometimes referred to as the "replacement fund deficit"), by which the aggregate of the foregoing subdivisions (c), (d), (e), (f) and (g) fails to equal the cumulative replacement requirement.

Each replacement certificate shall be accompanied by the officers' certificate, engineer's certificate and independent engineer's certificate, opinion of counsel, instruments of conveyance and transfer and other documents described in Article III of the Original Indenture to the extent

that they are necessary to establish the facts with respect to property additions, net property additions, prior lien bonds and bonds set forth in the replacement certificate pursuant to the foregoing subdivisions (c), (d), (e) and (f), except that, subject to the provisions of Section 17.01 of the Original Indenture, the Company may incorporate by reference any such certificates, opinions, instruments or documents previously or concurrently filed with the Trustee under the Original Indenture or any supplemental indenture.

Notwithstanding any provisions of the Original Indenture or any supplemental indenture:

(1) for purposes of a replacement certificate filed hereunder, property additions purchased, constructed or otherwise acquired, and prior lien bonds and bonds paid, redeemed or otherwise surrendered to or deposited with the Trustee, shall not be deemed to be bonded, and the utilization thereof after December 31, 1983 under item (c), (d), (e) or (f) of such replacement certificate shall not be limited or precluded, by reason of the utilization of such property additions, prior lien bonds or bonds under item (c), (d), (e) or (f) of a maintenance certificate filed in compliance with the provisions of Article IV of the First Supplemental Indenture or of a replacement certificate filed in compliance with the provisions of Article IV of the Prior Supplemental Indentures (other than the First, the Eighteenth, the Twentieth and the Twenty-second); and

(2) for purposes of a replacement certificate filed in compliance with the provisions of Article IV of the Prior Supplemental Indentures (other than the First, the Eighteenth, the Twentieth and the Twenty-second), property additions, prior lien bonds and bonds shall not be deemed to be bonded, and the utilization thereof under item (c), (d), (e) or (f) of such replacement certificate shall not be limited or precluded, by reason of the utilization of such property additions, prior lien bonds or bonds under item (c), (d), (e) or (f) of a replacement certificate filed hereunder.

SECTION 3. In case any replacement certificate shows a replacement fund deficit, the Company covenants that it will, concurrently with the filing of such certificate, deposit with the Trustee an amount in cash equal to the amount of such deficit.

SECTION 4. Any cash deposited with the Trustee under this Article IV shall be held by the Trustee as further security for the bonds, but may be withdrawn by the Company as follows:

(a) Any such cash may at any time be withdrawn by the Company in an amount equal to the replacement fund credit stated in the last filed replacement certificate upon filing with the Trustee of an officers' certificate requesting such withdrawal and stating that such withdrawal is made against the utilization of such credit.

(b) Any such cash may be also withdrawn by the Company upon compliance with the provisions of subdivisions (b) and (c) of Section 8.01 of the Original Indenture.

The Company shall also have the right at all times and from time to time to direct the Trustee to apply any moneys deposited with it under this Article IV towards the purchase or redemption of bonds or prior lien bonds in the manner provided in Section 8.02 of the Original Indenture.

Any moneys deposited with the Trustee under this Article IV which shall not have been withdrawn by the Company or applied by the Trustee at the direction of the Company to the purchase or redemption of bonds or prior lien bonds within five years from the date of deposit thereof shall be applied by the Trustee, if in excess of $100,000, toward the purchase or redemption of bonds or prior lien bonds in the manner provided in Section 8.02 of the Original Indenture, except that the Company shall not be required to provide the Trustee with the amount, if any, by which the price at which such bonds or prior lien bonds are purchased or redeemed exceeds the principal amount thereof and shall not be entitled to receive from the Trustee the amount by which said price is less than said principal amount.

SECTION 5. Any net property additions, bonds or prior lien bonds which have become bonded by being included under item (d), (e) or (f) of any replacement certificate filed with the Trustee under this Article IV may subsequently cease to be bonded under said items on utilizing the replacement fund credit, if any, stated in the last filed replacement certificate, but only in an amount not exceeding (1) in the case of such net property additions, the cost or fair value to the Company thereof, whichever is less, and (2) in the case of bonds or prior lien bonds, the amount with respect thereto included under item (e) or (f) at the time of the utilization thereof in any replacement certificate; and thereupon any prior lien bonds deducted under item (d) in respect of such net property additions shall no longer be deemed to have been deducted as provided in

said item (d) for the purposes of any subsequent application under the Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash. Such changes shall become effective upon the filing with the Trustee of an officers' certificate stating that the bonded net property additions, bonds or prior lien bonds referred to therein are to cease to be bonded upon the utilization of an amount, specified therein and determined as aforesaid, of the replacement fund credit stated in the last filed replacement certificate, describing any bonded net property additions included therein and stating their cost and fair value to the Company and describing any prior lien bonds theretofore deducted in respect of such net property additions.

Whenever any replacement fund credit, or any part thereof, has been utilized as hereinbefore in this Article IV provided, such replacement fund credit shall be diminished to the extent so utilized for all future purposes.

SECTION 6. Whenever all the Bonds are paid or redeemed, the Company shall be entitled to any remaining moneys received by the Trustee and then held undisposed of under the provisions of this Article IV, and all net property additions, bonds and prior lien bonds which have become bonded by being included in any replacement certificate filed under this Article IV shall thereupon cease to be bonded; and for the purposes of any subsequent application under the Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash, prior lien bonds which shall have been deducted under subdivision (d) of Section 2 of this Article IV shall no longer be deemed to have been deducted as provided in said subdivision (d).

ARTICLE V

COVENANT WITH RESPECT TO DIVIDENDS

SECTION 1. The Company covenants and agrees that so long as any of the Bonds are outstanding it will not declare or pay any dividend on its common shares (other than a dividend payable solely in common shares of the Company) or make any other distribution on or purchase of its common shares unless, after giving effect to such dividend, distribution or purchase, the aggregate of all such dividends and distributions and all amounts applied to such purchases subsequent to February 28, 1947 shall

not exceed the earned surplus of the Company available for dividends on its common shares accumulated subsequent to February 28, 1947, and unless (in the case of dividends declared or paid after December 31, 1983) the remainder of such earned surplus so accumulated, after giving effect to such dividend, distribution or purchase, shall be at least equal to the sum of (a) the amount, if any, by which the aggregate of the amounts charged or provided by the Company for maintenance of and repairs to, and for depreciation of, the mortgaged property from March 1, 1947 to September 30, 1949 shall be less than the cumulative maintenance and replacement requirement for the period March 1, 1947 to September 30, 1949, all determined as provided in Section 1 of Article IV of the First Supplemental Indenture, plus (b) the amount, if any, by which the aggregate of the amounts charged or provided by the Company for depreciation of the mortgaged property from October 1, 1949 to the end of the calendar year preceding such dividend, distribution or purchase shall be less than the cumulative replacement requirement (determined as provided in Section 1 of Article IV of the Prior Supplemental Indentures (other than the First, the Eighteenth, the Twentieth and the Twenty-second) and this Twenty-third Supplemental Indenture) for the period October 1, 1949 to the end of such calendar year.

For the purposes of this Article V, the earned surplus of the Company available for dividends on its common shares accumulated subsequent to February 28, 1947 shall be determined in accordance with sound accounting practice; provided, however, that (i) all direct charges to earned surplus, except charges occasioned by dividends on preferred, preference or common shares of the Company (other than dividends payable solely in common shares of the Company) or by other distributions on or purchases of common shares of the Company, shall be deemed to be charges against earned surplus existing at February 28, 1947 to the extent thereof, and to such extent shall not diminish earned surplus accumulated subsequent to that date, and (ii) profits or losses resulting from the sale or abandonment of capital assets included in the mortgaged property, or taxes on or in respect of any such profits, shall not be credited to or charged against earned surplus of the Company available for dividends on its common shares accumulated subsequent to February 28, 1947.

The provisions of this Section 1 shall not apply to the acquisition of common shares of the Company effected through the exchange of other

common shares of the Company or otherwise acquired without expenditure of assets of the Company.

SECTION 2. The Company covenants that so long as any of the Bonds are outstanding it will file with the Trustee within four months after the close of each calendar year beginning after December 31, 1983 an accountant's certificate stating as of the end of such calendar year (i) the earned surplus of the Company available for dividends on its common shares accumulated subsequent to February 28, 1947, (ii) the aggregate amount of all dividends (other than dividends payable solely in common shares of the Company) and other distributions on or purchases for value of common shares of the Company subsequent to February 28, 1947, (iii) the cumulative maintenance and replacement requirement (determined as provided in Section 1 of Article IV of the First Supplemental Indenture) for the period March 1, 1947 to September 30, 1949, (iv) the aggregate of the amounts charged or provided by the Company for maintenance of and repairs to, and for depreciation of, the mortgaged property from March 1, 1947 to September 30, 1949, (v) the cumulative replacement requirement (determined as provided in Section 1 of Article IV of the Prior Supplemental Indentures (other than the First, the Eighteenth, the Twentieth and the Twenty-second) and this Twenty-third Supplemental Indenture) for the period October 1, 1949 to the end of such calendar year and (vi) the aggregate of the amounts charged or provided by the Company for depreciation of the mortgaged property from October 1, 1949 to the end of such calendar year.

ARTICLE VI

ADDITIONAL COVENANT

The Company covenants that so long as any of the Bonds are outstanding it will not, in any case wherein an earnings certificate conforming to the provisions of subdivision 3(f) of Section 3.03 of the Original Indenture is required, issue any additional bonds unless the accountant's certificate (or independent accountant's certificate, as the case may be) required by said subdivision 3(f) shall show, in addition to the matters required to be shown by the provisions of said subdivision 3(f), that the net earnings of the Company available for interest for the twelve months' period covered by said certificate (calculated as prescribed by said subdivision 3(f)), less the amount, if any, by which the provisions

made by the Company for depreciation of the mortgaged property during such twelve months' period shall be less than the amount which would be shown as the replacement requirement for such period if a replacement certificate were prepared for such period pursuant to the provisions of Section 1 of Article IV of this Twenty-third Supplemental Indenture, are at least two times the amount of the aggregate annual interest charges on the bonds and prior lien bonds specified in subparagraphs (i), (ii) and (iii) of said subdivision 3(f).

