

Inst.# 030590 Date 3-7-03 Time 10:12 AM
Recorder's Fee \$ 115⁰⁰ Record Mgmt. Fee \$ 1⁰⁰
Auditor's Transfer Fee \$ _____
Real Estate Transfer Tax \$ _____ # _____
Toni Wilkinson, Franklin County Recorder
121st Ave. NW, PO Box 26, Hampton, IA 50441

Peg Roy, Senior Attorney, MidAmerican Energy Company, 666 Grand Avenue, Des Moines, IA 50309, 515-281-2779
Preparer Address City, State Telephone

ENVIRONMENTAL PROTECTION EASEMENT

MidAmerican Energy Company, ("Grantor"), grants to the State of Iowa acting through the Iowa Department of Natural Resources, a state agency, ("Department") an environmental easement under the terms and conditions as described below:

I. RECITALS

1. Soil or groundwater contamination is present on property described as

[See Exhibit 1 for the legal description of parcels 1 and 2]

and locally known as 4th Avenue NW and 6th Street NW, Hampton, IA.

(hereafter "property"). The property is enrolled in the Iowa Department of Natural Resources land recycling program established under Iowa Code Chapter 455H. Under this program, an investigation of the soil or groundwater has been conducted and the site has been evaluated to determine a reasonable corrective action response designed to reduce the risks to health, safety and the environment. The Department has approved a corrective action response which includes the use restrictions contained in this agreement.

2. The purpose of this easement is to restrict and control specified land use activities at this property as one method of reducing the risks of present and future exposure to contaminants identified at the property.

3. Grantor(s) are the owner(s) of the property and it is the intent of the parties to establish a valid and enforceable environmental easement as provided in Iowa Code section 455H.206. This environmental easement is intended to be perpetual until terminated as provided in this agreement, Iowa Code section 455H.206 and Department administrative rules. The easement is intended to run with the land such that it is binding on the Grantor(s) as current owner(s) of the described real estate and all successors, assigns and other persons claiming an interest in the property.

4. The parties acknowledge the terms of the easement may be modified or terminated as provided by law should it prove to be ineffective in serving its intended purpose or no longer necessary to protect against the risks posed to health, safety and environment. Failure of these use restrictions to serve their purpose could result in the reopening of further corrective action on the property.

THEREFORE, The Grantors grant and convey to the Department this environmental easement according to the following terms:

II. GRANT OF EASEMENT

The Grantor(s) warrant they hold the fee title interest in property with the power to convey this easement free of any conflicting claims of third parties. Grantor conveys to Department a perpetual environmental easement running with the land the terms of which are described below.

III. RESTRICTIONS

The property shall not be used for purposes described in the definition of a "residential land-use area." "Residential land-use area" is defined in Iowa Administrative Code Section 567-137.2 (455H). Other than as provided in section IV below, no wells for any purpose may be placed on the property.

IV. ACCESS TO PROPERTY

Reasonable access to the property is granted to the Department or any authorized representative of the Department, public or private, including private parties or their contractors which may be required by law or authorized by the Department, to conduct aboveground or subsurface inspections and investigation of the property. These activities may include but are not limited to repair and maintenance of remedial equipment and technologies, soil caps, groundwater monitoring wells and associated aboveground or subsurface structures, and fencing and other barriers. It may include access to conduct groundwater sampling, monitoring to confirm compliance with the terms of this easement, additional drilling and construction of soil borings or groundwater monitoring wells as directed by the Department, and other activities authorized by the Department. The current owner of the property shall be afforded reasonable prior notice and information as to the reason and scope of the entry.

V. TERMS OF SUBSEQUENT CONVEYANCES

Grantor shall reference and incorporate the terms of this agreement into any purchase agreement for sale of the property, assignment of an interest in the property or other instruments conveying an interest in the property and include specific contract terms requiring the buyer or assignee to incorporate the terms of this easement into successive conveyance instruments. See Iowa Code section 455H.206(4)

VI. MODIFICATION OR TERMINATION

The terms of this environmental easement shall only be modified or terminated by execution of an instrument signed by the director of the Department and as provided by Iowa Code 455H.206 and Department administrative rules.

VII. ENFORCEMENT

The terms of this environmental easement may be enforced by the Grantor or any successor or assign of the Grantor and by the Department, any political subdivision of the state or other party as specified and in accordance with Iowa Code section 455H.206.

VIII. SEVERABILITY

Invalidation of any portion of the terms of this easement by judgment of any court shall in no way affect the validity and enforceability of any of the other terms.

IX. CONSTRUCTION

This easement shall be effective upon filing with the county recorder where the property is located. Words and phrases in this easement, including acknowledgments, shall be construed as in the singular or plural number, according to the context.

X. ACKNOWLEDGMENTS

MIDAMERICAN ENERGY COMPANY

By: Paul J. Leighton
Paul Leighton

Its: Vice President
Grantor

Signed this 19th day of February, 2003.

STATE OF IOWA)
) ss:
COUNTY OF Polk)

030590

On this 19th day of February, 2003, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Paul Leighton to me personally known, who being by me duly sworn, did say that he/she is the Secretary of said corporation executing the within and foregoing instrument; that no seal has been procured by the said corporation; that said instrument was signed on behalf of said corporation by authority of its Board of Directors; and that the said Paul Leighton acknowledged the execution of said instrument to be the voluntary act and deed of said corporation, by it and by him/her voluntarily executed.



Connie Sullivan
Notary Public in and for the
State of Iowa

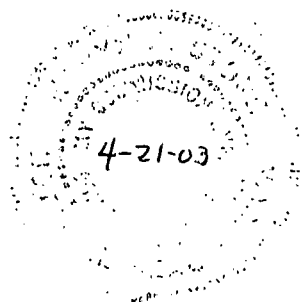
The Iowa Department of Natural Resources accepts the grant of this easement by signature of the Director.

Jeffrey R. Vonk
Jeffrey R. Vonk
Director, Iowa Department of Natural Resources

Signed this 6th day of March, 2003.

