

Form 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1997

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-707

KANSAS CITY POWER & LIGHT COMPANY
(Exact name of registrant as specified in its charter)

Missouri 44-0308720
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

1201 Walnut, Kansas City, Missouri 64106-2124
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (816) 556-
2200

Indicate by check mark whether the registrant (1) has filed
all reports required to be filed by Section 13 or 15(d) of the
Securities Exchange Act of 1934 during the preceding 12 months (or for
such shorter period that the registrant was required to file such
reports), and (2) has been subject to such filing requirements for the
past 90 days.

Yes (X) No ()

The number of shares outstanding of the registrant's Common
stock at May 7, 1997, was 61,895,819 shares.

PART I - FINANCIAL INFORMATION
ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED BALANCE SHEETS
(thousands of dollars)

	March 31 1997	December 31 1996
ASSETS		
UTILITY PLANT, at original cost		
Electric	\$3,479,539	\$3,472,607
Less-accumulated depreciation	1,261,837	1,238,187
Net utility plant in service	2,217,702	2,234,420
Construction work in progress	84,863	69,577
Nuclear fuel, net of amortization of \$89,655 and \$84,540	36,797	39,497
Total	2,339,362	2,343,494

REGULATORY ASSET - RECOVERABLE TAXES	126,000	126,000
INVESTMENTS AND NONUTILITY PROPERTY	306,419	231,874
CURRENT ASSETS		
Cash and cash equivalents	25,112	23,571
Customer accounts receivable, net of allowance for doubtful accounts of \$1,360 and \$1,644	15,679	27,093
Other receivables	21,632	36,113
Fuel inventories, at average cost	17,717	19,077
Materials and supplies, at average cost	47,297	47,334
Deferred income taxes	3,672	2,737
Other	6,778	5,055
Total	137,887	160,980
DEFERRED CHARGES		
Regulatory assets		
Settlement of fuel contracts	9,358	9,764
KCC Wolf Creek carrying costs	684	1,368
Other	25,114	26,615
Other deferred charges	28,762	14,417
Total	63,918	52,164
Total	\$2,973,586	\$2,914,512
CAPITALIZATION AND LIABILITIES		
CAPITALIZATION		
Common stock-authorized 150,000,000 shares without par value-61,908,726 shares issued- stated value	\$449,697	\$449,697
Retained earnings	414,774	455,934
Unrealized gain on securities available for sale	1,681	6,484
Capital stock premium and expense	(1,666)	(1,666)
Common stock equity	864,486	910,449
Cumulative preferred stock	89,000	89,000
Cumulative redeemable preferred stock	62	62
Refinanced short-term borrowings	93,000	0
Long-term debt	925,136	944,136
Total	\$1,971,684	\$1,943,647
CURRENT LIABILITIES		
Notes payable to banks	1,361	0
Commercial paper	8,000	0
Current maturities of long-term debt	71,091	26,591
Accounts payable	36,745	55,618
Accrued taxes	11,087	18,443
Accrued interest	19,863	21,054
Accrued payroll and vacations	21,395	25,558
Accrued refueling outage costs	9,280	7,181
Other	12,031	11,980
Total	190,853	166,425
DEFERRED CREDITS AND OTHER LIABILITIES		
Deferred income taxes	638,508	643,189
Deferred investment tax credits	66,051	67,107
Other	106,490	94,144
Total	811,049	804,440
COMMITMENTS AND CONTINGENCIES (note 4)		
Total	\$2,973,586	\$2,914,512

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF INCOME
(thousands of dollars)

	Year to Date		Twelve Months Ended	
	1997	1996	1997	1996
ELECTRIC OPERATING REVENUES	\$ 194,744	\$ 206,624	\$ 892,039	\$ 893,673
OPERATING EXPENSES				
Operation				
Fuel	34,922	30,773	144,654	135,425

Purchased power	11,246	13,985	49,716	46,036
Other	43,923	43,499	181,143	177,653
Maintenance	16,816	18,029	70,282	75,790
Depreciation	27,842	24,716	107,038	97,802
Taxes				
Income	8,530	13,413	63,272	78,858
General	22,692	24,361	95,579	97,325
Deferred Wolf Creek costs amortization	684	2,904	9,397	12,235
Total	166,655	171,680	721,081	721,124
OPERATING INCOME	28,089	34,944	170,958	172,549
OTHER INCOME				
Allowance for equity funds used during construction	260	660	1,968	2,704
Miscellaneous income	3,893	741	7,995	1,123
Miscellaneous deductions	(62,161)	(3,785)	(113,548)	(13,213)
Income taxes	30,233	6,221	60,414	16,816
Total	(27,775)	3,837	(43,171)	7,430
INCOME BEFORE INTEREST CHARGES	314	38,781	127,787	179,979
INTEREST CHARGES				
Long-term debt	14,516	13,424	55,031	53,275
Short-term debt	839	118	1,972	687
Miscellaneous	875	1,106	4,609	3,600
Allowance for borrowed funds used during construction	(784)	(390)	(2,341)	(1,805)
Total	15,446	14,258	59,271	55,757
PERIOD RESULTS				
Net income (loss)	(15,132)	24,523	68,516	124,222
Preferred stock dividend requirements	955	957	3,788	3,942
Earnings (Loss) applicable to common stock	(16,087)	23,566	64,728	120,280
Average number of common shares outstanding	61,896	61,902	61,900	61,902
Earnings (Loss) per common share	(\$0.26)	\$0.38	\$1.05	\$1.94
Cash dividends per common share	\$0.405	\$0.390	\$1.605	\$1.550

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(thousands of dollars)

	Year to Date		Twelve Months Ended	
	March 31		March 31	
	1997	1996	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)	\$(15,132)	\$ 24,523	\$ 68,516	\$124,222
Adjustments to reconcile net income (loss) to net cash from operating activities:				
Depreciation	27,842	24,716	107,038	97,802
Amortization of:				
Nuclear fuel	5,115	1,197	20,012	12,464
Deferred Wolf Creek costs	684	2,904	9,397	12,235
Other	1,362	1,409	5,460	7,533
Deferred income taxes (net)	(2,885)	5,731	(17,278)	7,278
Deferred investment tax credit amortization and reversals	(1,056)	(1,024)	(4,195)	(4,242)
Deferred storm costs	0	0	(8,885)	0
Deferred merger costs	(4,787)	(5,383)	596	(5,383)
Allowance for equity funds used during construction	(260)	(660)	(1,968)	(2,704)
Cash flows affected by changes in:				
Receivables	25,895	17,810	9,547	(9,863)
Fuel inventories	1,360	5,083	(697)	4,047
Materials and supplies	37	1,503	(1,625)	(805)
Accounts payable	(18,873)	(465)	(15,296)	10,211
Accrued taxes	(7,356)	1,543	(30,182)	(17,084)
Accrued interest	(1,191)	4,885	(1,928)	11,765
Wolf Creek refueling outage accrual	2,099	(13,006)	8,723	(4,743)
Pension and postretirement benefit obligations	(532)	(519)	(97)	(2,290)
Other operating activities	(2,238)	1,878	7,730	12,864
Net cash from operating activities	10,084	72,125	154,868	253,307
CASH FLOWS FROM INVESTING ACTIVITIES				
Utility capital expenditures	(27,402)	(29,549)	(98,800)	(136,962)
Allowance for borrowed funds used during construction	(784)	(390)	(2,341)	(1,805)
Purchases of investments	(77,241)	(17,589)	(95,014)	(67,893)
Purchases of nonutility property	(1,611)	0	(22,006)	0
Other investing activities	(4,397)	(1,804)	(3,524)	3,936
Net cash from investing activities	(111,435)	(49,332)	(221,685)	(202,724)
CASH FLOWS FROM FINANCING ACTIVITIES				
Issuance of long-term debt	32,000	11,827	155,614	118,719
Repayment of long-term debt	(6,500)	0	(80,730)	(33,428)
Net change in short-term borrowings	102,361	(9,000)	92,361	(31,500)
Dividends paid	(26,028)	(25,112)	(103,119)	(99,925)
Other financing activities	1,059	(149)	(946)	2,834
Net cash from financing activities	102,892	(22,434)	63,180	(43,300)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,541	359	(3,637)	7,283
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	23,571	28,390	28,749	21,466
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$25,112	\$28,749	\$25,112	\$28,749
CASH PAID DURING THE PERIOD FOR:				
Interest (net of amount capitalized)	\$17,019	\$8,962	\$60,514	\$42,354
Income taxes	\$0	\$5,072	\$53,272	\$68,150

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
CONSOLIDATED STATEMENTS OF RETAINED EARNINGS
(thousands of dollars)

	Year to Date		Twelve Months Ended	
	March 31		March 31	
	1997	1996	1997	1996
Beginning balance	\$455,934	\$449,966	\$449,377	\$425,080
Net income (loss)	(15,132)	24,523	68,516	124,222
	440,802	474,489	517,893	549,302
Dividends declared				
Preferred stock - at required rates	960	970	3,772	3,977
Common stock	25,068	24,142	99,347	95,948
Ending balance	\$414,774	\$449,377	\$414,774	\$449,377

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Notes to Consolidated Financial Statements

In management's opinion, the consolidated interim financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented. These statements and notes should be read in connection with the financial statements and related notes included in our 1996 annual report on Form 10-K.

1. AGREEMENT AND PLAN OF MERGER WITH WESTERN RESOURCES

On February 7, 1997, Kansas City Power & Light Company (KCPL) and Western Resources, Inc. (Western Resources) entered into an Agreement and Plan of Merger (the Merger Agreement) to form a strategic business combination. The effective time of the merger is dependent upon all conditions of the Merger Agreement being met or waived. At the effective time, KCPL will merge with and into Western Resources, with Western Resources being the surviving corporation.

Western Resources first delivered an unsolicited exchange offer to KCPL's Board of Directors during the second quarter of 1996. This initial offer, subject to numerous conditions, proposed the exchange of \$28 (later increased to \$31) worth of Western Resources stock for each share of KCPL stock. After careful consideration, both offers were rejected by KCPL's Board of Directors. In July 1996 Western Resources commenced an exchange offer for KCPL common stock. In late 1996 KCPL began discussing a possible merger with Western Resources leading to the Merger Agreement.

Under the terms of the Merger Agreement, KCPL common stock will be exchanged for Western Resources common stock valued at \$32.00, subject to a conversion ratio limiting the amount of Western Resources common stock that holders of KCPL common stock would receive per share of KCPL common stock to no more than 1.1 shares (if Western Resources' stock is priced at or below \$29.09 per share), and no less than 0.917 shares (if Western Resources' stock is priced at or above \$34.90 per share). However, there is a provision in the Merger Agreement that allows KCPL to terminate the merger if Western Resources' stock price drops below \$27.64 and either the Standard and Poor's Electric Companies Index increases or the decline in Western Resources stock exceeds by approximately 5% any decline in this index. Western Resources could avoid this termination by improving the conversion ratio.

The transaction is subject to several closing conditions including approval by each company's shareholders, approval by a number of regulatory authorities (statutory approvals) and dissenting shares equaling less than 5.5% of KCPL's outstanding shares. If the effective time has not occurred by June 30, 1998 (the termination date), either party may terminate the agreement as long as they did not contribute to the delay. This termination date will be automatically extended to June 30, 1999, if all of the Merger Agreement closing conditions have been met except for certain conditions relating to statutory approvals.

The Merger Agreement does not allow KCPL to increase its common

stock dividend prior to the effective time or termination. It also requires KCPL to redeem all outstanding shares of preferred stock prior to completion of the merger.

If the Merger Agreement is terminated under certain circumstances, a payment of \$50 million will be due Western Resources if, within two and one-half years following termination, KCPL agrees to consummate a business combination with a third party that made a proposal to combine prior to termination. Western Resources will pay KCPL \$5 to \$35 million if the Merger Agreement is terminated and all closing conditions are satisfied other than conditions relating to Western Resources receiving a favorable tax opinion, a favorable letter from its accountants regarding pooling accounting, favorable statutory approvals, or an exemption from the Public Utility Holding Company Act of 1935.

In February 1997 KCPL paid UtiliCorp United Inc. (UtiliCorp) \$53 million for agreeing to combine with Western Resources within two and one-half years from the termination of KCPL's agreement to merge with UtiliCorp. This agreement was terminated due to failure of KCPL shareholders to approve the transaction with UtiliCorp.

During the first quarter of 1997, \$4.8 million of merger-related costs were deferred by KCPL and are included in Other deferred charges. These costs will be expensed in the first reporting period subsequent to closing of the merger.

2. SECURITIES AVAILABLE FOR SALE

Certain investments in equity securities are accounted for as securities available for sale and adjusted to market value with unrealized gains (or losses), net of deferred income taxes, reported as a separate component of shareholders' equity.

The cost of securities available for sale held by KLT Inc. (KLT), a wholly-owned subsidiary of KCPL, was \$5 million as of March 31, 1997 and December 31, 1996. Unrealized gains, net of deferred income taxes, decreased to \$1.7 million at March 31, 1997, from \$6.5 million at December 31, 1996.

3. CAPITALIZATION

From January 1 to March 31, 1997, KCPL repaid \$6.5 million of medium-term notes. KCPL is authorized to issue up to \$300 million in unsecured medium-term notes under an indenture dated December 1, 1996. As of March 31, 1997, no unsecured medium-term notes had been issued.

In April 1997 KCPL Financing I (Trust), a wholly-owned subsidiary of Kansas City Power & Light Company, issued \$150,000,000 of 8.3% preferred securities. The sole asset of the Trust is subordinated debentures, due 2037, issued by KCPL. The terms and interest payments on these debentures correspond to the terms and dividend payments on the preferred securities. KCPL guarantees the payment of distributions on the preferred securities to the extent that KCPL has made payments of interest or principal on the debentures. These payments will be reflected as Miscellaneous Interest Charges in the Consolidated Statement of Income and will be tax deductible by KCPL. KCPL may elect to defer interest payments on the debentures for a period up to 20 consecutive quarters, causing dividend payments on the preferred securities to be deferred as well. In case of a deferral, interest and dividends will continue to accrue, along with quarterly compounding interest on the deferred amounts. KCPL may redeem all or a portion of the debentures after March 31, 2002, requiring an equal amount of preferred securities to be redeemed at face value plus accrued and unpaid distributions. KCPL used \$93,000,000 of the proceeds from this issuance to repay short-term obligations. This amount is reflected in the consolidated balance sheet at March 31, 1997, as "Refinanced short-term borrowings".

From April 1 through May 7, 1997, KLT's long-term debt, including current maturities, increased \$6.6 million.

4. LEGAL PROCEEDINGS

Jack R. Manson (Manson), as a representative of KCPL's shareholders, alleged in a District Court proceeding, that KCPL and its directors breached their fiduciary duties in adopting the Amended Merger Agreement with UtiliCorp (Agreement). Manson also alleged their actions 1) were illegal, 2) illegally deprived KCPL shareholders of voting and appraisal rights under Missouri law, and 3) were a disproportionate response to Western Resources' acquisition

offer. Also, on June 7, 1996, Western Resources and Robert L. Rives each alleged against KCPL in the same court proceeding, that the Agreement was illegal under Missouri law and the directors had breached their fiduciary duties by adopting the Agreement.

By order dated November 25, 1996, the District Court allowed Manson to amend his allegation to allege that the directors breached their fiduciary duties by refusing to negotiate a merger with Western Resources and committed reckless, grossly negligent, or negligent waste of corporate assets by pursuing the merger with UtiliCorp. Manson seeks monetary damages in an unspecified amount for the waste of corporate assets. KCPL filed a motion on December 9, 1996, to dismiss Manson's amendment; it is currently pending before the District Court. The Company cannot predict the outcome of these proceedings at this time.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

REGULATION AND COMPETITION

As competition develops throughout the electric utility industry, we are positioning Kansas City Power & Light Company (KCPL) to excel in an open market. We are improving the efficiency of KCPL's core utility operations, lowering prices and offering new services. KCPL now offers customized energy packages to larger customers, including options offering natural gas contracts. We are also creating growth through our unregulated subsidiary (see Nonregulated Opportunities below). As competition presents new opportunities, we will consider various strategies including partnerships, acquisitions, combinations, additions to or dispositions of service territory, and restructuring wholesale and retail businesses. We have entered an Agreement and Plan of Merger with Western Resources, Inc. (Western Resources). This agreement was reached after nine months of defending against an unsolicited exchange offer (see Note 1 to the Consolidated Financial Statements).

In December 1996 the Federal Energy Regulatory Commission (FERC) issued a statement concerning electric utility mergers. Under the statement, companies must demonstrate that their merger does not adversely affect competition or wholesale rates. As remedies, FERC may consider a range of conditions including transmission upgrades or divestitures of generating assets.

Competition in the electric utility industry was accelerated with the National Energy Policy Act of 1992. This gave FERC the authority to require electric utilities to provide transmission line access to independent power producers (IPPs) and other utilities (wholesale wheeling). KCPL, already active in the wholesale wheeling market, was one of the first utilities to receive FERC's approval of an open-access tariff for wholesale wheeling transactions. In April 1996 FERC issued an order requiring all owners of transmission facilities to adopt open-access tariffs and participate in wholesale wheeling. KCPL has made the necessary filings to comply with that order.

FERC's April 1996 order is likely to encourage more movement toward retail competition at the state level. An increasing number of states have already adopted open access requirements for utilities' retail electric service, allowing competing suppliers access to their retail customers (retail wheeling). Many other states are actively considering retail wheeling. Kansas has created a retail wheeling task force to study and report on related issues. In Missouri, legislative committees are being formed to study the issue while the Missouri Public Service Commission (MPSC) has established a task force to plan for implementation of retail wheeling if authorized by law.

Competition through retail wheeling could result in market-based rates below current cost-based rates. This would provide growth opportunities for low-cost producers and risks for higher-cost producers, especially those with large industrial customers. Lower rates and the loss of major customers could result in under-utilized assets (stranded investment) and place an unfair burden on the remaining customer base or shareholders. If an adequate and fair provision for recovery of these lost revenues is not provided, certain generating assets may have to be evaluated for impairment and appropriate charges recorded against earnings. In addition to lower profit margins, market-based rates could also require generating assets to be depreciated over shorter useful lives, increasing operating expenses.

Although Missouri and Kansas have not yet authorized retail wheeling, we believe KCPL is positioned well to compete in an open market with its diverse customer mix and pricing strategies. About 22% of KCPL's retail mwh sales are to industrial customers compared to the utility industry average of about 35%. KCPL has a flexible rate structure with industrial rates that are competitively priced within our region. In addition, long-term contracts are in place or under negotiation for a large portion of KCPL's industrial sales. There has not been direct competition for retail electric service in our service territory although there has been competition in the bulk power market and between alternative fuels.

Increased competition could also force utilities to change accounting methods. Financial Accounting Standards Board (FASB) Statement No. 71 - Accounting for Certain Types of Regulation, applies to regulated entities whose rates are designed to recover the costs of providing service. An entity's operations could stop meeting the requirements of FASB 71 for various reasons, including a change in regulation or a change in the competitive environment for a company's regulated services. For those operations no longer meeting the requirements of regulatory accounting, regulatory assets would be written off. KCPL's regulatory assets, totaling \$161 million at March 31, 1997, will be maintained as long as FASB 71 requirements are met.

It is possible that competition could eventually have a materially adverse affect on KCPL's results of operations and financial position. Should competition eventually result in a significant charge to equity, capital costs and requirements could increase significantly.

NONREGULATED OPPORTUNITIES

KLT Inc. (KLT) is a wholly-owned subsidiary pursuing nonregulated, mainly energy-related business ventures. KLT's strategy capitalizes on new market opportunities by combining our expertise in energy-related fields with the knowledge of our joint venture partners. Existing ventures include investments in domestic and international nonregulated power production, energy services, oil and gas reserves, telecommunications, and affordable housing limited partnerships.

We had a total equity investment in KLT of \$99 million as of March 31, 1997, and expect that investment to grow to about \$210 million within the next five years. KLT's consolidated assets at March 31, 1997, totaled \$293 million. Within the next five years we expect KLT consolidated assets of about \$800 million, generated through the \$210 million of equity investment, subsidiary retained earnings and borrowings. The growth of KLT accounts for the majority of the increase in KCPL's consolidated investments and nonutility property.

RESULTS OF OPERATIONS

Three-month period: three months ended March 31, 1997, compared with three months ended March 31, 1996

Twelve-month period: twelve months ended March 31, 1997, compared with twelve months ended March 31, 1996

EARNINGS OVERVIEW

Earnings Per Share (EPS)
For the Periods Ended March
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	1997	1996	Decrease
Three months ended	\$(0.26)	\$0.38	\$(0.64)
Twelve months ended	\$1.05	\$1.94	\$(0.89)

KCPL's pursuit of its strategic options resulted in the September 1996 termination of a merger agreement with UtiliCorp United Inc. (UtiliCorp) and the February 1997 announcement of our agreement to combine with Western Resources. These actions triggered KCPL's payment of \$53 million to UtiliCorp under provisions of that agreement, lowering EPS for the three-month period by \$0.52. Continued implementation of rate reductions approved by the MPSC in July 1996 also lowered EPS for the three-month period by an estimated \$0.11.

The decrease in EPS for the twelve-month period reflects the payment to UtiliCorp (\$0.52), the estimated twelve-month impact of the Missouri rate reduction (\$0.14), and merger costs expensed in the second and third quarters of 1996 (\$0.31). Mild summer temperatures and an increase in depreciation expense also had a negative impact on EPS for the twelve-month period. Factors contributing positively to EPS for the twelve-month period included continued load growth and an increase in bulk power sales.

MEGAWATT-HOUR (MWH) SALES AND OPERATING REVENUES

Sales and revenue data:

	Increase (Decrease) from Prior Year			
	Three-Month Period		Twelve-Month Period	
	Mwh	Revenues (millions)	Mwh	Revenues (millions)
Retail sales:				
Residential	0%	\$ (3)	(2%)	\$ (9)
Commercial	1%	(8)	3%	(3)
Industrial	(1%)	(3)	5%	-
Other	(1%)	-	(3%)	-
Total retail	0%	(14)	2%	(12)
Sales for resale:				
Bulk power sales	19%	2	14%	13
Other	32%	-	35%	-
Total		(12)		1
Other revenues		-		(3)
Total electric operating revenues		\$ (12)		\$ (2)

During 1996 the MPSC approved a new stipulation and agreement authorizing a \$20 million revenue reduction in two phases, and an increase in depreciation and amortization expense by \$9 million per year. In July 1996 we implemented phase one of the revenue reduction designed to reduce revenues from commercial and industrial customers by an estimated \$9 million per year. This decrease is achieved with an increase in summer revenues offset by a larger decrease in winter revenues. This design more closely follows our increased costs of generating electricity in the summer. The second phase of this stipulation, implemented January 1, 1997, further reduces Missouri residential, commercial and industrial revenues by an estimated \$11 million per year. The effect of the stipulation lowered revenues for the three-month period by about \$11 million, and the twelve-month period by about \$14 million.

These rate reductions, combined with seasonally lower sales in March 1997 versus December 1996, resulted in a lower accounts receivable balance at March 31, 1997, compared with December 31, 1996.

These rate reductions are the main reason retail revenues decreased 7% for the three-month period on relatively flat mwh sales, and decreased 1% for the twelve-month period despite a 2% increase in mwh sales. Milder weather also decreased retail sales revenue for the three- and twelve-month periods, but this decrease was largely offset by continued load growth.

KCPL has long-term sales contracts with certain major industrial customers. These contracts are tailored to meet customers' needs in exchange for their long-term commitment to purchase energy. Long-term contracts are in place for a large portion of KCPL's industrial sales and more contracts are under negotiation. For the current twelve-month period additional contracts reduced the average mwh price of industrial sales.

Bulk power sales vary with system requirements, generating unit and purchased power availability, fuel costs and the requirements of other electric systems. Wolf Creek's spring 1996 refueling outage (see Wolf Creek section) contributed to lower bulk power sales in the prior three- and twelve-month periods.

Total revenue per mwh sold varies with changes in rate tariffs, the mix of mwh sales among customer classifications and the effect of declining price per mwh as usage increases. An automatic fuel adjustment provision is included in only sales for resale tariffs, which apply to less than 1% of revenues.

Future mwhsales and revenues per mwh will also be affected by

national and local economies, weather and customer conservation efforts. Competition, including alternative sources of energy such as natural gas, cogeneration, IPPs and other electric utilities, may also affect future sales and revenue.

FUEL AND PURCHASED POWER

Combined fuel and purchased power expenses for the three-month period increased only 3% while total mwh sales (total of retail and sales for resale) increased 5%. The difference is due mainly to additional replacement power expense incurred in the prior three-month period during Wolf Creek's spring 1996 refueling outage. That outage began one month early and lasted 19 days longer than planned (see Wolf Creek section).

Combined fuel and purchased power expenses for the twelve-month period increased 7% while total mwh sales increased only 5%. The additional increase in expense is due mainly to a \$6 million increase in capacity purchases. Capacity purchases provide a cost effective alternative to constructing new capacity. This increase is partially offset by a \$2 million decrease in expense from coal inventory adjustments. In addition, the prior twelve-month period includes the additional costs incurred for Wolf Creek's 1996 refueling outage (discussed above) and a 1995 forced generating station outage. During July 1995 a fire forced an outage at LaCygne I, a low-cost, coal-fired generating unit. We replaced the power by increasing the usage of higher-cost, coal-fired units and purchasing power on the wholesale market. Damage to the unit was covered by insurance, but uninsured, incremental fuel and purchased power costs were about \$4 million.

The MMBTU price of nuclear fuel remains substantially less than the MMBTU price of coal, despite increasing 27% for the twelve-month period. Nuclear fuel costs averaged 61% of the price of coal during the current twelve months compared with 46% during the prior twelve-month period. We expect this relationship and the price of nuclear fuel to remain fairly constant through the year 2001. During both twelve-month periods, coal represented about 75% of generation and nuclear fuel about 25%.

The MMBTU price of coal decreased 4% for the twelve month period. Our coal procurement strategies continue to provide coal costs well below the regional average. We expect coal costs to remain fairly consistent with current levels through 2001.

OTHER OPERATION AND MAINTENANCE EXPENSES

Combined other operation and maintenance expenses for the three- and twelve-month periods varied slightly, due largely to the timing of scheduled maintenance programs.

We continue to emphasize new technologies, improved methods and cost control. We are changing processes to provide increased efficiencies and improved operations. Through the use of cellular technology, a majority of customer meters are read automatically.

DEPRECIATION AND AMORTIZATION

The increase in depreciation expense for the three- and twelve-month periods reflects the implementation of the Missouri stipulation and agreement discussed in the revenue section as well as normal increases in depreciation from capital additions. The Missouri stipulation and agreement, effective July 1, 1996, authorized a \$9 million annual increase in depreciation expense at about the same time the Missouri portion of Deferred Wolf Creek costs became fully amortized in December 1996. This amortization totaled about \$9 million per year.

The Kansas portion of Deferred Wolf Creek costs will be fully amortized in the second quarter of 1997, removing all regulatory assets created from the completion of Wolf Creek construction in 1985. Amortization of the Kansas portion of this asset totaled about \$3 million per year.

INCOME TAXES

The decrease in operating income taxes for the three-month period reflects lower taxable operating income. The decrease for the twelve-month period reflects lower taxable operating income, adjustments

necessary to reflect the filing of the 1995 tax returns and the settlement with the Internal Revenue Service regarding tax issues included in the 1985 through 1990 tax returns.

OTHER INCOME

Miscellaneous Income

Miscellaneous income for the prior twelve-month period included an adjustment to reduce a 1995 gain from the sale of steel railcars by \$3 million. The adjustment was based on a recalculation of the cars' net cost. Miscellaneous income for the current three- and twelve-month periods includes increased revenues from subsidiary operations.

Miscellaneous Deductions

Miscellaneous deductions for the three- and twelve-month periods increased due to a \$53 million payment to UtiliCorp in February 1997. The September 1996 termination of the UtiliCorp merger agreement and the February 1997 announcement of our agreement to combine with Western Resources, triggered the payment to UtiliCorp under provisions of the UtiliCorp merger agreement. The twelve-month period also reflects \$31 million in merger related costs incurred in the second and third quarters of 1996; these costs consist of \$13 million in previously deferred merger costs expensed as a result of terminating the merger agreement with UtiliCorp, a \$5 million termination fee paid upon termination, and \$13 million in costs to defend against Western Resources' unsolicited exchange offer.

Both periods reflect increased subsidiary operating and investing activities. Total subsidiary expenses, including interest charges discussed below, are substantially offset by related tax benefits.

Income Taxes

Income tax reductions for the three- and twelve-month periods increased primarily due to the increases in miscellaneous deductions discussed above. Additionally, during the first quarter of 1997 we accrued tax credits of \$6 million, or one-fourth of the total expected 1997 credits, related to affordable housing partnership investments and oil and gas investments. This is an increase of \$3 million compared with the tax credits accrued during the first quarter of 1996. Tax credits from the investments in affordable housing more than offset the increase in interest expense incurred from these investments. Non-taxable increases in the cash surrender value of corporate-owned life insurance contracts also affected the relationship between miscellaneous deductions and income taxes.

INTEREST CHARGES

The increase in long-term interest expense for the three- and twelve-month periods reflect higher average levels of long-term debt outstanding. The higher levels of debt resulted mainly from additional financing by KLT to support expanding subsidiary operations and new investments in unregulated ventures.

We use interest rate swap and cap agreements to limit the interest expense on a portion of our variable-rate long-term debt. We do not use derivative financial instruments for trading or other speculative purposes. Although these agreements are an integral part of our interest rate management, their incremental effect on interest expense and cash flows is not significant.

WOLF CREEK

Wolf Creek is one of KCPL's principal generating units representing about 18% of accredited generating capacity. The plant's operating performance has remained strong, contributing about 25% of annual mwh generation while operating at an average capacity of 88% over the last three years. It has the lowest fuel cost per MMBTU of any of KCPL's generating units.

Wolf Creek's eighth scheduled refueling and maintenance outage began in early February 1996 and was completed in April 1996 (64 days). The incremental operating, maintenance and replacement power costs are accrued evenly over the unit's operating cycle, normally 18 months. As actual outage expenses are incurred, the refueling

liability and related deferred tax asset are reduced. The eighth outage started one month early when the plant was shut down after water flow from the cooling lake was restricted by ice buildup on an intake screen. This extended the length of the outage and was the primary reason for the increase in Wolf Creek related replacement power and maintenance expenses in 1996. Wolf Creek's ninth refueling and maintenance outage is scheduled for the fall of 1997.

Currently, no major equipment replacements are expected, but an extended shut-down of Wolf Creek could have a substantial adverse effect on KCPL's business, financial condition and results of operations. Higher replacement power and other costs would be incurred as a result. Although not expected, an unscheduled plant shut-down could be caused by actions of the Nuclear Regulatory Commission reacting to safety concerns at the plant or other similar nuclear units. If a long-term shut-down occurred, the state regulatory commissions could consider reducing rates by excluding the Wolf Creek investment from rate base.

Ownership and operation of a nuclear generating unit exposes KCPL to risks regarding the cost of decommissioning the unit at the end of its life and to potential retrospective assessments and property losses in excess of insurance coverage.

CAPITAL REQUIREMENTS AND LIQUIDITY

See Note 3 to the Consolidated Financial Statements regarding \$150 million in financing obtained by KCPL in April 1997. Other liquid resources of KCPL at March 31, 1997, included cash flows from operations; \$300 million of registered but unissued, unsecured medium-term notes and \$359 million of unused bank lines of credit. The unused lines consisted of KCPL's short-term bank lines of credit of \$296 million and KLT's long-term revolving line of credit of \$63 million.

KCPL continued to generate positive cash flows from operating activities despite the significant decreases in net income for the three- and twelve-month periods. Cash flow variances from changes in working capital items vary with normal business cycles and operations including the timing of receipts and payments. The timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel.

The decrease in accrued taxes from December 31, 1996, to March 31, 1997, mainly reflects the decrease in taxable income during the first three months of 1997. This decrease is partially offset by the loss of accelerated depreciation on significant plant assets. Accelerated depreciation lowers tax payments in the earlier years of an asset's life while increasing deferred tax liabilities; this relationship reverses in the later years of an asset's life. Our last significant generating plant addition was the completion of Wolf Creek in 1985. We expect property tax requirements to decrease about \$3 million in 1997 based on changes in Kansas laws.

The \$8.9 million incurred to repair damages from an October 1996 snow storm lowered cash flows from operating activities for the twelve-month period. Amortization of these costs over five years began in 1997.

Cash used in investing activities varies with the timing of utility capital expenditures and KLT's purchases of investments and nonutility properties. KLT closed several investments during the first three months of 1997, increasing Investments and Nonutility Property on the Consolidated Balance Sheet by approximately \$76 million. These include a 12% ownership interest in the largest fossil-fuel generator in Argentina and an ownership interest in Digital Teleport, Inc. (DTI). DTI is constructing a state of the art, fiber optic network throughout the region in anticipation of increased local and long distance telephone competition. As part of the DTI transaction, KLT converted a \$9 million note receivable to the investment in DTI, lowering Other Receivables on the Consolidated Balance Sheet. The increase in nonutility properties in the twelve-month period resulted mainly from KLT's purchase of certain oil and gas projects during 1996.

As discussed in Note 2 to the Consolidated Financial Statements, the market value of KLT's investment in securities available for sale decreased during the first three months of 1997. This decrease is reflected in the Unrealized Gain on Securities Available for Sale in the Consolidated Balance Sheet.

The \$53 million payment to UtiliCorp and KLT's purchases of investments and nonutility properties were financed mostly through additional long-term and short-term borrowings. As discussed in Note 3 to the Consolidated Financial Statements, a majority of the short-term borrowings during the first three months of 1997 were refinanced with long-term obligations during April 1997.

KCPL's common dividend payout ratio was 153% for the current twelve-month period and 80% for the prior twelve-month period. The increase in the payout ratio is due mainly to the significant merger related expenses in the current twelve-month period.

Day-to-day operations, utility construction requirements and dividends are expected to be met with internally-generated funds. Uncertainties affecting our ability to meet these requirements with internally-generated funds include the effect of inflation on operating expenses, the level of mwh sales, regulatory actions, compliance with future environmental regulations, the availability of generating units, and the outcome of pending legal proceedings (see Note 4 to the Consolidated Financial Statements). The funds needed for the retirement of \$386 million of maturing debt through the year 2001 will be provided from operations, refinancings or short-term debt. We might incur additional debt and/or issue additional equity to finance growth or take advantage of new opportunities.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

4-a Amended and Restated Declaration of Trust of KCPL Financing I dated April 15, 1997

4-b Indenture dated as of April 1, 1997 between the Company and The First National Bank of Chicago, Trustee

4-c First Supplemental Indenture dated as of April 1, 1997 to the Indenture dated as of April 1, 1997 between the Company and The First National Bank of Chicago, Trustee

4-d Preferred Securities Guarantee Agreement dated April 15, 1997

27 Financial Data Schedule (for the three months ended March 31, 1997)

(b) Reports on Form 8-K

A report on Form 8-K was filed with the Securities and Exchange Commission on February 11, 1997, with attached copy of the Agreement and Plan of Merger dated as of February 7, 1997, between the Company and Western Resources, Inc.

A report on Form 8-K was filed with the Securities and Exchange Commission on April 3, 1997, with attached copies of the following: 1) Statement re Computation of Ratios of Earnings to Fixed Charges and Ratios of Earnings to Fixed Charges and Preferred Dividend Requirements; 2) Western Resources Annual Report on Form 10-K for the year ended December 31, 1996; 3) Western Resources Current Report on Form 8-K dated April 1, 1997; 4) Western Resources Proxy Statement dated March 27, 1996 for the 1996 Annual Meeting of Shareholders held on May 7, 1996.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

KANSAS CITY POWER & LIGHT COMPANY

Dated: May 9, 1997

/s/ Drue Jennings
(Drue Jennings)
(Chief Executive Officer)

Dated: May 9, 1997

/s/ Neil Roadman
(Neil Roadman)
(Principal Accounting Officer)

AMENDED AND RESTATED DECLARATION OF TRUST

KCPL FINANCING I

Dated as of April 15, 1997

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CROSS-REFERENCE TABLE*

SECTION OF TRUST INDENTURE ACT OF 1939, AS AMENDED	SECTION OF DECLARATION
310(a)	5.3(a)
310(b)	5.3(c)
310(c)	Inapplicable
311(c)	Inapplicable
312(a)	2.2(a)
312(b)	2.2(b)
313	2.3
314(a)	2.4
314(b)	Inapplicable
314(c)	2.5
314(d)	Inapplicable
314(f)	Inapplicable
315(a)	3.9(b)
315(b)	2.8
315(c)	3.9(a)
315(d)	3.9(a)
316(a)	Exhibit A, 2.6
316(c)	3.6(e)

* This Cross-Reference Table does not constitute part of the Declaration and shall not affect the interpretation of any of its terms or provisions.