ARTICLE VII

The Trustees

Section 1. The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Twenty-third Supplemental Indenture or the due execution hereof by the Company, or for or in respect of the recitals and statements contained herein, all of which recitals and statements are made solely by the Company.

Section 2. Except as herein otherwise provided, no duties, responsibilities or liabilities are assumed, or shall be construed to be assumed, by the Trustees by reason of this Twenty-third Supplemental Indenture other than as set forth in the Indenture; and this Twenty-third Supplemental Indenture is executed and accepted on behalf of the Trustees subject to all the terms and conditions set forth in the Indenture as fully to all intents as if the same were herein set forth at length.

ARTICLE VIII

Miscellaneous Provisions

Section 1. Except in so far as herein otherwise expressly provided, all the provisions, definitions, terms and conditions of the Indenture shall be deemed to be incorporated in, and made a part of, this Twenty-third Supplemental Indenture; and the Original Indenture, as supplemented by the Prior Supplemental Indentures, is in all respects ratified and confirmed; and the Original Indenture, the Prior Supplemental Indentures and this Twenty-third Supplemental Indenture shall be read, taken and construed as one and the same instrument.

Section 2. Nothing in this Twenty-third Supplemental Indenture is intended, or shall be construed, to give to any person or corporation other

than the parties hereto and the holders of bonds issued and to be issued under and secured by the Indenture any legal or equitable right, remedy or claim under or in respect of this Twenty-third Supplemental Indenture, or under any covenant, condition or provision herein contained, all the covenants, conditions and provisions of this Twenty-third Supplemental Indenture being intended to be, and being, for the sole and exclusive benefit of the parties hereto and of the holders of bonds issued and to be issued under the Indenture and secured thereby.

SECTION 3. All covenants, stipulations and agreements in this Twenty-third Supplemental Indenture contained by or on behalf of the Company shall bind and inure to the benefit of its successors and assigns, whether so expressed or not.

SECTION 4. The headings of the several Articles of this Twenty-third Supplemental Indenture are inserted for convenience of reference and shall not be deemed to be a part hereof.

SECTION 5. This Twenty-third Supplemental Indenture may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, IOWA-ILLINOIS GAS AND ELECTRIC COMPANY has caused this Twenty-third Supplemental Indenture to be signed in its name and behalf by its President or one of its Vice Presidents and its corporate seal to be hereunto affixed and duly attested by its Secretary or one of its Assistant Secretaries, and HARRIS TRUST AND SAVINGS BANK, as Trustee as aforesaid, has caused this Twenty-third Supplemental Indenture to be signed in its name and behalf by one of its Vice Presidents and its corporate seal to be hereunto affixed and duly attested by one of its Assistant Secretaries, and R. S. STAM, as Individual Trustee as aforesaid, has hereunto affixed his signature and seal, as of the day and year first above written.

IOWA-ILLINOIS GAS AND ELECTRIC COMPANY

By _____
D. H. Shaw, *Vice President*

(SEAL)
ATTEST:

_____
J. C. Decker, *Secretary*

Signed, sealed, acknowledged and delivered by IOWA-ILLINOIS GAS AND ELECTRIC COMPANY in the presence of:

_____
D. G. Donovan

_____
F. A. Pierson

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HARRIS TRUST AND SAVINGS BANK,
as Trustee

By _____
R. G. Mason, *Vice President*

(SEAL)

ATTEST:

_____
C. Potter, *Assistant Secretary*

_____
R. S. Stam,
as Individual Trustee

Signed, sealed, acknowledged and delivered by HARRIS TRUST AND SAVINGS BANK and R. S. STAM in the presence of:

_____
D. G. Donovan

_____
F. A. Pierson

STATE OF ILLINOIS }
COUNTY OF COOK } SS.

I, J. BARTOLINI, a Notary Public in and for said County in the State aforesaid, do hereby certify that on this 8th day of November, 1984 before me personally appeared D. H. SHAW and J. C. DECKER, to me personally known and known to me to be the same persons whose names are subscribed to the foregoing instrument and who, being by me duly sworn, did say that they are respectively a Vice President and the Secretary of IOWA-ILLINOIS GAS AND ELECTRIC COMPANY, an Illinois corporation, one of the corporations described in and which executed the foregoing instrument, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and said D. H. SHAW and J. C. DECKER severally acknowledged that they, being thereunto duly authorized, signed, sealed with the corporate seal and delivered said instrument, and acknowledged the execution thereof to be the free and voluntary act and deed of said corporation by it voluntarily executed, and to be their own free and voluntary act, for the uses and purposes therein set forth.

I do hereby further certify that on the aforesaid day before me personally appeared R. G. MASON and C. POTTER, to me personally known and known to me to be the same persons whose names are subscribed to the foregoing instrument and who, being by me duly sworn, did say that they are respectively a Vice President and an Assistant Secretary of HARRIS TRUST AND SAVINGS BANK, an Illinois corporation, one of the corporations described in and which executed the foregoing instrument, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and said R. G. MASON and C. POTTER severally acknowledged that they, being thereunto duly authorized, signed, sealed with the corporate seal and delivered said instrument, and acknowledged the execution thereof to be the free and voluntary act and deed of said corporation by it voluntarily executed, and to be their own free and voluntary act, for the uses and purposes therein set forth.

I do hereby further certify that on the aforesaid day before me personally appeared R. S. STAM, to me personally known and known to me to be

the person named in and the same person whose name is subscribed to the foregoing instrument, and acknowledged that he signed, sealed and delivered the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid the day and year above written.

Notary Public
Cook County, Illinois

My commission expires December 2, 1985.



SCHEDULE A

FIRST

Real Estate in Illinois

All of the following described real estate situated in the State of Illinois:

ROCK ISLAND COUNTY

Land Adjacent to Rock Island Service Building Parking Lot

Lot Number Three (3) and Lot Number Four (4) in that part of the City of Rock Island known as and called "P.H. Kelly's Addition, Rock Island, Illinois," Situated in the County of Rock Island and State of Illinois.

SECOND

Real Estate in Iowa

All of the following described real estate situated in the State of Iowa:

SCOTT COUNTY

Alley adjacent to Central Office

Part of the NE ¼ of the NE ¼ of Section 35, Township 78, Range 3 East in Block 60 of LeClaire's Second Addition to the City of Davenport, Scott County, Iowa as follows:

Commencing at the point of intersection of the East line of Perry Street with the North line of the East-West Alley extending between Perry and Pershing Street, lying between East Second and East Third Street, said point being at the southwest corner of Lot 10 in Block 60; thence East along the North line of said alley 123 feet to the point of beginning; thence North along a line parallel with the East line of Perry Street 42 feet; thence West 5 feet along a line parallel with said public alley; thence North 40 feet along a west boundary line of Lot 9, Block 60; thence East 10 feet along a line parallel with said public alley; thence South 82 feet along the west boundary line of Lot 8, Block 60 to the North line of said East-West Alley; thence West along the north border of the East-West alley 5 feet to the point of beginning and there terminating.

THIRD

All electric generating plants and electric transmission and distribution systems of the Company located in the States of Illinois and Iowa, including all power houses, buildings, structures, dams, reservoirs, boilers,

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pipes, turbines, generators, electrical and mechanical equipment, conduits, conductors, poles, wires, insulators, transformers, capacitors, services, meters, easements, rights-of-way and other property forming a part of or appertaining to said electric generating plants and electric transmission and distribution systems, or any of them, including, without limiting the generality of the foregoing, the following described property:

ELECTRIC TRANSMISSION LINES

Line	Voltage	Length in Miles
Substation 93, Louisa County, Iowa to Substation 39, Rock Island County, Illinois (single)	345,000	47.60

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Holders of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds appertaining thereto over any of the other Bonds;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and premium, if any, and interest on the Bonds, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required under Article IV hereof, or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions hereof, then upon the final payment thereof this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture to be and remain in full force and effect.

THIS INDENTURE OF TRUST FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property, rights and interests, including, without limitation, the amounts hereby assigned and pledged are to be dealt with and disposed of, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee and with the respective Holders of the Bonds as follows (subject, however, to the provisions of Section 2.03 hereof):

ARTICLE I

DEFINITIONS

The following words and phrases shall have the following meanings:

"Act" means Chapter 419 of the Code of Iowa, as amended.

"Additional Bonds" means the additional parity Bonds authorized to be issued by the Issuer pursuant to the terms and conditions of Section 2.11 hereof.

"Additional First Mortgage Bonds" means the one or more series of First Mortgage Bonds of the Company issued in addition to the Series 1984 First Mortgage Bonds to comply with the provisions of Section 4.2 of the Agreement and Section 2.11 hereof.

"Agreement" means the Loan Agreement, dated as of November 1, 1984, between the Issuer and the Company, as from time to time amended, changed or modified.

"Alternate Credit Facility" means a credit facility issued in substitution for the Letter of Credit in accordance with, and pursuant to, Section 4.7(b) of the Agreement.

"Authorized Company Representative" means any person who, at the time, shall have been designated as such pursuant to the provisions of Section 3.2 of the Agreement by a written certificate furnished to the Issuer, the Bank, the Remarketing Agent and the Trustee containing the specimen signature of such person and signed on behalf of the Company by its President, any Vice President or the Chairman of the Board of Directors. Such certificate shall designate an alternate or alternates.

"Authorized Denominations" means, with respect to the Series 1984 Bonds, $100,000 and any integral multiple thereof, unless the Series 1984 Bonds have been converted to the Fixed Interest Rate, in which case the Series 1984 Bonds may be in the denomination of $5,000 or any integral multiple thereof.