STATE OF IOWA)
) ss:
COUNTY OF Polk)

On this 6th day of March, 2003, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Jeffrey R. Vonk, to me personally known, who being by me duly sworn, did say that he is the Director of the Iowa Department of Natural Resources; and that the said Director acknowledged the execution of said instrument to be the voluntary act and deed of the Iowa Department of Natural Resources, by it and by him voluntarily executed.



Karip A. Stone
Notary Public in and for the
State of Iowa

030590

HAMPTON

April 6, 1906 - Deed Attached

Property conveyed from Catharine Weisel Meyer and Fred Meyer to Hampton Gas Company.

August 20, 1909 - Deed Attached

Property conveyed from J.H. Van Nuys and Lucy A. Van Nuys to Hampton Gas Company.

April 1, 1926 - Hampton Gas Company sold the property and other assets to Central Iowa Power and Light.

April 27, 1929 – Central Iowa Power and Light Company merged with Iowa Light Heat and Power Company to form Iowa Public Service Company

July 22, 1992 – Iowa Public Service Company merged with Iowa Power, Inc. to form Midwest Power Systems Inc. (a wholly owned subsidiary of Midwest Resources Inc.)

July 1, 1995 – Midwest Power Systems, Inc., Midwest Resources Inc., and Iowa-Illinois Gas and Electric Company merged to become MidAmerican Energy Company.

030590

J. H. Van Nuys & wife
to
Hampton Gas Co.

Filed for Record the 20 day of Aug. 1909
at 4:30 o'clock P. M.
Will Lane Recorder
Bert D. Lane Deputy

Recording fee \$.50

Know all Men by these Presents, That James H. Van Nuys and Lucy A. Van Nuys his wife of Franklin County, State of Iowa in consideration of the sum of Fifty Dollars, in hand paid, do hereby sell and quit claim unto Hampton Gas Company of Hampton Iowa, all our right, title and interest in and to the following described premises, situated in Franklin County, State of Iowa, to-wit:

A small piece of land located in the South West quarter of section No. Twenty-eight, in Township No. Ninety-two, Range No. Twenty and ~~also in the North West quarter of section No. Twenty-eight, in Township No. Ninety-two, Range No. Twenty~~ said land bounded as follows;- On East by the land described in a certain deed from these grantors to Iowa Central Railway dated February 6th 1908 filed February 19th 1908 and recorded in the office of the recorder of Franklin County Iowa in Book 45 on page 457; on the North by the south bank of Squaw creek as channel is now cut directly west of the viaduct under the Iowa Central Railway; on the west by the west bank of old original channel of squaw creek, On the South by the south bank of the old original channel of squaw creek, grantees to have a perpetual right to use the water out of squaw creek on the North boundary line of this land.

said Lucy A. Van Nuys releases all her right of dower in and to the above described premises.

The grantors reserves the trees on said land and the right to cut them down and move them.

Signed the 20th day of August 1909 .

James H. Van Nuys
Lucy A. Van Nuys

State of Iowa, Franklin County, ss.

On the 20th day of August 1909, before me, E. P. Andrews a Notary Public in and for said County, personally came J. H. & Lucy A. Van Nuys personally to me known to be the identical persons whose names are affixed to the above deed as grantors, and acknowledged the execution of the same to be their voluntary act and deed.

Witness my hand and Notarial Seal.

Seal

E. P. Andrews
Notary Public of Iowa, in and for
Franklin County.

030590

(NE-86)

CATHERINE WEISEL MEYER & HUSB.)
TO)
HAMPTON GAS COMPANY)

Filed Apr. 6th, 1906 at 10:30 o'clock A.M.
G. H. Lambert,
Recorder.

WARRANTY DEED

That we Catharine Weisel Meyer, and Fred Meyer her husband, of the County of Franklin State of Iowa, parties of the first, and the Hampton Gas Company of Hampton, Iowa, party of the second part, Witnesseth:-That for and in consideration of the sum of Four hundred#(\$400.00) dollars, the receipt of which is hereby acknowledged do hereby sell and convey unto the said Hampton Gas Company, a Corporation organized under the Iowa laws, of the City of Hampton, of Franklin County, State of Iowa, the following described premises situated in Franklin County, state of Iowa, to wit:-A tract of land described as follows:- Comencing on the West side of the Iowa Central Railroad bed on the East one-half ($\frac{1}{2}$) of the South East Quarter ($\frac{1}{4}$) of the South West quarter ($\frac{1}{4}$) of Section No. Twenty-eight (28) Township No. Ninety two (92) Range No. Twenty (20) at the South side of said land, running thence North six (6) rods, thence West thirteen (13) rods thence South six (6) rods, thence East Thirteen (13) rods to place of beginning- excepting therefrom a certain tract of land sold to the Iowa Central Railway Company, deed dated July 28th, 1904, recorded July 28th 1904, in County Recorder's office of Franklin County, Iowa, in book "42", page "486", land described as follows: Commencing at a point on the South line of the South west quarter ($\frac{1}{4}$) of Section No. twenty-eight (28) Twp. 92 Range 20 West, Franklin County, Iowa, said point being 248.65 feet West from the South east corner of said south west $\frac{1}{4}$ of Section No. twenty-eight (28) and fifty feet westerly measured at right angles from the center line of main track of the Iowa Central Railway Company; then Northerly parallel to and 50 feet westerly from said center line of said railway a distance of 99 feet to a point, thence West parallel to and ninety-nine feet northerly from said South line of said Section No. twenty-eight (28) a distance of forty and $\frac{6}{10}$ feet to a point, thence Southernly and parallel to said center line of Railway a distance of ninety-nine feet to the South line of said section NO. Twenty-eight (28) thence East on said line a distance of 40.6 feet to the place of beginning, containing $\frac{9}{10}$ acres, more or less, together with all and singular the hereditaments and appurtenances thereunto belonging or in anywise appertaining.

And we hereby covenant with the said Hampton Gas Company, that we hold the said premises by good and sufficient title, and that we have good and sufficient title and that we have good right and lawful authority to sell and convey the same and do hereby covenant to warrant and defend the title to the said Hampton Gas Company or their assigns against the lawful claims of all persons whomsoever.