EXHIBIT A
TERMS OF SECURITIES

EXHIBIT B
PREFERRED SECURITIES GUARANTEE

EXHIBIT C
PURCHASE AGREEMENT

-v-

AMENDED AND RESTATED DECLARATION OF TRUST
OF
KCPL FINANCING I

THIS AMENDED AND RESTATED DECLARATION OF TRUST ("Declaration"), dated and effective as of April 15, 1997, by the Trustees (as defined herein), the Sponsor (as defined herein), and by the holders, from time to time, of undivided beneficial interests in the Trust to be issued pursuant to this Declaration;

W I T N E S S E T H:

WHEREAS, certain of the Trustees and the Sponsor have heretofore established a trust (the "Trust") under the Business Trust Act (as defined herein) pursuant to a Declaration of Trust dated December 10, 1996 (the "Original Declaration") for the sole purpose of issuing and selling certain securities representing undivided beneficial interests in the assets of the Trust and investing the proceeds thereof in certain Subordinated Debentures of the Subordinated Debenture Issuer;

WHEREAS, all the Trustees and the Sponsor, by this Declaration, amend and restate each and every term and provision of the Original Declaration;

NOW, THEREFORE, it being the intention of the parties hereto to continue the Trust as a business trust under the Business Trust Act and that this Declaration constitute the governing instrument of such business trust, the Trustees declare that all assets contributed to the Trust will be held in trust for the benefit of the holders, from time to time, of the securities representing undivided beneficial interests in the assets of the Trust issued hereunder, subject to the provisions of this Declaration.

ARTICLE I
INTERPRETATION AND DEFINITIONS

SECTION 1.1. DEFINITIONS. Capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1. A term defined anywhere in this Declaration has the same meaning throughout. A term defined in the Trust Indenture Act has the same meaning when used in this Declaration unless otherwise defined in this Declaration or unless the context otherwise requires.

AFFILIATE:

The term "Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act or any successor rule thereunder.

AUTHORIZED OFFICER:

The term "Authorized Officer" of a Person means any Person that is authorized to bind such Person.

BOOK ENTRY INTEREST:

The term "Book Entry Interest" means a beneficial interest in a Global Certificate, ownership and transfers of which shall be maintained and made through book entries by a Clearing Agency as described in Section 9.4.

BUSINESS DAY:

The term "Business Day" means any day other than a day on which banking institutions in Chicago, Illinois or New York, New York are authorized or required by law to close.

BUSINESS TRUST ACT:

The term "Business Trust Act" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. Section 3801 ET SEQ., as it may be amended from time to time.

CERTIFICATE:

The term "Certificate" means a Common Security Certificate or a Preferred Security Certificate.

CLEARING AGENCY:

The term "Clearing Agency" means an organization registered as a "Clearing Agency" pursuant to Section 17A of the Exchange Act that is acting as depository for the Preferred Securities and in whose name, or in the name of a nominee of that organization, shall be registered a Global Certificate and which shall undertake to effect book entry transfers and pledges of the Preferred Securities.

CLEARING AGENCY PARTICIPANT:

The term "Clearing Agency Participant" means a broker, dealer, bank, other financial institution or other Person for whom, from time to time, the Clearing Agency effects book entry transfers and pledges of securities deposited with the Clearing Agency.

CLOSING DATE:

The term "Closing Date" means April 15, 1997.

CODE:

The term "Code" means the Internal Revenue Code of 1986.

COMMON SECURITY:

The term "Common Security" has the meaning specified in Section 7.1.

COMMON SECURITY CERTIFICATE:

The term "Common Security Certificate" means a definitive certificate in fully registered form representing a Common Security substantially in the form of Annex II to Exhibit A.

COVERED PERSON:

The term "Covered Person" means:

(a) any officer, director, shareholder, partner, member, representative, employee or agent of:

- (i) the Trust; or
- (ii) the Trust's Affiliates; and
- (b) any Holder of Securities.

DEBENTURE ISSUER:

The term "Debenture Issuer" means KCPL, in its capacity as the issuer of the Subordinated Debentures.

DEBENTURE TRUSTEE:

The term "Debenture Trustee" means The First National Bank of Chicago, as trustee under the Indenture, until a successor

is appointed thereunder and thereafter means such successor trustee.

DELAWARE TRUSTEE:

The term "Delaware Trustee" has the meaning set forth in Section 5.2.

DEFINITIVE PREFERRED SECURITY CERTIFICATES:

The term "Definitive Preferred Security Certificates" has the meaning set forth in Section 9.4.

DIRECTION:

The term "Direction" by a Person means a written direction signed:

(a) if the Person is a natural person, by that Person; or

(b) in any other case, in the name of such Person by one or more Authorized Officers of that Person.

DISTRIBUTION:

The term "Distribution" means a distribution payable to Holders of Securities in accordance with Section 6.1.

DTC:

The term "DTC" means The Depository Trust Company, the initial Clearing Agency.

EVENT OF DEFAULT:

The term "Event of Default" in respect of the Securities means an Indenture Default has occurred and is continuing in respect of the Subordinated Debentures.

EXCHANGE ACT:

The term "Exchange Act" means the Securities Exchange Act of 1934.

GLOBAL CERTIFICATE:

The term "Global Certificate" has the meaning set forth in Section 9.4.

HOLDER:

The term "Holder" means the Person in whose name a Certificate representing a Security is registered, such Person being a beneficial owner within the meaning of the Business Trust Act; provided, however, that in determining whether Holders of the requisite liquidation amount of Preferred Securities have voted on any matter provided for in this Declaration, then for the purpose of such determination only (and not for any other purpose hereunder), if the Preferred Securities remain in the form of one or more Global Certificates, the term "Holder" shall mean the holder of the Global Certificate acting at the direction of the Preferred Security Beneficial Owners.

INDEMNIFIED PERSON:

The term "Indemnified Person" means any Trustee, any Affiliate of any Trustee, or any officers, directors, shareholders, members, partners, employees, representatives or agents of any Trustee, or any employee or agent of the Trust or its Affiliates.

INDENTURE:

The term "Indenture" means the Indenture dated as of April 1, 1997 between the Debenture Issuer and the Debenture Trustee, and any amendment thereto and any indenture supplemental thereto pursuant to which the Subordinated Debentures are to be issued.

INDENTURE DEFAULT:

The term "Indenture Default" means an "Event of Default" as such term is defined in the Indenture.

INVESTMENT COMPANY:

The term "Investment Company" means an investment company as defined in the Investment Company Act.

INVESTMENT COMPANY ACT:

The term "Investment Company Act" means the Investment Company Act of 1940.

KCPL:

The term "KCPL" means Kansas City Power & Light Company, a Missouri corporation, or any successor entity in a merger or consolidation.

LEGAL ACTION:

The term "Legal Action" has the meaning set forth in Section 3.6(g).

MAJORITY IN LIQUIDATION AMOUNT OF THE SECURITIES:

The term "Majority in liquidation amount of the Securities" means, except as provided in the terms of the Preferred Securities or the Trust Indenture Act, Holder(s) of outstanding Securities voting together as a single class or, as the context may require, Holder(s) of outstanding Preferred Securities or outstanding Common Securities voting separately as a class, representing more than 50% of the aggregate stated liquidation amount (including the stated amount that would be paid on redemption, liquidation or maturity, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Securities of such class.

OFFICERS' CERTIFICATE:

The term "Officers' Certificate" means, with respect to any Person, a certificate signed by two Authorized Officers of such Person. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Declaration shall include:

(a) a statement that each such officer signing the Certificate has read the covenant or condition and the definition(s) relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each such officer in rendering the Certificate;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

PAYING AGENT:

The term "Paying Agent" has the meaning specified in Section 3.8(i).

PERSON:

The term "Person" means any individual, corporation, partnership, limited liability company, joint venture, joint stock company, unincorporated association or government or any agency or political subdivision thereof, or any other entity of whatever nature.

PREFERRED SECURITIES GUARANTEE:

The term "Preferred Securities Guarantee" means the Preferred Securities Guarantee Agreement to be dated as of April 15, 1997 of the Sponsor in respect of the Preferred Securities in the form of Exhibit B.

PREFERRED SECURITY:

The term "Preferred Security" has the meaning specified in Section 7.1.

PREFERRED SECURITY BENEFICIAL OWNER:

The term "Preferred Security Beneficial Owner" means, with respect to a Book Entry Interest, a Person who is the beneficial owner of such Book Entry Interest, as reflected on the books of the Clearing Agency, or on the books of a Person maintaining an account with such Clearing Agency (directly as a Clearing Agency Participant or as an indirect participant, in each case in accordance with the rules of such Clearing Agency).

PREFERRED SECURITY CERTIFICATE:

The term "Preferred Security Certificate" means a certificate representing a Preferred Security substantially in the form of Annex I to Exhibit A.

PROPERTY TRUSTEE:

The term "Property Trustee" means the Trustee meeting the eligibility requirements set forth in Section 5.3.

PROPERTY TRUSTEE ACCOUNT:

The term "Property Trustee Account" has the meaning set forth in Section 3.8(c)(i).

QUORUM:

The term "Quorum" means a majority of the Regular Trustees or, if there are only two Regular Trustees, both of them.

REGULAR TRUSTEE:

The term "Regular Trustee" means any Trustee other than the Property Trustee and the Delaware Trustee.

RELATED PARTY:

The term "Related Party" means, with respect to the Sponsor, any direct or indirect wholly owned subsidiary of the Sponsor or any other Person which owns, directly or indirectly, 100% of the outstanding voting securities of the Sponsor.

RESPONSIBLE OFFICER:

The term "Responsible Officer", when used with respect to the Property Trustee, means the chairman of the board of directors, the President, any Vice President, the Secretary, the Treasurer, any trust officer or, any corporate trust officer or any other officer or assistant officer of the Property Trustee customarily performing functions similar to those performed by any of the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of that officer's knowledge of and familiarity with the particular subject.

RULE 3a-5:

The term "Rule 3a-5" means Rule 3a-5 under the Investment Company Act.

SECURITIES:

The term "Securities" mean the Common Securities and the Preferred Securities.

SECURITIES ACT:

The term "Securities Act" means the Securities Act of 1933, as amended.

66-2/3% IN LIQUIDATION AMOUNT OF THE SECURITIES:

The term "66-2/3% in liquidation amount of the Securities" means, except as provided in the terms of the Preferred Securities or the Trust Indenture Act, Holder(s) of outstanding Securities voting together as a single class or, as the context may require, Holder(s) of outstanding Preferred Securities or outstanding Common Securities, voting separately as a class, representing 66-2/3% of the aggregate stated liquidation amount (including the stated amount that would be paid on redemption, liquidation or maturity, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Securities of such class.

SPONSOR:

The term "Sponsor" means KCPL, in its capacity as sponsor of the Trust, and its successor or successors by merger, consolidation or purchase of all or substantially all of its assets.

SUBORDINATED DEBENTURES:

The term "Subordinated Debentures" means the series of Subordinated Debentures to be issued by the Debenture Issuer under the Indenture to the Property Trustee for the benefit of the Trust and the Holders.

SUCCESSOR PROPERTY TRUSTEE:

The term "Successor Property Trustee" means a successor Trustee possessing the qualifications to act as Property Trustee under Section 5.3(a).

10% IN LIQUIDATION AMOUNT OF THE SECURITIES:

The term "10% in liquidation amount of the Securities" means, except as provided in the terms of the Preferred Securities or the Trust Indenture Act, Holder(s) of outstanding Securities voting together as a single class or, as the context may require, Holder(s) of outstanding Preferred Securities or outstanding Common Securities, voting separately as a class, representing 10% of the aggregate stated liquidation amount (including the stated amount

that would be paid on redemption, liquidation or maturity, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Securities of such class.

TAX EVENT:

The term "Tax Event" means a "Tax Event" as defined in the Indenture.

TREASURY REGULATIONS:

The term "Treasury Regulations" means the income tax regulations including temporary and proposed regulations, promulgated under the Code by the United States Treasury Department, as amended.

TRUSTEE OR TRUSTEES:

The terms "Trustee" or "Trustees" means each Person who has signed this Declaration as a trustee, so long as such Person shall continue in office in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and serving as Trustees in accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

TRUST INDENTURE ACT:

The term "Trust Indenture Act" means the Trust Indenture Act of 1939.

UNDERWRITING AGREEMENT:

The term "Underwriting Agreement" means the Underwriting Agreement for the offering and sale of Preferred Securities in the form of Exhibit C.

SECTION 1.2. INTERPRETATION. Each definition in this Declaration includes the singular and the plural, and references to the neuter gender include the masculine and feminine where appropriate. Terms which relate to accounting matters shall be interpreted in accordance with generally accepted accounting principles in effect from time to time. References to any statute mean such statute as amended at the time and include any successor legislation. The word "or" is not exclusive, and the words "herein," "hereof" and "hereunder" refer to this Declaration as a

whole. The headings to the Articles and Sections are for convenience of reference and shall not affect the meaning or interpretation of this Declaration. References to Articles, Sections, Annexes and Schedules mean the Articles, Sections, Annexes and Schedules of this Declaration. The Annexes, if any, and Schedules are hereby incorporated by reference into and shall be deemed a part of this Declaration.

ARTICLE II
TRUST INDENTURE ACT

SECTION 2.1. TRUST INDENTURE ACT; APPLICATION. (a) This Declaration is subject to the provisions of the Trust Indenture Act that are required to be part of this Declaration and shall, to the extent applicable, be governed by such provisions.

(b) The Property Trustee shall be the only Trustee which is a trustee for the purposes of the Trust Indenture Act. If and to the extent that any provision of this Declaration limits, qualifies or conflicts with the duties imposed by sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

(c) The application of the Trust Indenture Act to this Declaration shall not affect the nature of the Securities as equity securities representing undivided beneficial interests in the assets of the Trust.

SECTION 2.2. LISTS OF HOLDERS OF SECURITIES. (a) Each of the Sponsor and the Regular Trustee(s) on behalf of the Trust shall provide the Property Trustee (i) within fourteen (14) days after each record date for payment of Distributions a list, in such form as the Property Trustee may reasonably require, of the names and addresses of the Holders of the Securities ("List of Holders") as of such record date, PROVIDED that none of the Sponsor or the Regular Trustees on behalf of the Trust shall be obligated to provide such List of Holders at any time the List of Holders does not differ from the most recent List of Holders given to the Property Trustee by the Sponsor and the Regular Trustees on behalf of the Trust, and (ii) at any other time, within thirty (30) days of receipt by the Trust of a written request for a List of Holders as of a date no more than fourteen (14) days before such List of Holders is given to the Property Trustee. The Property Trustee shall preserve, in as current a form as is reasonably practicable, all information contained in Lists of Holders given to it or which it receives in its capacity as Paying Agent (if acting in such capacity) PROVIDED that the Property Trustee may destroy any List

of Holders previously given to it on receipt of a new List of Holders.

(b) The Property Trustee shall comply with its obligations under sections 311(a), 311(b) and 312(b) of the Trust Indenture Act.

SECTION 2.3. REPORTS BY THE PROPERTY TRUSTEE. Within 60 days after May 15 of each year, the Property Trustee shall provide to the Holders of the Preferred Securities such reports, if any, as are required by Section 313 of the Trust Indenture Act, in the form and in the manner and to the Person or Persons provided by section 313 of the Trust Indenture Act.

SECTION 2.4. PERIODIC REPORTS TO PROPERTY TRUSTEE. Each of the Sponsor and the Regular Trustees on behalf of the Trust shall provide to the Property Trustee such documents, reports and information as required by section 314 (if any) and the compliance certificate as required by section 314 of the Trust Indenture Act.

SECTION 2.5. EVIDENCE OF COMPLIANCE WITH CONDITIONS PRECEDENT. Each of the Sponsor and the Regular Trustees on behalf of the Trust shall provide to the Property Trustee such evidence of compliance with the conditions precedent, if any, provided for in this Declaration which relate to any of the matters set forth in section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.6. EVENTS OF DEFAULT; WAIVER. (a) The Holders of a Majority in liquidation amount of Preferred Securities may, by vote, on behalf of the Holders of all of the Preferred Securities, waive any past Event of Default in respect of the Preferred Securities and its consequences, PROVIDED that if the Event of Default:

(i) is not waivable under the Indenture, the Event of Default under this Declaration shall also not be waivable; or

(ii) requires the consent or vote of greater than a majority in principal amount of the holders of the Subordinated Debentures (a "Super-Majority") to be waived under the Indenture, the Event of Default under this Declaration may only be waived by the vote of the Holders of at least the proportion in liquidation amount of the Preferred Securities that the relevant Super Majority represents to the

aggregate principal amount of the Subordinated Debentures outstanding.

Upon such waiver, any such default shall cease to exist, and any Event of Default with respect to the Preferred Securities arising therefrom shall be deemed to have been cured, for every purpose of this Declaration, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Any waiver by the Holders of the Preferred Securities of an Event of Default with respect to the Preferred Securities shall also be deemed to constitute a waiver by the Holders of the Common Securities of any such Event of Default with respect to the Common Securities for all purposes of this Declaration without any further act, vote, or consent of the Holders of the Common Securities.

(b) The Holders of a Majority in liquidation amount of the Common Securities may, by vote, on behalf of the Holders of all of the Common Securities, waive any past Event of Default in respect of the Common Securities and its consequences, PROVIDED that if the Event of Default:

(i) is not waivable under the Indenture, except where the Holders of the Common Securities are deemed to have waived such Event of Default under this Declaration as provided below, the Event of Default under this Declaration is not waivable; or

(ii) requires the consent or vote of all of the holders of the Subordinated Debentures to be waived, the Event of Default under this Declaration may only be waived by the vote of all of the Holders of the Preferred Securities, PROVIDED that each Holder of Common Securities will be deemed to have waived any such Event of Default and all Events of Default with respect to the Common Securities and its consequences until all Events of Default with respect to the Preferred Securities have been cured, waived or otherwise eliminated and until such Events of Default have been so cured, waived or otherwise eliminated, the Property Trustee will be deemed to be acting solely on behalf of the Holders of the Preferred Securities and only the Holders of the Preferred Securities will have the right to direct the Property Trustee in accordance with the terms of the Securities. Subject to the foregoing proviso, upon such waiver, any such default shall cease to exist, and any Event of Default with respect to the Common Securities arising therefrom shall be deemed to have been cured, for every purpose of this Declaration, but no such waiver shall extend to any subsequent or other default or

Event of Default with respect to the Common Securities or impair any right consequent thereon.

(c) A waiver of an Event of Default under the Indenture by the Property Trustee at the direction of the Holders of the Preferred Securities constitutes a waiver of the corresponding Event of Default under this Declaration.

SECTION 2.7. EVENTS OF DEFAULT; NOTICE. (a) The Property Trustee shall, within 90 days after the occurrence of an Event of Default, transmit by mail, first class postage prepaid, to the Holders of the Securities, notices of all defaults with respect to the Securities known to the Property Trustee, unless such defaults have been cured before the giving of such notice (the term "defaults", for the purposes of this Section 2.7(a), is hereby defined as an Event of Default as defined in the Indenture, not including any periods of grace provided for therein and irrespective of the giving of any notice provided therein); PROVIDED that, except for a default in the payment of the principal of (or the premium, if any) or the interest on any of the Subordinated Debentures or in the payment of any sinking fund installment established for the Subordinated Debentures, the Property Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers, of the Property Trustee in good faith determine that the withholding of such notice is in the interests of the Holders of the Securities.

(b) The Property Trustee shall not be deemed to have knowledge of any default except:

(i) a default arising under Sections 6.01(a)(1) and 6.01(a)(2) of the Indenture; or

(ii) any default as to which the Property Trustee shall have received written notice or of which a Responsible Officer of the Property Trustee charged with the administration of this Declaration shall have obtained written notice.

ARTICLE III ORGANIZATION

SECTION 3.1. NAME. The Trust is named "KCPL Financing I", as such name may be modified from time to time by the Regular Trustees following written notice to the Holders of Securities. The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Regular Trustees.

SECTION 3.2. OFFICE. The address of the principal office of the Trust is 1201 Walnut, Kansas City, Missouri 64106-2124. On ten Business Days written notice to the Holders of Securities, the Regular Trustees may designate another principal office.

SECTION 3.3. PURPOSE. The exclusive purposes and functions of the Trust are (a) to issue and sell Securities and use the proceeds from such sale to acquire the Subordinated Debentures and (b) except as otherwise limited herein, to engage in only those other activities necessary or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments, pledge any of its assets, or otherwise undertake (or permit to be undertaken) any activity that would cause the Trust not to be classified for United States federal income tax purposes as a grantor trust.

SECTION 3.4. AUTHORITY. Subject to the limitations provided in this Declaration and to the specific duties of the Property Trustee, the Regular Trustees shall have exclusive and complete authority to carry out the purposes of the Trust. An action taken by the Regular Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust, and an action taken by the Property Trustee in accordance with its powers shall constitute the act of and serve to bind the Trust. In dealing with a Trustee or the Trustees acting on behalf of the Trust, no Person shall be required to inquire into the authority of such Trustee or Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of a Trustee or the Trustees as set forth in this Declaration.

SECTION 3.5. TITLE TO PROPERTY OF THE TRUST. Except as provided in Section 3.8 with respect to the Subordinated Debentures and the Property Trustee Account or as otherwise provided in this Declaration, legal title to all assets of the Trust shall be vested in the Trust. The Holders shall not have legal title of any part of the assets of the Trust, but shall have an undivided beneficial interest in the assets of the Trust.

SECTION 3.6. POWERS AND DUTIES OF THE REGULAR TRUSTEES. The Regular Trustees shall have the exclusive power and authority and duty to cause the Trust to engage in the following activities:

(a) to issue and sell the Preferred Securities and the Common Securities in accordance with this Declaration; PROVIDED, HOWEVER, that the Trust may issue no more than one series of Preferred Securities and no more than one series of

Common Securities, and, PROVIDED FURTHER, there shall be no interests in the Trust other than the Securities and the issuance of Securities shall be limited to a one-time, simultaneous issuance of both Preferred Securities and Common Securities on the Closing Date;

(b) in connection with the issue and sale of the Preferred Securities, at the direction of the Sponsor, to:

(i) execute and file with the Securities and Exchange Commission (the "Commission") the registration statement on Form S-3 prepared by the Sponsor in relation to the Preferred Securities, including any amendments thereto prepared by the Sponsor;

(ii) execute and file any documents prepared by the Sponsor, or take any acts as determined by the Sponsor as necessary in order to qualify or register all or part of the Preferred Securities in any state in which the Sponsor has determined to qualify or register such Preferred Securities for sale;

(iii) execute and file an application prepared by the Sponsor to the New York Stock Exchange, Inc. or any other national stock exchange or the Nasdaq Stock Market's National Market for listing upon notice of issuance of any Preferred Securities;

(iv) execute and file with the Commission a registration statement on Form 8-A prepared by the Sponsor relating to the registration of the class of Preferred Securities under Section 12(b) of the Exchange Act, including any amendments thereto prepared by the Sponsor; and

(v) execute and enter into the Underwriting Agreement providing for the sale of the Preferred Securities;

(c) to acquire the Subordinated Debentures with the proceeds of the sale of the Preferred Securities and the Common Securities; PROVIDED, HOWEVER, that the Regular Trustees shall cause legal title to the Subordinated Debentures to be held of record in the name of the Property Trustee for the benefit of the Trust and the Holders of the Preferred Securities and the Holders of the Common Securities;

(d) to give the Sponsor and the Property Trustee prompt written notice of the occurrence of a Tax Event, PROVIDED that the Regular Trustees shall consult with the Sponsor and the Property Trustee before taking any Ministerial Action in relation to a Tax Event;

(e) to establish a record date with respect to all actions to be taken hereunder that require a record date to be established, including for the purposes of section 316(c) of the Trust Indenture Act and with respect to Distributions, voting rights, redemptions and exchanges, and to issue relevant notices to the Holders of Preferred Securities and the Holders of Common Securities as to such actions and applicable record dates;

(f) to take all actions and perform such duties as may be required of the Regular Trustees pursuant to the terms of the Securities;

(g) to bring or defend, pay, collect, compromise, arbitrate, resort to legal action, or otherwise adjust claims or demands of or against the Trust ("Legal Action"), unless pursuant to Section 3.8(f), the Property Trustee has the exclusive power to bring such Legal Action;

(h) to employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors and consultants and pay reasonable compensation for such services;

(i) to cause the Trust to comply with the Trust's obligations under the Trust Indenture Act;

(j) to give the certificate to the Property Trustee required by section 314(a)(4) of the Trust Indenture Act, which certificate may be executed by any Regular Trustee;

(k) to incur expenses which are necessary or incidental to carry out any of the purposes of the Trust;

(l) to act as, or appoint another Person to act as, transfer agent for the Securities;

(m) to give prompt written notice to the Holders of the Securities of any notice received from the Debenture Issuer of its election (i) to defer payments of interest on the Subordinated Debentures by extending the interest payment period under the Indenture or (ii) to shorten the scheduled maturity date on the Subordinated Debentures;

(n) to execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing;

(o) to take all action which may be necessary or appropriate for the preservation and the continuation of the Trust's valid existence, rights, franchises and privileges as a statutory business trust under the laws of the State of Delaware and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Holders of the Securities or to enable the Trust to effect the purposes for which the Trust was created;

(p) to take any action, not inconsistent with this Declaration or with applicable law, which the Regular Trustees determine in their discretion to be necessary or desirable in carrying out the activities of the Trust as set out in this Section 3.6 including, but not limited to:

(i) causing the Trust not to be deemed to be an Investment Company required to be registered under the Investment Company Act;

(ii) causing the Trust to be characterized for United States federal income tax purposes as a grantor trust and causing each Holder of Securities to be treated as owning an undivided beneficial interest in the Subordinated Debentures; and

(iii) co-operating with the Debenture Issuer to ensure that the Subordinated Debentures will be treated as indebtedness of the Debenture Issuer for United States federal income tax purposes,

PROVIDED that such action does not adversely affect the interests of the Holders; and

(q) to take all action necessary to cause all applicable tax returns and tax information reports that are required to be filed with respect to the Trust to be duly prepared and filed by the Regular Trustees, on behalf of the Trust.

The Regular Trustees must exercise the powers set forth in this Section 3.6 in a manner which is consistent with the purposes and functions of the Trust set out in Section 3.3 and the Regular Trustees shall not take any action which is inconsistent with the purposes and functions of the Trust set forth in Section 3.3.

Subject to this Section 3.6, the Regular Trustees shall have none of the powers or the authority of the Property Trustee set forth in Section 3.8.

SECTION 3.7. PROHIBITION OF ACTIONS BY THE TRUST AND THE TRUSTEES. The Trust shall not, and the Trustees (including the Property Trustee) shall cause the Trust not to, engage in any activity other than as required or authorized by this Declaration. In particular, the Trust shall not, and the Trustees (including the Property Trustee) shall cause the Trust not to:

(i) invest any proceeds received by the Trust from holding the Subordinated Debentures but shall distribute all such proceeds to Holders of Securities pursuant to the terms of this Declaration and of the Securities;

(ii) acquire any assets other than as expressly provided herein;

(iii) possess Trust property for other than a Trust purpose;

(iv) make any loans or incur any indebtedness other than loans represented by the Subordinated Debentures;

(v) possess any power or otherwise act in such a way as to vary the Trust assets or the terms of the Securities in any way whatsoever;

(vi) issue any securities or other evidences of beneficial ownership of, or beneficial interest in, the Trust other than the Securities; or

(vii) consent to the modification of the Subordinated Debentures or any other asset of the Trust, unless the Trust shall have received an opinion of counsel to the effect that such modification will not cause more than an insubstantial risk that for United States federal income tax purposes the Trust will not be characterized as a grantor trust.

SECTION 3.8. POWERS AND DUTIES OF THE PROPERTY TRUSTEE. (a) The legal title to the Subordinated Debentures shall be owned by and held of record in the name of the Property Trustee in trust for the benefit of the Trust and the Holders of the Securities. The right, title and interest of the Property Trustee to the Subordinated Debentures shall vest automatically in each Person who may hereafter be appointed as Property Trustee as set forth in Section 5.6. Such vesting and cessation of title shall be

effective whether or not conveyancing documents with respect to the Subordinated Debentures have been executed and delivered.

(b) The Property Trustee shall not transfer its right, title and interest in the Subordinated Debentures to the Regular Trustees or to the Delaware Trustee (if the Property Trustee does not also act as Delaware Trustee).

(c) The Property Trustee shall:

(i) establish and maintain a segregated non-interest bearing bank account (the "Property Trustee Account") in the name of and under the exclusive control of the Property Trustee on behalf of the Holders of the Securities and, upon the receipt of payments of funds made in respect of the Subordinated Debentures held by the Property Trustee, deposit such funds into the Property Trustee Account and make payments to the Holders of the Preferred Securities and the Holders of the Common Securities from the Property Trustee Account in accordance with Section 6.1. Funds in the Property Trustee Account shall be held uninvested until disbursed in accordance with this Declaration. The Property Trustee Account shall be an account which is maintained with a banking institution the rating on whose long-term unsecured indebtedness is at least equal to the rating assigned to the Preferred Securities by a "nationally recognized statistical rating organization", as that term is defined for purposes of Rule 436(g)(2) under the Securities Act;

(ii) engage in such ministerial activities as shall be necessary or appropriate to effect the redemption of the Preferred Securities and the Common Securities to the extent the Subordinated Debentures are redeemed or mature; and

(iii) upon notice of distribution issued by the Regular Trustees in accordance with the terms of the Preferred Securities and the Common Securities, engage in such ministerial activities as shall be necessary or appropriate to effect the distribution of the Subordinated Debentures to Holders of Securities upon the liquidation and dissolution of the Trust.

(d) The Property Trustee shall take all actions and perform such duties as may be specifically required of the Property Trustee pursuant to the terms of the Securities.

(e) The Property Trustee shall hold the Preferred Securities Guarantee for the benefit of the Holders of the Preferred Securities.

(f) The Property Trustee shall take any Legal Action which arises out of or in connection with an Event of Default or the Property Trustee's duties and obligations under this Declaration (including the Preferred Securities Guarantee) or the Trust Indenture Act.

(g) The Property Trustee shall continue to serve as a Trustee until either:

(i) the Trust has been completely liquidated and the proceeds of the liquidation distributed to the Holders of Securities pursuant to the terms of the Securities; or

(ii) a Successor Property Trustee has been appointed and accepted that appointment in accordance with Section 5.6.

(h) The Property Trustee shall have the legal power to exercise all of the rights, powers and privileges of a holder of Subordinated Debentures under the Indenture and, if an Event of Default occurs and is continuing, the Property Trustee shall, for the benefit of the Holders of the Securities, enforce its rights under the Indenture with respect to the Subordinated Debentures and its rights under the Preferred Securities Guarantee in accordance with the terms of the Preferred Securities Guarantee, subject to the rights of the Holders pursuant to the terms of such Securities and the Preferred Securities Guarantee.

(i) The Property Trustee may authorize one or more Persons (each, a "Paying Agent") to pay Distributions, redemption payments or liquidation payments on behalf of the Trust with respect to the Preferred Securities and the Common Securities and any such Paying Agent shall comply with section 317(b) of the Trust Indenture Act. Any Paying Agent may be removed by the Property Trustee at any time and a successor Paying Agent or additional Paying Agents may be appointed at any time by the Property Trustee.

(j) Subject to this Section 3.8, the Property Trustee shall have none of the powers or the authority of the Regular Trustees set forth in Section 3.6.

The Property Trustee must exercise the powers set forth in this Section 3.8 in a manner which is consistent with the purposes and functions of the Trust set forth in Section 3.3 and the Property Trustee shall not take any action which is inconsistent with the purposes and functions of the Trust set out in Section 3.3.

SECTION 3.9. CERTAIN DUTIES AND RESPONSIBILITIES OF THE PROPERTY TRUSTEE. (a) The Property Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Declaration and in the terms of the Securities, and no implied covenants shall be read into this Declaration against the Property Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6), the Property Trustee shall exercise such of the rights and powers vested in it by this Declaration, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(b) No provision of this Declaration shall be construed to relieve the Property Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) prior to the occurrence of any Event of Default and after the curing or waiving of all such Events of Default that may have occurred:

(A) the duties and obligations of the Property Trustee shall be determined solely by the express provisions of this Declaration and in the terms of the Securities, and the Property Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Declaration, and no implied covenants or obligations shall be read into this Declaration against the Property Trustee; and

(B) in the absence of bad faith on the part of the Property Trustee, the Property Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Property Trustee and conforming to the requirements of this Declaration; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Property Trustee, the Property Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Declaration;

(ii) the Property Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Property Trustee, unless it shall be proved that the

Property Trustee was negligent in ascertaining the pertinent facts upon which such judgment was made;

(iii) the Property Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in liquidation amount of the Securities at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under this Declaration;

(iv) no provision of this Declaration shall require the Property Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Declaration or adequate indemnity against such risk is not reasonably assured to it;

(v) the Property Trustee's sole duty with respect to the custody, safe keeping and physical preservation of the Subordinated Debentures and the Property Trustee Account shall be to deal with such property in a similar manner as the Property Trustee deals with similar property for its own account, subject to the protections and limitations on liability afforded to the Property Trustee under this Declaration and the Trust Indenture Act;

(vi) the Property Trustee shall have no duty or liability for or with respect to the value, genuineness, existence or sufficiency of the Subordinated Debentures or the payment of any taxes or assessments levied thereon or in connection therewith;

(vii) the Property Trustee shall not be liable for any interest on any money received by it except as it may otherwise agree with the Sponsor. Money held by the Property Trustee need not be segregated from other funds held by it except in relation to the Property Trustee Account maintained by the Property Trustee pursuant to Section 3.8(c)(i) and except to the extent otherwise required by law; and

(viii) the Property Trustee shall not be responsible for monitoring the compliance by the Regular Trustees or the Sponsor with their respective duties under this Declaration,

nor shall the Property Trustee be liable for the default or misconduct of the Regular Trustees or the Sponsor.

SECTION 3.10. CERTAIN RIGHTS OF PROPERTY TRUSTEE. (a) Subject to the provisions of Section 3.9:

(i) the Property Trustee may rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, security or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(ii) Any direction or act of the Sponsor or the Regular Trustees contemplated by this Declaration shall be sufficiently evidenced by a Direction or an Officers' Certificate.

(iii) Whenever in the administration of this Declaration the Property Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Property Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part and, if the Trust is excluded from the definition of an Investment Company solely by means of Rule 3a-5, subject to the requirements of Rule 3a-5, request and rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Sponsor or the Regular Trustees.

(iv) The Property Trustee shall have no duty to see to any recording, filing or registration of any instrument (or any rerecording, refiling or reregistration thereof).

(v) The Property Trustee may consult with counsel and the written advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion. Such counsel may be counsel to the Sponsor or any of its Affiliates and may include any of its employees. The Property Trustee shall have the right at any time to seek instructions concerning the administration of this Declaration from any court of competent jurisdiction.

(vi) The Property Trustee shall be under no obligation to exercise any rights or powers vested in it under this Declaration at the request or direction of any Holder, unless

such Holder shall have provided to the Property Trustee reasonable security or indemnity against the costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Property Trustee, PROVIDED that nothing contained in this Section 3.10(a)(vi) shall, however, relieve the Property Trustee, upon the occurrence of an Event of Default, from exercising the rights and powers vested in it by this Declaration.

(vii) The Property Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, security or other papers or documents, but the Property Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(viii) The Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Property Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(ix) Any action taken by the Property Trustee or its agents hereunder shall bind the Trust and the Holders of the Securities, and the signature of the Property Trustee or its agents alone shall be sufficient and effective to perform any such action. No third party shall be required to inquire as to the authority of the Property Trustee to so act or as to its compliance with any of the terms and provisions of this Declaration, both of which shall be conclusively evidenced by the Property Trustee's or its agent's taking such action.

(x) Whenever in the administration of this Declaration the Property Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Property Trustee (i) may request instructions from the Holders of the Securities representing the aggregate liquidation amount of all outstanding Securities of such class required under the terms of the Securities to direct the Property Trustee to enforce such remedy or right or take such action, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received and (iii) shall be protected in acting in accordance with such instructions.

(b) No provision of this Declaration shall be deemed to impose any duty or obligation on the Property Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Property Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts or to exercise any such right, power, duty or obligation. No permissive power or authority available to the Property Trustee shall be construed to be a duty.

SECTION 3.11. DELAWARE TRUSTEE. Notwithstanding any other provision of this Declaration other than Section 5.2, the Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities of the Trustees described in this Declaration. Except as set forth in Section 5.2, the Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Business Trust Act.

SECTION 3.12. EXECUTION OF DOCUMENTS. Unless otherwise determined by the Regular Trustees, a majority of, or if there are only two, both of the Regular Trustees are authorized to execute on behalf of the Trust any documents which the Regular Trustees have the power and authority to execute pursuant to Section 3.6, PROVIDED that any listing application prepared by the Sponsor referred to in Section 3.6(b)(iii) may be executed by any Regular Trustee.

SECTION 3.13. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF SECURITIES. The recitals contained in this Declaration and the Securities shall be taken as the statements of the Sponsor and the Trustees do not assume any responsibility for their correctness. The Trustees make no representations as to the value or condition of the property of the Trust or any part thereof. The Trustees make no representations as to the validity or sufficiency of this Declaration or the Securities.

SECTION 3.14. DURATION OF TRUST. The Trust, unless terminated pursuant to the provisions of Article VIII hereof, shall have existence for forty-five (45) years from the Closing Date.

SECTION 3.15. MERGERS. (a) The Trust may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other body, except as described in Section 3.15(b) and (c).