"Authorized Issuer Representative" means the person at the time and from time to time designated to act in behalf of the Issuer by written certificate furnished to the Company and the Trustee containing the specimen signature of such person and signed on behalf of the Issuer by the Chairman of the Board of Supervisors or the County Auditor of the Issuer. Such certificate shall designate an alternate or alternates.

"Bank" means The Long-Term Credit Bank of Japan, Limited, New York Branch, the issuer of the Letter of Credit, in its capacity as issuer of the Letter of Credit and its successors in such capacity, including the issuer of an Alternate Credit Facility.

"Bonds" means the Series 1984 Bonds and any Additional Bonds of the Issuer issued and to be issued pursuant to this Indenture.

"Bond Fund" means the fund created pursuant to Section 5.02 hereof.

"Bondholder" means the Person in whose name or names a Bond shall be registered on the books of the Issuer kept for that purpose in accordance with the terms of this Indenture.

"Business Day" means a day on which banks located in the City of New York, New York, the city in which the principal corporate trust office of the Trustee is located and the city in which the principal office of the Bank is located are not required or authorized to remain closed and on which The New York Stock Exchange is not closed.

"Code" means the Internal Revenue Code of 1954, as amended, and the regulations promulgated thereunder.

"Company" means Iowa-Illinois Gas and Electric Company, an Illinois corporation, and any surviving, resulting or transferee corporation as provided in Section 5.1 of the Agreement.

"Component Issues" means securities, the interest on which is exempt from federal income taxation, selected by the Indexing Agent in accordance with Section 2.02(c) or 2.12 hereof, as the case may be.

"Effective Date" means the date on which the Fixed Interest Rate becomes effective.

"Event of Default" means any occurrence or event specified in Section 9.01 hereof.

"Extraordinary Services" and "Extraordinary Expenses" means all services rendered and all expenses incurred under this Indenture other than Ordinary Services and Ordinary Expenses.

"First Mortgage Bonds" means the Company's First Mortgage Bonds issued pursuant to the First Mortgage Indenture and executed and delivered as required by Section 4.2 of the Agreement and assigned hereunder, including the Series 1984 First Mortgage Bonds and any Additional First Mortgage Bonds.

"Fixed Interest Index" means the interest index computed pursuant to Section 2.12 hereof.

"Fixed Interest Rate" means the fixed nonfloating annual interest rate on the Series 1984 Bonds established in accordance with Section 2.12 hereof.

"Government Obligations" means direct obligations of, or obligations unconditionally guaranteed by, the United States of America.

"Holder" means, when used with respect to any Bond, a Bondholder.

"Indenture" means this Indenture of Trust, including any indentures supplemental hereto as herein permitted, between the Issuer and the Trustee, pursuant to which the Bonds are authorized to be issued.

"Indexing Agent" means the indexing agent appointed in accordance with Section 10.25 hereof. "Principal Office" of the Indexing Agent means the office thereof designated in writing to the Trustee and the Remarketing Agent.

"Interest Index" means, with respect to the Series 1984 Bonds, the Interest Index computed pursuant to Section 2.02(c) hereof, for each Interest Period other than the first and other than after the interest rate on the Series 1984 Bonds has been converted to the Fixed Interest Rate.

"Interest Payment Date" means, with respect to the Series 1984 Bonds, the first day of each calendar month or, if such day shall not be a Business Day, the next succeeding Business Day, commencing in January, 1985, unless the interest rate on the Series 1984 Bonds shall have been converted to the Fixed Interest Rate, in which case Interest Payment Date shall mean May 1 and November 1 or, if such date shall not be a Business Day, the next succeeding Business Day.

"Interest Period" means, with respect to the Series 1984 Bonds, the period from and including an Interest Payment Date to and including the day next preceding the succeeding Interest Payment Date, except that the first Interest Period shall commence on and include the date of the first authentication and delivery of the Series 1984 Bonds to and including January 1, 1985.

"Investment Company" means, an open-end diversified management investment company registered under the Investment Company Act of 1940, as amended.

"Investment Securities" means, to the extent permitted by law, (i) obligations issued or guaranteed by the United States; (ii) obligations issued or guaranteed by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States; (iii) obligations issued or guaranteed by any state of the United States, or the District of Columbia, or any political subdivision of any such state or district rated at least A (or an equivalent) by Moody's or by S&P, or their successors; (iv) commercial or finance company paper which is rated

either P-1 or A-1 (or an equivalent) by Moody's or S&P (including any investment in pools of such commercial or finance company paper owned by the Trustee); (v) bankers acceptances drawn on and accepted by banks organized under the laws of any state or of the United States; (vi) repurchase agreements secured by obligations issued or guaranteed by the United States or by any person controlled or supervised by and acting as an instrumentality of the United States pursuant to authority granted by the Congress of the United States; and (vii) certificates of deposit issued by banks organized under the laws of any state or of the United States, but the aggregate amount of such certificates of deposit issued by any such bank in existence at any time shall not exceed 10% of the capital and surplus of such bank.

"Issuer" means Louisa County, Iowa, the party of the first part hereto, and any successor body to the duties or functions of the Issuer.

"Letter of Credit" means an irrevocable letter of credit issued in accordance with Section 4.7 of the Agreement and delivered to the Trustee in accordance with Section 4.6(c) of the Agreement, and upon the issuance and delivery of an Alternate Credit Facility in accordance with Section 4.7(b) of the Agreement means such Alternate Credit Facility.

"Moody's" means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns.

"New York Office" means, with respect to the Trustee, the principal corporate office of Manufacturers Hanover Trust Company, 600 5th Avenue, New York, New York 90020, or such other address in New York City as may be designated from time to time by the Trustee by written notice to the Issuer, the Company and the Remarketing Agent at least thirty (30) days prior to any change in such address.

"Notice by Mail" or "notice" of any action or condition "by Mail" means a written notice meeting the requirements of this Indenture mailed by first-class mail to the Holders of specified Bonds, at the addresses shown in the registration books maintained pursuant to Section 2.08 hereof.

"Ordinary Services" and "Ordinary Expenses" means those services normally rendered, and those expenses, including fees of counsel, normally incurred by a trustee or paying agent under instruments similar to this Indenture.

"Outstanding", when used with respect to the Bonds, means as of the date of determination all Bonds which have been

authenticated and delivered by the Trustee under this Indenture except:

(a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(b) Bonds for the payment or redemption of which cash or Government Obligations shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that, if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee shall have been filed with the Trustee; and

(c) Bonds in lieu of which other Bonds have been authenticated under Section 2.07 hereof;

provided, however, that in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Issuer or the Company or any other obligor upon the Bonds or any affiliate of the Issuer or the Company or such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer or the Company or any other obligor upon the Bonds or any affiliate of the Issuer or the Company or such other obligor.

"Paying Agent" means the Trustee and any bank or trust company appointed in accordance with this Indenture to serve, in addition to the Trustee, as the paying agency or place of payment for the Bonds, and any successors designated pursuant to this Indenture.

"Person" means any one or more individuals, corporations, partnerships, joint ventures, associations, joint-stock companies, trusts, unincorporated organizations or governments or any agencies or political subdivisions thereof.

"Pledge Agreement" means the Pledge and Security Agreement, dated as of November 1, 1984, between the Company and

the Bank, in substantially the form attached as Exhibit B to the Reimbursement Agreement.

"Pledged Bonds" means Pledged Bonds as defined in the Reimbursement Agreement.

"Rating Category" or "Rating Categories" means one or more of the generic rating categories of a nationally-recognized securities rating agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

"Record Date" means, with respect to any Interest Payment Date for the Series 1984 Bonds, the fifteenth (15th) calendar day of the month next preceding the month in which such Interest Payment Date occurs.

"Registrar" means the agent appointed by the Issuer, at the direction of the Company, to keep the books for the registration of the Bonds and for the registration of transfer of the Bonds, and any successor appointed by the Issuer, or in the event that at any time no such agent shall have been appointed, then the Trustee. The Trustee has initially been appointed the Registrar.

"Reimbursement Agreement" means the Letter of Credit and Reimbursement Agreement, dated as of November 1, 1984, between the Company and the Bank, pursuant to which the Letter of Credit is issued by the Bank and delivered to the Trustee, and any and all modifications, alterations, amendments and supplements thereto.

"Remarketing Agent" means the remarketing agent appointed in accordance with Section 10.16 hereof for the Series 1984 Bonds. "Principal Office" of the Remarketing Agent means the office thereof designated in writing to the Issuer, the Trustee, the Indexing Agent, the Bank and the Company.

"Resolution" means the resolution duly adopted and approved by the Board of Supervisors of the Issuer authorizing the issuance and sale of the Series 1984 Bonds and the execution and delivery of this Indenture and the Agreement.

"Revenues" means the amounts pledged hereunder for the payment of principal of and premium, if any, and interest on the Bonds, consisting of the following: (i) all amounts paid as interest, principal and premium, if any, on the First Mortgage Bonds and all receipts of the Trustee credited under the provisions of this Indenture against said amounts payable, (ii) any portion of the net proceeds of the Bonds deposited in the Bond Fund under Section 5.03 hereof, and (iii) any amounts paid into

the Bond Fund, including income on investments. Revenues shall not include any amounts payable by the Company to the Issuer pursuant to Sections 5.3 and 6.3 of the Agreement.

"Series 1984 Bonds" means the Issuer's Floating Rate Monthly Demand Pollution Control Revenue Bonds (Iowa-Illinois Gas and Electric Company Project) Series 1984, to be issued by the Issuer pursuant to this Indenture.

"Series 1984 First Mortgage Bonds" means the First Mortgage Bonds, entitled First Mortgage Bonds, Floating Rate Monthly Demand Series due 2014, to be executed and delivered by the Company pursuant to the Series 1984 First Mortgage Supplemental Indenture, concurrently with the sale and delivery by the Issuer of the Series 1984 Bonds.

"S&P" means Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and its assigns.

"State" means the State of Iowa.

"Trustee" means Manufacturers Hanover Trust Company of California, the party of the second part hereto, and any successor Trustee pursuant to Section 10.06 or 10.09 hereof at the time serving as successor Trustee hereunder, and shall include any co-trustee pursuant to Section 10.12 hereof at the time serving as such hereunder.