And further the said party of the first part for themselves and their heirs, and all and every person lawfully claiming, or to claim, by from or under shall and will from time to time, and at all times hereafter make and execute or cause and procure to be made and executed all such further deed or deeds necessary whatsoever for the further and more perfect assurance and confirmation of said premises, hereby granted, with the appurtenances, unto said party of the second part, its assigns, as by said Company required, or assigns required, and the grantors aforesaid hereby relinquish all contingent rights including right of dower which they or either of them have in and to the above described premises.

Signed this 5th day of April A.D. 1906.

CATHERINE WEISEL MEYER
FRED MEYER

RF-86

State of Iowa, County of Franklin, ss.

On this 5th day of April A.D. 1906
before me came Catharine Weisel Meyer, and Fred Meyer, her husband, to me
personally known to be the identical persons named in and who executed the
foregoing instrument as grantors, and they acknowledged the execution
thereof as their voluntary act and deed.

Witness my hand and seal the day and date last above written.

(SEAL)

O. F. MYERS

Notary Public in and for Franklin County,
Iowa.

LEGAL 4689

CERTIFICATE OF TRANSCRIPT

STATE OF IOWA, FRANKLIN COUNTY, ss.

Office of Recorder of Franklin County, Iowa.

I do hereby certify that I have carefully compared the annexed cop-y----- of-----

Warranty deed from Catherine Wetsel Meyer to Hampton Gas
Company which is recorded in Book 42 Page 636

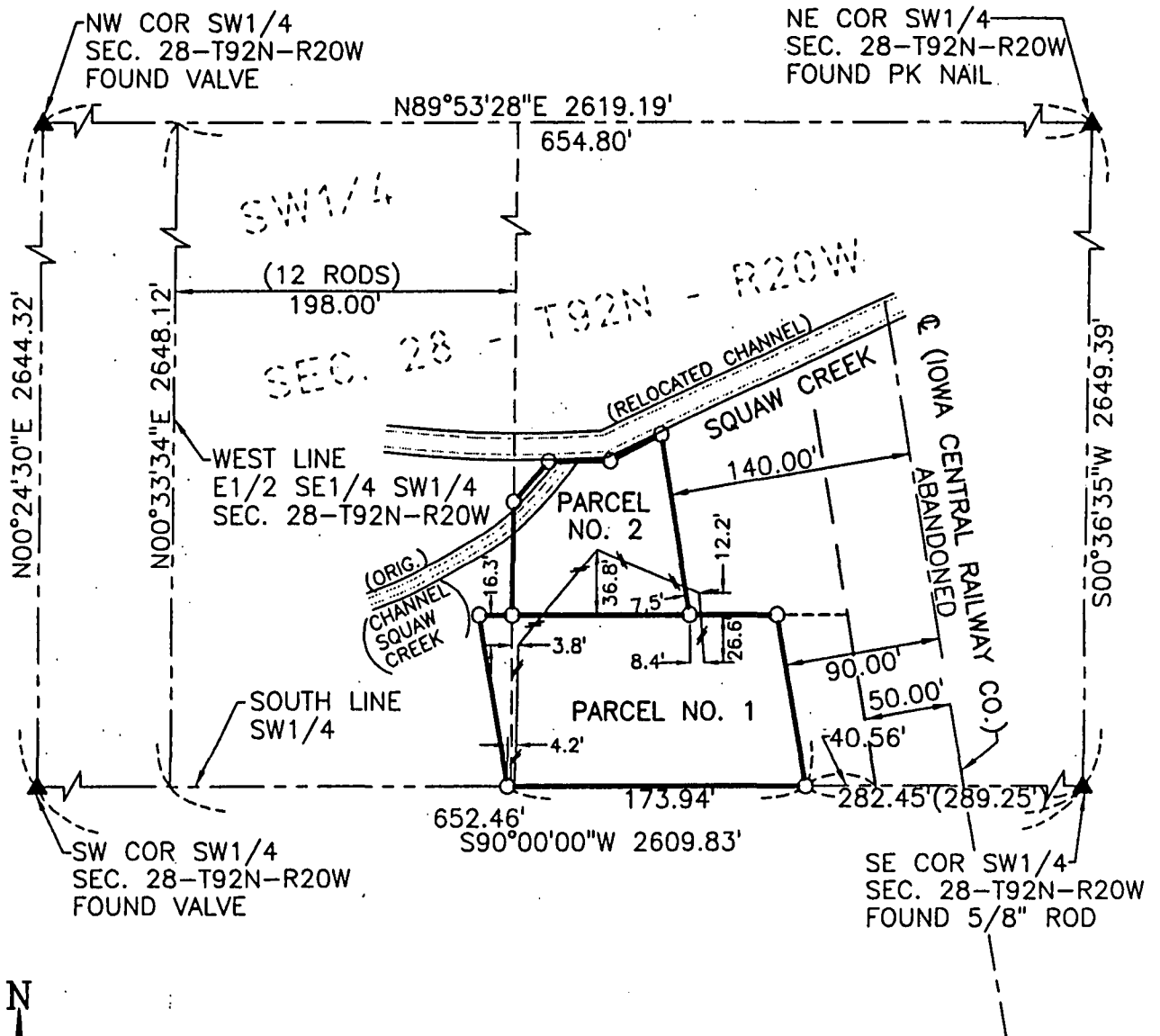
with the original records and files of this office, and that the same ~~is a~~----- correct transcript therefrom, and the
whole of such original records and papers.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of my office,
at Hampton, Iowa, on this 22----- day of June-----, 1950-----

Hilda Bockelman

Hilda Bockelman Recorder of Franklin County, Iowa
Deputy

PLAT OF SURVEY



SCALE: 1" = 100'

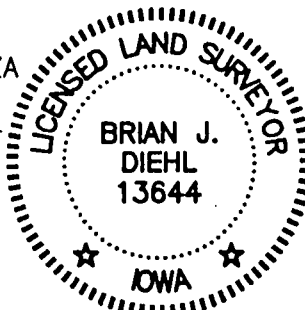
LEGEND

SET IRON T-BAR MON.
NO. 13644.....O
FOUND SECTION CORNER
AS NOTED.....▲
FENCE.....—X—X—
RECORD.....()

NOTES

- 1) THIS SURVEY IS LOCATED IN THE SW1/4 SECTION 28-T92N-R20W OF THE 5TH P.M., CITY OF HAMPTON, FRANKLIN COUNTY, IOWA.
- 2) THE SOUTH LINE OF THE SW1/4 WAS ASSUMED TO BEAR S90°00'00"W
- 3) TOTAL AREA OF SURVEY 25323 SQ. FT.
- 4) DATE OF SURVEY DECEMBER 18, 2002

SURVEY REQUESTED BY:
KEVIN ARMSTRONG
FOR:
MONTGOMERY WATSON HARZA
11153 AURORA AVENUE
DES MOINES, IA 50322-7904
OWNER:
MID-AMERICAN
ENERGY COMPANY



I hereby certify that this land surveying document was prepared and the related survey work was performed by me or under my direct personal supervision and that I am a duly licensed Land Surveyor under the laws of the State of Iowa.