(b) The Trust may, with the consent of the Regular Trustees or, if there are more than two, a majority of the Regular Trustees and without the consent of the Property Trustee, the Delaware Trustee or the Holders of the Securities, consolidate, amalgamate, merge with or into, or be replaced by a trust organized as such under the laws of any State; PROVIDED that:

(i) such successor entity (the "Successor Entity") either:

(A) expressly assumes all of the obligations of the Trust with respect to the Securities; or

(B) substitutes for the Securities other securities having substantially the same terms as the Preferred Securities and Common Securities, respectively (the "Successor Securities"), so long as the Successor Securities rank the same as the Preferred Securities and Common Securities rank with respect to Distributions and payments upon liquidation, redemption, maturity and otherwise;

(ii) the Debenture Issuer expressly acknowledges a trustee of the Successor Entity which possesses the same powers and duties as the Property Trustee as the Holder of the Subordinated Debentures;

(iii) the Preferred Securities or any Successor Securities thereof are listed, or any such Successor Securities will be listed upon notification of issuance, on any national securities exchange or other organization on which the Preferred Securities are then listed;

(iv) such merger, consolidation, amalgamation or replacement does not cause the Preferred Securities (including any Successor Securities thereof) to be downgraded by any nationally recognized statistical rating organization;

(v) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the Holders of the Securities (including any Successor Securities) in any material respect (other than with respect to any dilution of the Holders' interest in the new entity);

(vi) such Successor Entity has a purpose identical to that of the Trust;

(vii) prior to such merger, consolidation, amalgamation or replacement, the Sponsor has received an opinion from independent counsel to the Trust experienced in such matters to the effect that:

(A) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the Holders of the Securities (including any Successor Securities) in any material respect (other than with respect to any dilution of the Holders' interest in the new entity); and

(B) following such merger, consolidation, amalgamation or replacement, neither the Trust nor the Successor Entity will be required to register as an Investment Company; and

(viii) the Sponsor guarantees the obligations of such Successor Entity under the Successor Securities of the Preferred Securities at least to the extent provided by the Preferred Securities Guarantee.

(c) Notwithstanding Section 3.15(b), the Trust shall not consolidate, amalgamate, merge with or into, or be replaced by any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it if such consolidation, amalgamation, merger or replacement would cause the Trust or Successor Entity for United States federal income tax purposes to be classified as other than a grantor trust and each Holder of the Securities not to be treated as owning an undivided beneficial interest in the Subordinated Debentures, except with the consent of Holders of 100% in liquidation amount of the Securities.

ARTICLE IV SPONSOR

SECTION 4.1. SPONSOR'S PURCHASE OF COMMON SECURITIES. On the Closing Date, the Sponsor will purchase all of the Common Securities issued by the Trust, in an amount equal to approximately 3% of the capital of the Trust at the same time as the Preferred Securities are sold.

SECTION 4.2. RESPONSIBILITIES OF THE SPONSOR. In connection with the issue and sale of the Preferred Securities, the Sponsor shall have the exclusive right and responsibility to engage in the following activities:

(a) to prepare for filing by the Trust with the Commission a registration statement on Form S-3 in relation to the Preferred Securities, including any amendments thereto;

(b) to determine the states in which to take appropriate action to qualify or register for sale all or part of the Preferred Securities and to take any and all such acts, other than actions which must be taken by the Trust, and advise the Trust of actions it must take, and prepare for execution and filing any documents to be executed and filed by the Trust, as the Sponsor deems necessary or advisable in order to comply with the applicable laws of any such states;

(c) to prepare for filing by the Trust an application to the New York Stock Exchange, Inc. or any other national stock exchange or the Nasdaq Stock Market's National Market for listing upon notice of issuance of any Preferred Securities;

(d) to prepare for filing by the Trust with the Commission a registration statement on Form 8-A relating to the registration of the class of Preferred Securities under Section 12(b) of the Exchange Act, including any amendments thereto; and

(e) to negotiate the terms of the Underwriting Agreement providing for the sale of the Preferred Securities.

ARTICLE V TRUSTEES

SECTION 5.1. NUMBER OF TRUSTEES. The number of Trustees shall initially be four (4), and:

(a) at any time before the issuance of any Securities, the Sponsor may, by written instrument, increase or decrease the number of Trustees; and

(b) after the issuance of any Securities, the number of Trustees may be increased or decreased by vote of the Holders of a Majority in liquidation amount of the Common Securities voting as a class at a meeting of the Holders of the Common Securities;

PROVIDED that in any case, the number of Trustees shall be at least four (4) unless the Trustee that acts as the Property Trustee also acts as the Delaware Trustee pursuant to Section 5.2, in which case the number of Trustees shall be at least three (3).

SECTION 5.2. DELAWARE TRUSTEE. If required by the Business Trust Act, one Trustee (the "Delaware Trustee") shall be:

(a) a natural person who is a resident of the State of Delaware; or

(b) if not a natural person, an entity which has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law,

PROVIDED that if the Property Trustee has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, then the Property Trustee shall also be the Delaware Trustee and Section 3.11 shall have no application.

SECTION 5.3. PROPERTY TRUSTEE; ELIGIBILITY. (a) There shall at all times be one Trustee which shall act as Property Trustee and which shall:

(i) not be an Affiliate of the Sponsor; and

(ii) be a corporation organized and doing business under the laws of the United States of America or any state or territory thereof or of the District of Columbia, or a corporation or Person permitted by the Commission to act as an institutional trustee under the Trust Indenture Act, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least fifty million U.S. dollars (\$50,000,000), and subject to supervision or examination by federal, state, territorial or District of Columbia authority (if such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then for the purposes of this Section 5.3(a)(ii), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published).

(b) If at any time the Property Trustee shall cease to be eligible to so act under Section 5.3(a), the Property Trustee shall immediately resign in the manner and with the effect set out in Section 5.6(c).

(c) If the Property Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Property Trustee and the Holders of the Common Securities (as if they were the obligor referred to in

Section 310(b) of the Trust Indenture Act) shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 5.4. QUALIFICATIONS OF REGULAR TRUSTEES AND DELAWARE TRUSTEE GENERALLY. Each Regular Trustee and the Delaware Trustee (unless the Property Trustee also acts as Delaware Trustee) shall be either a natural person who is at least twenty-one (21) years of age or a legal entity which shall act through one or more Authorized Officers.

SECTION 5.5. INITIAL TRUSTEES. The initial Regular Trustees shall be:

John J. DeStefano
1201 Walnut
Kansas City, Missouri 64106-2124

Andrea F. Bielsker
1201 Walnut
Kansas City, Missouri 64106-2124

The initial Property Trustee shall be:

The First National Bank of Chicago
One First National Plaza
Suite 0126
Chicago, Illinois 60603

The initial Delaware Trustee shall be:

First Chicago Delaware Inc.
300 King Street
Wilmington, Delaware 19801

SECTION 5.6. APPOINTMENT, REMOVAL AND RESIGNATION OF TRUSTEES. (a) Subject to Section 5.6(b), Trustees may be appointed or removed without cause at any time:

(i) until the issuance of any Securities, by written instrument executed by the Sponsor; and

(ii) after the issuance of any Securities, by vote of the Holders of a Majority in liquidation amount of the Common Securities, voting as a class at a meeting of the Holders of the Common Securities.

(b) (i) The Trustee that acts as Property Trustee shall not be removed in accordance with Section 5.6(a) until a Successor Property Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Property Trustee and delivered to the Regular Trustees and the Sponsor; and

(ii) the Trustee that acts as Delaware Trustee shall not be removed in accordance with Section 5.6(a) until a successor Trustee possessing the qualifications to act as Delaware Trustee under Sections 5.2 and 5.4 (a "Successor Delaware Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Delaware Trustee and delivered to the Regular Trustees and the Sponsor.

(c) A Trustee appointed to office shall hold office until the successor of such Trustee shall have been appointed or until the death, removal or resignation of such Trustee. Any Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing signed by the Trustee and delivered to the Sponsor and the Trust, which resignation shall take effect upon such delivery or upon such later date as is specified therein; PROVIDED, HOWEVER, that:

(i) no such resignation of the Trustee that acts as the Property Trustee shall be effective until:

(A) a Successor Property Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Property Trustee and delivered to the Trust and the Sponsor; or

(B) until the assets of the Trust have been completely liquidated and the proceeds thereof distributed to the holders of the Securities; and

(ii) no such resignation of the Trustee that acts as the Delaware Trustee shall be effective until a Successor Delaware Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Delaware Trustee and delivered to the Trust and the Sponsor.

(d) The Holders of the Common Securities shall use their best efforts to promptly appoint a Successor Delaware Trustee or Successor Property Trustee as the case may be if the Property Trustee or the Delaware Trustee delivers an instrument of resignation in accordance with this Section 5.6.

(e) If no Successor Property Trustee or Successor Delaware Trustee shall have been appointed and accepted appointment as provided in this Section 5.6 within 60 days after delivery to the Sponsor and the Trust of an instrument of resignation, the resigning Property Trustee or Delaware Trustee, as applicable, may petition any court of competent jurisdiction for appointment of a Successor Property Trustee or Successor Delaware Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper and prescribe, appoint a Successor Property Trustee or Successor Delaware Trustee, as the case may be.

SECTION 5.7. VACANCIES AMONG TRUSTEES. If a Trustee ceases to hold office for any reason and the number of Trustees is not reduced pursuant to Section 5.1, or if the number of Trustees is increased pursuant to Section 5.1, a vacancy shall occur. A resolution certifying the existence of such vacancy by a majority of the Regular Trustees shall be conclusive evidence of the existence of such vacancy. The vacancy shall be filled with a Trustee appointed in accordance with Section 5.6.

SECTION 5.8. EFFECT OF VACANCIES. The death, resignation, retirement, removal, bankruptcy, dissolution, liquidation, incompetence or incapacity to perform the duties of a Trustee, or any one of them, shall not operate to annul the Trust. Whenever a vacancy in the number of Regular Trustees shall occur, until such vacancy is filled by the appointment of a Regular Trustee in accordance with Section 5.6, the Regular Trustees in office, regardless of their number, shall have all the powers granted to the Regular Trustees and shall discharge all the duties imposed upon the Regular Trustees by this Declaration.

SECTION 5.9. MEETINGS. Meetings of the Regular Trustees shall be held from time to time upon the call of any Regular Trustee. Regular meetings of the Regular Trustees may be held at a time and place fixed by resolution of the Regular Trustees. Notice of any in-person meetings of the Regular Trustees shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 48 hours before such meeting. Notice of any telephonic meetings of the Regular Trustees or any committee thereof shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 24 hours before a meeting. Notices shall contain a brief statement of the time, place and anticipated purposes of the meeting. The presence (whether in person or by telephone) of a Regular Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Regular Trustee attends a meeting for the express purpose of objecting to the transaction of any activity on the ground that

the meeting has not been lawfully called or convened. Unless provided otherwise in this Declaration, any action of the Regular Trustees may be taken at a meeting by vote of a majority of the Regular Trustees present (whether in person or by telephone) and eligible to vote with respect to such matter, PROVIDED that a Quorum is present, or without a meeting by the unanimous written consent of the Regular Trustees. In the event there is only one Regular Trustee, any action of such Regular Trustee shall be evidenced by a written consent of such Regular Trustee.

SECTION 5.10. DELEGATION OF POWER. (a) Any Regular Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purpose of executing any documents contemplated in Section 3.6, including any registration statement or amendment thereto filed with the Commission or making any other governmental filing.

(b) The Regular Trustees shall have power to delegate from time to time to such of their number or to officers of the Trust the doing of such things and the execution of such instruments either in the name of the Trust or the names of the Regular Trustees or otherwise as the Regular Trustees may deem expedient, to the extent such delegation is not prohibited by applicable law or contrary to the provisions of the Trust, as set forth herein.

ARTICLE VI DISTRIBUTIONS

SECTION 6.1. DISTRIBUTIONS. Holders shall receive Distributions in accordance with the applicable terms of the relevant Holder's Securities. Distributions shall be made on the Preferred Securities and the Common Securities in accordance with the preferences set forth in their respective terms. If and to the extent that the Debenture Issuer makes a payment of interest (including Compounded Interest (as defined in the Indenture) and Additional Interest (as defined in the Indenture)), premium and principal on the Subordinated Debentures held by the Property Trustee (the amount of any such payment being a "Payment Amount"), the Property Trustee shall and is directed, to the extent funds are available for that purpose, to make a Distribution of the Payment Amount to the Holders.

ARTICLE VII
ISSUANCE OF SECURITIES

SECTION 7.1. GENERAL PROVISIONS REGARDING SECURITIES. (a) The Regular Trustees shall, on behalf of the Trust, issue one class of preferred securities representing undivided beneficial interests in the assets of the Trust having such terms as are set forth in Exhibit A and incorporated herein by reference (the "Preferred Securities"), and one class of common securities representing undivided beneficial interests in the assets of the Trust having such terms as are set forth in Exhibit A and incorporated herein by reference (the "Common Securities"). The Trust shall have no securities or other interests in the assets of the Trust other than the Preferred Securities and the Common Securities.

(b) The Securities shall be signed on behalf of the Trust by the Regular Trustees (or, if there are more than two Regular Trustees, by any two of the Regular Trustees). Such signatures may be the manual or facsimile signatures of the present or any future Regular Trustee. Typographical and other minor errors or defects in any such reproduction of any such signature shall not affect the validity of any Security. In case any Regular Trustee of the Trust who shall have signed any of the Securities shall cease to be such Regular Trustee before the Security so signed shall be delivered by the Trust, such Security nevertheless may be delivered as though the person who signed such Security had not ceased to be such Regular Trustee; and any Security may be signed on behalf of the Trust by such persons as, at the actual date of the execution of such Security, are the Regular Trustees of the Trust, although at the date of the execution and delivery of the Declaration any such person was not such a Regular Trustee.

(c) The consideration received by the Trust for the issuance of the Securities shall constitute a contribution to the capital of the Trust and shall not constitute a loan to the Trust.

(d) Upon issuance of the Securities as provided in this Declaration, the Securities so issued shall be deemed to be validly issued, fully paid and non-assessable, subject to Section 10.1(b) with respect to the Common Securities.

(e) Every Person, by virtue of having become a Holder or a Preferred Security Beneficial Owner in accordance with the terms of this Declaration, shall be deemed to have expressly assented and agreed to the terms of, and shall be bound by, this Declaration.

ARTICLE VIII
TERMINATION OF TRUST

SECTION 8.1. TERMINATION OF TRUST. (a) The Trust shall terminate:

(i) upon the bankruptcy of the Holder of the Common Securities or the Sponsor;

(ii) upon the filing of a certificate of dissolution or its equivalent with respect to the Holder of the Common Securities or the Sponsor, the filing of a certificate of cancellation with respect to the Trust or the revocation of the charter of the Holder of the Common Securities or of the Sponsor and the expiration of ninety (90) days after the date of revocation without a reinstatement thereof;

(iii) upon the entry of a decree of judicial dissolution of the Holder of the Common Securities, the Sponsor or the Trust;

(iv) when all of the Securities shall have been called for redemption and the amounts necessary for redemption thereof shall have been paid to the Holders in accordance with the terms of the Securities;

(v) upon the dissolution of the Trust in accordance with the terms of the Securities and pursuant to which all of the Subordinated Debentures shall have been distributed to the Holders of Securities in exchange for all of the Securities; or

(vi) upon delivery of written direction to the Property Trustee by the Sponsor at any time (which direction is wholly optional and within the discretion of the Sponsor) to dissolve the Trust and distribute the Subordinated Debentures to the Holders of the Securities in accordance with Section 3 of EXHIBIT A hereto.

(b) As soon as is practicable after the occurrence of an event referred to in Section 8.1(a), the Trustees shall file a certificate of cancellation with the Secretary of State of the State of Delaware.

(c) The provisions of Article X shall survive the termination of the Trust.

ARTICLE IX
TRANSFER OF INTERESTS

SECTION 9.1. TRANSFER OF SECURITIES. (a) Securities may only be transferred, in whole or in part, in accordance with the terms and conditions set forth in this Declaration and in the terms of the Securities. Any transfer or purported transfer of any Security not made in accordance with this Declaration shall be null and void.

(b) Subject to this Article IX, Preferred Securities shall be freely transferable.

(c) Subject to this Article IX, the Sponsor and any Related Party may only transfer Common Securities to the Sponsor or a Related Party of the Sponsor, PROVIDED that any such transfer is subject to the condition precedent that the transferor obtain the written opinion of nationally recognized independent counsel experienced in such matters that such transfer would not cause more than an insubstantial risk that:

(i) the Trust would not be classified for United States federal income tax purposes as a grantor trust and each Holder of Securities would not be treated as owning an undivided beneficial interest in the Subordinated Debentures; and

(ii) the Trust would be an Investment Company or the transferee would be an Investment Company if the transferee was not an Investment Company before the transfer.

SECTION 9.2. TRANSFER OF CERTIFICATES. The Regular Trustees shall provide for the registration of Certificates and of transfers of Certificates, which will be effected without charge but only upon payment (with such indemnity as the Regular Trustees may require) in respect of any tax or other government charges which may be imposed in relation to it. Upon surrender for registration of transfer of any Certificate, the Regular Trustees shall cause one or more new Certificates to be issued in the name of the designated transferee or transferees. Every Certificate surrendered for registration of transfer shall be accompanied by a written instrument of transfer in form satisfactory to the Regular Trustees duly executed by the Holder or such Holder's attorney duly authorized in writing. Each Certificate surrendered for registration of transfer shall be canceled by the Regular Trustees. A transferee of a Certificate shall be entitled to the rights and subject to the obligations of a Holder hereunder upon the receipt by such transferee of a Certificate. By acceptance of a Certificate, each transferee shall be deemed to have agreed to be

bound by this Declaration and the documents incorporated by reference herein.

SECTION 9.3. DEEMED SECURITY HOLDERS. The Trustees may treat the Person in whose name any Certificate shall be registered on the books and records of the Trust as the sole holder of such Certificate and of the Securities represented by such Certificate for purposes of receiving Distributions and for all other purposes whatsoever and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Certificate or in the Securities represented by such Certificate on the part of any Person, whether or not the Trustees shall have actual or other notice thereof.

SECTION 9.4. BOOK ENTRY INTERESTS. Unless otherwise specified in the terms of the Preferred Securities, the Preferred Securities Certificates, on original issuance, will be issued in the form of one or more, fully registered, global Preferred Security Certificates (each a "Global Certificate"), to be delivered to DTC, the initial Clearing Agency, by, or on behalf of, the Trust. Such Global Certificates shall initially be registered on the books and records of the Trust in the name of Cede & Co., the nominee of DTC, and no Preferred Security Beneficial Owner will receive a definitive Preferred Security Certificate representing such Preferred Security Beneficial Owner's interests in such Global Certificates, except as provided in Section 9.7. Unless and until definitive, fully registered Preferred Security Certificates (the "Definitive Preferred Security Certificates") have been issued to the Preferred Security Beneficial Owners pursuant to Section 9.7:

(a) the provisions of this Section 9.4 shall be in full force and effect;

(b) the Trust and the Trustees shall be entitled to deal with the Clearing Agency for all purposes of this Declaration (including the payment of Distributions on the Global Certificates and receiving approvals, votes or consents hereunder) as the Holder of the Preferred Securities and the sole holder of the Global Certificates and shall have no obligation to the Preferred Security Beneficial Owners;

(c) to the extent that the provisions of this Section 9.4 conflict with any other provisions of this Declaration, the provisions of this Section 9.4 shall control; and

(d) the rights of the Preferred Security Beneficial Owners shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements

between such Preferred Security Beneficial Owners and the Clearing Agency and/or the Clearing Agency Participants. DTC will make book entry transfers among the Clearing Agency Participants and receive and transmit payments of Distributions on the Global Certificates to such Clearing Agency Participants.

SECTION 9.5. NOTICES TO CLEARING AGENCY. Whenever a notice or other communication to the Preferred Security Holders is required under this Declaration, unless and until Definitive Preferred Security Certificates shall have been issued to the Preferred Security Beneficial Owners pursuant to Section 9.7, the Regular Trustees shall give all such notices and communications specified herein to be given to the Preferred Security Holders to the Clearing Agency, and shall have no notice obligations to the Preferred Security Beneficial Owners.

SECTION 9.6. APPOINTMENT OF SUCCESSOR CLEARING AGENCY. If any Clearing Agency elects to discontinue its services as securities depository with respect to the Preferred Securities, the Regular Trustees may, in their sole discretion, appoint a successor Clearing Agency with respect to such Preferred Securities.

SECTION 9.7. DEFINITIVE PREFERRED SECURITY CERTIFICATES. If:

(a) a Clearing Agency elects to discontinue its services as securities depository with respect to the Preferred Securities and a successor Clearing Agency is not appointed within ninety (90) days after such discontinuance pursuant to Section 9.6; or

(b) the Regular Trustees elect, after consultation with the Sponsor, to terminate the book entry system through the Clearing Agency with respect to the Preferred Securities,

then:

(c) Definitive Preferred Security Certificates shall be prepared by the Regular Trustees on behalf of the Trust with respect to such Preferred Securities; and

(d) upon surrender of the Global Certificates by the Clearing Agency, accompanied by registration instructions, the Regular Trustees shall cause Definitive Preferred Security Certificates to be delivered to Preferred Security Beneficial Owners in accordance with the instructions of the Clearing Agency. Neither the Trustees nor the Trust shall be liable

for any delay in delivery of such instructions and each of them may conclusively rely on, and shall be protected in relying on, such instructions. The Definitive Preferred Security Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Regular Trustees, as evidenced by their execution thereof, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements as the Regular Trustees may deem appropriate, or as may be required to comply with any law or with any rule or regulation made pursuant thereto or with any rule or regulation of any stock exchange on which Preferred Securities may be listed, or to conform to usage.

SECTION 9.8. MUTILATED, DESTROYED, LOST OR STOLEN CERTIFICATES. If:

(a) any mutilated Certificates should be surrendered to the Regular Trustees, or if the Regular Trustees shall receive evidence to their satisfaction of the destruction, loss or theft of any Certificate; and

(b) there shall be delivered to the Regular Trustees such security or indemnity as may be required by them to keep each of them harmless,

then in the absence of notice that such Certificate shall have been acquired by a bona fide purchaser, any two Regular Trustees on behalf of the Trust shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like denomination. In connection with the issuance of any new Certificate under this Section 9.8, the Regular Trustees may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Certificate issued pursuant to this Section shall constitute conclusive evidence of an ownership interest in the relevant Securities, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

ARTICLE X
LIMITATION OF LIABILITY OF
HOLDERS OF SECURITIES, TRUSTEES OR OTHERS

SECTION 10.1. LIABILITY. (a) Except as expressly set forth in this Declaration, the Subordinated Debentures, the

Preferred Securities Guarantee and the terms of the Securities, the Sponsor shall not be:

(i) personally liable for the return of any portion of the capital contributions (or any return thereon) of the Holders of the Securities which shall be made solely from assets of the Trust; and

(ii) be required to pay to the Trust or to any Holder of Securities any deficit upon dissolution of the Trust or otherwise.

(b) The Sponsor shall be liable for all of the debts and obligations of the Trust (other than with respect to the Securities) to the extent not satisfied out of the Trust's assets.

SECTION 10.2. EXCULPATION. (a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence (or, in the case of the Property Trustee, pursuant to Section 3.9, negligence) or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which Distributions to Holders of Securities might properly be paid.

SECTION 10.3. FIDUCIARY DUTY. (a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to any other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the

extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity (other than duties imposed on the Property Trustee under the Trust Indenture Act), are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person.

(b) Unless otherwise expressly provided herein:

(i) whenever a conflict of interest exists or arises between an Indemnified Person and Covered Persons; or

(ii) whenever this Declaration or any other agreement contemplated herein or therein provides that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any Holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or terms so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise.

(c) Whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

(i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of, or factors affecting, the Trust or any other Person; or

(ii) in its "good faith" or under another express standard, the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

SECTION 10.4. INDEMNIFICATION. (a) To the fullest extent permitted by applicable law, the Sponsor shall indemnify and hold harmless each Indemnified Person from and against any loss, damage, liability, tax, penalty, expense or claim incurred by such

Indemnified Person by reason of the creation, operation or termination of the Trust or any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Declaration, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Person by reason of gross negligence (or, in the case of the Property Trustee, pursuant to Section 3.9, negligence) or willful misconduct with respect to such acts or omissions.

(b) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Sponsor prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Sponsor of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified as authorized in Section 10.4(a). The rights to indemnification set forth herein shall survive the termination of this Declaration.

SECTION 10.5. OUTSIDE BUSINESSES. Any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the business of the Trust, and the Trust and the Holders of Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom and the pursuit of any such venture, even if competitive with the business of the Trust, shall not be deemed wrongful or improper. No Covered Person, the Sponsor, the Delaware Trustee or the Property Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity. Any Covered Person, the Delaware Trustee and the Property Trustee may engage or be interested in any financial or other transaction with the Sponsor or any Affiliate of the Sponsor, or may act as depository for, trustee or agent for, or act on any committee or body of holders of, securities or other obligations of the Sponsor or its Affiliates.

ARTICLE XI
ACCOUNTING

SECTION 11.1. FISCAL YEAR. The fiscal year ("Fiscal Year") of the Trust shall be the calendar year, or such other year as is required by the Code.

SECTION 11.2. CERTAIN ACCOUNTING MATTERS. (a) At all times during the existence of the Trust, the Regular Trustees shall keep, or cause to be kept, full books of account, records and supporting documents, which shall reflect in reasonable detail, each transaction of the Trust. The books of account shall be maintained on the accrual method of accounting, in accordance with generally accepted accounting principles consistently applied. The Trust shall use the accrual method of accounting for United States federal income tax purposes. The books of account and the records of the Trust shall be examined by and reported upon as of the end of each Fiscal Year of the Trust by a firm of independent certified public accountants selected by the Regular Trustees.

(b) The Regular Trustees shall cause to be prepared and delivered to each of the Holders of Securities, within 90 days after the end of each Fiscal Year of the Trust, annual financial statements of the Trust, including a balance sheet of the Trust as of the end of such Fiscal Year, and the related statements of income or loss.

(c) The Regular Trustees shall cause to be duly prepared and delivered to each of the Holders of Securities, an annual United States federal income tax information statement, if one is required by the Code, containing such information with regard to the Securities held by each Holder as is required by the Code and the Treasury Regulations. Notwithstanding any right under the Code to deliver any such statement at a later date, the Regular Trustees shall endeavor to deliver all such statements within thirty (30) days after the end of each Fiscal Year of the Trust.

(d) The Regular Trustees shall cause to be duly prepared and filed with the appropriate taxing authority, an annual United States federal income tax return, on a Form 1041 or such other form required by United States federal income tax law, and any other annual income tax returns required to be filed by the Regular Trustees on behalf of the Trust with any state or local taxing authority.

SECTION 11.3. BANKING. The Trust shall maintain one or more bank accounts in the name and for the sole benefit of the Trust; PROVIDED, HOWEVER, that all payments of funds in respect of

the Subordinated Debentures held by the Property Trustee shall be made directly to the Property Trustee Account and no other funds of the Trust shall be deposited in the Property Trustee Account. The sole signatories for such accounts shall be designated by the Regular Trustees; PROVIDED, HOWEVER, that the Property Trustee shall designate the signatories for the Property Trustee Account.

SECTION 11.4. WITHHOLDING. The Trust and the Trustees shall comply with all withholding requirements under United States federal, state and local law. The Trust shall request, and the Holders shall provide to the Trust, such forms or certificates as are necessary to establish an exemption from withholding with respect to each Holder, and any representations and forms as shall reasonably be requested by the Trust to assist it in determining the extent of, and in fulfilling, its withholding obligations. The Regular Trustee(s) shall file required forms with applicable jurisdictions and, unless an exemption from withholding is properly established by a Holder, shall remit amounts withheld with respect to the Holder to applicable jurisdictions. To the extent that the Trust is required to withhold and pay over any amounts to any authority with respect to distributions or allocations to any Holder, the amount withheld shall be deemed to be a distribution in the amount of the withholding to the Holder. In the event of any claimed over-withholding, Holders shall be limited to an action against the applicable jurisdiction. If the amount withheld was not withheld from actual Distributions made, the Trust may reduce subsequent Distributions by the amount of such withholding.

ARTICLE XII AMENDMENTS AND MEETINGS

SECTION 12.1. AMENDMENTS. (a) Except as otherwise provided in this Declaration or by any applicable terms of the Securities, this Declaration may be amended by, and only by, a written instrument approved and executed by the Regular Trustees (or, if there are more than two Regular Trustees, a majority of the Regular Trustees); PROVIDED, HOWEVER, that:

(i) no amendment shall be made, and any such purported amendment shall be void and ineffective:

- (1) unless, in the case of any proposed amendment, the Property Trustee shall have first received an Officers' Certificate from each of the Trust and the Sponsor that such amendment is permitted by, and conforms to, the terms of

this Declaration (including the terms of the Securities);

- (2) unless, in the case of any proposed amendment which affects the rights, powers, duties, obligations or immunities of the Property Trustee, the Property Trustee shall have first received:

(A) an Officers' Certificate from each of the Trust and the Sponsor that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities); and

(B) an opinion of counsel (who may be counsel to the Sponsor or the Trust) that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities); and

(ii) no amendment shall be made, and any such purported amendment shall be void and ineffective, to the extent the result thereof would be to

(A) cause the Trust not to be characterized for purposes of United States federal income taxation as a grantor trust and each Holder of Securities not to be treated as owning an undivided beneficial interest in the Subordinated Debentures, as evidenced by an Opinion of Counsel to the effect that such amendment shall not result in the foregoing;

(B) affect adversely the rights, powers, duties, obligations or immunities of the Property Trustee or the Delaware Trustee; or

(C) cause the Trust to be deemed to be an Investment Company which is required to be registered under the Investment Company Act;

(iii) at such time after the Trust has issued any Securities which remain outstanding, any amendment which would adversely affect the rights, privileges or preferences of any Holder of Securities may be effected only with such additional requirements as may be set forth in the terms of such Securities;

(iv) Section 9.1(c) and this Section 12.1 shall not be amended without the consent of all of the Holders of the Securities;

(v) Article IV shall not be amended without the consent of the Holders of a Majority in liquidation amount of the Common Securities; and

(vi) the rights of the holders of the Common Securities under Article V to increase or decrease the number of, and appoint and remove, Trustees shall not be amended without the consent of the Holders of a Majority in liquidation amount of the Common Securities.

(b) Notwithstanding Section 12.1(a)(iii), this Declaration may be amended without the consent of the Holders of the Securities to:

(i) cure any ambiguity;

(ii) correct or supplement any provision in this Declaration that may be defective or inconsistent with any other provision of this Declaration;

(iii) to add to the covenants, restrictions or obligations of the Sponsor; and

(iv) to conform to any change in Rule 3a-5 or written change in interpretation or application of Rule 3a-5 by any legislative body, court, government agency or regulatory authority which amendment does not have a material adverse effect on the rights, preferences or privileges of the Holders.

SECTION 12.2. MEETINGS OF THE HOLDERS OF SECURITIES; ACTION BY WRITTEN CONSENT. (a) Meetings of the Holders of any class of Securities may be called at any time by the Regular Trustees (or as provided in the terms of the Securities) to consider and act on any matter on which Holders of such class of Securities are entitled to act under the terms of this Declaration, the terms of the Securities or the rules of any stock exchange on which the Preferred Securities are listed or admitted for trading. The Regular Trustees shall call a meeting of such class of Holders, if directed to do so by the Holders of at least 10% in liquidation amount of such class of Securities. Such direction shall be given by delivering to the Regular Trustees one or more calls in a writing stating that the signing Holders of Securities wish to call a meeting and indicating the general or specific purpose for which the meeting is to be called. Any Holders of Securities calling a meeting shall specify in writing the Security Certificates held by the Holders of Securities exercising the right to call a meeting and only those specified shall be counted for purposes of

determining whether the required percentage set forth in the second sentence of this paragraph has been met.

(b) Except to the extent otherwise provided in the terms of the Securities, the following provisions shall apply to meetings of Holders of Securities:

(i) Notice of any such meeting shall be given to all the Holders of Securities having a right to vote thereat at least seven (7) days and not more than sixty (60) days before the date of such meeting. Whenever a vote, consent or approval of the Holders of Securities is permitted or required under this Declaration or the rules of any stock exchange on which the Preferred Securities are listed or admitted for trading, such vote, consent or approval may be given at a meeting of the Holders of Securities. Any action that may be taken at a meeting of the Holders of Securities may be taken without a meeting if a consent in writing setting forth the action so taken is signed by the Holders of Securities owning not less than the minimum amount of Securities in liquidation amount that would be necessary to authorize or take such action at a meeting at which all Holders of Securities having a right to vote thereon were present and voting. Prompt notice of the taking of action without a meeting shall be given to the Holders of Securities entitled to vote who have not consented in writing. The Regular Trustees may specify that any written ballots submitted to the Holders of Securities for the purpose of taking any action without a meeting shall be returned to the Trust within the time specified by the Regular Trustees.

(ii) Each Holder of a Security may authorize any Person to act for it by proxy on all matters in which such Holder of Securities is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. No proxy shall be valid after the expiration of eleven (11) months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Holder of Securities executing it. Except as otherwise provided herein, all matters relating to the giving, voting or validity of proxies shall be governed by the General Corporation Law of the State of Delaware relating to proxies, and judicial interpretations thereunder, as if the Trust were a Delaware corporation and the Holders of the Securities were stockholders of a Delaware corporation.

(iii) Each meeting of the Holders of the Securities shall be conducted by the Regular Trustees or by such other Person that the Regular Trustees may designate.

(iv) Unless the Business Trust Act, this Declaration, the Trust Indenture Act, the terms of the Securities or the listing rules of any stock exchange on which the Preferred Securities are then listed or trading otherwise provides, the Regular Trustees, in their sole discretion, shall establish all other provisions relating to meetings of Holders of Securities, including notice of the time, place or purpose of any meeting at which any matter is to be voted on by any Holders of Securities, waiver of any such notice, action by consent without a meeting, the establishment of a record date, quorum requirements, voting in person or by proxy or any other matter with respect to the exercise of any such right to vote.

ARTICLE XIII
REPRESENTATIONS OF PROPERTY TRUSTEE AND DELAWARE TRUSTEE

SECTION 13.1. REPRESENTATIONS AND WARRANTIES OF PROPERTY TRUSTEE.

The Trustee which acts as initial Property Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Property Trustee represents and warrants to the Trust and the Sponsor at the time of the Successor Property Trustee's acceptance of its appointment as Property Trustee that:

(a) The Property Trustee is a national banking association duly organized under the laws of the United States of America, with trust power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration.

(b) The execution, delivery and performance by the Property Trustee of this Declaration has been duly authorized by all necessary corporate action on the part of the Property Trustee. This Declaration has been duly executed and delivered by the Property Trustee, and it constitutes a legal, valid and binding obligation of the Property Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law).

(c) The execution, delivery and performance of this Declaration by the Property Trustee does not conflict with or

constitute a breach of the Articles of Organization or By-Laws of the Property Trustee.

(d) No consent, approval or authorization of, or registration with or notice to, any State or Federal banking authority is required for the execution, delivery or performance by the Property Trustee of this Declaration.

SECTION 13.2. REPRESENTATIONS AND WARRANTIES OF DELAWARE TRUSTEE.

The Delaware Trustee represents and warrants to the Trust and the Sponsor at the date of this Declaration, that the Delaware Trustee has been authorized to perform its obligations under the Certificate of Trust and this Declaration. This Declaration under Delaware law constitutes a legal, valid and binding obligation of the Delaware Trustee, enforceable against it in accordance with its terms, subject to applicable bankruptcy, reorganization, moratorium, insolvency and other similar laws affecting creditors' rights generally and to general principles of equity and the discretion of the court (regardless of whether the enforcement of such remedies is considered in a proceeding in equity or at law).

ARTICLE XIV
SUCCESSOR CORPORATION

SECTION 14.1. SPONSOR MAY CONSOLIDATE, ETC. Nothing contained in this Declaration or in any of the Securities shall prevent any consolidation or merger of the Sponsor with or into any other corporation or corporations (whether or not affiliated with the Sponsor), or successive consolidations or mergers in which the Sponsor or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance, transfer or other disposition of the property of the Sponsor or its successor or successors as an entirety, or substantially as an entirety, to any other corporation (whether or not affiliated with the Sponsor or its successor or successors) authorized to acquire and operate the same; PROVIDED, HOWEVER, the Sponsor hereby covenants and agrees that, upon any such consolidation, merger, sale, conveyance, transfer or other disposition, the due and punctual payment, performance and observance of all the covenants and conditions of this Declaration to be paid, performed or observed by the Sponsor, shall be expressly assumed, by supplemental indenture (which shall conform to the provisions of the Trust Indenture Act, as then in effect) satisfactory in form to the Property Trustee executed and delivered to the Property Trustee by the entity formed by such consolidation, or into which the Sponsor shall have been merged, or by the entity which shall have acquired such property.

SECTION 14.2. SUCCESSOR CORPORATION SUBSTITUTED.

(a) In case of any such consolidation, merger, sale, conveyance, transfer or other disposition and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Property Trustee and satisfactory in form to the Property Trustee, of the due and punctual payment, performance and observance of all of the covenants and conditions of this Declaration to be paid, performed or observed by the Sponsor, such successor corporation shall succeed to and be substituted for the Sponsor with the same effect as if it had been named as the Sponsor herein.

(b) Nothing contained in this Declaration or in any of the Securities shall prevent the Sponsor from merging into itself or acquiring by purchase or otherwise all or any part of the property of any other Person (whether or not affiliated with the Sponsor).