"Trust Estate" means the revenues, moneys, securities and other amounts pledged and assigned to the Trustee pursuant to the Granting Clauses hereof.

All other terms used herein which are defined in the Agreement shall have the same meanings assigned them in the Agreement unless the context otherwise requires.

The words "hereof," "herein," "hereunder" and other words of similar import refer to this Indenture as a whole.

ARTICLE II

THE BONDS

Section 2.01. Authorized Amount of Bonds. No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. The total principal amount of Series 1984 Bonds that may be issued hereunder is hereby expressly limited to $9,300,000, except as provided in Section 2.07 hereof.

Section 2.02. Issuance of Series 1984 Bonds.

(a) Designation, Maturity, and Date. The Series 1984 Bonds shall be designated "Louisa County, Iowa, Floating Rate Monthly Demand Pollution Control Revenue Bonds (Iowa-Illinois Gas and Electric Company Project) Series 1984." The Series 1984 Bonds shall mature, subject to prior redemption upon the terms and conditions hereinafter set forth, on November 1, 2014. The Series 1984 Bonds shall be dated as of the date of the first authentication and delivery of Series 1984 Bonds hereunder.

(b) Interest Rate. Each Series 1984 Bond shall bear interest until the principal amount of such Series 1984 Bond has been paid or provided for, computed from the later of (i) the date of such Series 1984 Bond or (ii) the most recent Interest Payment Date to which interest has been paid or provided for in respect of such Series 1984 Bond. Interest on the Series 1984 Bonds shall be paid on each Interest Payment Date. So long as the Series 1984 Bonds shall not bear interest at the Fixed Interest Rate, interest on the Series 1984 Bonds shall be computed on the basis of a year of 365 or 366 days, as appropriate, for the actual number of days elapsed. Upon the conversion of the interest rate on the Series 1984 Bonds to the Fixed Interest Rate and thereafter, interest on the Series 1984 Bonds shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

For the first Interest Period, the Series 1984 Bonds shall bear interest at the rate determined by the Remarketing Agent to be the interest rate which, in its judgment, having due regard for prevailing financial market conditions, would be the interest rate necessary, but which would not exceed the interest rate necessary, to enable the Series 1984 Bonds to be sold on the date of issuance at a price equal to 100% of the principal amount thereof, but not to exceed eight percent (8%) per annum. For each Interest Period thereafter until the interest rate on the Series 1984 Bonds shall have been converted to the Fixed Interest Rate, the Series 1984 Bonds shall bear interest at the lesser of (a) the rate of fifteen percent (15%) per annum and (b) a floating rate established as follows:

(i) if any Series 1984 Bonds shall have been delivered to the Remarketing Agent for purchase on the Interest Payment Date which is the first day of such Interest Period pursuant to Section 2.02(f)(i) hereof, and if any or all of such Series 1984 Bonds shall have been sold by the Remarketing Agent (or if any Series 1984 Bonds shall be deemed to have been sold pursuant to the last sentence of Section 2.02(f)(i) hereof) on such Interest Payment Date pursuant to Section 10.18 hereof,

the interest rate for all Series 1984 Bonds for such Interest Period shall be the interest rate determined by the Remarketing Agent in accordance with Section 10.18 hereof; provided, however, that such rate shall not be more than one hundred ten percent (110%), nor less than ninety percent (90%), of the Interest Index for such Interest Period; or

(ii) if any Series 1984 Bonds shall have been delivered to the Remarketing Agent for purchase on such Interest Payment Date pursuant to Section 2.02(f)(i) hereof and if none of such Series 1984 Bonds shall have been sold by the Remarketing Agent on such Interest Payment Date pursuant to Section 10.18 hereof, the interest rate for all Series 1984 Bonds for such Interest Period shall be the percentage per annum equal to one hundred ten percent (110%) of the Interest Index for such Interest Period; or

(iii) if no Series 1984 Bonds shall have been delivered to the Remarketing Agent for purchase on such Interest Payment Date pursuant to Section 2.02(f)(i) hereof, the interest rate for all Series 1984 Bonds for such Interest Period shall be the percentage per annum equal to the Interest Index for such Interest Period;

provided, however, that if for any reason such floating rate is not or cannot be established or is held to be invalid or unenforceable by a court of law for any Interest Period, the interest rate for the Series 1984 Bonds for such Interest Period shall be equal to sixty-five percent (65%) of the average per annum discount rate at which 13-week United States Treasury bills shall have been sold at the most recently conducted Treasury auction. Promptly upon receipt by the Trustee from the Remarketing Agent of telephonic or telegraphic notice pursuant to Section 10.18(b) hereof specifying the interest rate on the Series 1984 Bonds for such Interest Period, the Trustee shall deliver written notice, signed by one of its officers, to the First Mortgage Trustee stating the interest rate on the Series 1984 Bonds for such Interest Period.

(c) Interest Index Computation. For each Interest Period after the first Interest Period, the Interest Index shall be computed by the Indexing Agent as of, and made available (together with reasonable detail as to the computation thereof, if requested by the Company) to the Trustee, the Company and the Remarketing Agent, on the fourth Business Day next preceding the first day of such Interest Period. The Interest Index shall be the average of 30-day yield evaluations at par of no fewer than 20 Component Issues selected by the Indexing Agent, which may

include, without limitation, commercial paper, project notes, bond anticipation notes, tax anticipation notes, variable rate demand bonds and general obligation or revenue bonds. So long as the Series 1984 Bonds shall be rated by either Moody's or S&P in one of its two highest long-term debt Rating Categories or in its highest note, commercial paper or short-term debt Rating Category, each of the Component Issues must either (a) be securities rated by either such rating agency in its highest note, commercial paper or short-term debt Rating Category or (b) be securities rated by either such rating agency in one of its two highest long-term debt Rating Categories and be issued by an issuer which either (i) has no outstanding notes, commercial paper or short-term debt or (ii) has no outstanding notes, commercial paper or short-term debt rated by either such rating agency. In the event that the Series 1984 Bonds shall not be rated by either Moody's or S&P in one of its two highest long-term debt Rating Categories or in its highest note, commercial paper or short-term debt Rating Category, each of the Component Issues must either (a) be securities rated by either such rating agency in the note, commercial paper or short-term debt Rating Category correlative, in the judgment of the Indexing Agent, to the long-term or short-term debt Rating Category in which the Series 1984 Bonds are rated by such rating agency or (b) be securities rated by either such rating agency in the same long-term debt Rating Category as the Series 1984 Bonds are rated by such rating agency and be issued by an issuer which either (i) has no outstanding notes, commercial paper or short-term debt or (ii) has no outstanding notes, commercial paper or short-term debt which is rated by either such rating agency. The specific Component Issues used in determining the Interest Index may be changed from time to time by the Indexing Agent in its discretion. In the event that the Series 1984 Bonds shall not be rated by either Moody's or S&P, or in the event that the Indexing Agent shall no longer compute or shall fail to compute the Interest Index and a successor Indexing Agent shall not have been appointed by the Issuer, the Interest Index under such circumstances shall be determined by the Remarketing Agent and shall be sixty-five percent (65%) of the average per annum discount rate at which 13-week United States Treasury bills shall have been sold at the most recent Treasury auction conducted during the next preceding Interest Period or, if no such auction shall have been conducted, the Interest Index shall be the same as for such preceding Interest Period.

The computation of the Interest Index by the Indexing Agent, and the determination of any variation from the Interest Index by the Remarketing Agent, shall be conclusive and binding upon the Holders of the Series 1984 Bonds, the Company, the Issuer and the Trustee.

(d) Form and Denomination of Bonds. The Series 1984 Bonds shall be issuable only in fully registered form without coupons in Authorized Denominations. The Series 1984 Bonds shall be numbered from 1 consecutively upwards. The Series 1984 Bonds, and the certificate of authentication to be executed on the Series 1984 Bonds by the Trustee, shall be in substantially the forms thereof set forth above, with necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture. The forms of any Additional Bonds shall be as set forth in the supplemental indenture authorizing their issuance.

(e) Redemption.

(i) The Series 1984 Bonds shall be subject to redemption prior to maturity only as provided in paragraphs (ii) and (iii) of this Section 2.02(e) and in Section 3.01 hereof.

(ii) The Series 1984 Bonds shall be subject to mandatory redemption at the principal amount thereof on the Interest Payment Date next preceding the date on which the Letter of Credit shall expire; provided that there shall not be so redeemed (A) Series 1984 Bonds which shall have been delivered in accordance with Section 2.02(f)(i) hereof for purchase on such Interest Payment Date, (B) Series 1984 Bonds which shall have been delivered in accordance with Section 2.02(f)(ii) or 2.02(f)(iii) hereof for purchase on such Interest Payment Date or on any Business Day in the Interest Period next preceding such Interest Payment Date, (C) Series 1984 Bonds (or any portion thereof which constitutes an Authorized Denomination) with respect to which the Trustee shall have received directions not to redeem in accordance with Section 2.02(g) hereof, (D) Series 1984 Bonds delivered in exchange for or upon the transfer of Series 1984 Bonds (or any portion thereof which constitutes an Authorized Denomination) referred to in clauses (A), (B) and (C) above, and (E) Series 1984 Bonds purchased by the Company in accordance with Section 2.02(h) hereof.

Any Series 1984 Bond purchased by the Remarketing Agent or the Trustee pursuant to the terms of this Indenture from the date notice is given with respect to a redemption of Series 1984 Bonds in accordance with this Section 2.02(e)(ii) through the date fixed for such redemption shall not be remarketed except to a buyer who at the time of such purchase either (i) directs the Issuer not to so redeem such Series 1984 Bond or (ii) agrees to require purchase of such Series 1984 Bond by the Remarketing Agent pursuant to Section 2.02(f)(i) hereof on the date fixed for such

redemption. Series 1984 Bonds purchased by the Remarketing Agent or the Trustee from the date of such notice through the date fixed for such redemption and not remarketed shall not be redeemed, but shall (without the need for direction pursuant to Section 2.02(g) hereof) remain Outstanding after such redemption date.