Brian J. Diehl
Brian J. Diehl

December 31, 2002
Date

License number 13644.

My license renewal date is December 31, 2003

Sheets covered by this seal: 2

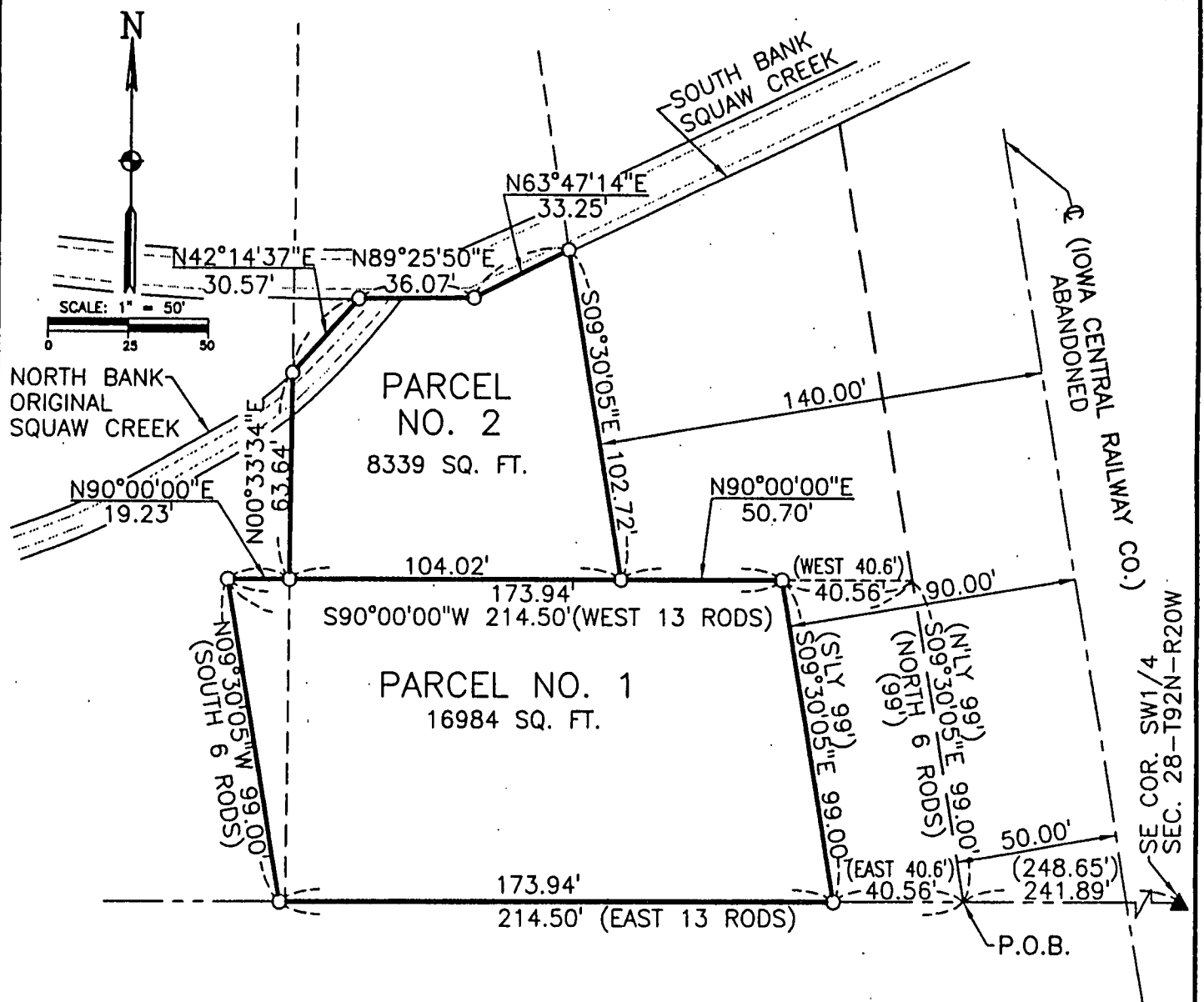
1412 - 6th STREET S.W. P.O. BOX 1467 MASON CITY, IOWA 50402-1467
641-423-8271

WHKS & CO.

ENGINEERS PLANNERS LAND SURVEYORS

JOB NO. S08702
SHEET 1 OF 2

030590



DESCRIPTION OF PARCEL NO. 1

A tract of land described as follows: Commencing on the West side of the Iowa Central Railroad bed on the East one-half ($\frac{1}{2}$) of the South East Quarter ($\frac{1}{4}$) of the South West quarter ($\frac{1}{4}$) of Section No. Twenty-eight (28) Township No. Ninety two (92) Range No. Twenty (20) at the South side of said land, running thence North six (6) rods, thence West thirteen (13) rods thence South six (6) rods, thence East Thirteen (13) rods to place of beginning - excepting therefrom a certain tract of land sold to the Iowa Central Railway Company, deed dated July 28th, 1904, recorded July 28th, 1904, in County Recorder's office of Franklin County, Iowa in book "42", page "436", land described as follows: Commencing at a point on the South line of the South west quarter ($\frac{1}{4}$) of Section No. twenty-eight (28) Twp. 92 Range 20 West, Franklin County, Iowa, said point being 248.65 feet West from the South east corner of said south west $\frac{1}{4}$ of Section No. twenty-eight (28) and fifty feet westerly measured at right angles from the center line of main track of the Iowa Central Railway Company; thence Northerly parallel to and 50 feet westerly from said center line of said railway a distance of 99 feet to a point, thence West parallel to and ninety-nine feet northerly from said South line of said Section No. Twenty-eight (28) a distance of forty and $\frac{6}{10}$ th feet to a point, thence Southerly and parallel to said center line of Railway a distance of ninety-nine feet to the South line of said section NO. Twenty-eight (28) thence East on said line a distance of 40.6 feet to the place of beginning, containing $\frac{9}{10}$ acres, more or less, together with all and singular the hereditaments and appurtenances thereunto belonging or in anywise appertaining.