SECTION 14.3. EVIDENCE OF CONSOLIDATION, ETC. TO PROPERTY TRUSTEE.

The Property Trustee, subject to the provisions of Section 3.9, may receive an opinion of counsel as conclusive evidence that any such consolidation, merger, sale, conveyance, transfer or other disposition, and any such assumption, comply with the provisions of this Article.

ARTICLE XV
MISCELLANEOUS

SECTION 15.1. NOTICES. All notices provided for in this Declaration shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by registered or certified mail, as follows:

(a) if given to the Trust, in care of the Regular Trustees at the Trust's mailing address set forth below (or such other address as the Trust may give notice of to the Holders of the Securities):

KCPL FINANCING I
c/o Kansas City Power & Light Company
1201 Walnut
Kansas City, Missouri 64106-2124
Attention: Treasurer
Facsimile: 816-556-2992

(b) if given to the Property Trustee, at the mailing address set forth below (or such other address as the Property Trustee may give notice of to the Holders of the Securities):

The First National Bank of Chicago
One First National Plaza, Suite 0216
Chicago, Illinois 60670-0216
Attention: Corporate Trust Administration
Facsimile: 312-407-4656

(c) if given to the Delaware Trustee, at the mailing address of the Property Trustee with a copy to the address set forth below (or such other address as the Delaware Trustee may give notice of to the Holders of the Securities):

First Chicago Delaware Inc.
300 King Street
Wilmington, Delaware 19801
Facsimile: 815-356-0391

(d) if given to the Holder of the Common Securities, at the mailing address of the Sponsor set forth below (or such other address as the Holder of the Common Securities may give notice of to the Trust):

Kansas City Power & Light Company
1201 Walnut
Kansas City, Missouri 64106-2124
Attention: Treasurer
Facsimile: 816-556-2992

(d) if given to any other Holder, at the address set forth on the books and records of the Trust.

All such notices shall be deemed to have been given when received in person, telecopied with receipt confirmed, or mailed by first class mail, postage prepaid except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

SECTION 15.2. GOVERNING LAW. This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware and all rights and remedies shall be governed by such laws without regard to principles of conflict of laws.

SECTION 15.3. INTENTION OF THE PARTIES. It is the intention of the parties hereto that the Trust not be characterized for United States federal income tax purposes as an association taxable as a corporation or a partnership but rather, that the Trust be characterized as a grantor trust or otherwise in a manner such that each Holder of Securities be treated as owning an undivided beneficial interest in the Subordinated Debentures. The provisions of this Declaration shall be interpreted to further this intention of the parties.

SECTION 15.4. HEADINGS. Headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

SECTION 15.5. SUCCESSORS AND ASSIGNS. Whenever in this Declaration any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all covenants and agreements in this Declaration by the Sponsor and the Trustees shall bind and inure to the benefit of their respective successors and assigns, whether so expressed.

SECTION 15.6. PARTIAL ENFORCEABILITY. If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

SECTION 15.7. COUNTERPARTS. This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the undersigned has caused these presents to be executed as of the day and year first above written.

/s/ John J. DeStefano
John J. DeStefano
as Trustee

s/s Andrea F. Bielsker
Andrea F. Bielsker
as Trustee

THE FIRST NATIONAL BANK OF CHICAGO
Not in its individual capacity but solely as Property
Trustee

By: s/s John J. Prendiville
Name: John J. Prendiville
Title: Vice President

FIRST CHICAGO DELAWARE INC.
Not in its individual capacity
but solely as Delaware Trustee

By: /s/ John J. Prendiville
Name: John J. Prendiville
Title: Vice President

KANSAS CITY POWER & LIGHT COMPANY
as Sponsor

By: /s/ B. J. Beaudoin
Name: Bernard J. Beaudoin
Title: Executive Vice President -
Chief Executive Officer

TERMS OF
8.3% TRUST ORIGINATED PREFERRED SECURITIES
8.3% TRUST ORIGINATED COMMON SECURITIES

Pursuant to Section 7.1 of the Amended and Restated Declaration of Trust of KCPL Financing I dated as of April 15, 1997 (as amended from time to time, the "Declaration"), the designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities and the Common Securities are set out below (each capitalized term used but not defined herein has the meaning set forth in the Declaration or, if not defined in such Declaration, as defined in the Prospectus referred to below):

1. DESIGNATION AND NUMBER.

(a) PREFERRED SECURITIES. Preferred Securities of the Trust with an aggregate liquidation amount with respect to the assets of the Trust of one hundred fifty million dollars (\$150,000,000) and a liquidation amount with respect to the assets of the Trust of \$25 per Preferred Security, are hereby designated for the purposes of identification only as "8.3% Trust Originated Preferred Securities" (the "Preferred Securities"). The Preferred Security Certificates evidencing the Preferred Securities shall be substantially in the form attached hereto as Annex I, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice.

(b) COMMON SECURITIES. Common Securities of the Trust with an aggregate liquidation amount with respect to the assets of the Trust of four million six hundred forty thousand dollars (\$4,640,000) and a liquidation amount with respect to the assets of the Trust of \$25 per Common Security, are hereby designated for the purposes of identification only as "8.3% Trust Originated Common Securities" (the "Common Securities"). The Common Security Certificates evidencing the Common Securities shall be substantially in the form attached hereto as Annex II, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice.

2. DISTRIBUTIONS. (a) Distributions payable on each Security will be fixed at a rate per annum of 8.3% (the "Coupon Rate") of the stated liquidation amount of \$25 per Security, such rate being the rate of interest payable on the Subordinated Debentures to be held by the Property Trustee. Distributions in arrears will bear interest compounded quarterly at the Coupon Rate to the extent permitted by applicable law. The term "Distributions," as used herein, includes any such interest payable unless otherwise stated. A Distribution is payable only to the extent that payments are made in respect of the Subordinated Debentures held by the Property Trustee. The amount of Distributions payable for any period will be computed for any full quarterly Distribution period on the basis of a 360-day year of twelve 30-day months, and for any period shorter than a full quarterly Distribution period, on the basis of the actual number of days elapsed in such a 90-day quarter.

(b) Distributions on the Securities will be cumulative, will accrue from April 15, 1997 and will be payable quarterly in arrears, on March 31, June 30, September 30, and December 31 of each year, commencing on June 30, 1997, except as otherwise described below. The Debenture Issuer has the right under the Indenture to defer payments of interest by extending the interest payment period from time to time on the Subordinated Debentures for a period not exceeding twenty consecutive quarters (each such period, an "Extension Period") and, as a consequence of such extension, Distributions will also be deferred. Despite such deferral, quarterly Distributions will continue to accrue with interest thereon (to the extent permitted by applicable law) at the Coupon Rate, compounded quarterly during any such Extension Period. Prior to the termination of any such Extension Period, the Debenture Issuer may further extend such Extension Period; PROVIDED that such Extension Period, together with all such previous and further extensions thereof, may not exceed twenty consecutive quarters or extend beyond the maturity of the Subordinated Debentures. Payments of accrued Distributions will be payable to Holders as they appear on the books and records of the Trust on the first record date after the end of the Extension Period. Upon the termination of any Extension Period and the payment of all amounts then due, the Debenture Issuer may commence a new Extension Period, subject to the above requirements.

(c) Distributions on the Securities will be payable to the Holders thereof as they appear on the books and records of the Trust on the relevant record dates. While the Preferred Securities remain in book-entry only form, the relevant record dates shall be one Business Day prior to the relevant payment dates which payment dates correspond to the interest payment dates on the Subordinated

Debentures. Subject to any applicable laws and regulations and the provisions of the Declaration, each such payment in respect of the Preferred Securities will be made as described under the heading "Description of the Preferred Securities -- Book-Entry Only Issuance -- The Depository Trust Company" in the Prospectus dated April 3, 1997, as supplemented by the Prospectus Supplement dated April 9, 1997 (the "Prospectus") of the Trust included in the Registration Statement on Form S-3 of the Sponsor and the Trust. The relevant record dates for the Common Securities, and if the Preferred Securities shall not continue to remain in book-entry-only form, the relevant record dates for the Preferred Securities, shall conform to the rules of any securities exchange on which the securities are listed and, if none, shall be selected by the Regular Trustees, which dates shall be at least one Business Day but less than 60 Business Days before the relevant payment dates which payment dates correspond to the interest payment dates on the Subordinated Debentures. Distributions payable on any Securities that are not punctually paid on any Distribution payment date, as a result of the Debenture Issuer having failed to make a payment under the Subordinated Debentures, will cease to be payable to the Person in whose name such Securities are registered on the relevant record date, and such defaulted Distribution will instead be payable to the Person in whose name such Securities are registered on the special record date or other specified date determined in accordance with the Indenture. If any date on which Distributions are payable on the Securities is not a Business Day, then payment of the Distribution payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date.

(d) In the event that there is any money or other property held by or for the Trust that is not accounted for hereunder, such property shall be distributed Pro Rata (as defined herein) among the Holders of the Securities.

3. LIQUIDATION DISTRIBUTION UPON DISSOLUTION. In the event of any voluntary or involuntary dissolution, winding-up or termination of the Trust, the Holders of the Securities on the date of the dissolution, winding-up or termination, as the case may be, will be entitled to receive out of the assets of the Trust available for distribution to Holders of Securities, after paying or making reasonable provision to pay all claims and obligations of the Trust in accordance with Section 3808(e) of the Business Trust Act, an amount equal to the aggregate of the stated liquidation amount of \$25 per Security plus accrued and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation

Distribution"), unless, in connection with such dissolution, winding-up or termination, Subordinated Debentures in an aggregate principal amount equal to the aggregate stated liquidation amount of such Securities, with an interest rate equal to the Coupon Rate of, and bearing accrued and unpaid interest in an amount equal to the accrued and unpaid Distributions on, such Securities, shall be distributed on a Pro Rata basis to the Holders of the Securities in exchange for such Securities.

If, upon any such dissolution, the Liquidation Distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate Liquidation Distribution, then the amounts payable directly by the Trust on the Securities shall be paid on a Pro Rata basis.

4. REDEMPTION. (a) Upon the repayment of the Subordinated Debentures in whole or in part, whether at maturity or upon acceleration, redemption or otherwise, the proceeds from such repayment or payment shall be simultaneously applied to redeem Securities having an aggregate stated liquidation amount equal to the aggregate principal amount of the Subordinated Debentures so repaid or redeemed at a redemption price of \$25 per Security plus an amount equal to accrued and unpaid Distributions thereon at the date of the redemption, payable in cash (the "Redemption Price"). Holders will be given not less than 30 nor more than 60 days notice of such redemption except in the case of payments upon maturity.

(b) If fewer than all the outstanding Securities are to be so redeemed, the Common Securities and the Preferred Securities will be redeemed Pro Rata and the Preferred Securities to be redeemed will be as described in Section 4(f)(ii) below.

(c) If, at any time, a Tax Event (as defined below) shall occur and be continuing, the Regular Trustees, upon not less than 30 nor more than 60 days notice, may redeem the Securities in whole or in part for cash within 90 days following the occurrence of such Tax Event (the "90 Day Period") at the Redemption Price on a Pro Rata basis PROVIDED, that, if at the time there is available to the Trust the opportunity to eliminate, within the 90 Day Period, the Tax Event by taking some ministerial action ("Ministerial Action"), such as filing a form or making an election, or pursuing some other similar reasonable measure that has no adverse effect on the Sponsor, the Trust, the Debenture Issuer or the Holders of the Securities, the Trust will pursue such Ministerial Action in lieu of redemption.

"TAX EVENT" means that the Regular Trustees shall have received an opinion from independent tax counsel experienced in

such matters (a "Redemption Tax Opinion") to the effect that, on or after the latest date of the Prospectus, as a result of (a) any amendment to, or change (including any announced prospective change) in, the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or (b) any amendment to, or change in, an interpretation or application of any such laws or regulations by any legislative body, court, governmental agency or regulatory authority, which amendment or change is enacted, promulgated, issued or announced or which interpretation or pronouncement is issued or announced or which action is taken, in each case on or after the latest date of the Prospectus, there is more than an insubstantial risk that interest payable by the Debenture Issuer to the Trust on the Subordinated Debentures is not, or within 90 days of the date thereof will not be, deductible, in whole or in part, by the Debenture Issuer for United States federal income tax purposes.

(d) The Trust may not redeem fewer than all the outstanding Securities unless all accrued and unpaid Distributions have been paid on all Securities for all quarterly Distribution periods terminating on or before the date of redemption.

5. DISTRIBUTION OF SUBORDINATED DEBENTURES IN EXCHANGE FOR SECURITIES. (a) On and from the date fixed by the Trustees for any distribution of Subordinated Debentures upon dissolution of the Trust: (i) the Securities will no longer be deemed to be outstanding, (ii) The Depository Trust Company (the "Depository") or its nominee (or any successor Clearing Agency or its nominee), as the record Holder of the Preferred Securities, will receive a registered global certificate or certificates representing the Subordinated Debentures to be delivered upon such distribution and any certificates representing Securities, except for certificates representing Preferred Securities held by the Depository or its nominee (or any successor Clearing Agency or its nominee), will be deemed to represent beneficial interests in the Subordinated Debentures having an aggregate principal amount equal to the aggregate stated liquidation amount of, with an interest rate identical to the Coupon Rate of, and accrued and unpaid interest equal to accrued and unpaid Distributions on, such Securities until such certificates are presented to the Debenture Issuer or its agent for transfer or reissue.

(b) If the Subordinated Debentures are distributed to holders of the Securities, pursuant to the terms of the Indenture, the Debenture Issuer will use its best efforts to have the Subordinated Debentures listed on the New York Stock Exchange or on such other exchange as the Preferred Securities were listed immediately prior to the distribution of the Subordinated Debentures.

6. REDEMPTION OR DISTRIBUTION PROCEDURES. (a) Notice of any redemption of, or notice of distribution of Subordinated Debentures in exchange for, the Securities (a "Redemption/Distribution Notice") will be given by the Trust by mail to each Holder of Securities to be redeemed or exchanged not fewer than 30 nor more than 60 days before the date fixed for redemption or exchange thereof which, in the case of a redemption, will be the date fixed for redemption of the Subordinated Debentures. For purposes of the calculation of the date of redemption or exchange and the dates on which notices are given pursuant to this Section 6(a), a Redemption/Distribution Notice shall be deemed to be given on the day such notice is first mailed by first-class mail, postage prepaid, to Holders of Securities. Each Redemption/Distribution Notice shall be addressed to the Holders of Securities at the address of each such Holder appearing in the books and records of the Trust. No defect in the Redemption/Distribution Notice or in the mailing of either thereof with respect to any Holder shall affect the validity of the redemption or exchange proceedings with respect to any other Holder.

(b) In the event that fewer than all the outstanding Securities are to be redeemed, the Securities to be redeemed shall be redeemed Pro Rata from each Holder of Preferred Securities; PROVIDED that if, as a result of such Pro Rata redemption, Clearing Agency Participants would hold fractional interests in the Preferred Securities, the Depositary will adjust the amount of the interest of each Clearing Agency Participant to be redeemed to avoid such fractional interests.

(c) If Securities are to be redeemed and the Trust gives a Redemption/Distribution Notice, which notice may only be issued if the Subordinated Debentures are redeemed as set out in this Section 4 (which notice will be irrevocable), then (i) while the Preferred Securities are in book entry only form, with respect to the Preferred Securities, by 12:00 noon, New York City time, on the redemption date, PROVIDED that the Debenture Issuer has paid the Property Trustee a sufficient amount of cash in connection with the related redemption or maturity of the Subordinated Debentures, the Property Trustee will deposit irrevocably with the Depositary or its nominee (or successor Clearing Agency or its nominee) funds sufficient to pay the applicable Redemption Price with respect to the Preferred Securities and will give the Depositary irrevocable instructions and authority to pay the Redemption Price to the Holders of the Preferred Securities, and (ii) if the Preferred Securities are issued in definitive form, with respect to the Preferred Securities, and with respect to the Common Securities, PROVIDED that the Debenture Issuer has paid the Property Trustee a sufficient amount of cash in connection with the related redemption

or maturity of the Subordinated Debentures, the Property Trustee will pay the relevant Redemption Price to the Holders of such Securities by check mailed to the address of the relevant Holder appearing on the books and records of the Trust on the redemption date. If a Redemption/Distribution Notice shall have been given and funds have been deposited as required, if applicable, then immediately prior to the close of business on the date of such deposit, or on the redemption date, as applicable, all rights of Holders of such Securities so called for redemption will cease, except the right of the Holders of such Securities to receive the Redemption Price, but without interest on such Redemption Price. Neither the Regular Trustees nor the Trust shall be required to register or cause to be registered the transfer of any Securities which have been so called for redemption. If any date fixed for redemption of Securities is not a Business Day, then payment of the Redemption Price payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date fixed for redemption. If payment of the Redemption Price in respect of Securities is improperly withheld or refused and not paid either by the Property Trustee or by the Sponsor as Guarantor pursuant to the Preferred Securities Guarantee, Distributions on such Securities will continue to accrue, from the original redemption date to the actual date of payment, in which case the actual payment date will be considered the date fixed for redemption for purposes of calculating the Redemption Price.

(d) Redemption/Distribution Notices shall be sent to (i) in respect of the Preferred Securities, the Depositary or its nominee (or any successor Clearing Agency or its nominee) if Global Certificates have been issued or if Definitive Preferred Security Certificates have been issued, to the Holders thereof, and (ii) in respect of the Common Securities, to the Holders thereof.

(e) Subject to applicable law (including, without limitation, United States federal securities laws), the Sponsor or any of its Affiliates may at any time and from time to time purchase outstanding Preferred Securities by tender, in the open market or by private agreement.

7. VOTING RIGHTS - PREFERRED SECURITIES. (a) Except as provided under Sections 7(b) and 9 and as otherwise required by law and the Declaration, the Holders of the Preferred Securities will have no voting rights.

(b) The Holders of a Majority in liquidation amount of the Preferred Securities, voting separately as a class, may direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under the Declaration, including (i) directing the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee, or executing any trust or power conferred on the Debenture Trustee with respect to the Subordinated Debentures, (ii) waive any past default and its consequences that are waivable under the Indenture, (iii) exercise any right to rescind or annul a declaration that the principal of all the Subordinated Debentures shall be due and payable, or (iv) consent to any amendment, modification or termination of the Indenture or the Subordinated Debentures, where such consent shall be required, PROVIDED, HOWEVER, that where a consent under the Indenture would require the consent of greater than a majority of the Holders in principal amount of Subordinated Debentures affected thereby (a "Super Majority"), the Property Trustee may only give such consent at the direction of the Holders of at least the proportion in liquidation amount of the Preferred Securities which the relevant Super Majority represents of the aggregate principal amount of the Subordinated Debentures. The Property Trustee shall not take any action in accordance with the directions of the Holders of the Preferred Securities under this paragraph unless the Property Trustee has obtained an opinion of independent tax counsel to the effect that, for the purposes of United States federal income tax, the Trust will not be classified as other than a grantor trust on account of such action and that each Holder of Securities will continue to be treated as owning an undivided beneficial interest in the Subordinated Debentures on account of such action. If the Property Trustee fails to enforce its rights under the Declaration, any Holder of Preferred Securities may institute a legal proceeding directly against any Person to enforce the Property Trustee's rights under the Declaration, without first instituting a legal proceeding against the Property Trustee or any other Person.

Any approval or direction of Holders of Preferred Securities may be given at a separate meeting of Holders of Preferred Securities convened for such purpose, at a meeting of all of the Holders of Securities in the Trust or pursuant to written consent. The Regular Trustees will cause a notice of any meeting at which Holders of Preferred Securities are entitled to vote, or of any matter upon which action by written consent of such Holders is to be taken, to be mailed to each Holder of record of Preferred Securities. Each such notice will include a statement setting forth (i) the date of such meeting or the date by which such action is to be taken, (ii) a description of any resolution proposed for adoption at such meeting on which such Holders are entitled to vote

or of such matter upon which written consent is sought and (iii) instructions for the delivery of proxies or consents.

No vote or consent of the Holders of the Preferred Securities will be required for the Trust to redeem and cancel Preferred Securities or to distribute the Subordinated Debentures in accordance with the Declaration and the terms of the Securities.

Notwithstanding that Holders of Preferred Securities are entitled to vote or consent under any of the circumstances described above, any of the Preferred Securities that are owned by the Sponsor, or by any entity directly or indirectly controlling or controlled by or under direct or indirect common control with the Sponsor, shall not be entitled to vote or consent and shall, for purposes of such vote or consent, be treated as if they were not outstanding.

8. VOTING RIGHTS - COMMON SECURITIES. (a) Except as provided under Section 8(b) and (c) and as otherwise required by law and the Declaration, the Holders of the Common Securities will have no voting rights.

(b) The Holders of the Common Securities are entitled, in accordance with Article V of the Declaration, to vote to appoint, remove or replace any Trustee or to increase or decrease the number of Trustees.

(c) Only after the Event of Default with respect to the Preferred Securities has been cured, waived or otherwise eliminated, the Holders of a Majority in liquidation amount of the Common Securities, voting separately as a class, may direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under the Declaration, including (i) directing the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee, or executing any trust or power conferred on the Debenture Trustee with respect to the Subordinated Debentures, (ii) waive any past default and its consequences that is waivable under Section 6.06 of the Indenture, (iii) exercise any right to rescind or annul a declaration that the principal of all the Subordinated Debentures shall be due and payable, or (iv) consent to any amendment, modification or termination of the Indenture or the Subordinated Debentures, where such consent shall be required, PROVIDED, HOWEVER, that where a consent under the Indenture would require the consent of a Super Majority, the Property Trustee may only give such consent at the direction of the Holders of at least the proportion in liquidation amount of the Common Securities which the

relevant Super Majority represents of the aggregate principal amount of the Subordinated Debentures. The Property Trustee shall not take any action in accordance with the directions of the Holders of the Common Securities under this paragraph unless the Property Trustee has obtained an opinion of independent tax counsel to the effect that, for the purposes of United States federal income tax, the Trust will not be classified as other than a grantor trust on account of such action and that each Holder of Securities will continue to be treated as owning an undivided beneficial interest in the Subordinated Debentures on account of such action. If the Property Trustee fails to enforce its rights under the Declaration, any Holder of Common Securities may institute a legal proceeding directly against any Person to enforce the Property Trustee's rights under the Declaration, without first instituting a legal proceeding against the Property Trustee or any other Person.

Any approval or direction of Holders of Common Securities may be given at a separate meeting of Holders of Common Securities convened for such purpose, at a meeting of all of the Holders of Securities in the Trust or pursuant to written consent. The Regular Trustees will cause a notice of any meeting at which Holders of Common Securities are entitled to vote, or of any matter upon which action by written consent of such Holders is to be taken, to be mailed to each Holder of record of Common Securities. Each such notice will include a statement setting forth (i) the date of such meeting or the date by which such action is to be taken, (ii) a description of any resolution proposed for adoption at such meeting on which such Holders are entitled to vote or of such matter upon which written consent is sought and (iii) instructions for the delivery of proxies or consents.

No vote or consent of the Holders of the Common Securities will be required for the Trust to redeem and cancel Common Securities or to distribute the Subordinated Debentures in accordance with the Declaration and the terms of the Securities.

9. AMENDMENTS. If any proposed amendment to the Declaration provides for, or the Regular Trustees otherwise propose to effect, (i) any action that would adversely affect the powers, preferences or special rights of the Securities, whether by way of amendment to the Declaration or otherwise, or (ii) the dissolution, winding-up or termination of the Trust, other than as described in Section 8.1 of the Declaration, then the Holders of outstanding Securities, as a single class, will be entitled to vote on such amendment or proposal (but not on any other amendment or proposal) and such amendment or proposal shall not be effective except with the approval of the Holders of at least 66-2/3 in liquidation amount of the Securities affected thereby, provided that a

reduction of the aggregate liquidation amount or the distribution rate, or a change in the payment dates or maturities of the Preferred Securities shall not be permitted without the consent of each holder of the Preferred Securities. In the event any amendment or proposal referred to in clause (i) above would adversely affect only the Preferred Securities or the Common Securities, then only the affected class will be entitled to vote on such amendment or proposal and such amendment or proposal shall not be effective except with the approval of 66-2/3 in liquidation amount of such class of Securities.

10. PRO RATA. A reference in these terms of the Securities to any payment, distribution or treatment as being "Pro Rata" shall mean pro rata to each Holder of Securities according to the aggregate liquidation amount of the Securities held by the relevant Holder in relation to the aggregate liquidation amount of all Securities outstanding unless, in relation to a payment, an Event of Default under the Indenture has occurred and is continuing, in which case any funds available to make such payment shall be paid first to each Holder of the Preferred Securities pro rata according to the aggregate liquidation amount of Preferred Securities held by the relevant Holder relative to the aggregate liquidation amount of all Preferred Securities outstanding, and only after satisfaction of all amounts owed to the Holders of the Preferred Securities, to each Holder of Common Securities pro rata according to the aggregate liquidation amount of Common Securities held by the relevant Holder relative to the aggregate liquidation amount of all Common Securities outstanding.

11. RANKING. The Preferred Securities rank PARI PASSU and payment thereon shall be made Pro Rata with the Common Securities except that when an Event of Default occurs and is continuing, the rights of Holders of the Common Securities to payment in respect of Distributions and payments upon liquidation, redemption and otherwise are subordinated to the rights to payment of the Holders of the Preferred Securities.

12. LISTING. The Regular Trustees shall use their best efforts to cause the Preferred Securities to be listed for quotation on the New York Stock Exchange, Inc.

13. ACCEPTANCE OF SECURITIES GUARANTEE AND INDENTURE. Each Holder of Preferred Securities and Common Securities, by the acceptance thereof, agrees to the provisions of the Preferred Securities Guarantee, including the subordination provisions therein and to the provisions therein and to the provisions of the Indenture.

14. NO PREEMPTIVE RIGHTS. The Holders of the Securities shall have no preemptive rights to subscribe for any additional Securities.

15. MISCELLANEOUS. These terms constitute a part of the Declaration.

The Sponsor will provide a copy of the Declaration and the Preferred Securities Guarantee to a Holder without charge on written request to the Sponsor at its principal place of business.

ANNEX I

FORM OF PREFERRED SECURITY CERTIFICATE

[IF THE PREFERRED SECURITY IS TO BE A GLOBAL CERTIFICATE INSERT - This Preferred Security is a Global Certificate within the meaning of the Declaration hereinafter referred to and is registered in the name of The Depository Trust Company (the "Depository") or a nominee of the Depository. This Preferred Security is exchangeable for Preferred Securities registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Declaration and no transfer of this Preferred Security as a whole (except by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in limited circumstances.

Unless this Preferred Security is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the Trust or its agent for registration of transfer, exchange or payment, and any Preferred Security issued is registered in the name of Cede & Co. or such other name as is requested by an authorized representative of The Depository Trust Company and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

Certificate Number Number of Preferred Securities

CUSIP NO. 482432 20 0

Certificate Evidencing Preferred Securities
of
KCPL FINANCING I

Preferred Securities
(Liquidation Amount \$25 per Preferred Security)

KCPL FINANCING I, a business trust formed under the laws of the State of Delaware (the "TRUST"), hereby certifies that _____ (the "Holder") is the registered owner of preferred securities of the Trust representing undivided beneficial interests in the assets of the Trust designated the 8.3% Trust Originated Preferred Securities (liquidation amount \$25 per Preferred Security) (the "Preferred Securities"). The Preferred Securities

are transferable on the books and records of the Trust, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities represented hereby are issued and shall in all respects be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust dated as of April 15, 1997, as the same may be amended from time to time (the "Declaration"), including the designation of the terms of the Preferred Securities as set forth in Exhibit A to the Declaration. Capitalized terms used herein but not defined herein shall have the respective meanings given them in the Declaration. The Holder is entitled to the benefits of the Preferred Securities Guarantee to the extent provided therein. The Trust will provide a copy of the Declaration and the Preferred Securities Guarantee to the Holder without charge upon written request to the Trust at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the Declaration and is entitled to the benefits thereunder.

By acceptance, the Holder agrees to treat the Subordinated Debentures as indebtedness and the Preferred Securities as evidence of indirect beneficial ownership in the Subordinated Debentures.

IN WITNESS WHEREOF, the Trust has executed this certificate this
_____ day of _____, _____.

KCPL FINANCING I

By: _____
as Regular Trustee

By: _____
as Regular Trustee

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this Preferred Security Certificate to:

(Insert assignee's social security or tax identification number)

(Insert address and zip code of assignee)
and irrevocably appoints

_____ agent to transfer this Preferred Security Certificate on the books of the Trust. The agent may substitute another to act for him or her.

Date: _____

Signature: _____

(Sign exactly as your name appears on the other side of this Preferred Security Certificate.)

ANNEX II
FORM OF COMMON SECURITY CERTIFICATE

Certificate Number Number of Common Securities

Certificate Evidencing Common Securities
of
KCPL FINANCING I

Common Securities
(Liquidation Amount \$25 per Common Security)

KCPL FINANCING I, a business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that _____ (the "Holder") is the registered owner of common securities of the Trust representing undivided beneficial interests in the assets of the Trust designated the 8.3% Trust Originated Common Securities (liquidation amount \$25 per Common Security) (the "Common Securities"). The Common Securities are transferable on the books and records of the Trust, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Common Securities represented hereby are issued and shall in all respects be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust dated as of April 15, 1997, as the same may be amended from time to time (the "Declaration"), including the designation of the terms of the Common Securities as set forth in Exhibit A to the Declaration. Capitalized terms used herein but not defined herein shall have the respective meanings given them in the Declaration. The Holder is entitled to the benefits of the Common Securities Guarantee to the extent provided therein. The Trust will provide a copy of the Declaration and the Common Securities Guarantee to the Holder without charge upon written request to the Trust at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the Declaration and is entitled to the benefits thereunder.

By acceptance, the Holder agrees to treat the Subordinated Debentures as indebtedness and the Common Securities as evidence of indirect beneficial ownership in the Subordinated Debentures.

IN WITNESS WHEREOF, the Trust has executed this certificate this ____ day of _____, _____.

KCPL FINANCING I

By: _____
as Reguar Trustee

By: _____
as Regular Trustee

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned assigns and transfers this Common Security Certificate to:

(Insert assignee's social security or tax identification number)

(Insert address and zip code of assignee)
and irrevocably appoints

_____ agent
to transfer this Common Security Certificate on the books of the Trust.
The agent may substitute another to act for him or her.

Date: _____

Signature: _____
(Sign exactly as your name appears on the other side of this Common Security Certificate.)

KANSAS CITY POWER & LIGHT COMPANY
Issuer

AND

THE FIRST NATIONAL BANK OF CHICAGO
Trustee

INDENTURE

Dated as of April 1, 1997

Subordinated Debt Securities

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310(a)	7.09
310(b)	7.08
	7.10
310(c)	Inapplicable
311(a)	7.13(a)
311(b)	7.13(b)
311(c)	Inapplicable
312(a)	5.01
	5.02(a)
312(b)	5.02(b)
312(c)	5.02(c)
313(a)	5.04(a)
313(b)	5.04(b)
313(c)	5.04(a)
	5.04(b)
313(d)	5.04(c)
314(a)	5.03
314(b)	Inapplicable
314(c)	13.06
314(d)	Inapplicable
314(e)	13.06
314(f)	Inapplicable
315(a)	7.01(a)
	7.02
315(b)	6.07
315(c)	7.01
315(d)	7.01(b)
	7.01(c)
315(e)	6.07
316(a)	6.06
	8.04
316(b)	6.04
316(c)	8.01
317(a)	6.02
317(b)	4.03
318(a)	13.08

* This Cross-Reference Table does not constitute part of the Indenture and shall not have any bearing on the interpretation of Any of its terms or provisions.

THIS INDENTURE, dated as of April 1, 1997, between KANSAS CITY POWER & LIGHT COMPANY, a Missouri corporation (the "Company") and THE FIRST NATIONAL BANK OF CHICAGO, a national banking association, duly organized and existing under the laws of the United States as trustee (the "Trustee"):

W I T N E S S E T H:

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance of unsecured subordinated debt securities (hereinafter referred to as the "Debt Securities"), in an unlimited aggregate principal amount to be issued from time to time in one or more series as in this Indenture provided, as registered Debt Securities without coupons, to be authenticated by the certificate of the Trustee;

WHEREAS, to provide the terms and conditions upon which the Debt Securities are to be authenticated, issued and delivered, the Company has duly authorized the execution of this Indenture; and

WHEREAS, all things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done;

NOW, THEREFORE, in consideration of the premises and the purchase of the Debt Securities by the holders thereof, it is mutually covenanted and agreed as follows for the equal and ratable benefit of the holders of Debt Securities:

ARTICLE I

DEFINITIONS

SECTION 1.01. DEFINITIONS OF TERMS. The terms defined in this Section (except as in this Indenture otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Section and shall include the plural as well as the singular. All other terms used in this Indenture that are defined in the Trust Indenture Act of 1939, as amended, or that are by reference in such Act defined in the Securities Act of 1933, as amended (except as herein otherwise expressly provided or unless the context otherwise requires), shall have the meanings assigned to such terms in said Trust Indenture Act and in said Securities Act as in force at the date of the execution of this instrument.

AFFILIATE:

The term "Affiliate" shall mean, with respect to a specified Person, (a) any Person directly or indirectly owning, controlling or holding with power to vote 10% or more of the outstanding voting securities or other ownership interests of the specified Person, (b) any Person 10% or more of whose outstanding voting securities or other ownership interests are directly or indirectly owned, controlled or held with power to vote by the specified Person, (c) any Person directly or indirectly controlling, controlled by or under common control with the specified Person, (d) a partnership in which the specified Person is a general partner, (e) any officer or director of the specified Person and (f) if the specified Person is an individual, any entity of which the specified Person is an officer, director or general partner.

AUTHENTICATING AGENT:

The term "Authenticating Agent" shall mean an authenticating agent with respect to all or any of the series of Debt Securities appointed with respect to all of such series of the Debt Securities by the Trustee pursuant to Section 2.10.

BANKRUPTCY LAW:

The term "Bankruptcy Law" shall mean Title 11, United States Code, or any similar federal or state law for the relief of debtors.

BOARD OF DIRECTORS:

The term "Board of Directors" shall mean the board of directors of the Company, or any duly authorized committee of such board or any officer of the Company duly authorized by the board of directors of the Company or a duly authorized committee of that board.

BOARD RESOLUTION:

The term "Board Resolution" shall mean a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification; provided that any Board Resolution that is adopted by an officer of the Company shall be accompanied by a copy of a resolution of either the board of directors of the Company or a duly authorized committee of that board, certified as aforesaid, authorizing such officer to take such action.

BUSINESS DAY:

The term "Business Day" shall mean, with respect to any series of Debt Securities, any day other than a day on which federal or state banking institutions in Chicago, Illinois or the Borough of Manhattan, The City of New York, are authorized or obligated by law, executive order or regulation to close.

CERTIFICATE:

The term "Certificate" shall mean a certificate signed by the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company. The Certificate need not comply with the provisions of Section 13.07.

COMMON SECURITIES:

The term "Common Securities" shall mean undivided beneficial interests in the assets of a Trust which rank pari passu with Preferred Securities issued by such Trust; PROVIDED, HOWEVER, that upon the occurrence of an Event of Default, the rights of holders of Common Securities to payment in respect of distributions and payments upon liquidation, redemption and maturity are subordinated to the rights of holders of Preferred Securities.

COMPANY:

The term "Company" shall mean Kansas City Power & Light Company, a corporation duly organized and existing under the laws of the State of Missouri, and, subject to the provisions of Article X, shall also include its successors and assigns.

CORPORATE TRUST OFFICE:

The term "Corporate Trust Office" shall mean the office of the Trustee at which, at any particular time, its corporate trust business shall be principally administered, which office at the date hereof is located at One First National Plaza, Suite 0126, Chicago, Illinois 60670, Attention: Corporate Trust Administration.

CUSTODIAN:

The term "Custodian" shall mean any receiver, trustee, assignee, liquidator, or similar official under any Bankruptcy Law.

DECLARATION:

The term "Declaration" shall mean, in respect of a Trust, the amended and restated declaration of trust of such Trust or any other governing instrument of such Trust.

DEBT SECURITIES:

The term "Debt Securities" shall mean the Debt Securities authenticated and delivered under this Indenture.

DEFAULT:

The term "Default" shall mean any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

DEFAULTED INTEREST:

The term "Defaulted Interest" has the meaning specified in Section 2.03.

DEPOSITARY:

The term "Depositary" shall mean, with respect to Debt Securities of any series for which the Company shall determine that such Debt Securities will be issued as a Global Security, The Depository Trust Company, New York, New York, another clearing agency, or any successor registered as a clearing agency under the Exchange Act or other applicable statute or regulation, which, in each case, shall be designated by the Company pursuant to either Section 2.01 or 2.11.

EVENT OF DEFAULT:

The term "Event of Default" shall mean, with respect to Debt Securities of a particular series, any event specified in Section 6.01, continued for the period of time, if any, therein designated.

EXCHANGE ACT:

The term "Exchange Act" shall mean the Securities Exchange Act of 1934.

GLOBAL SECURITY:

The term "Global Security" shall mean, with respect to any series of Debt Securities, a Debt Security executed by the Company and delivered by the Trustee to the Depositary or

pursuant to the Depository's instruction, all in accordance with this Indenture, which shall be registered in the name of the Depository or its nominee.