(iii) The Series 1984 Bonds shall be subject to mandatory redemption at the principal amount thereof on the Effective Date; provided that, there shall not be so redeemed (A) Series 1984 Bonds which shall have been delivered in accordance with Section 2.02(f)(i) hereof for purchase on the Effective Date, (B) Series 1984 Bonds which shall have been delivered in accordance with Section 2.02(f)(ii) or 2.02(f)(iii) hereof for purchase on the Effective Date or on any Business Day in the Interest Period next preceding the Effective Date, (C) Series 1984 Bonds (or any portion thereof which constitutes an Authorized Denomination) with respect to which the Trustee shall have received directions not to redeem in accordance with Section 2.12 hereof, (D) Series 1984 Bonds delivered in exchange for or upon the transfer of Series 1984 Bonds (or any portion thereof which constitutes an Authorized Denomination) referred to in clauses (A), (B) and (C) above, and (E) Series 1984 Bonds purchased by the Company in accordance with Section 2.02(h) hereof.

(f) Bonds Purchased on Demand.

(i) Any Series 1984 Bond shall be purchased by the Remarketing Agent upon the demand of the Holder thereof, on any Interest Payment Date at a purchase price equal to the principal amount thereof, upon: (A) giving to the Remarketing Agent at its Principal Office at or prior to 4:00 p.m., New York City time, on the third Business Day prior to such Interest Payment Date of a telephonic notice which states (I) the principal amount of such Series 1984 Bond and (II) that such Series 1984 Bond shall be so purchased on such Interest Payment Date; and (B) delivery of such Series 1984 Bond at the Principal Office of the Remarketing Agent, accompanied by an instrument of transfer thereof in form satisfactory to the Remarketing Agent, at or prior to 11:00 a.m., New York City time, on the second Business Day prior to such Interest Payment Date; provided, however, that such Series 1984 Bond shall be purchased pursuant to this Section 2.02(f)(i) only if the Series 1984 Bond so delivered to the Remarketing Agent shall conform in all respects to the description thereof in the aforesaid notice.

A Holder who gives the notice set forth in (A) above may repurchase any Series 1984 Bond so tendered on such Interest Payment Date if the Remarketing Agent agrees to sell such Series 1984 Bond to such Holder. If such Holder decides to repurchase such Series 1984 Bond and the Remarketing Agent agrees to sell such Series 1984 Bond to such Holder prior to delivery of such Series 1984 Bond by the Holder to the Remarketing Agent as set forth in (B) above, the delivery requirements set forth in (B) above shall be waived, provided that for purposes of determining the interest rate on the Series 1984 Bonds for the Interest Period commencing on such Interest Payment Date pursuant to Sections 2.02(b) and 10.18 hereof, a sale of such Series 1984 Bond shall be deemed to have occurred.

(ii) Any Series 1984 Bond shall be purchased by the Trustee upon the demand of the Holder thereof, if such Holder shall be an Investment Company, on any Business Day at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase, upon: (A) delivery to the Trustee at its New York Office of a notice which states (I) that such Holder is an Investment Company, (II) the principal amount of such Series 1984 Bond and (III) the date on which such Series 1984 Bond shall be so purchased, which date shall be a Business Day not prior to the seventh (7th) day next succeeding the date of the delivery of such notice; and (B) delivery of such Series 1984 Bond, accompanied by an instrument of transfer thereof in form satisfactory to the Trustee, and in the case of a Series 1984 Bond to be purchased prior to an Interest Payment Date and after the Record Date in respect thereof, a due-bill check, in form satisfactory to the Trustee, for interest due on such Interest Payment Date, at the New York Office of the Trustee at or prior to 10:00 a.m., New York City time, on the date specified in the aforesaid notice; provided, however, that such Series 1984 Bond shall be purchased pursuant to this Section 2.02(f)(ii) only if the Series 1984 Bond so delivered to the Trustee shall conform in all respects to the description thereof in the aforesaid notice.

(iii) Any Series 1984 Bond shall be purchased by the Remarketing Agent upon the demand of the Holder thereof, on any Business Day at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase, upon: (A) delivery to the Remarketing Agent at its Principal Office of a notice which states (I) the principal amount of such Series 1984 Bond and (II) the date on which such Series 1984 Bond shall be so purchased, which date shall be a Business Day not prior to the seventh (7th)

day next succeeding the date of the delivery of such notice; and (B) delivery of such Series 1984 Bond, accompanied by an instrument of transfer thereof in form satisfactory to the Remarketing Agent, and, in the case of a Series 1984 Bond to be purchased prior to an Interest Payment Date and after the Record Date in respect thereof, a due-bill check, in form satisfactory to the Remarketing Agent, for interest due on such Interest Payment Date, at the Principal Office of the Remarketing Agent at or prior to 10:00 a.m., New York City time, on the date specified in the aforesaid notice; provided, however, that such Series 1984 Bond shall be purchased pursuant to this Section 2.02(f)(iii) only if the Series 1984 Bond so delivered to the Remarketing Agent shall conform in all respects to the description thereof in the aforesaid notice.

(g) Expiration of Letter of Credit; Bondholder Election to Avoid Redemption. Any Holder of Series 1984 Bonds as of the first day of the Interest Period next preceding the redemption date fixed therefor pursuant to Section 2.02(e) (ii) hereof may direct the Issuer not to so redeem such Holder's Series 1984 Bonds (or any portion thereof which constitutes an Authorized Denomination), by delivering to the Trustee at its New York Office on or prior to the third Business Day preceding the date fixed for such redemption, an instrument which shall (i) state that such Person was the Holder of such Series 1984 Bonds as of the first day of the Interest Period next preceding the date fixed for such redemption and the numbers and denominations of Series 1984 Bonds so held, (ii) state that such Holder has knowledge that the term of the Letter of Credit shall expire in the next succeeding Interest Period, (iii) state that such Holder has knowledge that the expiration of the term of the Letter of Credit may result in a reduction of Moody's or S&P's ratings of the Series 1984 Bonds from those which then prevail and (iv) direct the Issuer not to redeem the Series 1984 Bonds (or any portion thereof which constitutes an Authorized Denomination) specified therein. Any instrument delivered to the Trustee in accordance with this Section 2.02(g) shall be irrevocable and shall be binding upon all subsequent Holders of the Series 1984 Bonds (or any portion thereof which constitutes an Authorized Denomination) with respect to which such instrument was delivered, including any Series 1984 Bonds issued in exchange therefor or upon the registration of transfer thereof; but such instrument shall have no effect upon any subsequent redemption of Series 1984 Bonds. The Trustee shall give telephonic notice to the First Mortgage Trustee and the Company (promptly confirmed by written notice) no later than 11:00 A.M., New York City time, on the second Business Day preceding the date fixed for such redemption of the principal amount of Series 1984 Bonds to be so redeemed on such date after giving effect to the directions contained in all such instruments so delivered to the Trustee.

(h) Company Right to Purchase Bonds in Lieu of Redemption. The Company shall have the right on any Interest Payment Date on which the Series 1984 Bonds are subject to redemption pursuant to Section 2.02(e)(ii) or (iii) hereof (not including Series 1984 Bonds as to which the Holder thereof has given directions not to redeem such Series 1984 Bonds pursuant to Section 2.02(g) and Section 2,12 hereof) to purchase Series 1984 Bonds or $100,000 units of principal amount thereof in lieu of such redemption at a purchase price equal to the principal amount thereof. To exercise such right, the Company shall, on or prior to the second Business Day preceding such Interest Payment Date, deliver to the Trustee (1) written notice specifying the principal amount of Series 1984 Bonds to be so purchased, (2) an opinion of Bond Counsel to the effect that such purchase will not cause interest on the Series 1984 Bonds (other than Series 1984 Bonds held by a Holder who is a "substantial user" of the Facilities or a "related person" within the meaning of Section 103(b) of the Code) to become subject to federal income tax and (3) moneys sufficient to pay the purchase price of the Series 1984 Bonds so purchased. If less than all of the Series 1984 Bonds available for any such purchase by the Company in lieu of redemption are to be purchased by the Company on any such date, the Series 1984 Bonds to be purchased by the Company on such date shall be selected by the Trustee by lot. All moneys received by the Trustee from the Company shall be deposited by the Trustee in a separate Bond Purchase Account (hereby established) and held in trust for the benefit of the Holders of the Series 1984 Bonds so purchased.

The Trustee, on behalf of the Company, shall pay the purchase price of the Series 1984 Bonds so purchased to the former Holders thereof upon delivery of such Series 1984 Bonds to the Trustee for transfer to the Company. The Trustee shall maintain a record of the Series 1984 Bonds so purchased by the Company. Prior to the transfer of any Series 1984 Bond so purchased to the Company, the Trustee shall stamp such Series 1984 Bond with the following legend: "This Bond is no longer entitled to the benefit of the Letter of Credit or any Alternate Credit Facility referred to in this Bond."

The Company shall be treated as the Holder of all Series 1984 Bonds so purchased by the Company in lieu of such redemption for all purposes of this Indenture, whether or not such Series 1984 Bonds shall have been delivered to the Trustee.

The Trustee shall hold moneys deposited in the Bond Purchase Account, without liability for interest thereon, for the benefit of the former Holders of the Series 1984 Bonds purchased in lieu of such redemption, who shall thereafter be restricted exclusively to such moneys for any claim of whatever nature on

respect to the Outstanding Bonds then rated by such rating agency.

Notwithstanding anything herein to the contrary, no Additional Bonds shall be issued unless (i) the Agreement is in effect and (ii) there is no Event of Default at the time of issuance of such Additional Bonds under this Indenture.