DESCRIPTION OF PARCEL NO. 2

A small piece of land located in the South West quarter of section No. Twenty-Eight in Township No. Ninety two Range No. Twenty and situated North of said grantees Gas plant in Hampton, Iowa said land bounded as follows: On East by the land described in a certain deed from these grantors to Iowa Central Railway dated February 6th, 1908 filed February 29th, 1908 and recorded in the office of the recorder of Franklin County, Iowa in Book 45 on page 457 on the North by the south bank of Squaw Creek as channel is now cut directly west of the viaduct under the Iowa Central Railway on the west by the west bank of old original channel of Squaw Creek, on the South by the south bank of the old original channel of Squaw Creek, grantees to have a perpetual right to use the water out of Squaw Creek on the North boundary line of this land.

WHKS & CO.

ENGINEERS PLANNERS LAND SURVEYORS

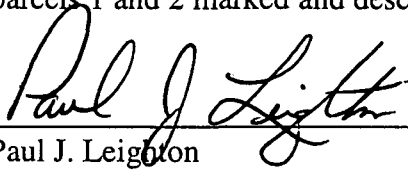
1412 - 8th STREET S.W. P.O. BOX 1487 MASON CITY, IOWA 50402-1487
641-423-8271

030590

February 10, 2003

To Whom It May Concern:

I hereby certify that MidAmerican Energy Company is the legal titleholder to parcels 1 and 2 marked and described on the attached plat maps.

A handwritten signature in cursive script, reading "Paul J. Leighton", written over a horizontal line.

Paul J. Leighton
Vice President and Corporate Secretary
MidAmerican Energy Company

030590

No. 25738.

REPORT OF LIENS

TO: MWH
11153 Aurora Avenue
Des Moines, IA 50322-7904

DESCRIPTION: Real estate described on attached sheet.

Last Grantee, devisee or heir at law of record in chain of title:

Iowa Public Service Company by virtue of Quit Claim Deed
dated April 29, 1927 and filed July 10, 1928 in Book 55 at
page 522.

Instruments and proceedings affecting real estate,-

MERGER: Certificate of Merger filed Jan. 29, 1993 in File No. 930247 that
Iowa Public Service Company merged into Midwest Power Systems, Inc.

MORTGAGE: Mortgage to Morgan Guaranty Trust Company of New York, Trustee
dated Jan. 1, 1993 and filed Jan. 29, 1993 in File No. 930248.
1st Supplemental Indenture filed Jan. 29, 1993 in File No. 930249.
2nd Supplemental Indenture filed Jan. 29, 1993 in File No. 930250
3rd Supplemental Indenture filed May 19, 1993 in File No. 930954
4th Supplemental Indenture to Harris Trust & Savings Bank, Trustee
filed Oct. 10, 1994 in file No. 941843.
5th Supplemental Indenture to Harris Trust & Savings Bank, Trustee
filed Nov. 2, 1994 in File No. 941986.

JUDGMENTS: NONE OF RECORD.

TAXES: There are no real estate or personal taxes shown of record for
this property in Franklin County, Iowa.

ID No. 728377011 and 728377012.

Personal lien search for the following names only:

Iowa Public Service Company
Midwest Power Systems, Inc.

This is a report of liens only. No examination is made and no
opinion has been formed as to the legal effect of any instrument or
proceeding inspected and it is made for the exclusive information and use of
the party addressed and no liability for errors or omissions will accrue to
the benefit of any other person, firm or corporation.

Dated at Hampton, Franklin County, Iowa from Oct. 1, 1992 to Oct.
7, 2002 at 7:00 a.m.

by 
President

FRANKLIN COUNTY ABSTRACT CO.

Hampton, Iowa

030590

DEEDHOLDER: Iowa Public Service Co.

PROPERTY ADDRESS: Hampton

LOCATION: Franklin

COMMENTS: Diesel Plant *old Peak Shaving*

CD#: 3669

PARCEL NO.:

ADDITION:

TOWNSHIP: 92 ADDN NO.: 20

BLOCK: 28 LOT:

EXCD:

LDCL:

NOBL:

ACRE:

FERC ACCT.:

R.E.: 86

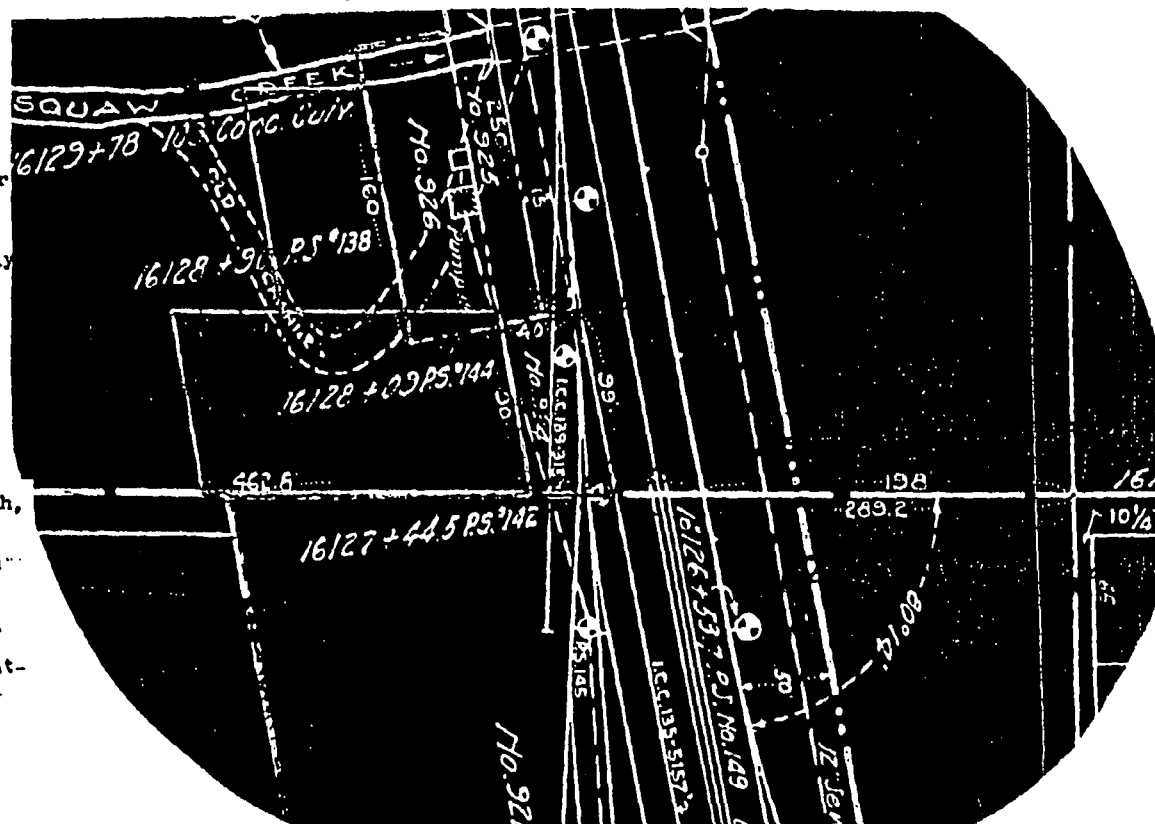
LEGAL DESCRIPTION: SE 1/4 of SW 1/4 of Sec. 28-92-20

A tract of land described as follows: Commencing on the West side of the Iowa Central Railroad bed on the East Half of the Southeast Quarter of the Southwest Quarter (E $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 28, Township 92 North, Range 20, West 5th P. M., at the South side of said land, running thence North 6 rods, thence West 13 rods, thence South 6 rods, thence East 13 rods to place of beginning; excepting therefrom a certain tract of land described as follows:

Commencing at a point on the South line of the Southwest Quarter (SW $\frac{1}{4}$) of Section 28, Twp. 92, Range 20, said point being 248.65 feet West from the Southeast corner of said SW $\frac{1}{4}$ of Section 28, and 50 feet Westerly measured at right angles from the Center line of the main tract of the Iowa Central Railway Company, thence Northerly parallel to and 50 feet Westerly from said center line of Railway a distance of 99 feet to a point, thence West parallel to and 99 feet Northerly from said South line of Section 28, a distance of 40.6 feet to a point, thence Southerly and parallel to said center line of Railway a distance of 99 feet to the South line of said Section 28, thence East on said line a distance of 40.6 feet to the place of beginning, containing 9/10 acres, more or less; all in the City of Hampton, Iowa.

And

A piece of land located in the SW $\frac{1}{4}$ of Section 28, Township 92 North, Range 20, West of the 5th P. M., situated North of Hampton Gas Company's gas plant in Hampton, Iowa, and said land bounded as follows: On the East by the land described in a certain deed from James H. Van Nuyse and Lucy A. Van Nuyse to Iowa Central Railroad dated February 6, 1908, filed February 19, 1908, and recorded in the office of the Recorder of Franklin County, Iowa, in Book 45 on page 457, On the North by the South bank of Squaw Creek at the channel as now cut directly West of the viaduct under the Iowa Central Railroad, on the West by the West bank of old original channel of Squaw Creek.



030590

INDENTURE OF MORTGAGE AND DEED OF TRUST

**IOWA-ILLINOIS GAS AND ELECTRIC
COMPANY**

TO

HARRIS TRUST AND SAVINGS BANK

AND

**LYNN LLOYD
TRUSTEES**

DATED AS OF MARCH 1, 1947

SECURING FIRST MORTGAGE BONDS

ARTICLE VII.

POSSESSION, USE, RELEASE AND TRANSFER OF PROPERTY.

SECTION 7.01. Unless an event of default shall have occurred and be continuing, the Company shall be entitled to possess, use and enjoy all the mortgaged property (other than such securities, obligations and moneys as are expressly required to be deposited with the Trustee), and to receive, use and dispose of, free from the lien of this Indenture, the rents, revenues, issues, earnings, income, products and profits thereof, with power in the ordinary course of business, freely and without let or hindrance on the part of the Trustees or either of them or of the bondholders, (i) to use, consume and otherwise dispose of merchandise, materials and supplies, (ii) to deal with and exercise any and all rights under choses in action, contracts, franchises and claims, (iii) to alter, repair, replace, renew, dismantle, change the position of or remove any of its property (provided, however, that the position of none of the mortgaged property shall be changed if such property would thereby become subject to any prior lien to which it was not subject prior to the change of the position thereof, unless such property is sold or otherwise disposed of or released as permitted by this Article VII), (iv) to grant easements, rights-of-way or licenses with respect to, and to make agreements for the joint or common use of, any of the mortgaged property, provided that such easements, rights-of-way, licenses or agreements do not materially impair the use of the affected property in the operation of the business of the Company, and (v) subject to the provisions of Article XIII hereof, to lease (subject to the continuing lien of this Indenture on the property so leased) any part of the mortgaged property as may be desirable or advisable in the proper conduct of the business or in the operation of the properties of the Company.

030590

MIDWEST POWER SYSTEMS INC.

To

**MORGAN GUARANTY TRUST COMPANY OF
NEW YORK, TRUSTEE**

General Mortgage Indenture and Deed of Trust

Dated as of January 1, 1993

030590

§§ 9.04 (cont.), 9.05, 10.01, 10.02

or proceeds of Eligible Obligations in the amount necessary for the redemption of the Bonds to be redeemed shall be held by the Trustee for that purpose, such Bonds shall cease to bear interest and shall cease to be entitled to the Lien of this Indenture and the coupons for interest, if any, maturing subsequent to the date fixed for redemption shall be void.