GOVERNMENTAL OBLIGATIONS:

The term "Governmental Obligations" shall mean securities that are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America, the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America that, in either case, are not callable or redeemable at the option of the issuer thereof, and shall also include a depository receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act of 1933, as amended) as custodian with respect to any such Governmental Obligation or a specific payment of principal of or interest on any such Governmental Obligation held by such custodian for the account of the holder of such depository receipt; PROVIDED, HOWEVER, that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Governmental Obligation or the specific payment of principal of or interest on the Governmental Obligation evidenced by such depository receipt.

HEREIN, HEREOF AND HEREUNDER:

The terms "herein", "hereof", and "hereunder" and other words of similar import, refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

INDENTURE:

The term "Indenture" shall mean this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into in accordance with the terms hereof.

INTEREST PAYMENT DATE:

The term "Interest Payment Date", when used with respect to any installment of interest on a Debt Security of a particular series, means the date specified in such Debt Security or in a Board Resolution or in an indenture supplemental hereto with respect to such series as the fixed date on which an installment of interest with respect to Debt Securities of that series is due and payable.

OFFICERS' CERTIFICATE:

The term "Officers' Certificate" shall mean a certificate signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Controller or an Assistant Controller or the Secretary or an Assistant Secretary of the Company that is delivered to the Trustee in accordance with the terms hereof. Each such certificate shall include the statements provided for in Section 13.07, if and to the extent required by the provisions thereof.

OPINION OF COUNSEL:

The term "Opinion of Counsel" shall mean an opinion in writing of legal counsel, who may be an employee of or counsel for the Company, that is delivered to the Trustee in accordance with the terms hereof. Each such opinion shall include the statements provided for in Section 13.07, if and to the extent required by the provisions thereof.

OUTSTANDING:

The term "Outstanding", when used with reference to Debt Securities of any series, means, subject to the provisions of Section 8.04, as of any particular time, all Debt Securities of that series theretofore authenticated and delivered by the Trustee under this Indenture, except (a) Debt Securities theretofore canceled by the Trustee or any paying agent, or delivered to the Trustee or any paying agent for cancellation or that have previously been canceled; (b) Debt Securities or portions thereof for the payment or redemption of which moneys or Governmental Obligations in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company) or shall have been set aside and segregated in trust by the Company (if the Company shall act as its own paying agent); PROVIDED, HOWEVER, that if such Debt Securities or portions of such Debt Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article III provided, or provision satisfactory to the Trustee shall have been made for giving such notice, (c) Debt Securities in lieu of or in substitution for which other Debt Securities shall have been authenticated and delivered pursuant to the terms of Section 2.07; and (d) Debt Securities with respect to which the Company has effected defeasance and/or covenant defeasance as provided in Article XI.

PERSON:

The term "Person" shall mean any individual, corporation, partnership, limited liability company, joint

venture, joint-stock company, unincorporated organization or government or any agency or political subdivision thereof, or any other entity of whatever nature.

PREDECESSOR SECURITY:

The term "Predecessor Security" of any particular Debt Security means every previous Debt Security evidencing all or a portion of the same debt and guarantee as that evidenced by such particular Debt Security; and, for the purposes of this definition, any Debt Security authenticated and delivered under Section 2.07 in lieu of a lost, destroyed or stolen Debt Security shall be deemed to evidence the same debt as the lost, destroyed or stolen Debt Security.

PREFERRED SECURITIES:

The term "Preferred Securities" shall mean undivided beneficial interests in the assets of a Trust which rank pari passu with Common Securities issued by such trust; PROVIDED, HOWEVER, that upon the occurrence of an Event of Default, the rights of holders of Common Securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise are subordinated to the rights of holders of Preferred Securities.

PREFERRED SECURITIES GUARANTEE:

The term "Preferred Securities Guarantee" shall mean any guarantee that the Company may enter into with a Trust or other Persons that operate directly or indirectly for the benefit of holders of Preferred Securities of such Trust.

PROPERTY TRUSTEE:

The term "Property Trustee" shall mean the entity performing the functions of the Property Trustee of a Trust under the applicable Declaration of such Trust.

RESPONSIBLE OFFICER:

The term "Responsible Officer," when used with respect to the Trustee, means the Chairman of the board of directors, the President, any Vice President, the Secretary, the Treasurer, any trust officer, any corporate trust officer or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of that officer's knowledge of and familiarity with the particular subject.

SECURITYHOLDER, HOLDER, HOLDER OF DEBT SECURITIES, REGISTERED HOLDER:

The terms "Securityholder", "Holder", "Holder of Debt Securities", "registered holder", or other similar term, means the Person or Persons in whose name or names a particular Debt Security shall be registered on the books of the Company kept for that purpose in accordance with the terms of this Indenture.

SECURITY REGISTER AND SECURITY REGISTRAR:

The terms "Security Register" and "Security Registrar" have the respective meanings set forth in Section 2.05.

SUBSIDIARY:

The term "Subsidiary" shall mean, with respect to any Person, (i) any corporation at least a majority of whose outstanding Voting Stock shall at the time be owned, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, (ii) any general partnership, joint venture or similar entity, at least a majority of whose outstanding partnership or similar interests shall at the time be owned by such Person, or by one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries and (iii) any limited partnership of which such Person or any of its Subsidiaries is a general partner.

TRUST:

The term "Trust" shall mean any Delaware business trust formed by the Company for the purpose of purchasing Debt Securities of the Company.

TRUSTEE:

The term "Trustee" shall mean The First National Bank of Chicago, not in its individual capacity, and, subject to the provisions of Article VII, shall also include its successors and assigns, and, if at any time there is more than one Person acting in such capacity hereunder, "Trustee" shall mean each such Person. The term "Trustee," as used with respect to a particular series of Debt Securities, shall mean the trustee with respect to that series.

TRUST INDENTURE ACT:

The term "Trust Indenture Act" shall mean the Trust Indenture Act of 1939.

TRUST SECURITIES:

The term "Trust Securities" shall mean Common Securities and Preferred Securities.

VOTING STOCK:

The term "Voting Stock", as applied to stock of any Person, means shares, interests, participations or other equivalents in the equity interest (however designated) in such Person having ordinary voting power for the election of a majority of the directors (or the equivalent) of such Person, other than shares, interests, participations or other equivalents having such power only by reason of the occurrence of a contingency.

SECTION 1.02. INTERPRETATION. Each definition in this Indenture includes the singular and the plural, and references to the neuter gender include the masculine and feminine where appropriate. Terms which relate to accounting matters shall be interpreted in accordance with generally accepted accounting principles in effect from time to time. References to any statute mean such statute as amended at the time and include any successor legislation. The word "or" is not exclusive, and the words "herein," "hereof" and "hereunder" refer to this Indenture as a whole. The headings to the Articles and Sections are for convenience of reference and shall not affect the meaning or interpretation of this Indenture. References to Articles and Sections mean the Articles and Sections of this Indenture.

ARTICLE II

ISSUE, DESCRIPTION, TERMS, EXECUTION,
REGISTRATION AND EXCHANGE OF DEBT SECURITIES

SECTION 2.01. DESIGNATION AND TERMS OF DEBT SECURITIES. The aggregate principal amount of Debt Securities that may be authenticated and delivered under this Indenture is unlimited. The Debt Securities may be issued in one or more series up to the aggregate principal amount of Debt Securities of that series from time to time authorized by or pursuant to a Board Resolution of the Company or pursuant to one or more indentures supplemental hereto. Prior to the initial issuance of Debt Securities of any series, there shall be established in or pursuant to a Board Resolution of the Company, and set forth in an Officers' Certificate of the Company, or established in one or more indentures supplemental hereto:

(1) the title of the series of Debt Security (which shall distinguish the Debt Securities of that series from all other series of Debt Securities);

(2) any limit upon the aggregate principal amount of the Debt Securities of that series that may be authenticated and delivered under this Indenture (except for Debt Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Debt Securities of that series);

(3) the date or dates on which the principal of the Debt Securities of that series is payable;

(4) the rate or rates at which the Debt Securities of that series shall bear interest or the manner of calculation of such rate or rates, if any;

(5) the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest will be payable or the manner of determination of such Interest Payment Dates and the record date for the determination of holders to whom interest is payable on any such Interest Payment Dates;

(6) the right, if any, to extend the interest payment periods and the duration of such extension;

(7) the period or periods within which, the price or prices at which, and the terms and conditions upon which, Debt Securities of that series may be redeemed, in whole or in part, at the option of the Company;

(8) the obligation, if any, of the Company to redeem or purchase Debt Securities of that series pursuant to any sinking fund or analogous provisions (including payments made in cash in anticipation of future sinking fund obligations) or at the option of a Holder thereof and the period or periods within which, the price or prices at which, and the terms and conditions upon which, Debt Securities of that series shall be redeemed or purchased, in whole or in part, pursuant to such obligation;

(9) the subordination terms of the Debt Securities of that series;

(10) the form of the Debt Securities of that series, including the form of the Certificate of Authentication for such series;

(11) if other than denominations of twenty-five U.S. dollars (\$25) or any integral multiple thereof, the denominations in which the Debt Securities of that series shall be issuable;

(12) whether and under what circumstances the Company will pay additional amounts on the Debt Securities of the series to any Holder who is not a United States Person (including any modification to the definition of such term) in respect of any tax, assessment or governmental charge and, if so, whether the Company will have the option to redeem such Debt Securities rather than pay such additional amounts (and the terms of any such option);

(13) any and all other terms with respect to such series (which terms shall not be inconsistent with the terms of this Indenture), including any terms which may be required by or advisable under United States laws or regulations or advisable in connection with the marketing of Debt Securities of that series; and

(14) whether the Debt Securities are issuable as a Global Security and, in such case, the identity of the Depositary for such series.

All Debt Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to any such Board Resolution or in any indentures supplemental hereto.

If any of the terms of a series are established by action taken pursuant to a Board Resolution of the Company, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Officers' Certificate of the Company setting forth the terms of such series.

SECTION 2.02. FORM OF DEBT SECURITIES AND TRUSTEE'S CERTIFICATE. The Debt Securities of any series and the Trustee's certificate of authentication to be borne by such Debt Securities shall be substantially of the tenor and purport as set forth in one or more indentures supplemental hereto or as provided in a Board Resolution of the Company and as set forth in an Officers' Certificate of the Company, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as the Company may deem appropriate and as are not inconsistent with the provisions of this Indenture, or as may be required to comply with any law or with any rule or regulation made pursuant thereto

or with any rule or regulation of any stock exchange on which Debt Securities of that series may be listed, or to conform to usage.

SECTION 2.03. DENOMINATIONS; PROVISIONS FOR PAYMENT. The Debt Securities shall be issuable as registered Debt Securities and in the denominations of twenty-five U.S. dollars (\$25) or any integral multiple thereof, subject to Section 2.01(11). The Debt Securities of a particular series shall bear interest payable on the dates and at the rate specified with respect to that series. The principal of and the interest on the Debt Securities of any series, as well as any premium thereon in case of redemption thereof prior to maturity, shall be payable in the coin or currency of the United States of America that at the time is legal tender for public and private debt, at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, the City and State of New York. Each Debt Security shall be dated the date of its authentication. Interest on the Debt Securities shall be computed on the basis of a 360-day year composed of twelve 30-day months.

The interest installment on any Debt Security that is payable, and is punctually paid or duly provided for, on any Interest Payment Date for Debt Securities of that series shall be paid to the Person in whose name said Debt Security (or one or more Predecessor Debt Securities) is registered at the close of business on the regular record date for such interest installment. In the event that any Debt Security of a particular series or portion thereof is called for redemption and the redemption date is subsequent to a regular record date with respect to any Interest Payment Date and prior to such Interest Payment Date, interest on such Debt Security will be paid upon presentation and surrender of such Debt Security as provided in Section 3.03.

Any interest on any Debt Security that is payable, but is not punctually paid or duly provided for, on any Interest Payment Date for Debt Securities of that series (herein called "Defaulted Interest") shall forthwith cease to be payable to the registered holder on the relevant regular record date by virtue of having been such holder; and such Defaulted Interest shall be paid by the Company, at its election, as provided in clause (1) or clause (2) below:

(1) The Company may make payment of any Defaulted Interest on Debt Securities to the Persons in whose names such Debt Securities (or their respective Predecessor Debt Securities) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner: the

Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each such Debt Security and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a special record date for the payment of such Defaulted Interest which shall not be more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such special record date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the special record date therefor to be mailed, first class postage prepaid, to each Securityholder at the address of such Securityholder as it appears in the Security Register (as hereinafter defined), not less than 10 days prior to such special record date. Notice of the proposed payment of such Defaulted Interest and the special record date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Persons in whose names such Debt Securities (or their respective Predecessor Debt Securities) are registered on such special record date and shall be no longer payable pursuant to the following clause (2).

(2) The Company may make payment of any Defaulted Interest on any Debt Securities in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Debt Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustees of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Unless otherwise set forth in a Board Resolution of the Company or one or more indentures supplemental hereto establishing the terms of any series of Debt Securities pursuant to Section 2.01 hereof, the term "REGULAR RECORD DATE" as used in this Section with respect to a series of Debt Securities with respect to any Interest Payment Date for such series shall mean either (a) the fifteenth day of the month immediately preceding the month in which an Interest Payment Date established for such series pursuant to Section 2.01 hereof shall occur, if such Interest Payment Date is the first day of a month, (b) the

fifteenth day of the month in which an Interest Payment Date established for such series pursuant to Section 2.01 hereof shall occur, if such Interest Payment Date is the last day of such month, or (c) the last day of the month immediately preceding the month in which an Interest Payment Date established for such series pursuant to Section 2.01 hereof shall occur, if such Interest Payment Date is the fifteenth day of a month, whether or not such date is a Business Day.

Subject to the foregoing provisions of this Section, each Debt Security of a series delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Debt Security of such series shall carry the rights to interest accrued and unpaid, and to accrue, that were carried by such other Debt Security.

SECTION 2.04. EXECUTION AND AUTHENTICATION. The Debt Securities shall be signed on behalf of the Company by its President or one of its Vice Presidents, and attested by its Secretary or one of its Assistant Secretaries. Signatures may be in the form of a manual or facsimile signature. The Company may use the facsimile signature of any Person who shall have been a President or Vice President thereof, or of any Person who shall have been a Secretary or Assistant Secretary thereof, notwithstanding the fact that at the time the Debt Securities shall be authenticated and delivered or disposed of such Person shall have ceased to be the President or a Vice President, or the Secretary or an Assistant Secretary, of the Company. The seal, if any, of the Company may be in the form of a facsimile of such seal and may be impressed, affixed, imprinted or otherwise reproduced on the Debt Securities. The Debt Securities may contain such notations, legends or endorsements required by law, stock exchange rule or usage. Each Debt Security shall be dated the date of its authentication by the Trustee.

A Debt Security shall not be valid until authenticated manually by an authorized signatory of the Trustee, or by an Authenticating Agent. Such signature shall be conclusive evidence that the Debt Security so authenticated has been duly authenticated and delivered hereunder and that the holder is entitled to the benefits of this Indenture.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Debt Securities of any series executed by the Company to the Trustee for authentication, together with a written order of the Company for the authentication and delivery of such Debt Securities, signed by its President or any Vice President and its Treasurer or any Assistant Treasurer, and the Trustee in accordance with

such written order shall authenticate and deliver such Debt Securities.

In authenticating such Debt Securities and accepting the additional responsibilities under this Indenture in relation to such Debt Securities, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon, an Opinion of Counsel stating that the form and terms thereof have been established in conformity with the provisions of this Indenture.

The Trustee shall not be required to authenticate such Debt Securities if the issue of such Debt Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Debt Securities and this Indenture or otherwise in a manner that is not reasonably acceptable to the Trustee.

SECTION 2.05. REGISTRATION OF TRANSFER AND EXCHANGE.

(a) Debt Securities of any series may be exchanged upon presentation thereof at the office or agency of the Company designated for such purpose in the Borough of Manhattan, the City and State of New York, for other Debt Securities of such series of authorized denominations, and for a like aggregate principal amount, upon payment of a sum sufficient to cover any tax or other governmental charge in relation thereto, all as provided in this Section. In respect of any Debt Securities so surrendered for exchange, the Company shall execute, the Trustee shall authenticate and such office or agency shall deliver in exchange therefor the Debt Security or Debt Securities of the same series that the Securityholder making the exchange shall be entitled to receive, bearing numbers not contemporaneously outstanding.

(b) The Company shall keep, or cause to be kept, at its office or agency designated for such purpose in the Borough of Manhattan, the City and State of New York, or such other location designated by the Company a register or registers (herein referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall register the Debt Securities and the transfers of Debt Securities as in this Article provided and which at all reasonable times shall be open for inspection by the Trustee. The registrar for the purpose of registering Debt Securities and transfer of Debt Securities as herein provided shall be appointed as authorized by Board Resolution (the "Security Registrar").

Upon surrender for transfer of any Debt Security at the office or agency of the Company designated for such purpose in the Borough of Manhattan, the City and State of New York, the

Company shall execute, the Trustee shall authenticate and such office or agency shall deliver in the name of the transferee or transferees a new Debt Security or Debt Securities of the same series and same aggregate principal amount as the Debt Security presented for transfer.

All Debt Securities presented or surrendered for exchange or registration of transfer, as provided in this Section, shall be accompanied (if so required by the Company or the Security Registrar) by a written instrument or instruments of transfer, in form satisfactory to the Company or the Security Registrar, duly executed by the registered holder or by such holder's duly authorized attorney in writing.

(c) No service charge shall be made for any exchange or registration of transfer of Debt Securities, or issue of new Debt Securities in case of partial redemption of any series, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge in relation thereto, other than exchanges pursuant to Section 2.06, Section 3.03(b) and Section 9.04 not involving any transfer.

(d) The Company shall not be required (i) to issue, exchange or register the transfer of any Debt Securities of a series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of less than all the Outstanding Debt Securities of the same series and ending at the close of business on the day of such mailing, nor (ii) to register the transfer of or exchange any Debt Securities of any series or portions thereof called for redemption. The provisions of this Section 2.05 are, with respect to any Global Security, subject to Section 2.11 hereof.

SECTION 2.06. TEMPORARY SECURITIES. Pending the preparation of definitive Debt Securities of any series, the Company may execute, and the Trustee shall authenticate and deliver, temporary Debt Securities (printed, lithographed or typewritten) of any authorized denomination. Such temporary Debt Securities shall be substantially in the form of the definitive Debt Securities in lieu of which they are issued, but with such omissions, insertions and variations as may be appropriate for temporary Debt Securities, all as may be determined by the Company. Every temporary Debt Security of any series shall be executed by the Company and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Debt Securities of such series. Without unnecessary delay the Company will execute and will furnish definitive Debt Securities of such series and thereupon any or all temporary Debt Securities of such series may be surrendered in exchange therefor (without charge to the

holders), at the office or agency of the Company designated for the purpose in the Borough of Manhattan, the City and State of New York, and the Trustee shall authenticate and such office or agency shall deliver in exchange for such temporary Debt Securities an equal aggregate principal amount of definitive Debt Securities of such series, unless the Company advises the Trustee to the effect that definitive Debt Securities need not be executed and furnished until further notice from the Company. Until so exchanged, the temporary Debt Securities of such series shall be entitled to the same benefits under this Indenture as definitive Debt Securities of such series authenticated and delivered hereunder.

SECTION 2.07. MUTILATED, DESTROYED, LOST OR STOLEN DEBT SECURITIES.

In case any temporary or definitive Debt Security shall become mutilated or be destroyed, lost or stolen, the Company (subject to the next succeeding sentence) shall execute, and upon the Company's request the Trustee (subject as aforesaid) shall authenticate and deliver, a new Debt Security of the same series, bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Debt Security, or in lieu of and in substitution for the Debt Security so destroyed, lost or stolen. In every case the applicant for a substituted Debt Security shall furnish to the Company and the Trustee such security or indemnity as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft, the applicant shall also furnish to the Company and the Trustee evidence to their satisfaction of the destruction, loss or theft of the applicant's Debt Security and of the ownership thereof. The Trustee may authenticate any such substituted Debt Security and deliver the same upon the written request or authorization of any officer of the Company. Upon the issuance of any substituted Debt Security, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith. In case any Debt Security that has matured or is about to mature shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substitute Debt Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Debt Security) if the applicant for such payment shall furnish to the Company and the Trustee such security or indemnity as they may require to save them harmless, and, in case of destruction, loss or theft, evidence to the satisfaction of the Company and the Trustee of the destruction, loss or theft of such Debt Security and of the ownership thereof.

Every replacement Debt Security issued pursuant to the provisions of this Section shall constitute an additional

contractual obligation of the Company, whether or not the mutilated, destroyed, lost or stolen Debt Security shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Debt Securities of the same series duly issued hereunder. All Debt Securities shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Debt Securities, and shall preclude (to the extent lawful) any and all other rights or remedies, notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

SECTION 2.08. CANCELLATION. All Debt Securities surrendered for the purpose of payment, redemption, exchange or registration of transfer shall, if surrendered to the Company or any paying agent, be delivered to the Trustee for cancellation, or, if surrendered to the Trustee, shall be cancelled by it, and no Debt Securities shall be issued in lieu thereof except as expressly required or permitted by any of the provisions of this Indenture. On request of the Company at the time of such surrender, the Trustee shall deliver to the Company canceled Debt Securities held by the Trustee. In the absence of such request the Trustee may dispose of canceled Debt Securities in accordance with its standard procedures and deliver a certificate of disposition to the Company. If the Company shall otherwise acquire any of the Debt Securities, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Debt Securities unless and until the same are delivered to the Trustee for cancellation.

SECTION 2.09. BENEFITS OF INDENTURE. Nothing in this Indenture or in the Debt Securities, express or implied, shall give or be construed to give to any Person, other than the parties hereto and the holders of the Debt Securities (and, with respect to the provisions of Article XIV, the holders of any indebtedness to which the Debt Securities are subordinated) any legal or equitable right, remedy or claim under or in respect of this Indenture, or under any covenant, condition or provision herein contained; all such covenants, conditions and provisions being for the sole benefit of the parties hereto and of the holders of the Debt Securities (and, with respect to the provisions of Article XIV, the holders of any indebtedness to which the Debt Securities are subordinated).

SECTION 2.10. AUTHENTICATING AGENT. So long as any Debt Securities of any series remain Outstanding, there may be an Authenticating Agent for any or all such series of Debt

Securities which the Trustee shall have the right to appoint. Said Authenticating Agent shall be authorized to act on behalf of the Trustee to authenticate Debt Securities of such series issued upon exchange, transfer or partial redemption thereof, and Debt Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. All references in this Indenture to the authentication of Debt Securities by the Trustee shall be deemed to include authentication by an Authenticating Agent for such series. Each Authenticating Agent shall be acceptable to the Company and shall be a corporation that has a combined capital and surplus, as most recently reported or determined by it, sufficient under the laws of any jurisdiction under which it is organized or in which it is doing business to conduct a trust business, and that is otherwise authorized under such laws to conduct such business and is subject to supervision or examination by federal or state authorities. If at any time any Authenticating Agent shall cease to be eligible in accordance with these provisions, it shall resign immediately.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time (and upon request by the Company shall) terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and to the Company. Upon resignation, termination or cessation of eligibility of any Authenticating Agent, the Trustee may appoint an eligible successor Authenticating Agent acceptable to the Company. Any successor Authenticating Agent, upon acceptance of its appointment hereunder, shall become vested with all the rights, powers and duties of its predecessor hereunder as if originally named as an Authenticating Agent pursuant hereto.

SECTION 2.11. GLOBAL SECURITIES. (a) If the Company shall establish pursuant to Section 2.01 that the Debt Securities of a particular series are to be issued as a Global Security or Securities, then the Company shall execute and the Trustee shall, in accordance with Section 2.04, authenticate and deliver, a Global Security that (i) shall represent, and shall be denominated in an amount equal to the aggregate principal amount of, all of the Outstanding Debt Securities of such series, (ii) shall be registered in the name of the Depository or its nominee, (iii) shall be delivered by the Trustee to the Depository or pursuant to the Depository's instruction and (iv) shall bear a legend substantially to the following effect: "Except as otherwise provided in Section 2.11 of the Indenture, this Debt Security may be transferred, in whole but not in part, only to another nominee of the Depository or to a successor Depository or to a nominee of such successor Depository."

(b) Notwithstanding the provisions of Section 2.05, the Global Security or Securities of a series may be transferred, in whole but not in part and in the manner provided in Section 2.05, only to another nominee of the Depositary for such series, or to a successor Depositary for such series selected or approved by the Company or to a nominee of such successor Depositary.

(c) If at any time the Depositary for a series of Debt Securities notifies the Company that it is unwilling or unable to continue as Depositary for such series or if at any time the Depositary for such series shall no longer be registered or in good standing under the Exchange Act, or other applicable statute or regulation, at a time when the Depositary is required to be so registered to act as such Depositary and a successor Depositary for such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, this Section 2.11 shall no longer be applicable to the Debt Securities of such series and the Company will execute, and subject to Section 2.05, the Trustee will authenticate and deliver the Debt Securities of such series in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Security or Securities of such series in exchange for such Global Security or Securities. In addition, the Company may at any time determine that the Debt Securities of any series shall no longer be represented by a Global Security or Securities and that the provisions of this Section 2.11 shall no longer apply to the Debt Securities of such series. In such event, the Company will execute and subject to Section 2.05, the Trustee, upon receipt of an Officers' Certificate evidencing such determination by the Company, will authenticate and deliver the Debt Securities of such series in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Security or Securities of such series in exchange for such Global Security or Securities. Upon the exchange of the Global Security or Securities for such Debt Securities in definitive registered form without coupons, in authorized denominations, the Global Security or Securities shall be canceled by the Trustee. Such Debt Securities in definitive registered form issued in exchange for the Global Security or Securities pursuant to this Section 2.11(c) shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Debt Securities to the Depositary for delivery to the Persons in whose names such Debt Securities are so registered.

ARTICLE III

REDEMPTION OF DEBT SECURITIES AND SINKING FUND PROVISIONS

SECTION 3.01. REDEMPTION. The Company may redeem the Debt Securities of any series issued hereunder on and after the dates and in accordance with the terms established for such series pursuant to Section 2.01 hereof.

SECTION 3.02. NOTICE OF REDEMPTION. (a) In case the Company shall desire to exercise such right to redeem all or, as the case may be, a portion of the Debt Securities of any series in accordance with the right reserved so to do, the Company shall, or shall cause the Trustee to, give notice of such redemption to holders of the Debt Securities of such series to be redeemed by mailing, first class postage prepaid, a notice of such redemption not less than 30 days and not more than 90 days before the date fixed for redemption of that series to such holders at their last addresses as they shall appear upon the Security Register unless a shorter period is specified in the Debt Securities to be redeemed. Any notice that is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the registered holder receives the notice. In any case, failure duly to give such notice to the holder of any Debt Security of any series designated for redemption in whole or in part, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of any other Debt Securities of such series or any other series. In the case of any redemption of Debt Securities prior to the expiration of any restriction on such redemption provided in the terms of such Debt Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officers' Certificate evidencing compliance with any such restriction.

Each such notice of redemption shall specify the date fixed for redemption and the redemption price at which Debt Securities of that series are to be redeemed, and shall state that payment of the redemption price of such Debt Securities to be redeemed will be made at the office or agency of the Company in the Borough of Manhattan, the City and State of New York, upon presentation and surrender of such Debt Securities, that interest accrued to the date fixed for redemption will be paid as specified in said notice, that from and after said date interest will cease to accrue and that the redemption is for a sinking fund, if such is the case. If less than all the Debt Securities of a series are to be redeemed, the notice to the holders of Debt Securities of that series to be redeemed in whole or in part shall specify the particular Debt Securities to be so redeemed. In case any Debt Security is to be redeemed in part only, the

notice that relates to such Debt Security shall state the portion of the principal amount thereof to be redeemed, and shall state that on and after the redemption date, upon surrender of such Debt Security, a new Debt Security or Debt Securities of such series in principal amount equal to the unredeemed portion thereof will be issued.

(b) If less than all the Debt Securities of a series are to be redeemed, the Company shall give the Trustee at least 45 days' notice in advance of the date fixed for redemption as to the aggregate principal amount of Debt Securities of the series to be redeemed, and thereupon the Trustee shall select, by lot or in such other manner as it shall deem appropriate and fair in its discretion and that may provide for the selection of a portion or portions (equal to twenty-five U.S. dollars (\$25) or any integral multiple thereof) of the principal amount of such Debt Securities of a denomination larger than \$25, the Debt Securities to be redeemed and shall thereafter promptly notify the Company in writing of the numbers of the Debt Securities to be redeemed, in whole or in part.

The Company may, if and whenever it shall so elect, by delivery of instructions signed on its behalf by its President or any Vice President, instruct the Trustee or any paying agent to call all or any part of the Debt Securities of a particular series for redemption and to give notice of redemption in the manner set forth in this Section, such notice to be in the name of the Company or its own name as the Trustee or such paying agent may deem advisable. In any case in which notice of redemption is to be given by the Trustee or any such paying agent, the Company shall deliver or cause to be delivered to, or permit to remain with, the Trustee or such paying agent, as the case may be, such Security Register, transfer books or other records, or suitable copies or extracts therefrom, sufficient to enable the Trustee or such paying agent to give any notice by mail that may be required under the provisions of this Section.

SECTION 3.03. PAYMENT UPON REDEMPTION.

(a) If the giving of notice of redemption shall have been completed as above provided, the Debt Securities or portions of Debt Securities of the series to be redeemed specified in such notice shall become due and payable on the date and at the place stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption and interest on such Debt Securities or portions of Debt Securities shall cease to accrue on and after the date fixed for redemption, unless the Company shall default in the payment of such redemption price and accrued interest with respect to any such Debt Security or portion thereof. On presentation and

surrender of such Debt Securities on or after the date fixed for redemption at the place of payment specified in the notice, said Debt Securities shall be paid and redeemed at the applicable redemption price for such series, together with interest accrued thereon to the date fixed for redemption (but if the date fixed for redemption is an interest payment date, the interest installment payable on such date shall be payable to the registered holder at the close of business on the applicable record date pursuant to Section 2.03).

(b) Upon presentation of any Debt Security of such series that is to be redeemed in part only, the Company shall execute and the Trustee shall authenticate and the office or agency where the Debt Security is presented shall deliver to the holder thereof, at the expense of the Company, a new Debt Security or Debt Securities of the same series, of authorized denominations in principal amount equal to the unredeemed portion of the Debt Security so presented.

SECTION 3.04. SINKING FUND. The provisions of Sections 3.04, 3.05 and 3.06 shall be applicable to any sinking fund for the retirement of Debt Securities of a series, except as otherwise specified as contemplated by Section 2.01 for Debt Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Debt Securities of any series is herein referred to as a "MANDATORY SINKING FUND PAYMENT," and any payment in excess of such minimum amount provided for by the terms of Debt Securities of any series is herein referred to as an "OPTIONAL SINKING FUND PAYMENT". If provided for by the terms of Debt Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 3.05. Each sinking fund payment shall be applied to the redemption of Debt Securities of any series as provided for by the terms of Debt Securities of such series.

SECTION 3.05. SATISFACTION OF SINKING FUND PAYMENTS WITH DEBT SECURITIES. The Company (i) may deliver Outstanding Debt Securities of a series (other than any Debt Securities previously called for redemption) and (ii) may apply as a credit Debt Securities of a series that have been redeemed either at the election of the Company pursuant to the terms of such Debt Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Debt Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Debt Securities of such series required to be made pursuant to the terms of such Debt Securities as provided for by the terms of such series, PROVIDED that such Debt Securities have not been previously so

credited. Such Debt Securities shall be received and credited for such purpose by the Trustee at the redemption price specified in such Debt Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

SECTION 3.06. REDEMPTION OF DEBT SECURITIES FOR SINKING FUND. Not less than 45 days prior to each sinking fund payment date for any series of Debt Securities, the Company will deliver to the Trustee an Officers' Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of such series, the portion thereof, if any, that is to be satisfied by delivering and crediting Debt Securities of that series pursuant to Section 3.05 and the basis for such credit and will, together with such Officers' Certificate, deliver to the Trustee any Debt Securities to be so delivered. Not less than 30 days before each such sinking fund payment date, the Trustee shall select the Debt Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 3.02 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 3.02. Such notice having been duly given, the redemption of such Debt Securities shall be made upon the terms and in the manner stated in Section 3.03.

ARTICLE IV

COVENANTS OF THE COMPANY

SECTION 4.01. PAYMENT OF PRINCIPAL, PREMIUM AND INTEREST. The Company will duly and punctually pay or cause to be paid the principal of (and premium, if any) and interest on the Debt Securities of each series at the time and place and in the manner provided herein and established with respect to such Debt Securities.

SECTION 4.02. MAINTENANCE OF OFFICE OR AGENCY. So long as any series of the Debt Securities remain Outstanding, the Company agrees to maintain an office or agency in the Borough of Manhattan, the City and State of New York, with respect to each such series and at such other location or locations as may be designated as provided in this Section 4.02, where (i) Debt Securities of such series may be presented for payment, (ii) Debt Securities of such series may be presented as hereinabove authorized for registration of transfer and exchange, and (iii) notices and demands to or upon the Company in respect of the Debt Securities of such series and this Indenture may be given or served, such designation to continue with respect to such office

or agency until the Company shall, by written notice signed by its President or a Vice President and delivered to the trustee, designate some other office or agency for such purposes or any of them. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, notices and demands may be made or served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, notices and demands.

SECTION 4.03. PAYING AGENTS.

(a) If the Company shall appoint one or more paying agents for all or any series of the Debt Securities, other than the Trustee, the Company will cause each such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to the provisions of this Section:

(1) that it will hold all sums held by it as such agent for the payment of the principal of (and premium, if any) or interest on the Debt Securities of that series (whether such sums have been paid to it by the Company or by any other obligor of such Debt Securities) in trust for the benefit of the Persons entitled thereto;

(2) that it will give the Trustee notice of any failure by the Company to make any payment of the principal of (and premium, if any) or interest on the Debt Securities of that series when the same shall be due and payable;

(3) that it will, at any time during the continuance of any failure referred to in the preceding paragraph (a)(2) above, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such paying agent; and

(4) that it will perform all other duties of paying agent as set forth in this Indenture.

(b) If the Company shall act as its own paying agent with respect to any series of the Debt Securities, it will on or before each due date of the principal of (and premium, if any) or interest on Debt Securities of that series, set aside, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay such principal (and premium, if any) or interest so becoming due on Debt Securities of that series until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of such action, or any failure by it to take such action. Whenever the

Company shall have one or more paying agents for any series of Debt Securities, it will, on or before each due date of the principal of (and premium, if any) or interest on any Debt Securities of that series, deposit with the paying agent a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such paying agent is the Trustee) the Company will promptly notify the Trustee of such deposit or failure so to deposit.

(c) Notwithstanding anything in this Section to the contrary, (i) the agreement to hold sums in trust as provided in this Section is subject to the provisions of Section 11.05, and (ii) the Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or direct any paying agent to pay, to the Trustee all sums held in trust by the Company or such paying agent, such sums to be held by the Trustee upon the same terms and conditions as those upon which such sums were held by the Company or such paying agent; and, upon such payment by any paying agent to the Trustee, such paying agent shall be released from all further liability with respect to such money.

SECTION 4.04. APPOINTMENT TO FILL VACANCY IN OFFICE OF TRUSTEE. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.10, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.05. COMPLIANCE WITH CONSOLIDATION PROVISIONS. The Company will not, while any of the Debt Securities remain Outstanding, consolidate with, or merge into, or merge into itself, or sell or convey all or substantially all of its property to any other company unless the provisions of Article X hereof are complied with.

SECTION 4.06. LIMITATION ON DIVIDENDS; TRANSACTIONS WITH AFFILIATES.

(a) If Debt Securities are issued to a Trust or a trustee of such Trust in connection with the issuance of Preferred Securities by such Trust and (i) there shall have occurred any event that would constitute an Event of Default or (ii) the Company shall be in default with respect to its payment or any obligations under the Preferred Securities Guarantee relating to such Preferred Securities, then (x) the Company shall not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of its capital stock (other than

(A) purchases or acquisitions of shares of Company common stock in connection with the satisfaction by the Company of its obligations under any employee benefit plans or any other contractual obligations of the Company, other than a contractual obligation ranking PARI PASSU with or junior to the Debt Securities), (B) as a result of a reclassification of Company capital stock or the exchange or conversion of one class or series of Company capital stock for another class or series of Company capital stock, or (C) the purchase of fractional interests in shares of Company capital stock pursuant to the conversion or exchange provisions of such Company capital stock or the security being converted or exchanged), (y) the Company shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) issued by the Company which rank PARI PASSU with or junior to such Debt Securities and (z) the Company shall not make guarantee payments with respect to the foregoing (other than pursuant to Preferred Securities Guarantees).