Section 2.12. Establishment of the Fixed Interest Rate. The interest rate borne by the Series 1984 Bonds shall be established at the Fixed Interest Rate and the Series 1984 Bonds shall thereafter bear interest at such Fixed Interest Rate until maturity, upon the occurrence of either of the following events:

(a) On February 25, 1985, and on the fourth Business Day prior to the Interest Payment Date in each March and September thereafter (unless conversion to the Fixed Interest Rate has already occurred), the Indexing Agent shall compute the Fixed Interest Index. If such Fixed Interest Index shall be at or below six percent (6%) per annum, the Indexing Agent shall again compute the Fixed Interest Index on the fourth Business Day prior to the Interest Payment Date for the next succeeding Interest Period. If the Fixed Interest Index shall be at or below six percent (6%) per annum on such second computation, then the Fixed Interest Rate shall become effective with respect to the Series 1984 Bonds, subject to the provisions of the second succeeding sentence, effective on the Interest Payment Date for the next succeeding Interest Period (being the Interest Payment Date occurring in May or November as the case may be, the "Effective Date"). The Fixed Interest Rate on the Series 1984 Bonds shall be equal to the Fixed Interest Index computed by the Indexing Agent on the tenth (10th) Business Day immediately preceding the Effective Date. Notwithstanding the foregoing, such Fixed Interest Rate shall not become effective on such Effective Date, if, on such tenth (10th) Business Day immediately preceding the Effective Date, the Fixed Interest Index exceeds six percent (6%) per annum or, if on or before such Effective Date, there shall not have been supplied to the Issuer, the Trustee, the Company and the Remarketing Agent an opinion of Bond Counsel stating that such conversion to the Fixed Interest Rate is authorized or permitted by this Indenture and the Act and that such conversion will not adversely affect the exemption of the interest on the Series 1984 Bonds from federal income taxation. If the Fixed Interest Rate shall not become effective, the Series 1984 Bonds shall continue to bear interest at the floating rate determined as provided in Sections 2.02(b) and (c) hereof. The Indexing Agent shall make available (together with reasonable detail as to the computation thereof, if requested by the Company) to the Issuer, the Trustee, the Paying Agent, if any, the Company, the Remarketing Agent and the Bank, each computation made in accordance with this subparagraph (a).

(b) Upon receipt by the Issuer, the Paying Agent, if any, the Trustee, the Bank and the Remarketing Agent of a direction from the Company specifying (i) the date as of which the Fixed Interest Rate shall be determined (which determination date shall not be less than ten (10) Business Days prior to the Effective Date thereof) and (ii) the Effective Date thereof (which shall be an Interest Payment Date not less than thirty (30) days from the date the Company gives such direction), the Indexing Agent shall compute and make available (together with reasonable detail as to the computation thereof, if requested by the Company) to the Issuer, the Trustee, the Paying Agent, if any, the Company, the Remarketing Agent and the Bank, the Fixed Interest Index as of such determination date. Such direction shall be accompanied by an opinion of Bond Counsel stating that such conversion to the Fixed Interest Rate is authorized or permitted by this Indenture and the Act and that such conversion will not adversely affect the exemption of the interest on the Series 1984 Bonds from federal income taxation. Upon the date stated in the Company's direction as the Effective Date, the Fixed Interest Rate shall be established at a rate per annum equal to the Fixed Interest Index computed on the determination date specified in such direction.

The Fixed Interest Index shall be the average of yield evaluations (on the basis of full interest-bearing securities trading at par with a term approximately equal to the time remaining until the maturity of the Series 1984 Bonds) of no fewer than 20 Component Issues selected by the Indexing Agent (which may include, without limitation, industrial development bonds) which have a rating by Moody's or S&P in the same category as the first mortgage bonds of the Company or, if the Company has no first mortgage bonds so rated, as secured debt of issuers having a comparable credit quality, in the judgment of the Indexing Agent, to the Company. The specific Component Issues used in determining the Fixed Interest Index may be changed from time to time by the Indexing Agent in its discretion. In the event that the Indexing Agent shall no longer compute, or shall fail to compute, the Fixed Interest Index and a successor Indexing Agent shall not have been appointed by the Issuer, the Fixed Interest Index shall be determined by the Remarketing Agent and shall be ninety-five percent (95%) of the average yield, evaluated at par on the basis of a term approximately equal to the time remaining until the maturity of the Series 1984 Bonds, of United States Treasury bonds.

Upon conversion to the Fixed Interest Rate under this Section 2.12, the Series 1984 Bonds shall be subject to redemption pursuant to Section 2.02(e)(iii) hereof or purchase by the Company pursuant to Section 2.02(h) hereof on the Effective Date. The Trustee shall give notice by Mail to the Holders of

the Series 1984 Bonds not less than twenty-five (25) days prior to the Effective Date. Such notice shall state (i) that the interest rate on the Series 1984 Bonds may be converted to the Fixed Interest Rate, (ii) the Expected Effective Date, (iii) the date as of which the Fixed Interest Rate shall be determined and the procedure for informing the Holders of the Series 1984 Bonds of the Fixed Interest Rate, (iv) the Interest Payment Dates for the Series 1984 Bonds after such Effective Date, (v) that the Letter of Credit shall be terminated at the close of business fifteen (15) days after such Effective Date, (vi) that any ratings of the Series 1984 Bonds by Moody's or S&P may be withdrawn or reduced from the ratings then prevailing, (vii) that subsequent to such Effective Date the Holders of the Series 1984 Bonds will no longer have the right to require purchase of Series 1984 Bonds by the Remarketing Agent or the Trustee, (viii) that all Outstanding Series 1984 Bonds not purchased by the Remarketing Agent or the Trustee on or prior to such Effective Date shall be redeemed by the Issuer or purchased by the Company on such Effective Date by payment of a redemption or a purchase price equal to the principal amount thereof, except Series 1984 Bonds which the Holder thereof shall have directed the Issuer not to redeem in accordance with this Section 2.12 and Section 2.02(e)(iii) hereof and (ix) that a Holder has the option set forth in the next paragraph to direct the Issuer not to redeem any Series 1984 Bond (or any portion thereof which constitutes an Authorized Denomination).

Any Holder may direct the Issuer not to redeem any Series 1984 Bonds (or portions thereof which constitute Authorized Denominations) owned by such Holder by delivering to the Trustee at its principal corporate trust office or New York Office on or before the third Business Day preceding the date fixed for such redemption an instrument or instruments in writing executed by such Holder (i) specifying the numbers and denominations of Series 1984 Bonds held by such Holder which such Holder elects not to have redeemed, (ii) acknowledging receipt of notice of the matters set forth in clauses (i) through (ix) of the preceding paragraph of this Section 2.12, and (iii) directing the Issuer not to redeem such Series 1984 Bonds (or any portion thereof which constitutes an Authorized Denomination). Any instrument delivered to the Trustee in accordance with this Section 2.12 shall be irrevocable and shall be binding upon all subsequent Holders of the Series 1984 Bonds (or any portion thereof which constitute an Authorized Denomination) with respect to which such instrument was delivered, including any Series 1984 Bonds issued in exchange therefor or upon the registration of transfer thereof; but such instrument shall have no effect upon any subsequent redemption of Series 1984 Bonds. The Trustee shall give telephonic notice to the First Mortgage Trustee and the Company (promptly confirmed by written notice) no later than

11:00 A.M., New York City time, on the second Business Day preceding the date fixed for such redemption of the principal amount of Series 1984 Bonds to be so redeemed on such date after giving effect to the directions contained in all such instruments so delivered to the Trustee.

Any Series 1984 Bond purchased by the Remarketing Agent or the Trustee pursuant to the terms of this Indenture from the date notice is given as provided in this Section 2.12 through the Effective Date shall not be remarketed except to a buyer who agrees, at the time of such purchase, either (i) to accept the Fixed Interest Rate when the Fixed Interest Rate shall become effective or (ii) to require purchase of the Series 1984 Bond by the Remarketing Agent pursuant to Section 2.02(f)(i) hereof on the Effective Date. Series 1984 Bonds purchased by the Remarketing Agent or the Trustee from the date of such notice through such Effective Date and not remarketed shall not be redeemed, but shall (without the need for direction pursuant to the preceding paragraphs of this Section 2.12) remain Outstanding as Series 1984 Bonds bearing the Fixed Interest Rate.

After the Effective Date, the Series 1984 Bonds shall no longer be subject to the provisions of Sections 2.02(b), 2.02(c), 2.02(e), 2.02(f), 2.02(g), 2.02(h) or 10.16 through 10.26 hereof. At the close of business fifteen (15) days after the Effective Date, the Letter of Credit shall be tendered by the Trustee to the Bank, the Letter of Credit shall be terminated and Section 5.05 hereof shall no longer be applicable with respect to the Series 1984 Bonds.

After the Effective Date, interest shall be payable semiannually on each May 1 and November 1 (or if such date shall not be a Business Day, the next succeeding Business Day) thereafter until paid. The interest payable on the first Interest Payment Date occurring in May or November, as the case may be, following the Effective Date shall be for the period, which may be less than six months, commencing on the Effective Date until the day preceeding such Interest Payment Date.

Section 2.13. Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate, in lieu of definitive Bonds, one or more temporary printed or typewritten Bonds in Authorized Denominations of substantially the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Trustee take pursuant to the provisions of the Agreement or this Indenture, the Company instead of the Issuer may give any such direction to the Trustee or require the Trustee to take any such action. Upon receipt by the Trustee of a written notice signed by the Authorized Company Representative stating that the Company has made reasonable request of the Issuer, and that the Issuer has failed, refused or neglected to give any direction to the Trustee or to require the Trustee to take any such action, the Trustee is hereby irrevocably empowered and directed to accept such direction from the Company as sufficient for all purposes of this Indenture. The Company shall have the direct right to cause the Trustee to comply with any of the Trustee's obligations under this Indenture to the same extent that the Issuer is empowered so to do.

Certain actions or failure to act by the Issuer under this Indenture may create or result in an Event of Default under this Indenture and the Issuer hereby agrees that the Company may, to the extent permitted by law, perform any and all acts or take such action as may be necessary for and on behalf of the Issuer to prevent or correct said Event of Default and the Trustee shall take or accept such performance by the Company as performance by the Issuer in such event.