Partial
redemption of
Registered Bond

Section 9.05. If any Registered Bond shall be called for redemption in part only, the notice of such redemption shall specify the principal amount thereof to be redeemed, and such Registered Bond shall be presented for cancellation at or after the date fixed for the redemption of said Bonds so called for redemption, and thereupon the payment with respect to said Bonds shall be made upon surrender of said Bonds, and a Bond or Bonds for the unpaid balance of the principal amount of the Registered Bonds so presented and surrendered shall be executed by the Company and authenticated and delivered by the Trustee without charge therefor to the holder thereof.

ARTICLE X

POSSESSION, USE AND RELEASE OF THE MORTGAGED PROPERTY

Company's
possession and
use

Section 10.01. The Company shall be suffered and permitted to possess, enjoy, use and operate the Mortgaged Property (except cash or securities paid to or deposited with or required by the express terms of this Indenture to be paid to or deposited with the Trustee) and to take and use any and all tolls, rents, revenues, earnings, interest, dividends, royalties, issues, income and profits thereof, as if this Indenture had not been made, with power in the ordinary course of business to alter, repair, change and add to its buildings, structures and any or all of its plant and equipment constructed or owned or hereafter constructed or acquired by the Company, and hereby granted, bargained, sold, warranted, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed, to the Trustee, or intended so to be.

Actions without
consent of Trustee

Section 10.02. The Company may at any time and from time to time, without any release or consent by the Trustee:

- | | |
|--|--|
| <p>(a) sell or otherwise dispose of, free from the Lien of this Indenture, or abandon or otherwise retire, any personalty or fixtures which are part of the Mortgaged Property and which, in the judgment of the Company, shall have become old, inadequate, obsolete, worn out, unfit, unadapted, unserviceable, undesirable or unnecessary for use in the Company's electric generating, transmission and distribution operations or, if property which is an integral part of or used or to be used as an integral part of the gas distribution operations of the Company becomes Mortgaged Property, in the Company's gas distribution operations;</p> | <p>Disposition of obsolete and certain other personal property</p> |
| <p>(b) cancel or make changes in or alterations of or substitutions for any and all leases;</p> | <p>Cancel or change leases</p> |
| <p>(c) alter, change the location of, add to, repair and replace any and all transmission and distribution lines, pipes, substations, machinery, fixtures and other equipment;</p> | <p>Change or repair transmission and distribution equipment</p> |
| <p>(d) cancel, make changes in or substitutions for or dispose of any and all rights of way (including easements and licenses);</p> | <p>Cancel or change rights of way</p> |
| <p>(e) surrender or assent to the modification of any franchise (including in that term any ordinances, indeterminate permits, licenses or other operating rights, however denominated, granted by Federal, state, municipal or other governmental authority) under which the Company may be operating if, in the judgment of the Company, it is advisable to do so;</p> | <p>Surrender or assent to modification of franchise</p> |
| <p>(f) abandon, or permit the abandonment of, the operation of any Mortgaged Property and surrender any franchise, as defined in <i>Section 10.02(e)</i>, under which such Mortgaged Property is operated, if, in the judgment of the Company, the operation of such Mortgaged Property and such franchise is not, under the circumstances, necessary or important for the operation of the remaining Mortgaged Property, or whenever the Company deems such abandonment or surrender to be advisable for any reason; <i>provided</i>, however, that if the amount at which such Mortgaged Property and all other Mortgaged Property so abandoned or surrendered during the same calendar year was originally charged to the fixed property accounts of the Company is equal to 10% or more of the aggregate principal amount of the Bonds Outstanding immediately prior to such abandonment or surrender, there shall be furnished to the</p> | <p>Abandon Mortgaged Property and surrender franchises when deemed advisable</p> |

Trustee an Independent Engineer's Certificate to the effect that neither such Mortgaged Property nor such franchise is, under the circumstances, necessary or important for the operation of the remaining property of the Company or that such abandonment or surrender is advisable for some other specified reason, and in either case that such abandonment or surrender will not impair the security under this Indenture in contravention of the provisions hereof; and

Grant or convey
rights of way or
easements if
Mortgaged
Property not
impaired

(g) grant or convey rights of way and easements over or in respect of any real Mortgaged Property owned by the Company, *provided* that such grant or conveyance will not, in the judgment of the Company, impair the usefulness of such real Mortgaged Property in the Company's electric generating, transmission and distribution operations or, if property which is an integral part of or used or to be used as an integral part of the gas distribution operations of the Company becomes Mortgaged Property, in the Company's gas distribution operations.