(b) If Debt Securities are issued to a Trust or a trustee of such Trust in connection with the issuance of Trust Securities by such Trust and the Company shall have given notice of its election to defer payments of interest on such Debt Securities by extending the interest payment period as provided in any indenture supplemental hereto and such period, or any extension thereof, shall be continuing, then (i) the Company shall not declare or pay any dividend, or make any distributions with respect to, or redeem, purchase or make a liquidation payment with respect to, any of its capital stock (other than (A) purchases or acquisitions of shares of Company common stock in connection with the satisfaction by the Company of its obligations under any employee benefit plans or any other contractual obligations of the Company, other than a contractual obligation ranking PARI PASSU with or junior to the Debt Securities) (B) as a result of a reclassification of Company capital stock or the exchange or conversion of one class or series of Company capital stock for another class or series of Company capital stock, or (C) the purchase of fractional interests in shares of Company capital stock pursuant to the conversion or exchange provisions of such Company capital stock or the security being converted or exchanged), (ii) the Company shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) issued by the Company which rank PARI PASSU with or junior to such Debt Securities and (iii) the Company shall not make any guarantee payments with respect to the foregoing (other than pursuant to Preferred Securities Guarantees).

SECTION 4.07. COVENANTS AS TO TRUST. In the event Debt Securities are issued and sold to a Trust in connection with the issuance of Trust Securities by such Trust, for so long as such Trust Securities remain outstanding, the Company will (i) maintain 100% direct or indirect ownership of the Common Securities of such Trust; PROVIDED, HOWEVER, that any permitted successor of the Company under the Indenture may succeed to the Company's ownership of such Common Securities, (ii) not cause, as sponsor of such Trust, or permit, as holder of Common Securities of such Trust, the dissolution, winding-up or termination of such trust, except in connection with a distribution of Debt Securities as provided in the Declaration and in connection with certain mergers, consolidations or amalgamations permitted by the Declaration and (iii) use its reasonable efforts to cause such Trust (a) to remain a business trust, except in connection with a distribution of Debt Securities, the redemption of all of the Trust Securities of such Trust or certain mergers, consolidations or amalgamations, each as permitted by the Declaration of such Trust, and (b) to otherwise continue to be classified for United States federal income tax purposes as a grantor trust.

SECTION 4.08. CORPORATE EXISTENCE. The Company will, subject to the provisions of Article X, at all times maintain its corporate existence and right to carry on business and will duly procure all renewals and extensions thereof, and, to the extent necessary or desirable in the operation of its business, will use its best efforts to maintain, preserve and renew all of its rights, powers, privileges and material franchises.

ARTICLE V

SECURITYHOLDERS, LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE

SECTION 5.01. COMPANY TO FURNISH TRUSTEE NAMES AND ADDRESSES OF SECURITYHOLDERS. The Company will furnish or cause to be furnished to the Trustee (a) on a quarterly basis on each regular record date (as defined in Section 2.03) a list, in such form as the Trustee may reasonably require, of the names and addresses of the holders of each series of Debt Securities as of such regular record date, PROVIDED that the Company shall not be obligated to furnish or cause to be furnished such list at any time that such list shall not differ in any respect from the most recent list furnished to the Trustee by the Company and (b) at such other times as the Trustee may request in writing within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished; PROVIDED, HOWEVER, that in either case, no such list need be furnished for any series of

Debt Securities for which the Trustee shall be the Security Registrar.

SECTION 5.02. PRESERVATION OF INFORMATION; COMMUNICATIONS WITH SECURITYHOLDERS.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the holders of Debt Securities contained in the most recent list furnished to it as provided in Section 5.01 and as to the names and addresses of holders of Debt Securities received by the Trustee in its capacity as Security Registrar (if acting in such capacity).

(b) The Trustee may destroy any list furnished to it as provided in Section 5.01 upon receipt of a new list so furnished.

(c) Securityholders may communicate as provided in Section 312(b) of the Trust Indenture Act with other Securityholders with respect to their rights under this Indenture or under the Debt Securities.

SECTION 5.03. REPORTS BY THE COMPANY.

(a) The Company covenants and agrees to file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) that the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports that may be required pursuant to Section 13 of the Exchange Act, in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations.

(b) The Company covenants and agrees to file with the Trustee and the Commission, in accordance with the rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants provided for in this Indenture as may be required from time to time by such rules and regulations.

(c) The Company covenants and agrees to transmit by mail, first class postage prepaid, or reputable overnight delivery service that provides for evidence of receipt, to the Securityholders, as their names and addresses appear upon the Security Register, within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to subsections (a) and (b) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

SECTION 5.04. REPORTS BY THE TRUSTEE.

(a) Within 60 days after May 15 of each year in which any of the Debt Securities are Outstanding, the Trustee shall transmit by mail, first class postage prepaid, to the Securityholders, as their names and addresses appear upon the Security Register, a brief report dated as of the preceding May 15, if and to the extent required under Section 313(a) of the Trust Indenture Act.

(b) The Trustee shall comply with Sections 313(b) and 313(c) of the Trust Indenture Act.

(c) A copy of each such report shall, at the time of such transmission to Securityholders, be filed by the Trustee with the Company, with each stock exchange upon which any Debt Securities are listed (if so listed) and also with the Commission. The Company agrees to notify the Trustee when any Debt Securities become listed on any stock exchange.

ARTICLE VI

REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

SECTION 6.01. EVENTS OF DEFAULT.

(a) Whenever used herein with respect to Debt Securities of a particular series, "Event of Default" means any one or more of the following events that has occurred and is continuing:

(1) the Company defaults in the payment of any installment of interest upon any of the Debt Securities of that series, as and when the same shall become due and payable, and continuance of such default for a period of 30 days; PROVIDED, HOWEVER, that a valid extension of an interest payment period by the Company in accordance with

the terms of any indenture supplemental hereto, shall not constitute a default in the payment of interest for this purpose;

(2) the Company defaults in the payment of the principal of (or premium, if any, on) any of the Debt Securities of that series as and when the same shall become due and payable whether at maturity, upon redemption, by declaration or otherwise, or in any payment required by any sinking or analogous fund established with respect to that series;

(3) the Company fails to observe or perform any other of its covenants or agreements with respect to that series contained in this Indenture or otherwise established with respect to that series of Debt Securities pursuant to Section 2.01 hereof (other than a covenant or agreement that has been expressly included in this Indenture solely for the benefit of one or more series of Debt Securities other than such series) for a period of 90 days after the date on which written notice of such failure, requiring the same to be remedied and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee, by registered or certified mail, or to the Company and the Trustee by the holders of at least 25% in principal amount of the Debt Securities of that series at the time Outstanding;

(4) the Company pursuant to or within the meaning of any Bankruptcy Law (i) commences a voluntary case, (ii) consents to the entry of an order for relief against it in an involuntary case, (iii) consents to the appointment of a Custodian of it or for all or substantially all of its property or (iv) makes a general assignment for the benefit of its creditors;

(5) a court of competent jurisdiction enters an order under any Bankruptcy Law that (i) is for relief against the Company in an involuntary case, (ii) appoints a Custodian of the Company for all or substantially all of its property, or (iii) orders the liquidation of the Company, and the order or decree remains unstayed and in effect for 90 days; or

(6) in the event Debt Securities are issued and sold to a Trust of the Company in connection with the issuance of Trust Securities by such Trust, such Trust shall have voluntarily or involuntarily dissolved, wound-up its business or otherwise terminated its existence except in connection with (i) the distribution of Debt Securities to holders of Trust Securities in liquidation of their

interests in such Trust, (ii) the redemption of all outstanding Trust Securities of such Trust, and (iii) mergers, consolidations or amalgamations, each as permitted by the Declaration of such Trust.

(b) If an Event of Default described in clauses 1, 2, 3 or 6 of Section 6.01(a) with respect to Debt Securities of any series at the time outstanding occurs and is continuing, unless the principal of all the Debt Securities of that series shall have already become due and payable, either the Trustee or the holders of not less than 25% in aggregate principal amount of the Debt Securities of that series then Outstanding hereunder, by notice in writing to the Company (and to the Trustee, if given by such Securityholders), may declare the principal of all the Debt Securities of that series to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, notwithstanding anything contained in this Indenture or in the Debt Securities of that series or established with respect to that series pursuant to Section 2.01 to the contrary. If an Event of Default specified in clause (4) or (5) of Section 6.01(a) occurs or is continuing, then the principal amount of all the Debt Securities shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Securityholder.

(c) At any time after the principal of the Debt Securities of that series shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the holders of a majority in aggregate principal amount of the Debt Securities of that series then Outstanding hereunder, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if: (i) the Company has paid or deposited with the Trustee a sum sufficient to pay all matured installments of interest upon all the Debt Securities of that series and the principal of (and premium, if any, on) any and all Debt Securities of that series that shall have become due otherwise than by acceleration (with interest upon such principal and premium, if any, and, to the extent that such payment is enforceable under applicable law, upon overdue installments of interest, at the rate per annum expressed in the Debt Securities of that series to the date of such payment or deposit) and the amount payable to the Trustee under Section 7.06, and (ii) any and all Events of Default under the Indenture with respect to such series, other than the nonpayment of principal on Debt Securities of that series that shall not have become due by their terms, shall have been remedied or waived as provided in Section 6.06.

No such rescission and annulment shall extend to or shall affect any subsequent default or impair any right consequent thereon.

(d) In case the Trustee shall have proceeded to enforce any right with respect to Debt Securities of that series under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored respectively to their former positions and rights hereunder, and all rights, remedies and powers of the Company and the Trustee shall continue as though no such proceedings had been taken.

SECTION 6.02. COLLECTION OF INDEBTEDNESS AND SUITS FOR ENFORCEMENT BY TRUSTEE.

(a) The Company covenants that (1) in case it shall default in the payment of any installment of interest on any of the Debt Securities of a series, or any payment required by any sinking or analogous fund established with respect to that series as and when the same shall have become due and payable, and such default shall have continued for a period of 90 days, or (2) in case it shall default in the payment of the principal of (or premium, if any, on) any of the Debt Securities of a series when the same shall have become due and payable, whether upon maturity of the Debt Securities of a series or upon redemption or upon declaration or otherwise, then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the holders of the Debt Securities of that series, the whole amount that then shall have become due and payable on all such Debt Securities for principal (and premium, if any) or interest, or both, as the case may be, with interest upon the overdue principal (and premium, if any) and (to the extent that payment of such interest is enforceable under applicable law and, if the Debt Securities are held by a Trust, without duplication of any other amounts paid by such Trust in respect thereof) upon overdue installments of interest at the rate per annum expressed in the Debt Securities of that series; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection and the amount payable to the Trustee under Section 7.06.

(b) If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any action or proceedings at law or in equity for the collection of the sums so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, and may enforce any such judgment or final decree against the Company or

other obligor upon the Debt Securities of that series and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or other obligor upon the Securities of that series, wherever situated.

(c) In case of any receivership, insolvency, liquidation, bankruptcy, reorganization, readjustment, arrangement, composition or judicial proceedings affecting the Company or its creditors or property, the Trustee shall have power to intervene in such proceedings and take any action therein that may be permitted by the court and shall (except as may be otherwise provided by law) be entitled to file such proofs of claim and other papers and documents as may be necessary or advisable in order to have the claims of the Trustee and of the holders of Debt Securities of such series allowed for the entire amount due and payable by the Company under this Indenture at the date of institution of such proceedings and for any additional amount that may become due and payable by the Company after such date, and to collect and receive any moneys or other property payable or deliverable on any such claim, and to distribute the same after the deduction of the amount payable to the Trustee under Section 7.06; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the holders of Debt Securities of such series to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to such Securityholders, to pay to the Trustee any amount due it under Section 7.06.

(d) All rights of action and of asserting claims under this Indenture, or under any of the terms established with respect to Debt Securities of that series, may be enforced by the Trustee without the possession of any of such Debt Securities, or the production thereof at any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for payment to the Trustee of any amounts due under Section 7.06, be for the ratable benefit of the holders of the Debt Securities of such series.

In case of an Event of Default hereunder, the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted in this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Securityholder any plan of reorganization, arrangement, adjustment or composition affecting the Securities of that series or the rights of any holder thereof or to authorize the Trustee to vote in respect of the claim of any Securityholder in any such proceeding.

SECTION 6.03. APPLICATION OF MONEYS COLLECTED. Any moneys collected by the Trustee pursuant to this Article with respect to a particular series of Debt Securities shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such moneys on account of principal (or premium, if any) or interest, upon presentation of the Debt Securities of that series, and notation thereon of the payment, if only partially paid, and upon surrender thereof if fully paid:

FIRST: To the payment of costs and expenses of collection and of all amounts payable to the Trustee under Section 7.06;

SECOND: To the payment of all indebtedness to which the Debt Securities are subordinated if and to the extent required by Article XIV; and

THIRD: To the payment of the amounts then due and unpaid upon Debt Securities of such series for principal (and premium, if any) and interest, in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Debt Securities for principal (and premium, if any) and interest, respectively.

SECTION 6.04. LIMITATION ON SUITS. No holder of any Debt Security of any series shall have any right by virtue or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless (i) such holder previously shall have given to the Trustee written notice of an Event of Default and of the continuance thereof with respect to the Debt Securities of such series specifying such Event of Default, as herein provided; (ii) the holders of not less than 25% in aggregate principal amount of the Debt Securities of such series then Outstanding shall have made written request upon the Trustee to institute such action, suit or proceeding in its own name as trustee hereunder; (iii) such holder or holders shall have offered to the Trustee such reason-

able indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby; and (iv) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity, shall have failed to institute any such action, suit or proceeding; and (v) during such 60 day period, the holders of a majority in principal amount of the Debt Securities of that series do not give the Trustee a direction inconsistent with the request.

Notwithstanding anything contained herein to the contrary, any other provisions of this Indenture, the right of any holder of any Debt Security to receive payment of the principal of (and premium, if any) and interest on such Debt Security, as therein provided, on or after the respective due dates expressed in such Debt Security (or in the case of redemption, on the redemption date), or to institute suit for the enforcement of any such payment on or after such respective dates or redemption date, shall not be impaired or affected without the consent of such holder, and by accepting a Debt Security hereunder it is expressly understood, intended and covenanted by the taker and holder of every Debt Security of such series with every other such taker and holder and the Trustee, that no one or more holders of Debt Securities of such series shall have any right in any manner whatsoever by virtue or by availing of any provision of this Indenture to affect, disturb or prejudice the rights of the holders of any other of such Debt Securities, or to obtain or seek to obtain priority over or preference to any other such holder, or to enforce any right under this Indenture, except in the manner herein provided and for the equal, ratable and common benefit of all holders of Debt Securities of such series. For the protection and enforcement of the provisions of this Section, each and every Securityholder and the Trustee shall be entitled to such relief as can be given either at law or in equity.

SECTION 6.05. RIGHTS AND REMEDIES CUMULATIVE; DELAY OR OMISSION NOT WAIVER.

(a) Except as otherwise provided in Section 2.07, all powers and remedies given by this Article to the Trustee or to the Securityholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any other powers and remedies available to the Trustee or the holders of the Debt Securities, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture or otherwise established with respect to such Debt Securities.

(b) No delay or omission of the Trustee or of any holder of any of the Debt Securities to exercise any right or

power accruing upon any Event of Default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to the provisions of Section 6.04, every power and remedy given by this Article or by law to the Trustee or the Securityholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Securityholders.

SECTION 6.06. CONTROL BY SECURITYHOLDERS. The holders of a majority in aggregate principal amount of the Debt Securities of any series at the time Outstanding, determined in accordance with Section 8.04, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee with respect to such series; PROVIDED, HOWEVER, that such direction shall not be in conflict with any rule of law or with this Indenture or be unduly prejudicial to the rights of holders of Debt Securities of any other series at the time Outstanding determined in accordance with Section 8.04. Subject to the provisions of Section 7.01, the Trustee shall have the right to decline to follow any such direction if the Trustee in good faith shall, by a Responsible Officer or Officers of the Trustee, determine that the proceeding so directed would involve the Trustee in personal liability. The holders of a majority in aggregate principal amount of the Debt Securities of any series at the time Outstanding affected thereby, determined in accordance with Section 8.04, may on behalf of the holders of all of the Debt Securities of such series waive any past default in the performance of any of the covenants contained herein or established pursuant to Section 2.01 with respect to such series and its consequences, except (i) a default in the payment of the principal of, or premium, if any, or interest on, any of the Debt Securities of that series as and when the same shall become due by the terms of such Debt Securities otherwise than by acceleration (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal and any premium has been deposited with the Trustee (in accordance with Section 6.01(c)) or (ii) a default in the covenants contained in Section 4.06(b). Upon any such waiver, the default covered thereby shall be deemed to be cured for all purposes of this Indenture and the Company, the Trustee and the holders of the Debt Securities of such series shall be restored to their former positions and rights hereunder, respectively; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 6.07. UNDERTAKING TO PAY COSTS. All parties to this Indenture agree, and each holder of any Debt Securities by such holder's acceptance thereof shall be deemed to have

agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder, or group of Securityholders, holding more than 10% in aggregate principal amount of the Outstanding Debt Securities of any series, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Debt Security of such series, on or after the respective due dates expressed in such Debt Security or established pursuant to this Indenture.

SECTION 6.08. ACKNOWLEDGEMENT REGARDING PREFERRED SECURITIES HOLDERS.

The Company acknowledges that, with respect to any Debt Securities held by a Trust or a trustee of such Trust, if the Property Trustee of such Trust fails to enforce its rights under this Indenture as the holder of the series of Debt Securities held as the assets of such Trust, then holders of Preferred Securities of such Trust may institute legal proceedings directly against the Company to enforce such rights under this Indenture without first instituting any legal proceedings against such Property Trustee or any other Person.

ARTICLE VII

CONCERNING THE TRUSTEE

SECTION 7.01. CERTAIN DUTIES AND RESPONSIBILITIES OF TRUSTEE.

(a) The Trustee, prior to the occurrence of an Event of Default with respect to the Debt Securities of a series and after the curing of all Events of Default with respect to the Debt Securities of that series that may have occurred, shall undertake to perform with respect to the Debt Securities of such series such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants shall be read into this Indenture against the Trustee. In case an Event of Default with respect to the Debt Securities of a series has occurred (that has not been cured or waived), the Trustee shall exercise with respect to Debt Securities of that series such of the rights and powers vested in it by this Indenture, and use the

same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) prior to the occurrence of an Event of Default with respect to the Debt Securities of a series and after the curing or waiving of all such Events of Default with respect to that series that may have occurred:

(i) the duties and obligations of the Trustee shall with respect to the Debt Securities of such series be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable with respect to the Debt Securities of such series except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(ii) in the absence of bad faith on the part of the Trustee, the Trustee may with respect to the Debt Securities of such series conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirement of this Indenture;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer or Responsible Officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in principal amount of the Debt Securities of any series at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the

Trustee under this Indenture with respect to the Debt Securities of that series;
and

(4) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Indenture or adequate indemnity against such risk is not reasonably assured to it.

SECTION 7.02. CERTAIN RIGHTS OF TRUSTEE. Except as otherwise provided in Section 7.01:

(a) The Trustee may rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, security or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(b) Any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by a Board Resolution or an instrument signed in the name of the Company by the President, or any Vice President and by the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer thereof (unless other evidence in respect thereof is specifically prescribed herein).

(c) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel.

(d) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders, pursuant to the provisions of this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by it in complying with such request or direction, provided that nothing contained herein shall, however, relieve the Trustee of the obligation, upon the occurrence of an Event of Default with respect to a series of the Debt Securities (that has not been cured or waived) to exercise with respect to Debt Securities of that series such of the rights and powers

vested in it by this Indenture, and to use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(e) The Trustee shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, security, or other papers or documents, unless requested in writing so to do by the holders of not less than a majority in principal amount of the Outstanding Debt Securities of the particular series affected thereby (determined as provided in Section 8.04); provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such costs, expenses or liabilities as a condition to so proceeding. The reasonable expense of every such examination shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(h) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officers' Certificate.

SECTION 7.03. TRUSTEE NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF DEBT SECURITIES.

(a) The recitals contained herein and in the Debt Securities shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same.

(b) The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Debt Securities.

(c) The Trustee shall not be accountable for the use or application by the Company of any of the Debt Securities or of the proceeds of such Debt Securities, or for the use or application of any moneys paid over by the Trustee in accordance with any provision of this Indenture or established pursuant to Section 2.01, or for the use or application of any moneys received by any paying agent other than the Trustee.

SECTION 7.04. MAY HOLD DEBT SECURITIES. The Trustee or any paying agent or Security Registrar, in its individual or any other capacity, may become the owner or pledgee of Debt Securities with the same rights it would have if it were not Trustee, paying agent or Security Registrar.

SECTION 7.05. MONEYS HELD IN TRUST. Subject to the provisions of Section 11.05, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Trustee shall be under no liability for interest on any moneys received by it hereunder except such as it may agree with the Company to pay thereon.

SECTION 7.06. COMPENSATION AND REIMBURSEMENT.

(a) The Company covenants and agrees to pay to the Trustee, and the Trustee shall be entitled to, such reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), as the Company and the Trustee may from time to time agree in writing, for all services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee, and, except as otherwise expressly provided herein, the Company will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Indenture (including the reasonable compensation and the expenses and disbursements of its counsel and of all Persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Company also covenants to indemnify the Trustee (and its officers, agents, directors and employees) for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee and arising out of or in connection with the acceptance or administration of this

Indenture, including the costs and expenses of defending itself against any claim of liability in the premises.

(b) The obligations of the Company under this Section to compensate and indemnify the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture. Such additional indebtedness shall be secured by a lien prior to that of the Debt Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the holders of particular Debt Securities.

SECTION 7.07. RELIANCE ON OFFICERS' CERTIFICATE. Except as otherwise provided in Section 7.01, whenever in the administration of the provisions of this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering or omitting to take any action hereunder, such matter (unless other evidence in respect thereof is herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee and such certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted to be taken by it under the provisions of this Indenture upon the faith thereof.

SECTION 7.08. QUALIFICATION; CONFLICTING INTERESTS. If the Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Trustee and the Company shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 7.09. CORPORATE TRUSTEE REQUIRED; ELIGIBILITY. There shall at all times be a Trustee with respect to the Debt Securities issued hereunder which shall at all times be a corporation organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a corporation or other Person permitted to act as trustee by the Commission, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least fifty million U.S. dollars (\$50,000,000), and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set

forth in its most recent report of condition so published. The Company may not, nor may any Person directly or indirectly controlling, controlled by, or under common control with the Company, serve as Trustee. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 7.10.

SECTION 7.10. RESIGNATION AND REMOVAL; APPOINTMENT OF SUCCESSOR.

(a) The Trustee or any successor hereafter appointed, may at any time resign with respect to the Debt Securities of one or more series by giving written notice thereof to the Company and by transmitting notice of resignation by mail, first class postage prepaid, to the Securityholders of such series, as their names and addresses appear upon the Security Register. Upon receiving such notice of resignation, the Company shall promptly appoint a successor Trustee with respect to the Debt Securities of such series by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the resigning Trustee and one copy to the successor Trustee. If no successor Trustee shall have been so appointed and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor trustee with respect to the Debt Securities of such series, or any Securityholder of that series who has been a bona fide holder of a Debt Security or Debt Securities for at least six months may, subject to the provisions of Section 6.08, on behalf of that holder and all others similarly situated, petition any such court for the appointment of a successor Trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

(b) In case at any time any one of the following shall occur:

(1) the Trustee shall fail to comply with the provisions of subsection (a) of Section 7.10 after written request therefor by the Company or by any Securityholder who has been a bona fide holder of a Debt Security or Debt Securities for at least six months; or

(2) the Trustee shall cease to be eligible in accordance with the provisions of Section 7.09 and shall fail to resign after written request therefor by the Company or by any such Securityholder; or

(3) the Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or commence a voluntary bankruptcy proceeding, or a receiver of the Trustee or of its property shall be appointed or consented to, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then, in any such case, the Company may remove the Trustee with respect to all Debt Securities and appoint a successor Trustee by written instrument, in duplicate, executed by order of the Board of Directors, one copy of which instrument shall be delivered to the Trustee so removed and one copy to the successor Trustee, or, subject to the provisions of Section 6.08, unless the Trustee's duty to resign is stayed as provided herein, any Securityholder who has been a bona fide holder of a Debt Security or Debt Securities for at least six months may, on behalf of that holder and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor Trustee.

(c) The holders of a majority in aggregate principal amount of the Debt Securities of any series at the time Outstanding may at any time remove the Trustee with respect to such series by so notifying the Trustee and the Company and may appoint a successor Trustee for such series with the consent of the Company.

(d) Any resignation or removal of the Trustee and appointment of a successor Trustee with respect to the Debt Securities of a series pursuant to any of the provisions of this Section shall become effective upon acceptance of appointment by the successor Trustee as provided in Section 7.11.

(e) Any successor Trustee appointed pursuant to this Section may be appointed with respect to the Debt Securities of one or more series or all of such series, and at any time there shall be only one Trustee with respect to the Debt Securities of any particular series.

SECTION 7.11. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Debt Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or

removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor trustee all the rights, powers, and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) In case of the appointment hereunder of a successor Trustee with respect to the Debt Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Debt Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Debt Securities of that or those series to which the appointment of such successor Trustee relates, (2) shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Debt Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust, that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee and that no Trustee shall be responsible for any act or failure to act on the part of any other Trustee hereunder; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein, such retiring Trustee shall with respect to the Debt Securities of that or those series to which the appointment of such successor Trustee relates have no further responsibility for the exercise of rights and powers or for the performance of the duties and obligations vested in the Trustee under this Indenture, and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Debt Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of

the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee, to the extent contemplated by such supplemental indenture, the property and money held by such retiring Trustee hereunder with respect to the Debt Securities of that or those series to which the appointment of such successor Trustee relates.

(c) Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in paragraph (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

(e) Upon acceptance of appointment by a successor Trustee as provided in this Section, the Company shall transmit notice of the succession of such Trustee hereunder by mail, first class postage prepaid, to the Securityholders, as their names and addresses appear upon the Security Register. If the Company fails to transmit such notice within ten days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be transmitted at the expense of the Company.

SECTION 7.12. MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided that such corporation shall be qualified under the provisions of Section 7.08 and eligible under the provisions of Section 7.09, without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any Debt Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Debt Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Debt Securities.

SECTION 7.13. PREFERENTIAL COLLECTION OF CLAIMS AGAINST THE COMPANY. The Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship described in Section 311(b) of the Trust Indenture

Act. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the Trust Indenture Act to the extent included therein.

ARTICLE VIII

CONCERNING THE SECURITYHOLDERS

SECTION 8.01. EVIDENCE OF ACTION BY SECURITYHOLDERS. Whenever in this Indenture it is provided that the holders of a majority or specified percentage in aggregate principal amount of the Debt Securities of a particular series may take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action the holders of such majority or specified percentage of that series have joined therein may be evidenced by any instrument or any number of instruments of similar tenor executed by such holders of Debt Securities of that series in person or by agent or proxy appointed in writing.

If the Company shall solicit from the holders of any series of Debt Securities any request, demand, authorization, direction, notice, consent, waiver or other action, the Company may, at its option, as evidenced by an Officers' Certificate, fix in advance a record date for such series for the determination of holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other action, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other action may be given before or after the record date, but only the holders of record at the close of business on the record date shall be deemed to be Securityholders for the purposes of determining whether Securityholders of the requisite proportion of Outstanding Debt Securities of that series have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other action, and for that purpose the Outstanding Debt Securities of that series shall be computed as of the record date; PROVIDED, HOWEVER, that no such authorization, agreement or consent by such Securityholders on the record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

SECTION 8.02. PROOF OF EXECUTION BY SECURITYHOLDERS. Subject to the provisions of Section 7.01, proof of the execution of any instrument by a Securityholder (such proof will not require notarization) or the agent or proxy of such

Securityholder and proof of the holding by any Person of any of the Debt Securities shall be sufficient if made in the following manner:

(a) The fact and date of the execution by any such Person of any instrument may be proved in any reasonable manner acceptable to the Trustee.

(b) The ownership of Debt Securities shall be proved by the Security Register of such Debt Securities or by a certificate of the Security Registrar thereof.

(c) The Trustee may require such additional proof of any matter referred to in this Section as it shall deem necessary.

SECTION 8.03. WHO MAY BE DEEMED OWNERS. Prior to the due presentment for registration of transfer of any Debt Security, the Company, the Trustee, any paying agent and any Security Registrar may deem and treat the Person in whose name such Debt Security shall be registered upon the books of the Company as the absolute owner of such Debt Security (whether or not such Debt Security shall be overdue and notwithstanding any notice of ownership or writing thereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal of, premium, if any, and (subject to Section 2.03) interest on such Debt Security and for all other purposes; and neither the Company nor the Trustee nor any paying agent nor any Security Registrar shall be affected by any notice to the contrary.

SECTION 8.04. CERTAIN DEBT SECURITIES OWNED BY COMPANY DISREGARDED. In determining whether the holders of the requisite aggregate principal amount of Debt Securities of a particular series have concurred in any direction, consent or waiver under this Indenture, the Debt Securities of that series that are owned by the Company or any other obligor on the Debt Securities of that series or by any Person directly or indirectly controlling or controlled by or under common control with the Company or any other obligor on the Debt Securities of that series shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Debt Securities of such series that the Trustee actually knows are so owned shall be so disregarded. The Debt Securities so owned that have been pledged in good faith may be regarded as outstanding for the purposes of this Section, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right so to act with respect to such Debt Securities and that the pledgee is not a

Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

SECTION 8.05. ACTIONS BINDING ON FUTURE SECURITYHOLDERS. At any time prior to (but not after) the evidencing to the Trustee, as provided in Section 8.01, of the taking of any action by the holders of a majority or specified percentage in aggregate principal amount of the Debt Securities of a particular series in connection with such action, any holder of a Debt Security of that series that is shown by the evidence to be included in the Debt Securities the holders of which have consented to such action may, by filing written notice with the Trustee, and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Debt Security. Except as aforesaid, any such action taken by the holder of any Debt Security shall be conclusive and binding upon such holder and upon all future holders and owners of such Debt Security, and of any Debt Security issued in exchange therefor, on registration of transfer thereof or in place thereof, irrespective of whether or not any notation in regard thereto is made upon such Debt Security. Any action taken by the holders of a majority or specified percentage in aggregate principal amount of the Debt Securities of a particular series in connection with such action shall be conclusively binding upon the Company, the Trustee and the holders of all the Debt Securities of that series.

ARTICLE IX

SUPPLEMENTAL INDENTURES

SECTION 9.01. SUPPLEMENTAL INDENTURES WITHOUT THE CONSENT OF SECURITYHOLDERS. In addition to any supplemental indenture otherwise authorized by this Indenture, the Company and the Guarantor and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as then in effect), without the consent of the Securityholders, for one or more of the following purposes:

- (a) to cure any ambiguity, defect or inconsistency herein or in the Debt Securities of any series;
- (b) to comply with Article X;
- (c) to provide for uncertificated Debt Securities in addition to or in place of certificated Debt Securities;

(d) to add to the covenants of the Company for the benefit of the holders of all or any series of Debt Securities (and if such covenants are to be for the benefit of less than all series of Debt Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company;

(e) to add to, delete from, or revise the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Debt Securities, as herein set forth;

(f) to make any change that does not adversely affect the rights of any Securityholder in any material respect; or

(g) to provide for the issuance of and establish the form and terms and conditions of the Debt Securities of any series as provided in Section 2.01, to establish the form of any certifications required to be furnished pursuant to the terms of this Indenture or any series of Debt Securities, or to add to the rights of the holders of any series of Debt Securities.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into any such supplemental indenture that affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section may be executed by the Company and the Trustee without the consent of the holders of any of the Debt Securities at the time Outstanding notwithstanding any of the provisions of Section 9.02.

SECTION 9.02. SUPPLEMENTAL INDENTURES WITH CONSENT OF SECURITYHOLDERS. With the consent (evidenced as provided in Section 8.01) of the holders of not less than a majority in aggregate principal amount of the Debt Securities of each series affected by such supplemental indenture or indentures at the time Outstanding, the Company, when authorized by a Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto (which shall conform to the provisions of the Trust Indenture Act as then in effect) for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any

manner not covered by Section 9.01 the rights of the holders of the Debt Securities of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the holders of each Debt Security then Outstanding and affected thereby, (i) extend the fixed maturity of any Debt Securities of any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the holder of each Debt Security so affected or (ii) reduce the aforesaid percentage of Debt Securities, the holders of which are required to consent to any such supplemental indenture.

It shall not be necessary for the consent of the Securityholders of any series affected thereby under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

SECTION 9.03. EFFECT OF SUPPLEMENTAL INDENTURES. Upon the execution of any supplemental indenture pursuant to the provisions of this Article or of Section 10.01, this Indenture shall, with respect to such series, be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Debt Securities of the series affected thereby shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

SECTION 9.04. DEBT SECURITIES AFFECTED BY SUPPLEMENTAL INDENTURES. Debt Securities of any series affected by a supplemental indenture, authenticated and delivered after the execution of such supplemental indenture pursuant to the provisions of this Article or of Section 10.01, may bear a notation in form approved by the Company, provided such form meets the requirements of any exchange upon which such series may be listed, as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Debt Securities of that series so modified as to conform, in the opinion of the Board of Directors of the Company, to any modification of this Indenture contained in any such supplemental indenture may be prepared by the Company, authenticated by the Trustee and delivered in exchange for the Debt Securities of that series then outstanding.

SECTION 9.05. EXECUTION OF SUPPLEMENTAL INDENTURES. Upon the request of the Company, accompanied by a Board Resolution authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders required to consent thereto as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion but shall not be obligated to enter into such supplemental indenture. The Trustee, subject to the provisions of Section 7.01, may receive an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant to this Article is authorized or permitted by, and conforms to, the terms of this Article and that it is proper for the Trustee under the provisions of this Article to join in the execution thereof.

Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to the provisions of this Section, the Trustee shall transmit by mail, first class postage prepaid, a notice, setting forth in general terms the substance of such supplemental indenture, to the Securityholders of all series affected thereby as their names and addresses appear upon the Debt Security Register. Any failure of the Trustee to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

ARTICLE X

SUCCESSOR CORPORATION

SECTION 10.01. COMPANY MAY CONSOLIDATE, ETC. Nothing contained in this Indenture or in any of the Debt Securities shall prevent any consolidation or merger of the Company with or into any other corporation or corporations (whether or not affiliated with the Company), or successive consolidations or mergers in which the Company or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance, transfer or other disposition of the property of the Company or its successor or successors as an entirety, or substantially as an entirety, to any other corporation (whether or not affiliated with the Company or its successor or successors) authorized to acquire and operate the same; PROVIDED, HOWEVER, the Company hereby covenants and agrees that, upon any such consolidation, merger, sale, conveyance, transfer or other disposition, the due and punctual payment of the principal of (premium, if any) and interest on all of the Debt Securities of all series in accordance with the terms of each series, according to their

tenor and the due and punctual performance and observance of all the covenants and conditions of this Indenture with respect to each series or established with respect to such series pursuant to Section 2.01 to be performed or observed by the Company, shall be expressly assumed, by supplemental indenture (which shall conform to the provisions of the Trust Indenture Act, as then in effect) satisfactory in form to the Trustee executed and delivered to the Trustee by the entity formed by such consolidation, or into which the Company shall have been merged, or by the entity which shall have acquired such property.

SECTION 10.02. SUCCESSOR CORPORATION SUBSTITUTED.

(a) In case of any such consolidation, merger, sale, conveyance, transfer or other disposition and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment of the principal of, premium, if any, and interest on all of the Debt Securities of all series Outstanding and the due and punctual performance and observance of all of the covenants and conditions of this Indenture or established with respect to each series of the Debt Securities pursuant to Section 2.01 to be performed or observed by the Company with respect to each series, such successor corporation shall succeed to and be substituted for the Company with the same effect as if it had been named as the Company herein.

(b) In case of any such consolidation, merger, sale, conveyance, transfer or other disposition, such changes in phraseology and form (but not in substance) may be made in the Debt Securities thereafter to be issued as may be appropriate.

(c) Nothing contained in this Indenture or in any of the Debt Securities shall prevent the Company from merging into itself or acquiring by purchase or otherwise all or any part of the property of any other Person (whether or not affiliated with the Company).

SECTION 10.03. EVIDENCE OF CONSOLIDATION, ETC. TO TRUSTEE. The Trustee, subject to the provisions of Section 7.01, may receive an Opinion of Counsel as conclusive evidence that any such consolidation, merger, sale, conveyance, transfer or other disposition, and any such assumption, comply with the provisions of this Article.

ARTICLE XI

SATISFACTION AND DISCHARGE

SECTION 11.01. SATISFACTION AND DISCHARGE OF INDENTURE. If at any time: (a) the Company shall have delivered to the Trustee for cancellation all Debt Securities of a series theretofore authenticated (other than any Debt Securities that shall have been destroyed, lost or stolen and that shall have been replaced or paid as provided in Section 2.07) and Debt Securities for whose payment money or Governmental Obligations have theretofore been deposited in trust or segregated and held in trust by the Company (and thereupon repaid to the Company or discharged from such trust, as provided in Section 11.05); or (b) all such Debt Securities of a particular series not theretofore delivered to the Trustee for cancellation shall have become due and payable, or are by their terms to become due and payable within one year or are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption, and the Company shall deposit or cause to be deposited with the Trustee as trust funds the entire amount in moneys or Governmental Obligations or a combination thereof, sufficient in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay at maturity or upon redemption all Debt Securities of that series not theretofore delivered to the Trustee for cancellation, including principal (and premium, if any) and interest due or to become due to such date of maturity or date fixed for redemption, as the case may be, and if the Company shall also pay or cause to be paid all other sums payable hereunder with respect to such series by the Company; then if the Company has delivered to the Trustee an Opinion of Counsel based on the fact that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (y) since the date hereof, there has been a change in the applicable United States federal income tax law, in either case to the effect that, and such opinion shall confirm that, the holders of the Debt Securities of such series will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to United States federal income tax on the same amount and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred, this Indenture shall thereupon cease to be of further effect with respect to such series except for the provisions of Sections 2.03, 2.05, 2.07, 4.01, 4.02, 4.03 and 7.10, which shall survive until the date of maturity or redemption date, as the case may be, and Sections 7.06 and 11.05, which shall survive to such date and thereafter, and the Trustee, on demand of the Company and at the

cost and expense of the Company shall execute proper instruments acknowledging satisfaction of and discharging this Indenture with respect to such series.