Section 10.16. Remarketing Agent. The Issuer shall, at the direction of the Company, appoint the Remarketing Agent for the Series 1984 Bonds, subject to the conditions set forth in Section 10.17 hereof. The Remarketing Agent shall designate its Principal Office to the Trustee and shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Trustee, the Bank and the Company under which the Remarketing Agent shall agree, inter alia:

(a) to hold all Series 1984 Bonds delivered to it hereunder in trust for the benefit of the respective Bondholders which shall have so delivered such Series 1984 Bonds until moneys representing the purchase price of such Series 1984 Bonds shall have been delivered to or for the account of or to the order of such Bondholders;

(b) to hold all moneys delivered to it hereunder for the purchase of Series 1984 Bonds in trust for the benefit of the Person which shall have so delivered such moneys until the Series 1984 Bonds purchased with such moneys shall have been delivered to or for the account of such Person; and

(c) to keep such books and records as shall be consistent with prudent industry practice and to make such

books and records available for inspection by the Issuer, the Trustee, the Bank and the Company at all reasonable times.

The Issuer shall cooperate with the Trustee, the Registrar and the Company to cause the necessary arrangements to be made and to be thereafter continued whereby funds from the sources specified herein and in the Agreement shall be made available for the purchase of Series 1984 Bonds presented at the Principal Office of the Remarketing Agent and whereby Series 1984 Bonds executed by the Issuer and authenticated by the Trustee shall be made available to the Remarketing Agent for delivery pursuant to Section 10.21 hereof.

Section 10.17. Qualifications of Remarketing Agent. The Remarketing Agent shall have a capitalization of at least $15,000,000 and shall be authorized by law to perform all the duties imposed upon it by this Indenture. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days' notice to the Issuer, the Company, the Bank and the Trustee. The Remarketing Agent may be removed at any time by the Issuer, at the direction of the Company, by an instrument filed with the Remarketing Agent, the Bank, the Trustee and the Company. In such event, the Issuer shall, with the written consent of the Company, appoint a successor Remarketing Agent.

In the event of the resignation or removal of the Remarketing Agent, the Remarketing Agent shall pay over, assign and deliver any moneys and Series 1984 Bonds held by it in such capacity to its successor (provided that to qualify as a successor Remarketing Agent, such successor or the parent corporation of such successor shall be rated at least Baa-3 and/or P-3 by Moody's) or, if there be no successor, to the Trustee.

In the event that the Issuer shall fail to appoint a Remarketing Agent hereunder, or in the event that the Remarketing Agent shall resign or be removed, or be dissolved, or in the event the property or affairs of the Remarketing Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the Issuer shall not have appointed a successor Remarketing Agent, the Trustee, notwithstanding the provisions of the first paragraph of this Section 10.17, shall ipso facto be deemed to be the Remarketing Agent for all purposes of this Indenture until the appointment by the Issuer of the Remarketing Agent or a successor Remarketing Agent, as the case may be; provided, however, that the Trustee in its capacity as Remarketing Agent shall not be required to sell Series 1984 Bonds or to determine the interest rate on the Series 1984 Bonds pursuant to

Section 10.18(a) hereof (except pursuant to the proviso appearing at the end of Section 2.02(b) hereof).

Section 10.18. Remarketing of Series 1984 Bonds.

(a) Upon the delivery of Series 1984 Bonds to the Remarketing Agent by any Bondholder in accordance with Section 2.02(f)(i) hereof, the Remarketing Agent shall offer for sale and use its best efforts to sell such Series 1984 Bonds, any such sale to be made on the first Interest Payment Date which is not less than two Business Days after the date of delivery of such Series 1984 Bonds to the Remarketing Agent at a price equal to the principal amount thereof. The Remarketing Agent shall determine the interest rate which, if borne by the Series 1984 Bonds, would, in its judgment having due regard to prevailing financial market conditions, be the interest rate necessary, but would not exceed the interest rate necessary, to enable the Remarketing Agent to sell the Series 1984 Bonds so delivered to it at a price equal to the principal amount thereof, and subject to the provisions of Section 2.02(b) hereof, the interest rate so determined by the Remarketing Agent shall be the interest rate on all Series 1984 Bonds for the Interest Period commencing on such Interest Payment Date.

(b) On the second Business Day prior to each Interest Payment Date, the Remarketing Agent shall give telephonic or telegraphic notice, promptly confirmed by a written notice, to the Trustee, the Company and the Bank specifying the principal amount of Series 1984 Bonds, if any, delivered to it for purchase on such Interest Payment Date pursuant to Section 2.02(f)(i) and Section 10.19(a) hereof. On each Interest Payment Date, the Remarketing Agent shall give telephonic or telegraphic notice, promptly confirmed by a written notice, to the Trustee, the Company and the Bank specifying:

(i) the principal amount of such Series 1984 Bonds, if any, sold (including any deemed to have been sold pursuant to Section 2.02(f)(i) hereof) by it pursuant to subsection (a) of this Section 10.18; and

(ii) the interest rate on the Series 1984 Bonds for the Interest Period commencing on such Interest Payment Date determined pursuant to and in accordance with Section 2.02(b) hereof and subsection (a) of this Section 10.18.

(c) The Remarketing Agent shall deliver to the Company, the Trustee and the Bank a copy of each notice delivered to it in accordance with Section 2.02(f)(iii) hereof and, immediately upon the delivery to it of any Series 1984 Bonds in accordance with said Section 2.02(f)(iii), shall give telephonic or tele-

graphic notice, promptly confirmed by written notice, to the Company, the Trustee and the Bank specifying the principal amount of the Series 1984 Bonds so delivered.

(d) The Remarketing Agent shall deliver the due-bill checks, if any, delivered to the Remarketing Agent in accordance with Section 2.02(f)(iii) hereof to the Person to whom the Remarketing Agent delivers the related Series 1984 Bonds in accordance with Section 10.21.

(e) Subject to Section 10.21 hereof, upon receipt by the Remarketing Agent of notice from any Holder of Series 1984 Bonds in accordance with Section 2.02(f)(iii) hereof, the Remarketing Agent shall offer for sale and use its best efforts to sell at the best available price such Series 1984 Bonds on the purchase date stated in the notice provided in accordance with such Section 2.02(f)(iii), plus accrued interest, if any, to such purchase date; provided, however, that the Remarketing Agent shall not sell any Series 1984 Bond pursuant to this Section 10.18(e) if the amount to be received from the sale of such Series 1984 Bond, plus the amount available for drawing under the Letter of Credit with respect to the discount on the remarketing of such Series 1984 Bond, shall be less than the purchase price to be paid by the Remarketing Agent for such Series 1984 Bond.

(f) Subject to Section 10.21 hereof, upon receipt from the Trustee pursuant to Section 10.20(b)(iii) hereof of a copy of the notice delivered to the Trustee in accordance with Section 2.02(f)(ii) hereof, the Remarketing Agent shall offer for sale and use its best efforts to sell at the best available price for such Series 1984 Bonds on the purchase date stated in the notice provided in accordance with such Section 2.02(f)(ii), plus accrued interest, if any, to such purchase date; provided, however, that the Remarketing Agent shall not sell any Series 1984 Bond pursuant to this Section 10.18(f) if the amount to be received from the sale of such Series 1984 Bond, plus the amount available for drawing under the Letter of Credit with respect to the discount on the remarketing of such Series 1984 Bond, shall be less than the purchase price to be paid for such Series 1984 Bond.

(g) In the event that the Remarketing Agent shall be unable to remarket Series 1984 Bonds in accordance with this Section 10.18 on the purchase date thereof, the Remarketing Agent shall, unless otherwise instructed by the Holder, thereafter continue from time to time to use its best efforts to sell at the best available price such Series 1984 Bonds; provided, however, that Pledged Bonds shall be released from the lien of the Pledge Agreement only upon payment of the amounts required thereby. In the event that the Remarketing Agent shall sell any Series 1984

Bonds pursuant to this Section 10.18(g), the Remarketing Agent shall immediately give telephonic or telegraphic notice, promptly confirmed by a written notice, of such sale to the Trustee, the Company and the Bank specifying the principal amount of Series 1984 Bonds so sold and requesting the party to whom such Series 1984 Bonds were delivered pursuant to Section 10.21 hereof to deliver such Series 1984 Bonds to the Remarketing Agent), if such Series 1984 Bonds are not then held by the Remarketing Agent.

Section 10.19. Purchase of Series 1984 Bonds Delivered to Remarketing Agent.

(a) On the Interest Payment Date next succeeding the date Series 1984 Bonds are delivered to the Remarketing Agent pursuant to Section 2.02(f)(i) hereof, the Remarketing Agent shall purchase, but only from the sources of funds and in the order of priority listed below, such Series 1984 Bonds from the Holders thereof at a purchase price equal to the principal amount thereof:

(i) moneys furnished by the Company to the Remarketing Agent pursuant to Section 7.2 of the Agreement and any proceeds from the investment thereof;

(ii) proceeds of the sale of such Series 1984 Bonds pursuant to Section 10.18 hereof;

(iii) moneys furnished by the Trustee to the Remarketing Agent pursuant to Article VIII hereof, such moneys to be applied only to the purchase of Series 1984 Bonds which are deemed to have been paid in accordance with Article VIII hereof;

(iv) moneys furnished by the Trustee to the Remarketing Agent representing proceeds of a drawing by the Trustee under the Letter of Credit; and

(v) moneys furnished by the Company to the Remarketing Agent pursuant to Section 4.6 of the Agreement;

provided, however, that funds for the payment of the purchase price of Series 1984 Bonds which are deemed to have been paid in accordance with Article VIII hereof shall be derived only from the sources described in clauses (ii) and (iii) of this subsection (a) and in such order of priority.