Release of
Mortgaged
Property if
Bonding ratio test
satisfied

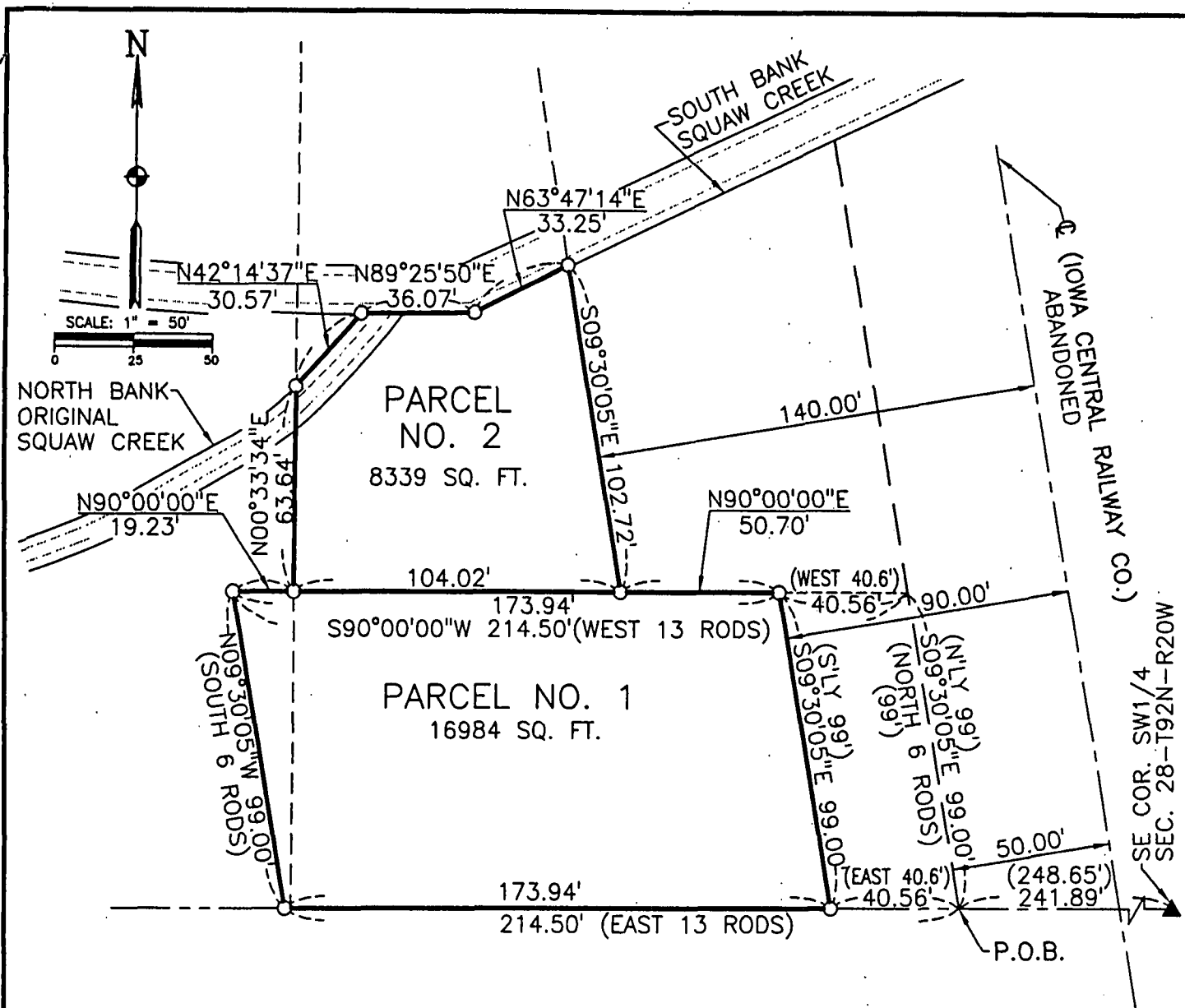
Section 10.03. Subject to *Section 10.12*, upon receipt of a written application of the Company signed by an Authorized Executive Officer the Trustee shall execute and deliver to the Company the documents and instruments described in *Section 10.03(a)*, releasing from the Lien of this Indenture any Mortgaged Property if the Fair Value of all of the Mortgaged Property (excluding the Mortgaged Property to be released but including any Mortgaged Property to be acquired by the Company with the proceeds of, or otherwise in connection with, such release) stated on the Engineer's Certificates delivered pursuant to *Section 10.03(b)* and *Section 10.03(c)*, equals or exceeds an amount equal to 133 ⅓% of the aggregate principal amount of Outstanding Bonds and Prior Lien Bonds outstanding at the date of such application as stated on the Accountant's Certificate delivered pursuant to *Section 10.03(d)*, upon receipt by the Trustee of:

Documents and
instruments of
release

(a) appropriate documents and instruments releasing without recourse the interest of the Trustee in the Mortgaged Property to be released, and describing in reasonable detail the Mortgaged Property to be released;

Engineer's
Certificate

(b) an Engineer's Certificate, dated the date of such application, stating (i) that the signer of such Engineer's Certificate has



DESCRIPTION OF PARCEL NO. 1

A tract of land described as follows: Commencing on the West side of the Iowa Central Railroad bed on the East one-half ($\frac{1}{2}$) of the South East Quarter ($\frac{1}{4}$) of the South West quarter ($\frac{1}{4}$) of Section No. Twenty-eight (28) Township No. Ninety two (92) Range No. Twenty (20) at the South side of said land, running thence North six (6) rods, thence West thirteen (13) rods thence South six (6) rods, thence East Thirteen (13) rods to place of beginning - excepting therefrom a certain tract of land sold to the Iowa Central Railway Company, deed dated July 28th, 1904, recorded July 28th, 1904, in County Recorder's office of Franklin County, Iowa in book "42", page "436", land described as follows: Commencing at a point on the South line of the South west quarter ($\frac{1}{4}$) of Section No. twenty-eight (28) Twp. 92 Range 20 West, Franklin County, Iowa, said point being 248.65 feet West from the South east corner of said south west $\frac{1}{4}$ of Section No. twenty-eight (28) and fifty feet westerly measured at right angles from the center line of main track of the Iowa Central Railway Company; thence Northerly parallel to and 50 feet westerly from said center line of said railway a distance of 99 feet to a point, thence West parallel to and ninety-nine feet northerly from said South line of said Section No. Twenty-eight (28) a distance of forty and $\frac{6}{10}$ feet to a point, thence Southerly and parallel to said center line of Railway a distance of ninety-nine feet to the South line of said section NO. Twenty-eight (28) thence East on said line a distance of 40.6 feet to the place of beginning, containing $\frac{9}{10}$ acres, more or less, together with all and singular the hereditaments and appurtenances thereunto belonging or in anywise appertaining.

DESCRIPTION OF PARCEL NO. 2

A small piece of land located in the South West quarter of section No. Twenty-Eight in Township No. Ninety two Range No. Twenty and situated North of said grantees Gas plant in Hampton, Iowa said land bounded as follows: On East by the land described in a certain deed from these grantors to Iowa Central Railway dated February 6th, 1908 filed February 29th, 1908 and recorded in the office of the recorder of Franklin County, Iowa in Book 45 on page 457 on the North by the south bank of Squaw Creek as channel is now cut directly west of the viaduct under the Iowa Central Railway on the west by the west bank of old original channel of Squaw Creek, on the South by the south bank of the old original channel of Squaw Creek, grantees to have a perpetual right to use the water out of Squaw Creek on the North boundary line of this land.

WHKS & CO.

ENGINEERS PLANNERS LAND SURVEYORS

1412 - 6th STREET S.W. P.O. BOX 1487 MASON CITY, IOWA 50402-1487
841-423-8271

JOB NO. S08702
SHEET 2 OF 2

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