SECTION 11.02. DISCHARGE OF OBLIGATIONS. If at any time all Debt Securities of a particular series not theretofore delivered to the Trustee for cancellation or that have not become due and payable as described in Section 11.01 shall have been paid by the Company by depositing irrevocably with the Trustee as trust funds moneys or an amount of Governmental Obligations sufficient to pay at maturity or upon redemption all such Debt Securities of that series not theretofore delivered to the Trustee for cancellation, including principal (and premium, if any) and interest due or to become due to such date of maturity or date fixed for redemption, as the case may be, and if the Company shall also pay or cause to be paid all other sums payable hereunder by the Company with respect to such series, then after the date such moneys or Governmental Obligations, as the case may be, are deposited with the Trustee then, if the Company has delivered to the Trustee an Opinion of Counsel based on the fact that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (y) since the date hereof, there has been a change in the applicable United States federal income tax law, in either case to the effect that, and such opinion shall confirm that, the holders of the Debt Securities of such series will not recognize income, gain or loss for United States federal income tax purposes as a result of such deposit, defeasance and discharge and will be subject to United States federal income tax on the same amount and in the same manner and at the same times, as would have been the case if such deposit, defeasance and discharge had not occurred, the obligations of the Company, under this Indenture with respect to such series shall cease to be of further effect except for the provisions of Sections 2.03, 2.05, 2.07, 4.01, 4.02, 4.03, 7.06, 7.10 and 11.05 hereof which shall survive until such Debt Securities shall mature and be paid and Sections 7.06 and 11.05, which shall survive to such date and thereafter.

SECTION 11.03. DEPOSITED MONEYS TO BE HELD IN TRUST. All moneys or Governmental Obligations deposited with the Trustee pursuant to Section 11.02 shall be held in trust and shall be available for payment as due, either directly or through any paying agent (including the Company acting as its own paying agent), to the holders of the particular series of Debt Securities for the payment or redemption of which such moneys or Governmental Obligations have been deposited with the Trustee.

SECTION 11.04. PAYMENT OF MONEYS HELD BY PAYING AGENTS. In connection with the satisfaction and discharge of this Indenture, all moneys or Governmental Obligations then held

by any paying agent under the provisions of this Indenture shall, upon demand of the Company, be paid to the Trustee and thereupon such paying agent shall be released from all further liability with respect to such moneys or Governmental Obligations.

SECTION 11.05. REPAYMENT TO COMPANY. Any moneys or Governmental Obligations deposited with any paying agent or the Trustee, or then held by the Company, in trust for payment of principal of or premium or interest on the Debt Securities of a particular series that are not applied but remain unclaimed by the holders of such Debt Securities for at least two years after the date upon which the principal of (and premium, if any) or interest on such Debt Securities shall have respectively become due and payable, shall be repaid to the Company on May 31 of each year or (if then held by the Company) shall be discharged from such trust; and thereupon the paying agent and the Trustee shall be released from all further liability with respect to such moneys or Governmental Obligations, and the holder of any of the Debt Securities entitled to receive such payment shall thereafter, as an unsecured general creditor, look only to the Company for the payment thereof.

ARTICLE XII

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

SECTION 12.01. NO RECOURSE. No recourse under or upon any obligation, covenant or agreement of this Indenture, or of any Debt Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator, stockholder, officer or director, past, present or future as such, of the Company or of any predecessor or successor corporation, either directly or through the Company or any such predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Indenture and the obligations issued hereunder are solely corporate obligations, and that no such personal liability whatever shall attach to, or is or shall be incurred by, the incorporators, stockholders, officers or directors, as such, of the Company or of any predecessor or successor corporation, or any of them, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Debt Securities or implied therefrom; and that any and all such personal liability of every name and nature, either at common law or in equity or by constitution or statute, of, and any and all such rights and claims against, every such

incorporator, stockholder, officer or director, as such, because of the creation of the indebtedness hereby authorized, or under or by reason of the obligations, covenants or agreements contained in this Indenture or in any of the Debt Securities or implied therefrom, are hereby expressly waived and released as a condition of, and as consideration for, the execution of this Indenture and the issuance of such Debt Securities.

ARTICLE XIII

MISCELLANEOUS PROVISIONS

SECTION 13.01. EFFECT ON SUCCESSORS AND ASSIGNS. All the covenants, stipulations, promises and agreements in this Indenture contained by or on behalf of the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 13.02. ACTIONS BY SUCCESSOR. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the corresponding board, committee or officer of any corporation that shall at the time be the lawful successor of the Company.

SECTION 13.03. SURRENDER OF COMPANY POWERS. The Company by instrument in writing executed by authority of 2/3 (two-thirds) of its Board of Directors and delivered to the Trustee may surrender any of the powers reserved to the Company, and thereupon such power so surrendered shall terminate both as to the Company and as to any successor corporation.

SECTION 13.04. NOTICES. Except as otherwise expressly provided herein, any notice or demand that by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Debt Securities to or on the Company may be given or served by being deposited first class postage prepaid in a post-office letterbox addressed (until another address is filed in writing by the Company with the Trustee), as follows: Kansas City Power & Light Company, 1201 Walnut, Kansas City, MO 64106-2124, Attention: Treasurer. Any notice, election, request or demand by the Company or any Securityholder to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the Corporate Trust Office of the Trustee.

SECTION 13.05. GOVERNING LAW. This Indenture and each Debt Security shall be deemed to be a contract made under the

internal laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 13.06. TREATMENT OF THE DEBT SECURITIES AS DEBT. It is intended that the Debt Securities will be treated as indebtedness and not as equity for federal income tax purposes. The provisions of this Indenture shall be interpreted to further this intention.

SECTION 13.07. COMPLIANCE CERTIFICATES AND OPINIONS.

(a) Upon any application or demand by the Company to the Trustee to take any action under any of the provisions of this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent have been complied with, except that in the case of any such application or demand as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or demand, no additional certificate or opinion need be furnished.

(b) Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant in this Indenture shall include (1) a statement that the Person making such certificate or opinion has read such covenant or condition; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

SECTION 13.08. PAYMENTS ON BUSINESS DAYS. Except as provided pursuant to Section 2.01 pursuant to a Board Resolution, and as set forth in an Officers' Certificate, or established in one or more indentures supplemental to this Indenture, in any case where the date of maturity of interest or principal of any Debt Security or the date of redemption of any Debt Security shall not be a Business Day, then payment of interest or principal (and premium, if any) may be made on the next succeeding Business Day with the same force and effect as if made on the nominal date of maturity or redemption, and no interest shall accrue for the period after such nominal date.

SECTION 13.09. CONFLICT WITH TRUST INDENTURE ACT. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

SECTION 13.10. COUNTERPARTS. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

SECTION 13.11. SEPARABILITY. In case any one or more of the provisions contained in this Indenture or in the Debt Securities of any series shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture or of such Debt Securities, but this Indenture and such Debt Securities shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 13.12. ASSIGNMENT. The Company will have the right at all times to assign any of its respective rights or obligations under this Indenture to a direct or indirect wholly-owned Subsidiary of the Company, PROVIDED THAT, in the event of any such assignment, the Company will remain liable for all such obligations. Subject to the foregoing, this Indenture is binding upon and inures to the benefit of the parties hereto and their respective successors and assigns. This Indenture may not otherwise be assigned by the parties thereto.

SECTION 13.13. ACKNOWLEDGMENT OF RIGHTS. The Company acknowledges that, with respect to any Debt Securities held by a Trust or a trustee of such Trust, if the Property Trustee of such Trust fails to enforce its rights under this Indenture as the holder of the series of Debt Securities held as the assets of such Trust, any holder of Preferred Securities may, after a period of 30 days has elapsed from such holder's written request to such Property Trustee to enforce such rights, institute legal proceedings directly against the Company to enforce such Property Trustee's rights under this Indenture without first instituting any legal proceedings against such Property Trustee or any other person or entity.

ARTICLE XIV

SUBORDINATION OF DEBT SECURITIES

SECTION 14.01. SUBORDINATION TERMS. The payment by the Company of the principal of, premium, if any, and interest on any series of Debt Securities issued hereunder shall be subordinated to the extent set forth in an indenture supplemental hereto relating to such Debt Securities.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

KANSAS CITY POWER & LIGHT COMPANY

By: /s/ B. J. Beaudoin
Name: Bernard J. Beaudoin
Title: Executive Vice President -
Chief Financial Officer

Attest:

By: /s/ Jeanie S. Latz
Jeanie S. Latz
Secretary

THE FIRST NATIONAL BANK OF CHICAGO
Not in its individual capacity but solely as
Trustee

By: /s/ John R. Prendiville
Name: John R. Prendiville
Title: Vice President

Attest:

By: /s/ Katherine Cokic
Name: Katherine Cokic
Title: Assistant-Vice President

STATE OF MISSOURI)
COUNTY OF JACKSON) SS

On the 15th day of April, 1997, before me personally came Bernard Beaudoin to me known, who, being by me duly sworn, did depose and say that he is a Executive Vice Pres. of KANSAS CITY POWER & LIGHT COMPANY, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

NOTARY PUBLIC Carol Sivils, Notary Public
State of Missouri, Commissioned in Clay
County

[seal] Commission expires: June 15, 1999

STATE OF ILLINOIS)
COUNTY OF COOK) SS

On the ___ day of April, 1997, before me personally came John R. Prendiville to me known, who, being by me duly sworn, did depose and say that he is a Vice President of THE FIRST NATIONAL BANK OF CHICAGO, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

NOTARY PUBLIC Nilda Sierra
Notary Public, State of Illinois

[seal] Commission expires: 11/12/97

FIRST SUPPLEMENTAL INDENTURE

Dated as of April 1, 1997

Between

KANSAS CITY POWER & LIGHT COMPANY

and

THE FIRST NATIONAL BANK OF CHICAGO

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THIS FIRST SUPPLEMENTAL INDENTURE, dated as of April __, 1997 (the "FIRST SUPPLEMENTAL INDENTURE"), between Kansas City Power & Light Company, a Missouri corporation (the "Company"), and The First National Bank of Chicago, a national banking association, duly organized and existing under the laws of the United States as trustee (the "Trustee") under the Indenture dated as of April 1, 1997 between the Company and the Trustee (the "Indenture").

W I T N E S S E T H:

WHEREAS, the Company executed and delivered the Indenture to the Trustee to provide for the future issuance of the Company's unsecured subordinated debt securities, to be issued from time to time in one or more series as might be determined by the Company under the Indenture, in an unlimited aggregate principal amount which may be authenticated and delivered as provided in the Indenture; and

WHEREAS, pursuant to the terms of the Indenture, the Company desires to provide for the establishment of a new series of its Debt Securities to be known as its 8.3% Junior Subordinated Deferrable Interest Debentures due March 31, 2037 (the "Subordinated Debentures"), the form and substance of which and the terms, provisions and conditions thereof to be set forth as provided in the Indenture and this First Supplemental Indenture; and

WHEREAS, KCPL Financing I, a Delaware statutory business trust (the "Trust"), has offered to the public \$150,000,000 aggregate stated liquidation amount of its Trust Originated Preferred Securities (the "Preferred Securities") and has offered to the Company \$4,640,000 aggregate stated liquidation amount of its Trust Originated Common Securities (the "Common Securities"), such Preferred Securities and Common Securities representing undivided beneficial interests in the assets of the Trust, and proposes to invest the proceeds from such offering in \$154,640,000 aggregate principal amount of the Subordinated Debentures; and

WHEREAS, the Company has requested the Trustee to execute and deliver this First Supplemental Indenture, and all requirements necessary to make this First Supplemental Indenture a valid instrument, in accordance with its terms, and to make the Subordinated Debentures, when executed by the Company and authenticated and delivered by the Trustee, the valid obligations of the Company, have been performed, and the execution and delivery of this First Supplemental Indenture has been duly authorized in all respects;

NOW, THEREFORE, in consideration of the purchase and acceptance of the Subordinated Debentures by the holders thereof, and for the purpose of setting forth, as provided in the Indenture, the form and substance of the Subordinated Debentures and the terms, provisions and conditions thereof, the Company covenants and agrees with the Trustee as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. DEFINITION OF TERMS. Unless the context otherwise requires, (a) a term defined in the Indenture has the same meaning when used in this First Supplemental Indenture; (b) a term defined anywhere in this First Supplemental Indenture has the same meaning throughout; and (c) the following terms have the meanings given to them in the Declaration: (i) Clearing Agency; (ii) Delaware Trustee; (iii) Redemption Tax Opinion; (iv) Preferred Security Certificate; (v) Property Trustee; (vi) Pro Rata; (vii) Regular Trustees; and (viii) Tax Event.

In addition, the following terms have the following respective meanings:

DECLARATION:

The term "Declaration" shall mean the Amended and Restated Declaration of Trust of KCPL Financing I, a Delaware business trust, dated as of April 15, 1997.

MATURITY DATE:

The term "Maturity Date" shall mean the date on which the Subordinated Debentures mature and on which the principal shall be due and payable together with all accrued and unpaid interest thereon including Compounded Interest (as defined in Section 4.1) and Additional Interest (as defined in Section 2.5(c)), if any.

SENIOR INDEBTEDNESS:

The term "Senior Indebtedness" shall mean (i) any payment in respect of (A) indebtedness of the Company for money borrowed and (B) indebtedness evidenced by securities, debentures, bonds, notes or other similar instruments issued by the Company including, without limitation, indebtedness evidenced by securities issued pursuant to the General Mortgage Indenture

and Deed of Trust dated as of December 1, 1986, from the Company to United Missouri Bank of Kansas City, N.A., as trustee, as supplemented and amended from time to time; and the Indentures dated as of April 1, 1991, February 15, 1992, November 15, 1992, November 1, 1994 and December 1, 1994, between the Company and The Bank of New York, as trustee; (ii) all capital lease obligations of the Company; (iii) all obligations of the Company issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Company and all of its obligations under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business); (iv) all obligations of the Company for reimbursement on any letter of credit, banker's acceptance, security purchase facility or similar credit transaction; (v) all obligations of the type referred to in clauses (i) through (iv) of other Persons for the payment of which the Company is responsible or liable as obligor, guarantor or otherwise; and (vi) all obligations of the type referred to in clauses (i) through (v) of other Persons secured by any lien on any property or asset of the Company (whether or not such obligation is assumed by the Company), except for (1) any such indebtedness that is by its terms subordinated to or pari passu with the Subordinated Debentures, as the case may be, including all other debt securities and guarantees in respect of those debt securities, issued to any other trusts, partnerships or any other entity affiliated with the Company which is a financing vehicle of the Company ("Financing Entity") in connection with an issuance of preferred securities by such Financing Entity or other securities which rank pari passu with, or junior to, the Preferred Securities, and (2) any indebtedness between or among the Company and its Affiliates.

SECTION 1.2. INTERPRETATION. Each definition in this First Supplemental Indenture includes the singular and the plural, and references to the neuter gender include the masculine and feminine where appropriate. Terms which relate to accounting matters shall be interpreted in accordance with generally accepted accounting principles in effect from time to time. References to any statute mean such statute as amended at the time and include any successor legislation. The word "or" is not exclusive, and the words "herein," "hereof" and "hereunder" refer to this First Supplemental Indenture as a whole. The headings to the Articles and Sections are for convenience of reference and shall not affect the meaning or interpretation of this First Supplemental Indenture. References to Articles and Sections mean the Articles and Sections of this First Supplemental Indenture unless otherwise specified.

ARTICLE II

GENERAL TERMS AND CONDITIONS OF THE SUBORDINATED DEBENTURES

SECTION 2.1. DESIGNATION AND PRINCIPAL AMOUNT. There is hereby authorized a series of Debt Securities designated the "8.3% Junior Subordinated Deferrable Interest Debentures due March 31, 2037," limited in aggregate principal amount to \$154,640,000, which amount shall be as set forth in any written order of the Company for the authentication and delivery of such Debt Securities pursuant to Section 2.04 of the Indenture.

SECTION 2.2. MATURITY. The Maturity Date will be March 31, 2037, provided that the Company may at its option change the Maturity Date to an earlier date not earlier than March 31, 2002, and shall give notice of any such change to the Trustee not later than 120 days prior to such changed Maturity Date, and give prompt notice of such change to the holders of the Subordinated Debentures.

SECTION 2.3. FORM AND PAYMENT. Except as provided in Section 2.4, the Subordinated Debentures shall be issued in fully registered certificated form without interest coupons. Principal and interest on the Subordinated Debentures issued in certificated form will be payable, the transfer of such Subordinated Debentures will be registrable and such Subordinated Debentures will be exchangeable for Subordinated Debentures bearing identical terms and provisions at the office or agency of the Trustee in Chicago, Illinois, PROVIDED, HOWEVER, that payment of interest may be made at the option of the Company by check mailed to the registered holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the registered holder of any Subordinated Debentures is the Property Trustee, the payment of the principal of and interest (including Compounded Interest and Additional Interest, if any) on such Subordinated Debentures held by the Property Trustee will be made at such place and to such account as may be designated by the Property Trustee.

SECTION 2.4. GLOBAL SUBORDINATED DEBENTURE. In connection with the dissolution of the Trust:

(a) the Subordinated Debentures in certificated form may be presented to the Trustee by the Property Trustee in exchange for a Global Security in an aggregate principal amount equal to the aggregate principal amount of the

Subordinated Debentures so presented, to be registered in the name of the Depository, or its nominee, and delivered by the Trustee to the Depository for crediting to the accounts of its participants pursuant to the instructions of the Regular Trustees. The Company, upon any such presentation, shall execute a Global Security in such aggregate principal amount and deliver the same to the Trustee for authentication and delivery in accordance with the Indenture and this First Supplemental Indenture. Payments on the Subordinated Debentures issued as a Global security will be made to the Depository; and

(b) if any Preferred Securities are held in non book-entry certificated form, the Subordinated Debentures in certificated form may be presented to the Trustee by the Property Trustee and any Preferred Security Certificate which represents Preferred Securities other than Preferred Securities held by the Clearing Agency or its nominee ("Non Book-Entry Preferred Securities") will be deemed to represent beneficial interests in Subordinated Debentures presented to the Trustee by the Property Trustee having an aggregate principal amount equal to the aggregate stated liquidation amount of the Non Book-Entry Preferred Securities until such Preferred Security Certificates are presented to the Security Registrar for transfer or reissuance at which time such Preferred Security Certificates will be cancelled and a Subordinated Debenture, registered in the name of the holder of the Preferred Security Certificate or the transferee of the holder of such Preferred Security Certificate, as the case may be, with an aggregate principal amount equal to the aggregate stated liquidation amount of the Preferred Security Certificate cancelled, will be executed by the Company and delivered to the Trustee for authentication and delivery in accordance with the Indenture and this First Supplemental Indenture. On issue of such Subordinated Debentures, Subordinated Debentures with an equivalent aggregate principal amount that were presented by the Property Trustee to the Trustee will be deemed to have been cancelled.

SECTION 2.5. INTEREST.

(a) Each Subordinated Debenture will bear interest at the rate of 8.3% per annum (the "Coupon Rate") from the original date of issuance until the principal thereof becomes due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the Coupon Rate, compounded quarterly, payable (subject to the provisions of

Article IV) quarterly in arrears on March 31, June 30, September 30 and December 31 of each year (each, an "Interest Payment Date"), commencing on June 30, 1997, to the Person in whose name such Subordinated Debenture or any predecessor Subordinated Debenture is registered, at the close of business on the regular record date for such interest installment, which shall be the close of business on the Business Day next preceding that Interest Payment Date. If pursuant to the provisions of Section 2.11(c) of the Indenture the Subordinated Debentures are no longer represented by a Global Security, the Company may select a regular record date for such interest installment which shall be any date at least fifteen days before an Interest Payment Date.

(b) The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on the Subordinated Debentures is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. The amount of interest payable for any period shorter than a full quarterly period for which interest is computed, will be computed on the basis of the actual number of days elapsed in such a 90-day quarter.

(c) If at any time while the Property Trustee is the holder of any Subordinated Debentures, the Trust or the Property Trustee is required to pay any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States, or any other taxing authority, then, in any case, the Company will pay as additional interest ("Additional Interest") on the Subordinated Debentures held by the Property Trustee, such additional amounts as shall be required so that the net amounts received and retained by the Trust and the Property Trustee after paying such taxes, duties, assessments or other governmental charges will be equal to the amounts the Trust and the Property Trustee would have received had no such taxes, duties, assessments or other government charges been imposed.

ARTICLE III

REDEMPTION OF THE SUBORDINATED DEBENTURES

SECTION 3.1. TAX EVENT REDEMPTION. If a Tax Event has occurred and is continuing and the Company has received a Redemption Tax Opinion, then, notwithstanding Section 3.2(a) but subject to Section 3.2(b), the Company shall have the right upon not less than 30 days' nor more than 60 days' notice to the registered holders of the Subordinated Debentures to redeem the Subordinated Debentures, in whole but not in part, for cash within 90 days following the occurrence of such Tax Event (the "90 Day Period") at a redemption price equal to 100% of the principal amount to be redeemed plus any accrued and unpaid interest thereon to the date of such redemption (the "Redemption Price") PROVIDED THAT, if at the time there is available to the Company the opportunity to eliminate, within the 90 Day Period, the Tax Event by taking some ministerial action ("Ministerial Action"), such as filing a form or making an election, or pursuing some other similar reasonable measure that has no adverse effect on the Company, the Trust or the Holders of the Trust Securities issued by the Trust, the Company shall pursue such Ministerial Action in lieu of redemption; and PROVIDED FURTHER, that the Company shall have no right to redeem the Subordinated Debentures while the Trust is pursuing any Ministerial Action pursuant to its obligations under the Declaration. The Redemption Price shall be paid prior to 12:00 noon, New York time, on the date of such redemption or at such earlier time as the Company determines and specifies in the notice of redemption, provided the Company shall deposit with the Trustee an amount sufficient to pay the Special Redemption Price by 11:00 a.m. on the date such Redemption Price is to be paid.

SECTION 3.2. OPTIONAL REDEMPTION BY COMPANY.

(a) Subject to the provisions of Article III of the Indenture and to Section 3.2(b), the Company shall have the right to redeem the Subordinated Debentures, in whole or in part, from time to time, on or after March 31, 2002, at the Redemption Price. Any redemption pursuant to this paragraph will be made upon not less than 30 days' nor more than 60 days' notice to the registered holder of the Subordinated Debentures, at the Redemption Price. If the Subordinated Debentures are only partially redeemed pursuant to this Section 3.2, the Subordinated Debentures will be redeemed pro rata or by lot or by any other method utilized by the Trustee; PROVIDED, that if at the time of redemption, the Subordinated Debentures are registered as a Global Security, the Depository shall determine by lot the

principal amount of such Subordinated Debentures held by each holder to be redeemed. The Redemption Price shall be paid prior to 12:00 noon, New York time, on the date of such redemption or at such earlier time as the Company determines and specifies in the notice of redemption, provided the Company shall deposit with the Trustee an amount sufficient to pay the Redemption Price by 11:00 a.m. on the date such Redemption Price is to be paid.

(b) If a partial redemption of the Subordinated Debentures would result in the delisting of the Preferred Securities issued by the Trust from any national securities exchange or other organization on which the Preferred Securities are then listed, the Company shall not be permitted to effect such partial redemption and may only redeem the Subordinated Debentures in whole.

SECTION 3.3. NO SINKING FUND. The Subordinated Debentures are not entitled to the benefit of any sinking fund.

ARTICLE IV

EXTENSION OF INTEREST PAYMENT PERIOD

SECTION 4.1. EXTENSION OF INTEREST PAYMENT PERIOD. The Company shall have the right, at any time and from time to time during the term of the Subordinated Debentures, to extend the interest payment period of such Subordinated Debentures for up to twenty (20) consecutive quarters (the "Extended Interest Payment Period"); provided, that, during any such Extended Interest Payment Period, (a) the Company may not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of its capital stock (other than (i) purchases or acquisitions of shares of Company common stock in connection with the satisfaction by the Company of its obligations under any employee benefit plans or any other contractual obligation of the Company (other than a contractual obligation ranking PARI PASSU with or junior to the Subordinated Debentures), (ii) as a result of a reclassification of Company capital stock or the exchange or conversion of one class or series of Company capital stock for another class or series of Company capital stock or (iii) the purchase of fractional interests in shares of Company capital stock pursuant to the conversion or exchange provisions of such Company capital stock or the security being converted or exchanged), (b) the Company may not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) issued by the Company

which rank PARI PASSU with or junior to the Subordinated Debentures to which such Extended Interest Payment Period applies and (c) the Company may not make any guarantee payments with respect to the foregoing (other than pursuant to the Preferred Securities Guarantee). To the extent permitted by applicable law, interest, the payment of which has been deferred because of the extension of the interest payment period pursuant to this Section 4.1, will bear interest compounded quarterly at the Coupon Rate for each quarter of the Extended Interest Payment Period ("Compounded Interest"). At the end of the Extended Interest Payment Period, the Company shall pay all interest accrued and unpaid on the Subordinated Debentures, including any Compounded Interest and Additional Interest ("Deferred Interest") which shall be payable to the holders of the Subordinated Debentures in whose names the Subordinated Debentures are registered in the Security Register on the first record date after the end of the Extended Interest Payment Period. Prior to the termination of any Extended Interest Payment Period, the Company may further extend such period, PROVIDED that such period together with all such further extensions thereof shall not exceed twenty (20) consecutive quarters or extend beyond the maturity of the Subordinated Debentures. Upon the termination of any Extended Interest Payment Period and upon the payment of all Deferred Interest then due, the Company may select a new Extended Interest Payment Period, subject to the foregoing requirements. No interest shall be due and payable during an Extended Interest Payment Period, except at the end thereof.

SECTION 4.2. NOTICE OF EXTENSION.

(a) If the Property Trustee is the only registered holder of the Subordinated Debentures at the time the Company selects an Extended Interest Payment Period, the Company shall give written notice to both the Regular Trustees and the Property Trustee of its selection of such Extended Interest Payment Period one Business Day before the earlier of (i) the next succeeding date on which Distributions on the Trust Securities issued by the Trust are payable, or (ii) the date the Trust is required to give notice of the record or payment date for such Distributions to the New York Stock Exchange or other applicable self-regulatory organization or to holders of the Preferred Securities issued by the Trust, but in any event at least one Business Day before such record date.

(b) If the Property Trustee is not the only holder of the Subordinated Debentures at the time the Company selects an Extended Interest Payment Period, the Company shall give the holders of the Subordinated Debentures and the Trustee written

notice of its selection of such Extended Interest Payment Period ten (10) Business Days before the earlier of (i) the next succeeding Interest Payment Date, or (ii) the date the Company is required to give notice of the record or payment date of such interest payment to the New York Stock Exchange or other applicable self-regulatory organization or to holders of the Subordinated Debentures, but in any event at least two Business Days before such record date.

(c) The quarter in which any notice is given pursuant to paragraphs (a) or (b) of this Section 4.2 shall be counted as one of the twenty quarters permitted in the maximum Extended Interest Payment Period permitted under Section 4.1.

ARTICLE V

EXPENSES

SECTION 5.1. PAYMENT OF EXPENSES. In connection with the offering, sale and issuance of the Subordinated Debentures to the Property Trustee in connection with the sale of the Trust Securities by the Trust, the Company shall:

(a) pay all costs and expenses relating to the offering, sale and issuance of the Subordinated Debentures, including commissions to the underwriters payable pursuant to the Underwriting Agreement and compensation of the Trustee under the Indenture in accordance with the provisions of Section 7.06 of the Indenture;

(b) pay all costs and expenses of the Trust (including, but not limited to, costs and expenses relating to the organization of the Trust, the offering, sale and issuance of the Trust Securities (including commissions to the underwriters in connection therewith), the fees and expenses of the Property Trustee and the Delaware Trustee, the costs and expenses relating to the operation of the Trust, including without limitation, costs and expenses of accountants, attorneys, statistical or bookkeeping services, expenses for printing and engraving and computing or accounting equipment, paying agent(s), registrar(s), transfer agent(s), duplicating, travel and telephone and other telecommunications expenses and costs and expenses incurred in connection with the acquisition, financing, and disposition of Trust assets); and

(c) pay any and all taxes (other than United States withholding taxes attributable to the Trust or its assets) and all liabilities, costs and expenses with respect to such taxes of the Trust.

ARTICLE VI

SUBORDINATION

SECTION 6.1. AGREEMENT TO SUBORDINATE. The Company covenants and agrees, and each holder of Subordinated Debentures issued hereunder by such holder's acceptance thereof likewise covenants and agrees, that all Subordinated Debentures shall be issued subject to the provisions of this Article VI; and each holder of a Subordinated Debenture, whether upon original issue or upon transfer or assignment thereof, accepts and agrees to be bound by such provisions.

The payment by the Company of the principal of, premium, if any, and interest on all Subordinated Debentures issued hereunder shall, to the extent and in the manner hereinafter set forth, be subordinated and subject in right of payment to the prior payment in full of all Senior Indebtedness of the Company, whether outstanding at the date of this First Supplemental Indenture or thereafter incurred.

No provision of this Article VI shall prevent the occurrence of any default or Event of Default hereunder.

SECTION 6.2. DEFAULT ON SENIOR INDEBTEDNESS. In the event and during the continuation of any default by the Company in the payment of principal, premium, interest or any other payment due on any Senior Indebtedness of the Company, or in the event that the maturity of any Senior Indebtedness of the Company has been accelerated because of a default, then, in either case, no payment shall be made by the Company with respect to the principal (including redemption and sinking fund payments) of, or premium, if any, or interest on the Subordinated Debentures.

In the event that, notwithstanding the foregoing, any payment shall be received by the Trustee or any holder of Subordinated Debentures when such payment is prohibited by the preceding paragraph of this Section 6.2, such payment shall be held in trust for the benefit of, and shall be paid over or delivered to, the holders of Senior Indebtedness or their respective representatives, or to the trustee or trustees under any indenture pursuant to which any of such Senior Indebtedness

may have been issued, as their respective interests may appear, but only to the extent that the holders of the Senior Indebtedness (or their representative or representatives or a trustee) notify the Trustee within 90 days of such payment of the amounts then due and owing on the Senior Indebtedness and only the amounts specified in such notice to the Trustee shall be paid to the holders of Senior Indebtedness.

SECTION 6.3. LIQUIDATION; DISSOLUTION; BANKRUPTCY. Upon any payment by the Company, or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to creditors upon any dissolution or winding-up or liquidation or reorganization of the Company, whether voluntary or involuntary or in bankruptcy, insolvency, receivership or other proceedings, all amounts due upon all Senior Indebtedness of the Company shall first be paid in full, or payment thereof provided for in money in accordance with its terms, before any payment is made by the Company on account of the principal (and premium, if any) or interest on the Subordinated Debentures; and upon any such dissolution or winding-up or liquidation or reorganization, any payment by the Company, or distribution of assets of the Company of any kind or character, whether in cash, property or securities, to which the holders of the Subordinated Debentures or the Trustee would be entitled to receive from the Company, except for the provisions of this Article VI, shall be paid by the Company or by any receiver, trustee in bankruptcy, liquidating trustee, agent or other Person making such payment or distribution, or by the holders of the Subordinated Debentures or by the Trustee under this Indenture if received by them or it, directly to the holders of Senior Indebtedness of the Company (pro rata to such holders on the basis of the respective amounts of Senior Indebtedness held by such holders, as calculated by the Company) or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing such Senior Indebtedness may have been issued, as their respective interests may appear, to the extent necessary to pay such Senior Indebtedness in full, in money or money's worth, after giving effect to any concurrent payment or distribution to or for the holders of such Senior Indebtedness, before any payment or distribution is made to the holders of Subordinated Debentures or to the Trustee.

In the event that, notwithstanding the foregoing, any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, prohibited by the foregoing, shall be received by the Trustee or the holders of the Subordinated Debentures before all Senior Indebtedness of the Company is paid in full, or provision is made for such payment in money in accordance with its terms, such payment or distribution

shall be held in trust for the benefit of and shall be paid over or delivered to the holders of such Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing such Senior Indebtedness may have been issued, as their respective interests may appear, as calculated by the Company, for application to the payment of all Senior Indebtedness of the Company remaining unpaid to the extent necessary to pay such Senior Indebtedness in full in money in accordance with its terms, after giving effect to any concurrent payment or distribution to or for the benefit of the holders of such Senior Indebtedness.

For purposes of this Article VI, the words "cash, property or securities" shall not be deemed to include shares of stock of the Company as reorganized or readjusted, or securities of the Company or any other corporation provided for by a plan of reorganization or readjustment, the payment of which is subordinated at least to the extent provided in this Article VI with respect to the Subordinated Debentures to the payment of all Senior Indebtedness of the Company that may at the time be outstanding, PROVIDED that (i) such Senior Indebtedness is assumed by the new corporation, if any, resulting from any such reorganization or readjustment, and (ii) the rights of the holders of such Senior Indebtedness are not, without the consent of such holders, altered by such reorganization or readjustment. The consolidation of the Company with, or the merger of the Company into, another corporation or the liquidation or dissolution of the Company following the conveyance or transfer of its property as an entirety, or substantially as an entirety, to another corporation upon the terms and conditions provided for in Article X of the Indenture shall not be deemed a dissolution, winding-up, liquidation or reorganization for the purposes of this Section 6.3 if such other corporation shall, as a part of such consolidation, merger, conveyance or transfer, comply with the conditions stated in Article X of the Indenture. Nothing in Section 6.2 or in this Section 6.3 shall apply to claims of, or payments to, the Trustee under or pursuant to Section 7.06 of the Indenture.

SECTION 6.4. SUBROGATION. Subject to the payment in full of all Senior Indebtedness of the Company, the rights of the holders of the Subordinated Debentures shall be subrogated to the rights of the holders of such Senior Indebtedness to receive payments or distributions of cash, property or securities of the Company applicable to such Senior Indebtedness until the principal of (and premium, if any) and interest on the Subordinated Debentures shall be paid in full; and, for the

purposes of such subrogation, no payments or distributions to the holders of such Senior Indebtedness of any cash, property or securities to which the holders of the Subordinated Debentures or the Trustee would be entitled except for the provisions of this Article VI, and no payment over pursuant to the provisions of this Article VI, to or for the benefit of the holders of such Senior Indebtedness by holders of the Subordinated Debentures or the Trustee, shall, as between the Company, its creditors other than holders of Senior Indebtedness of the Company, and the holders of the Subordinated Debentures be deemed to be a payment by the Company to or on account of such Senior Indebtedness. It is understood that the provisions of this Article VI are and are intended solely for the purposes of defining the relative rights of the holders of the Subordinated Debentures, on the one hand, and the holders of such Senior Indebtedness on the other hand.

Nothing contained in this Article VI or elsewhere in this Indenture or in the Subordinated Debentures is intended to or shall impair, as between the Company, its creditors other than the holders of Senior Indebtedness of the Company, and the holders of the Subordinated Debentures, the obligation of the Company which is absolute and unconditional, to pay to the holders of the Subordinated Debentures the principal of (and premium, if any) and interest on the Subordinated Debentures as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the holders of the Subordinated Debentures and creditors of the Company, other than the holders of Senior Indebtedness of the Company, nor shall anything herein or therein prevent the Trustee or the holder of any Subordinated Debenture from exercising all remedies otherwise permitted by applicable law upon default under the Indenture, subject to the rights, if any, under this Article VI of the holders of such Senior Indebtedness in respect of cash, property or securities of the Company, received upon the exercise of any such remedy.

Upon any payment or distribution of assets of the Company referred to in this Article VI, the Trustee, subject to the provisions of Section 7.01 of the Indenture, and the holders of the Subordinated Debentures, shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding-up, liquidation or reorganization proceedings are pending, or a certificate of the receiver, trustee in bankruptcy, liquidation trustee, agent or other Person making such payment or distribution, delivered to the Trustee or to the holders of the Subordinated Debentures, for the purposes of ascertaining the Persons entitled to participate in such distribution, the holders of Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable

thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article VI.

SECTION 6.5. TRUSTEE TO EFFECTUATE SUBORDINATION. Each holder of a Subordinated Debenture by such holder's acceptance thereof authorizes and directs the Trustee on such holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article VI and appoints the Trustee such holder's attorney-in-fact for any and all such purposes.