(b) On the date Series 1984 Bonds are to be purchased pursuant to Section 2.02(f)(iii) hereof, the Remarketing Agent shall purchase, but only from the sources of funds and in the order of priority listed below, such Series 1984 Bonds from the

Holders thereof at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase:

(i) moneys furnished by the Company to the Remarketing Agent pursuant to Section 7.2 of the Agreement and any proceeds from the investment thereof;

(ii) proceeds of the sale of such Series 1984 Bonds pursuant to Section 10.18 hereof;

(iii) moneys furnished by the Trustee to the Remarketing Agent pursuant to Article VIII hereof, such moneys to be applied only to the purchase of Series 1984 Bonds which are deemed to have been paid in accordance with Article VIII hereof;

(iv) moneys furnished by the Trustee to the Remarketing Agent representing proceeds of a drawing by the Trustee under the Letter of Credit; and

(v) moneys furnished by the Company to the Remarketing Agent pursuant to Section 4.6 of the Agreement;

provided, however, that funds for the payment of the purchase price of Series 1984 Bonds which are deemed to have been paid in accordance with Article VIII hereof shall be derived only from the source described in clauses (ii) and (iii) of this subsection (b) and in such order of priority.

(c) Moneys furnished by the Company to the Remarketing Agent to pay the purchase price of Series 1984 Bonds to be purchased pursuant to Section 2.02(f)(i) or 2.02(f)(iii) hereof and received prior to 11:00 a.m., New York City time, on such purchase date shall be conclusively presumed to have been paid by the Company pursuant to Section 7.2, and not pursuant to Section 4.6, of the Agreement.

Section 10.20. Purchase of Series 1984 Bonds Delivered to Trustee.

(a) On the date Series 1984 Bonds are to be purchased pursuant to Section 2.02(f)(ii) hereof, the Trustee shall purchase, but only from the sources of funds and in the order of priority listed below, such Series 1984 Bonds from the Holders thereof at a purchase price equal to the principal amount thereof, plus accrued interest, if any, to the date of purchase:

(i) moneys furnished by the Company to the Trustee pursuant to Section 7.2 of the Agreement and any proceeds from the investment thereof;

(ii) proceeds of the sale of such Series 1984 Bonds pursuant to Section 10.18 hereof;

(iii) moneys held by the Trustee under Article VIII hereof, such moneys to be applied only to the purchase of Series 1984 Bonds which are deemed to have been paid in accordance with Article VIII hereof;

(iv) moneys representing proceeds of a drawing by the Trustee under the Letter of Credit; and

(v) moneys furnished by the Company to the Trustee pursuant to Section 4.6 of the Agreement;

provided, however, that funds for the payment of the purchase price of Series 1984 Bonds which are deemed to have been paid in accordance with Article VIII hereof shall be derived only from the source described in clauses (ii) and (iii) of this subsection (a) and in such order of priority.

(b) The Trustee shall:

(i) hold all Series 1984 Bonds delivered to it pursuant to Section 2.02(f)(ii) hereof in trust for the benefit of the respective Bondholders which shall have so delivered such Series 1984 Bonds until moneys representing the purchase price of such Series 1984 Bonds shall have been delivered to or for the account of or to the order of such BondHolders;

(ii) hold all moneys delivered to the Trustee hereunder for the purchase of such Series 1984 Bonds in trust for the benefit of the Person which shall have so delivered such moneys until the Series 1984 Bonds purchased with such moneys shall have been delivered to or for the account of such Person;

(iii) deliver to the Remarketing Agent, the Company and the Bank a copy of each notice delivered to the Trustee in accordance with Section 2.02(f)(ii) hereof and, immediately upon the delivery to it of any Series 1984 Bonds in accordance with such Section 2.02(f)(ii), give telephonic or telegraphic notice, promptly confirmed by written notice, to the Company, the Bank and the Remarketing Agent specifying the principal amount of the Series 1984 Bonds so delivered; and

(iv) deliver the due-bill checks, if any, delivered to the Trustee in accordance with Section 2.02(f)(ii) hereof to the Person to whom the Trustee delivers the related Series 1984 Bonds in accordance with Section 10.21.

(c) Moneys furnished by the Company to the Trustee to pay the purchase price of Series 1984 Bonds to be purchased pursuant to Section 2.02(f)(ii) hereof and received prior to 11:00 a.m., New York City time, on such purchase date shall be conclusively presumed to have been paid by the Company pursuant to Section 7.2, and not pursuant to Section 4.6, of the Agreement.

Section 10.21. Delivery of Series 1984 Bonds.

(a) (i) Series 1984 Bonds sold by the Remarketing Agent pursuant to Section 10.18 hereof shall be delivered to the purchasers thereof.

(ii) Series 1984 Bonds purchased by the Remarketing Agent with moneys described in clause (iii) of Section 10.19(a) hereof and clause (iii) of Section 10.19(b) hereof shall be delivered to the Trustee for cancellation.

(iii) Series 1984 Bonds purchased by the Remarketing Agent with moneys described in clause (iv) of Section 10.19(a) hereof and clause (iv) of Section 10.19(b) hereof shall be delivered to the Bank as security for the obligations of the Company to the Bank under the Reimbursement Agreement.

(iv) Series 1984 Bonds purchased by the Remarketing Agent with moneys described in clause (i) or (v) of Section 10.19(a) hereof or clause (i) or (v) of Section 10.19(b) hereof shall, at the direction of the Company, be (A) remarketed by the Remarketing Agent, (B) held by the Remarketing Agent for the account of the Company, (C) delivered to the Trustee for cancellation or (D) delivered to the Company.

(b) (i) Series 1984 Bonds purchased by the Trustee with moneys described in clause (iii) of Section 10.20(a) hereof shall be cancelled.

(ii) Series 1984 Bonds purchased by the Trustee with moneys described in clause (iv) of Section 10.20(a) hereof shall be delivered to the Bank as security for the obligations of the Company to the Bank under the Reimbursement Agreement.

(iii) Series 1984 Bonds purchased by the Trustee with moneys described in clause (i) or (v) of Section 10.20(a) hereof shall, at the direction of the Company, be (A) delivered to the Remarketing Agent for remarketing, (B) cancelled or (C) delivered to the Company.

(c) Series 1984 Bonds delivered as provided in this Section 10.21 shall be registered in the manner directed by the Holder thereof.

Section 10.22. Drawings on Letter of Credit. The Remarketing Agent shall direct the Trustee to draw moneys under the Letter of Credit to the extent necessary to make timely payments required to be made pursuant to, and in accordance with, Section 10.19 hereof.

Section 10.23. Delivery of Proceeds of Sale. To the extent the proceeds of the sale of Series 1984 Bonds remarketed by the Remarketing Agent pursuant to Section 10.18(a), Section 10.18(e), Section 10.18(f) and 10.18(g) hereof are not used to pay the purchase price of such Series 1984 Bonds, such proceeds shall, at the direction of the Company, be paid to the Company.

Section 10.24. No Purchases or Sales after Default. Anything in this Indenture to the contrary notwithstanding, there shall be no purchases or sales of Series 1984 Bonds pursuant to this Article X if there shall have occurred and be continuing an Event of Default described in clause (a), (b) or (c) of Section 9.01 hereof, or if any event shall have occurred which with the lapse of time or the giving of notice, or both, would constitute such an Event of Default.

Section 10.25. Indexing Agent. The Issuer shall, at the direction of the Company, appoint the Indexing Agent for the Series 1984 Bonds, and any successor thereto, subject to the conditions set forth in Section 10.26 hereof. The Indexing Agent shall designate its Principal Office to the Trustee and shall signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer, the Trustee, the Company and the Remarketing Agent under which the Indexing Agent shall agree, inter alia:

(a) to compute the Interest Index for each Interest Period pursuant to and in accordance with Section 2.02(c) hereof, and to compute the Fixed Interest Index on each date required by and in accordance with Section 2.12 hereof, and to give notice to the Trustee, the Remarketing Agent and the Company of the Interest Index and the Fixed Interest Index on the date of computation thereof; and

(b) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Issuer, the Trustee and the Company at all reasonable times.

Section 10.26. Qualifications of Indexing Agent. The Indexing Agent shall be a nationally recognized municipal securities evaluation service authorized by law to perform all the duties imposed upon it by this Indenture. The Indexing Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least sixty (60) days' notice to the Issuer, the Company, the Remarketing Agent and the Trustee. The Indexing Agent may be removed at any time, at the direction of the Company, by an instrument, signed by the Issuer, filed with the Indexing Agent, the Remarketing Agent, the Trustee and the Company.

Section 10.27. Registrar. Pursuant to the provisions hereof, the Trustee is the initially appointed Registrar for the Series 1984 Bonds The Issuer shall, at the direction of the Company, appoint any other Registrar for the Bonds, subject to the conditions set forth in Section 10.13 hereof. Such other Registrar shall designate to the Trustee its principal office and signify its acceptance of the duties imposed upon it hereunder by a written instrument of acceptance delivered to the Issuer and the Trustee under which such Registrar will agree, particularly, to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the Issuer, the Trustee and the Company at all reasonable times.

The Issuer shall cooperate with the Trustee and the Company to cause the necessary arrangements to be made and to be thereafter continued whereby Series 1984 Bonds, executed by the Issuer and authenticated by the Trustee, shall be made available for exchange, registration and registration of transfer at the principal office of the Registrar. The Issuer shall cooperate with the Trustee, the Registrar and the Company to cause the necessary agreements to be made and thereafter continued whereby the Paying Agent and the Remarketing Agent shall be furnished such records and other information, at such times, as shall be required to enable the Paying Agent and the Remarketing Agent to perform the duties and obligations imposed upon them hereunder.

Section 10.28. Dealings in Series 1984 Bonds With the Issuer and the Company. The Trustee or the Remarketing Agent, each in its individual capacity, may in good faith buy, sell, own, hold and deal in any of the Series 1984 Bonds issued hereunder, and may join in any action which any Bondholder may be entitled to take with like effect as if it did not act in any capacity hereunder; provided, however, that if any Series 1984 Bond is sold in accordance with Section 10.18(a) hereof to the Remarketing Agent, in its individual capacity, for its own account, such Series 1984 Bond shall be deemed not to have been delivered to the Remarketing Agent pursuant to Section 2.02(f)(i)