SECTION 6.6. NOTICE BY THE COMPANY. The Company shall give prompt written notice to a Responsible Officer of the Trustee of any fact known to the Company that would prohibit the making of any payment of monies to or by the Trustee in respect of the Subordinated Debentures pursuant to the provisions of this Article VI. Notwithstanding the provisions of this Article VI or any other provision of the Indenture and this First Supplemental Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment of monies to or by the Trustee in respect of the Subordinated Debentures pursuant to the provisions of this Article VI unless and until a Responsible Officer of the Trustee shall have received written notice thereof at the Principal Office of the Trustee from the Company or a holder or holders of Senior Indebtedness or from any trustee therefor; and before the receipt of any such written notice, the Trustee, subject to the provisions of Section 7.01 of the Indenture, shall be entitled in all respects to assume that no such facts exist; PROVIDED, HOWEVER, that if the Trustee shall not have received the notice provided for in this Section 6.6 at least two Business Days prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of (or premium, if any) or interest on any Subordinated Debenture), then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such money and to apply the same to the purposes for which they were received, and shall not be affected by any notice to the contrary that may be received by it within two Business Days prior to such date.

The Trustee, subject to the provisions of Section 7.01 of the Indenture, shall be entitled to rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness of the Company (or a trustee on behalf of such holder) to establish that such notice has been given by a holder of such Senior indebtedness or a trustee on behalf of any such holder or holders. In the event that the

Trustee determines in good faith that further evidence is required with respect to the right of any Person as a holder of such Senior Indebtedness to participate in any payment or distribution pursuant to this Article VI, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of such Senior Indebtedness held by such Person, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article VI, and if such evidence is not furnished, the Trustee may defer any payment to such Person pending judicial determination as to the right of such Person to receive such payment.

SECTION 6.7. RIGHTS OF THE TRUSTEE; HOLDERS OF SENIOR INDEBTEDNESS.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article VI in respect of any Senior Indebtedness at any time held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder.

With respect to the holders of Senior Indebtedness of the Company, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article VI, and no implied covenants or obligations with respect to the holders of such Senior Indebtedness shall be read into this Indenture against the Trustee. The Trustee shall not be deemed to owe any fiduciary duty to the holders of such Senior Indebtedness and, subject to the provisions of Section 7.01 of the Indenture, the Trustee shall not be liable to any holder of such Senior Indebtedness if it shall pay over or deliver to holders of Subordinated Debentures, the Company or any other Person money or assets to which any holder of such Senior Indebtedness shall be entitled by virtue of this Article VI or otherwise.

SECTION 6.8. SUBORDINATION MAY NOT BE IMPAIRED. No right of any present or future holder of any Senior Indebtedness of the Company to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or by any noncompliance by the Company with the terms, provisions and covenants of the Indenture, regardless of any knowledge thereof that any such holder may have or otherwise be charged with.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Indebtedness of the

Company may, at any time and from time to time, without the consent of or notice to the Trustee or the holders of the Subordinated Debentures, without incurring responsibility to the holders of the Subordinated Debentures and without impairing or releasing the subordination provided in this Article VI or the obligations hereunder of the holders of the Subordinated Debentures to the holders of such Senior Indebtedness, do any one or more of the following: (i) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, such Senior Indebtedness, or otherwise amend or supplement in any manner such Senior Indebtedness or any instrument evidencing the same or any agreement under which such Senior Indebtedness is outstanding; (ii) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing such Senior Indebtedness; (iii) release any Person liable in any manner for the collection of such Senior Indebtedness; and (iv) exercise or refrain from exercising any rights against the Company and any other Person.

ARTICLE VII

COVENANT TO LIST ON EXCHANGE

SECTION 7.1. LISTING ON EXCHANGE. If the Subordinated Debentures are to be issued as a Global Security in connection with the distribution of the Subordinated Debentures to the holders of the Preferred Securities issued by the Trust upon the dissolution of the Trust, the Company will use its best efforts to list such Subordinated Debentures on the New York Stock Exchange or on such other exchange as the Preferred Securities are then listed.

ARTICLE VIII

FORM OF SUBORDINATED DEBENTURE

SECTION 8.1. FORM OF SUBORDINATED DEBENTURE. The Subordinated Debentures and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the following forms:

(FORM OF FACE OF SUBORDINATED DEBENTURE)

[IF THE SUBORDINATED DEBENTURE IS TO BE A GLOBAL SECURITY, INSERT:
This Subordinated Debenture is a Global Security within the meaning of the Indenture hereinafter referred

to and is registered in the name of a Depository or a nominee of a Depository. This Subordinated Debenture is exchangeable for Subordinated Debentures registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Subordinated Debenture (other than a transfer of this Subordinated Debenture as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in limited circumstances.

Unless this Subordinated Debenture is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any Subordinated Debenture issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment hereon is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY A PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.]

No.

\$

CUSIP No.

KANSAS CITY POWER & LIGHT COMPANY

8.3% JUNIOR SUBORDINATED DEFERRABLE INTEREST DEBENTURE
DUE MARCH 31, 2037

KANSAS CITY POWER & LIGHT COMPANY, a Missouri corporation (the "Company", which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to _____ or registered assigns, the principal sum of _____ Dollars on March 31, 2037, or such earlier date established by the Company not earlier than March 31, 2002, and to pay interest on said principal sum from April 15, 1997 or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, quarterly (subject to deferral as set forth herein) in arrears on March 31, June 30, September 30 and December 31 of each year commencing, June 30, 1997, at the rate of 8.3% per annum until the principal hereof shall have become due and payable, and on any overdue principal and premium, if any, and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest compounded quarterly at the same rate per annum. The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which interest is payable on this Subordinated Debenture is not a Business Day, then payment of interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Subordinated Debenture (or one or more Predecessor Securities, as defined in said Indenture) is registered at the close of business on the regular record date for such interest installment [which shall be the close of business on the Business Day next preceding such Interest Payment Date.] [IF PURSUANT TO THE PROVISIONS OF Section 2.11(C) OF THE INDENTURE THE SUBORDINATED DEBENTURES ARE NO LONGER REPRESENTED BY A GLOBAL SECURITY -- which shall be the

close of business on the _____ day preceding such Interest Payment Date.] Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered holders on such regular record date, and may be paid to the Person in whose name this Subordinated Debenture (or one or more Predecessor Securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered holders of this series of Subordinated Debentures not less than ten (10) days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Subordinated Debentures may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. The principal of (and premium, if any) and the interest on this Subordinated Debenture shall be payable at the office or agency of the Trustee maintained for that purpose in Chicago, Illinois, in any coin or currency of the United States of America which at the time of payment is legal tender for payment of public and private debts; PROVIDED, HOWEVER, that payment of interest may be made at the option of the Company by check mailed to the registered holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the holder of this Subordinated Debenture is the Property Trustee, the payment of the principal of (and premium, if any) and interest on this Subordinated Debenture will be made at such place and to such account as may be designated by the Property Trustee.

The indebtedness evidenced by this Subordinated Debenture is, to the extent provided in the Indenture, subordinate and junior in right of payment to the prior payment in full of all Senior Indebtedness, and this Subordinated Debenture is issued subject to the provisions of the Indenture with respect thereto. Each holder of this Subordinated Debenture, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on behalf of such holder to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee the attorney-in-fact of such holder for any and all such purposes. Each holder hereof, by acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such holder upon said provisions.

This Subordinated Debenture shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

Unless the Certificate of Authentication hereon has been executed by the Trustee referred to on the reverse side hereof, this Subordinated Debenture shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

The provisions of this Subordinated Debenture are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed.

Dated

KANSAS CITY POWER & LIGHT COMPANY

By

[Title]

Attest:

By

Secretary

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Subordinated Debentures of the series of Subordinated Debentures described in the within-mentioned Indenture.

THE FIRST NATIONAL BANK
OF CHICAGO,
Not in Its Individual
Capacity But Solely
as Trustee

as Authentication Agent

By
Authorized Signatory

By
Authorized Signatory

(FORM OF REVERSE OF SUBORDINATED DEBENTURE)

This Subordinated Debenture is one of a duly authorized series of Subordinated Debentures of the Company (herein sometimes referred to as the "Subordinated Debentures"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of April 1, 1997, duly executed and delivered between the Company and The First National Bank of Chicago, not in its individual capacity but solely as trustee (the "Trustee"), as supplemented by the First Supplemental Indenture dated as of April 1, 1997 between the Company and the Trustee (the Indenture as so supplemented, the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the holders of the Subordinated Debentures. By the terms of the Indenture, the Subordinated Debentures are issuable in series which may vary as to amount, date of maturity, rate of interest and in other respects as in the Indenture provided. This series of Subordinated Debentures is limited in aggregate principal amount as specified in said First Supplemental Indenture.

Upon the occurrence and continuation of a Tax Event, in certain circumstances this Subordinated Debenture will become due and payable at the principal amount together with any interest accrued thereon (the "Redemption Price"). The Redemption Price shall be paid prior to 12:00 noon, New York time, on the date of

such redemption or at such earlier time as the Company determines. The Company shall have the right to redeem this Subordinated Debenture at the option of the Company, without premium or penalty, in whole or in part at any time on or after March 31, 2002 (an "Optional Redemption"), at the Redemption Price. Any Optional Redemption pursuant to this paragraph will be made upon not less than 30 days' nor more than 60 days' notice, at the Redemption Price. If the Subordinated Debentures are only partially redeemed by the Company pursuant to an Optional Redemption, the Subordinated Debentures will be redeemed pro rata or by lot or by any other method utilized by the Trustee; PROVIDED that if at the time of redemption, the Subordinated Debentures are registered as a Global Security, the Depositary shall determine by lot the principal amount of such Subordinated Debentures held by each holder to be redeemed.

In the event of redemption of this Subordinated Debenture in part only, a new Subordinated Debenture or Subordinated Debentures of this series for the unredeemed portion hereof will be issued in the name of the holder hereof upon the cancellation hereof.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Subordinated Debentures may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than a majority in aggregate principal amount of the Subordinated Debentures of each series affected at the time Outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the holders of the Subordinated Debentures; PROVIDED, HOWEVER, that no such supplemental indenture shall (i) extend the fixed maturity of any Subordinated Debentures of any series, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, without the consent of the holder of each Subordinated Debenture so affected or (ii) reduce the aforesaid percentage of Subordinated Debentures, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of each Subordinated Debenture then outstanding

and affected thereby. The Indenture also contains provisions permitting the holders of a majority in aggregate principal amount of the Subordinated Debentures of any series at the time outstanding affected thereby, on behalf of all of the holders of the Subordinated Debentures of such series, to waive any past default in the performance of any of the covenants contained in the Indenture, or established pursuant to the Indenture with respect to such series, and its consequences, except a default in the payment of the principal of or premium, if any, or interest on any of the Subordinated Debentures of such series. Any such consent or waiver by the registered holder of this Subordinated Debenture (unless revoked as provided in the Indenture) shall be conclusive and binding upon such holder and upon all future holders and owners of this Subordinated Debenture and of any Subordinated Debenture issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Subordinated Debenture.

No reference herein to the Indenture and no provision of this Subordinated Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Subordinated Debenture at the time and place and at the rate and in the money herein prescribed.

The Company shall have the right at any time during the term of the Subordinated Debentures, from time to time to extend the interest payment period of such Subordinated Debentures for up to twenty (20) consecutive quarters (an "Extended Interest Payment Period"), at the end of which period the Company shall pay all interest then accrued and unpaid (together with interest thereon at the rate specified for the Subordinated Debentures to the extent that payment of such interest is enforceable under applicable law). Before the termination of any such Extended Interest Payment Period, the Company may further extend such Extended Interest Payment Period, PROVIDED that such Extended Interest Payment Period together with all such further extensions thereof shall not exceed twenty (20) consecutive quarters or extend beyond the maturity of the Subordinated Debentures. At the termination of any such Extended Interest Payment Period and upon the payment of all accrued and unpaid interest and any additional amounts then due, the Company may select a new Extended Interest Payment Period.

As provided in the Indenture and subject to certain limitations therein set forth, this Subordinated Debenture is transferable by the registered holder hereof on the Security Register of the Company, upon surrender of this Subordinated

Debenture for registration of transfer at the office or agency of the Trustee in Chicago, Illinois, accompanied by a written instrument or instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered holder hereof or the attorney of such holder duly authorized in writing, and thereupon one or more new Subordinated Debentures of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Subordinated Debenture, the Company, the Trustee, any paying agent and any Security Registrar may deem and treat the registered holder hereof as the absolute owner hereof (whether or not this Subordinated Debenture shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Subordinated Debenture, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

[The Subordinated Debentures of this series are issuable only in registered form without coupons in denominations of \$25 and any integral multiple thereof.] [This Global Security is exchangeable for Subordinated Debentures in definitive form only under certain limited circumstances set forth in the Indenture. Subordinated Debentures of this series so issued are issuable only in registered form without coupons in denominations of \$25 and any integral multiple thereof.] As provided in the Indenture and subject to certain limitations [herein and] therein set forth, Subordinated Debentures of this series [so issued] are exchangeable for a like aggregate principal amount of

Subordinated Debentures of this series of a different authorized denomination, as requested by the holder surrendering the same.

All terms used in this Subordinated Debenture which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ARTICLE IX

ORIGINAL ISSUE OF SUBORDINATED DEBENTURES

SECTION 9.1. ORIGINAL ISSUE OF SUBORDINATED DEBENTURES. Subordinated Debentures in the aggregate principal amount of \$154,640,000 may, upon execution of this First Supplemental Indenture, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Subordinated Debentures to or upon the written order of the Company, signed by its Chairman, its President, or any Vice President and its Treasurer or an Assistant Treasurer, without any further action by the Company.

ARTICLE X

MISCELLANEOUS

SECTION 10.1. RATIFICATION OF INDENTURE. The Indenture, as supplemented by this First Supplemental Indenture, is in all respects ratified and confirmed, and this First Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 10.2. TRUSTEE NOT RESPONSIBLE FOR RECITALS. The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Indenture.

SECTION 10.3. GOVERNING LAW. This First Supplemental Indenture and each Subordinated Debenture shall be deemed to be a contract made under the internal laws of the State of New York, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 10.4. SEPARABILITY. In case any one or more of the provisions contained in this First Supplemental Indenture

or in the Subordinated Debentures shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this First Supplemental Indenture or of the Subordinated Debentures, but this First Supplemental Indenture and the Subordinated Debentures shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 10.5. COUNTERPARTS. This First Supplemental Indenture may be executed in any number of counterparts each of which shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, on the date or dates indicated in the acknowledgments and as of the day and year first above written.

KANSAS CITY POWER & LIGHT COMPANY

By:/s/ B. J. Beaudoin
Name: Bernard J. Beaudoin
Title: Executive Vice President -
Chief Financial Officer

[Corporate Seal]

Attest:

/s/ Jeanie Sell Latz
Secretary

THE FIRST NATIONAL BANK OF CHICAGO,
not in its individual capacity
but solely as Trustee

By:/s/ John R. Prendiville
Title: Vice President
Name: John R. Prendiville

[Corporate Seal]

Attest:

/s/ Katherine Cokic
Title: Assistant-Vice President

STATE OF MISSOURI)
COUNTY OF JACKSON) ss:

On the 15th day of April, 1997, before me personally came Bernard Beaudoin, to me known, who, being by me duly sworn, did depose and say that he is a Exec Vic Pres. of KANSAS CITY POWER & LIGHT COMPANY, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

NOTARY PUBLIC Carol A. Baxter,
Notary Public-Notary Seal
State of Missouri, Clay County
Commission expires: Mar 18, 2001

[seal]

STATE OF ILLINOIS)
COUNTY OF COOK):

On the day of April, 1997, before me personally came John R. Prendiville, to me known, who, being by me duly sworn, did depose and say that he is the Vice President of THE FIRST NATIONAL BANK OF CHICAGO, one of the corporations described in and which executed the above instrument; that he knows the corporate seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of the Board of Directors of said corporation, and that he signed his name thereto by like authority.

NOTARY PUBLIC Nilda Sierra - Notary Public
State of Missouri
Commission expires: 11/12/97

[seal]

PREFERRED SECURITIES GUARANTEE AGREEMENT

KCPL Financing I

Dated as of April 15, 1997

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PREFERRED SECURITIES GUARANTEE AGREEMENT

THIS PREFERRED SECURITIES GUARANTEE AGREEMENT (this "Guarantee Agreement"), dated as of April 7, 1997, is executed and delivered by KANSAS CITY POWER & LIGHT COMPANY, a Missouri corporation (the "Guarantor"), and The First National Bank of Chicago, a national banking association duly organized and existing under the laws of the United States, as trustee (the "Guarantee Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Preferred Securities (as defined herein) of KCPL Financing I, a Delaware statutory business trust (the "ISSUER").

W I T N E S S E T H :

WHEREAS, pursuant to an Amended and Restated Declaration of Trust (the "DECLARATION"), dated as of April 15, 1997, among the trustees of the Issuer, the Guarantor as Sponsor and the holders from time to time of undivided beneficial interests in the assets of the Issuer, the Issuer is issuing on the date hereof \$150,000,000 aggregate stated liquidation amount of its 8.3% Trust Originated Preferred Securities (the "Preferred Securities"); and

WHEREAS, as incentive for the Holders to purchase the Preferred Securities, the Guarantor desires irrevocably and unconditionally to agree, to the extent set forth in this Guarantee Agreement, to pay to the Holders of the Preferred Securities the Guarantee Payments (as defined herein) and to make certain other payments on the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the purchase by each Holder of Preferred Securities, which purchase the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Guarantee Agreement for the benefit of the Holders.

ARTICLE I
DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. In this Guarantee Agreement, unless the context otherwise requires: (a) capitalized terms used in this Guarantee Agreement but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1; (b) a term defined anywhere in this Guarantee Agreement has the same meaning throughout; and (c) a term defined in the Trust Indenture Act has the same meaning when used in this Guarantee Agreement unless otherwise defined in this Guarantee Agreement or unless the context otherwise requires.

AFFILIATE:

The term "Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933 or any successor rule thereunder.

BUSINESS DAY:

The term "Business Day" means any day other than a day on which banking institutions in Chicago, Illinois or New York, New York are authorized or required by any applicable law to close.

COMMON SECURITIES:

The term "Common Securities" means the securities representing common undivided beneficial interests in the assets of the Issuer.

COVERED PERSON:

The term "Covered Person" means any Holder or beneficial owner of Preferred Securities.

EVENT OF DEFAULT:

The term "Event of Default" means a default by the Guarantor on any of its payment or other obligations under this Guarantee Agreement.

GUARANTEE PAYMENTS:

The term "Guarantee Payments" means the following payments or distributions, without duplication, with respect to the Preferred Securities, to the extent not paid or made by the Issuer: (i) any accrued and unpaid Distributions (as defined in the Declaration) that are required to be paid on the Preferred Securities to the extent the Issuer shall have funds available therefor, (ii) the redemption price, including all accrued and unpaid Distributions to the date of redemption (the "Redemption Price") to the extent the Issuer has funds available therefor, with respect to any Preferred Securities called for redemption by the Issuer, and (iii) upon a voluntary or involuntary dissolution, winding-up or termination of the Issuer (other than in connection with the distribution of Subordinated Debentures to the Holders in exchange for Preferred Securities as provided in the Declaration), the lesser of (a) the aggregate of the liquidation amount and all accrued and unpaid Distributions on the Preferred Securities to the date of payment, and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer (in either case, the "Liquidation Distribution").

GUARANTEE TRUSTEE:

The term "Guarantee Trustee" means The First National Bank of Chicago, as trustee under this Guarantee Agreement, until a Successor Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Guarantee Agreement and thereafter means such Successor Guarantee Trustee.

GUARANTOR:

The term "Guarantor" means Kansas City Power & Light Company, and its successor or successors by merger, consolidation or purchase of all or substantially all of its assets.

HOLDER:

The term "Holder" shall mean any holder, as registered on the books and records of the Issuer, of any Preferred Securities; provided, however, that, in determining whether the holders of the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder, "Holder" shall not include the Guarantor or any Affiliate of the Guarantor.

INDEMNIFIED PERSON:

The term "Indemnified Person" means the Guarantee Trustee, any Affiliate of the Guarantee Trustee, or any officers, directors, shareholders, members, partners, employees, representatives or agents of the Guarantee Trustee.

INDENTURE:

The term "Indenture" means the Indenture dated as of April 1, 1997, between the Guarantor (the "Debenture Issuer") and The First National Bank of Chicago, as trustee, and any amendment thereto and any indenture supplemental thereto pursuant to which certain unsecured subordinated debt securities of the Debenture Issuer are to be issued to the Property Trustee of the Issuer.

MAJORITY IN LIQUIDATION AMOUNT OF THE SECURITIES:

The term "Majority in liquidation amount of the Securities" means, except as provided by the Trust Indenture Act, a vote by Holder(s) of Preferred Securities, voting separately as a class, of more than 50% of the liquidation amount (including the stated amount that would be paid on redemption, liquidation or maturity, plus accrued and unpaid Distributions to the date

upon which the voting percentages are determined) of all Preferred Securities.

OFFICERS' CERTIFICATE:

The term "Officers' Certificate" means, with respect to any Person, a certificate signed by two Authorized Officers of such Person. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Guarantee Agreement shall include:

(a) a statement that each such officer signing the Officers' Certificate has read the covenant or condition and the definition relating thereto;

(b) a brief statement of the nature and scope of the examination or investigation undertaken by each such officer in rendering the Officers' Certificate;

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as to whether or not such covenant or condition has been complied with; and

(d) a statement as to whether, in the opinion of each such officer, such condition or covenant has been complied with.

PERSON:

The term "Person" means any individual, corporation, partnership, limited liability company, joint venture, joint stock company, unincorporated association or government or any agency or political subdivision thereof, or any other entity of whatever nature.

RESPONSIBLE OFFICER:

The term "Responsible Officer", when used with respect to the Guarantee Trustee, means the Chairman of the board of directors, the President, any Vice President, the Secretary, the Treasurer, any trust officer, any corporate trust officer or any other officer or assistant officer of the Guarantee Trustee customarily performing functions similar to those performed by any of the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of that officer's knowledge of and familiarity with the particular subject.

SUBORDINATED DEBENTURES:

The term "Subordinated Debentures" means the series of unsecured subordinated debt securities of the Guarantor designated the 8.3% Junior Subordinated Deferrable Interest Debentures due March 31, 2037 held by the Property Trustee of the Issuer.

SUCCESSOR GUARANTEE TRUSTEE:

The term "Successor Guarantee Trustee" means a successor Guarantee Trustee possessing the qualifications to act as Guarantee Trustee under Section 4.1.

TRUST INDENTURE ACT:

The term "Trust Indenture Act" means the Trust Indenture Act of 1939.

SECTION 1.2. INTERPRETATION. Each definition in this Guarantee Agreement includes the singular and the plural, and references to the neuter gender include the masculine and feminine where appropriate. Terms which relate to accounting matters shall be interpreted in accordance with generally accepted accounting principles in effect from time to time. References to any statute mean such statute as amended at the time and include any successor legislation. The word "or" is not exclusive, and the words "herein," "hereof" and "hereunder" refer to this Guarantee Agreement as a whole. The headings to the Articles and Sections are for convenience of reference and shall not affect the meaning or interpretation of this Guarantee Agreement. References to Articles and Sections mean the Articles and Sections of this Guarantee Agreement unless otherwise specified.

ARTICLE II
TRUST INDENTURE ACT

SECTION 2.1. TRUST INDENTURE ACT; APPLICATION.

(a) This Guarantee Agreement is subject to the provisions of the Trust Indenture Act that are required to be part of this Guarantee Agreement and shall, to the extent applicable, be governed by such provisions.

(b) If and to the extent that any provision of this Guarantee Agreement limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

SECTION 2.2. LISTS OF HOLDERS OF PREFERRED SECURITIES.

(a) The Guarantor shall provide the Guarantee Trustee with a list, in such form as the Guarantee Trustee may reasonably require, of the names and addresses of the Holders of the Preferred Securities ("List of Holders") as of such date, (i) within ten Business Days after January 1 and June 30 of each year, and (ii) at any other time, within 30 days of receipt by the Guarantor of a written request for a List of Holders as of a date no more than 14 days before such List of Holders is given to the Guarantee Trustee, PROVIDED that the Guarantor shall not be obligated to provide such List of Holders at any time when the List of Holders does not differ from the most recent List of Holders given to the Guarantee Trustee by the Guarantor. The Guarantee Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Guarantee Trustee shall comply with its obligations under Section 311(a), 311(b) and Section 312(b) of the Trust Indenture Act.

SECTION 2.3. REPORTS BY THE GUARANTEE TRUSTEE. Within 60 days after May 15 of each year, the Guarantee Trustee shall provide to the Holders of the Preferred Securities such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form and in the manner provided by Section 313 of the Trust Indenture Act. The Guarantee Trustee shall also comply with the requirements of Section 313(d) of the Trust Indenture Act.

SECTION 2.4. PERIODIC REPORTS TO GUARANTEE TRUSTEE. The Guarantor shall provide to the Guarantee Trustee such documents, reports and information as required by Section 314 (if any) and the compliance certificate required by Section 314 of the Trust Indenture Act in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 2.5. EVIDENCE OF COMPLIANCE WITH CONDITIONS PRECEDENT. The Guarantor shall provide to the Guarantee Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Guarantee Agreement that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.6. EVENTS OF DEFAULT; WAIVER. The Holders of a Majority in liquidation amount of Preferred Securities may, by vote, on behalf of the Holders of all of the Preferred Securities, waive any past Event of Default and its consequences. Upon such waiver, any such Event of Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Guarantee Agreement, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

SECTION 2.7. EVENTS OF DEFAULT; NOTICE.

(a) The Guarantee Trustee shall, within 90 days after a Responsible Officer has knowledge of the occurrence of an Event of Default, transmit by mail, first class postage prepaid, to the Holders of the Preferred Securities, notices of all Events of Default known to the Guarantee Trustee, unless such defaults have been cured before the giving of such notice, provided, that the Guarantee Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers of the Guarantee Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Preferred Securities.

(b) The Guarantee Trustee shall not be deemed to have knowledge of any Event of Default unless the Guarantee Trustee shall have received written notice, or a Responsible Officer charged with the administration of the Declaration shall have obtained written notice, of such Event of Default.

SECTION 2.8. CONFLICTING INTERESTS. The Declaration shall be deemed to be specifically described in this Guarantee Agreement for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

ARTICLE III
POWERS, DUTIES AND RIGHTS OF
GUARANTEE TRUSTEE

SECTION 3.1. POWERS AND DUTIES OF THE GUARANTEE TRUSTEE.

(a) This Guarantee Agreement shall be held by the Guarantee Trustee for the benefit of the Holders of the Preferred Securities, and the Guarantee Trustee shall not transfer this Guarantee Agreement to any Person except to a Holder of Preferred Securities exercising the rights of such Holder pursuant to Section 5.4(b) or to a Successor Guarantee Trustee on acceptance by such Successor Guarantee Trustee of its appointment to act as Successor Guarantee Trustee. The right, title and interest of the Guarantee Trustee shall automatically vest in any Successor

Guarantee Trustee, and such vesting and cessation of title shall be effective whether or not conveyancing documents have been executed and delivered pursuant to the appointment of such Successor Guarantee Trustee.

(b) If an Event of Default has occurred and is continuing, the Guarantee Trustee shall enforce this Guarantee Agreement for the benefit of the Holders of the Preferred Securities.

(c) The Guarantee Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Guarantee Agreement, and no implied covenants shall be read into this Guarantee Agreement against the Guarantee Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6), the Guarantee Trustee shall exercise such of the rights and powers vested in it by this Guarantee Agreement, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

(d) No provision of this Guarantee Agreement shall be construed to relieve the Guarantee Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) prior to the occurrence of any Event of Default and after the curing or waiving of all such Events of Default that may have occurred:

(A) the duties and obligations of the Guarantee Trustee shall be determined solely by the express provisions of this Guarantee Agreement, and the Guarantee Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Guarantee Agreement, and no implied covenants or obligations shall be read into this Guarantee Agreement against the Guarantee Trustee; and

(B) in the absence of bad faith on the part of the Guarantee Trustee, the Guarantee Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Guarantee Trustee and conforming to the requirements of this Guarantee Agreement; but in the case of any such

certificates or opinions that by any provision hereof are specifically required to be furnished to the Guarantee Trustee, the Guarantee Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Declaration;

(ii) the Guarantee Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Guarantee Trustee, unless it shall be proved that the Guarantee Trustee was negligent in ascertaining the pertinent facts upon which such judgment was made;

(iii) the Guarantee Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of not less than a Majority in liquidation amount of the Preferred Securities at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee, or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement; and

(iv) no provision of this Guarantee Agreement shall require the Guarantee Trustee to expend or risk its own funds or otherwise incur personal financial liability in the performance of any of its duties or in the exercise of any of its rights or powers, if there is reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Guarantee Agreement or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 3.2. CERTAIN RIGHTS OF GUARANTEE TRUSTEE.

(a) Subject to the provisions of Section 3.1:

(i) The Guarantee Trustee may rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, security or other paper or document believed by it to be genuine and to have been signed, sent or presented by the proper party or parties.

(ii) Any direction or act of the Guarantor contemplated by this Guarantee Agreement shall be sufficiently evidenced by a Direction or an Officers' Certificate.

(iii) Whenever in the administration of this Guarantee Agreement the Guarantee Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Guarantee Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Guarantor.

(iv) The Guarantee Trustee shall have no duty to see to any recording, filing or registration of any instrument (or any rerecording, refiling or reregistration thereof).

(v) The Guarantee Trustee may consult with counsel and the written advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion. Such counsel may be counsel to the Guarantor or any of its Affiliates and may include any of its employees. The Guarantee Trustee shall have the right at any time to seek instructions concerning the administration of this Guarantee Agreement from any court of competent jurisdiction.

(vi) The Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Guarantee Agreement at the request or direction of any Holder, unless such Holder shall have provided to the Guarantee Trustee reasonable security or indemnity against the costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Guarantee Trustee; provided that, nothing contained in this Section 3.2(a)(vi) shall, however, relieve the Guarantee Trustee, upon the occurrence of an Event of Default, of its obligation to exercise the rights and powers vested in it by this Guarantee Agreement.

(vii) The Guarantee Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, bond, security or other papers or documents, but the Guarantee Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit.

(viii) The Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys, and the Guarantee Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

(ix) Any action taken by the Guarantee Trustee or its agents hereunder shall bind the Holders of the Preferred Securities, and the signature of the Guarantee Trustee or its agents alone shall be sufficient and effective to perform any such action. No third party shall be required to inquire as to the authority of the Guarantee Trustee to so act or as to its compliance with any of the terms and provisions of this Guarantee Agreement, both of which shall be conclusively evidenced by the Guarantee Trustee's or its agent's taking such action.

(x) Whenever in the administration of this Guarantee Agreement the Guarantee Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Guarantee Trustee (i) may request instructions from the Holders of a Majority in liquidation amount of the Preferred Securities, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be protected in acting in accordance with such instructions.

(b) No provision of this Guarantee Agreement shall be deemed to impose any duty or obligation on the Guarantee Trustee to perform any act or acts or exercise any right, power, duty or obligation conferred or imposed on it in any jurisdiction in which it shall be illegal, or in which the Guarantee Trustee shall be unqualified or incompetent in accordance with applicable law, to perform any such act or acts or to exercise any such right, power, duty or obligation. No permissive power or

authority available to the Guarantee Trustee shall be construed to be a duty.

SECTION 3.3. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF GUARANTEE. The recitals contained in this Guarantee shall be taken as the statements of the Guarantor, and the Guarantee Trustee does not assume any responsibility for their correctness. The Guarantee Trustee makes no representation as to the validity or sufficiency of this Guarantee Agreement.

ARTICLE IV
GUARANTEE TRUSTEE

SECTION 4.1. GUARANTEE TRUSTEE; ELIGIBILITY.

(a) There shall at all times be a Guarantee Trustee which shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a corporation organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a corporation or Person permitted by the Securities and Exchange Commission to act as an institutional trustee under the Trust Indenture Act, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least fifty million U.S. dollars (\$50,000,000), and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then, for the purposes of this Section 4.1(a)(ii), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Guarantee Trustee shall cease to be eligible so to act under Section 4.1(a), the Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.2(c).

(c) If the Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Guarantee Trustee and Guarantor

shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 4.2. APPOINTMENT, REMOVAL AND RESIGNATION OF GUARANTEE TRUSTEE.

(a) Subject to Section 4.2(b), the Guarantee Trustee may be appointed or removed without cause at any time by the Guarantor.

(b) The Guarantee Trustee shall not be removed in accordance with Section 4.2(a) until a Successor Guarantee Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Guarantee Trustee and delivered to the Guarantor.

(c) The Guarantee Trustee appointed to office shall hold office until a Successor Guarantee Trustee shall have been appointed or until its removal or resignation. The Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Guarantee Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Guarantee Trustee has been appointed and has accepted such appointment by instrument in writing executed by such Successor Guarantee Trustee and delivered to the Guarantor and the resigning Guarantee Trustee.

(d) If no Successor Guarantee Trustee shall have been appointed and accepted appointment as provided in this Section 4.2 within 60 days after delivery to the Guarantor of an instrument of resignation, the resigning Guarantee Trustee may petition any court of competent jurisdiction for appointment of a Successor Guarantee Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Guarantee Trustee.

ARTICLE V
GUARANTEE

SECTION 5.1. GUARANTEE. The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by the Issuer), as and when due, regardless of any defense, right of set-off or counterclaim that the Issuer may have or assert. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holders or by causing the Issuer to pay such amounts to the Holders.

SECTION 5.2. WAIVER OF NOTICE AND DEMAND. The Guarantor hereby waives notice of acceptance of this Guarantee Agreement and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Issuer or any other Person before proceeding against the Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

SECTION 5.3. OBLIGATIONS NOT AFFECTED. The obligations, covenants, agreements and duties of the Guarantor under this Guarantee Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the Distributions, Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities (other than an extension of time for payment of Distributions that results from the extension of any interest payment period on the Subordinated Debentures permitted by the Indenture);

(c) any failure, omission, delay or lack of diligence on the part of the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, the Preferred Securities;

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or

(g) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor, it being the intent of this Section 5.3 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances.

There shall be no obligation of the Holders to give notice to, or obtain consent of, the Guarantor with respect to the happening of any of the foregoing.

SECTION 5.4. RIGHTS OF HOLDERS.

(a) The Holders of a Majority in liquidation amount of the Preferred Securities have the right to direct the time, method and place of conducting of any proceeding for any remedy available to the Guarantee Trustee in respect of this Guarantee Agreement or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee Agreement.

(b) If the Guarantee Trustee fails to enforce this Guarantee Agreement, any Holder of Preferred Securities may institute a legal proceeding directly against the Guarantor to enforce its rights under this Guarantee Agreement, without first instituting a legal proceeding against the Issuer, the Guarantee Trustee or any other Person.

SECTION 5.5. GUARANTEE OF PAYMENT. This Guarantee Agreement creates a guarantee of payment and not of collection.

SECTION 5.6. SUBROGATION. The Guarantor shall be subrogated to all (if any) rights of the Holders of Preferred Securities against the Issuer in respect of any amounts paid to such Holders by the Guarantor under this Guarantee Agreement; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any right that it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of payment under this Guarantee Agreement, if, at the time of any such payment, any amounts are due and unpaid under this Guarantee Agreement. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold such amount in trust for the Holders and to pay over such amount to the Holders.

SECTION 5.7. INDEPENDENT OBLIGATIONS. The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Preferred

Securities, and that the Guarantor shall be liable as principal and as debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections (a) through (g), inclusive, of Section 5.3 hereof.

ARTICLE VI
LIMITATION OF TRANSACTIONS; SUBORDINATION

SECTION 6.1. LIMITATION OF TRANSACTION. So long as any Preferred Securities remain outstanding, if there shall have occurred an Event of Default or an event of default under the Declaration, then (a) the Guarantor shall not declare or pay any dividend on, or make any distribution with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock (other than (i) purchases or acquisitions of shares of Guarantor common stock in connection with the satisfaction by the Guarantor of its obligations under any employee benefit plans or any other contractual obligations of the Guarantor, other than a contractual obligation ranking PARI PASSU, with or junior to the Subordinated Debentures), (ii) as a result of a reclassification of Company capital stock or the exchange or conversion of one class or series of Company capital stock for another class or series of Company capital stock or (iii) the purchase of fractional interests in shares of Company capital stock pursuant to the conversion or exchange provisions of such Company capital stock or the security being converted or exchanged), (b) the Guarantor shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) issued by the Guarantor which rank PARI PASSU with or junior to the Subordinated Debentures and (c) the Guarantor shall not make any guarantee payments with respect to the foregoing (other than pursuant to this Guarantee Agreement and other guarantee agreements entered into by the Guarantor with respect to preferred securities of any Affiliate of the Guarantor).

SECTION 6.2. RANKING. This Guarantee Agreement will constitute an unsecured obligation of the Guarantor and will rank (i) subordinate and junior in right of payment to all other liabilities of the Guarantor, including the Subordinated Debentures, except those liabilities of the Guarantor made PARI PASSU or subordinate by their terms, (ii) PARI PASSU with the most senior preferred stock now or hereafter issued by the Guarantor and with any guarantee now or hereafter entered into by the Guarantor in respect of any preferred securities of any Affiliate of the Guarantor, and (iii) senior to the Guarantor's common stock.

ARTICLE VII
TERMINATION

SECTION 7.1. TERMINATION. This Guarantee Agreement shall terminate upon (i) full payment of the Redemption Price of all Preferred Securities, (ii) upon the distribution of the Subordinated Debentures to the Holders of all of the Preferred Securities or (iii) upon full payment of the amounts payable in accordance with the Declaration upon liquidation of the Issuer. Notwithstanding the foregoing, this Guarantee Agreement will continue to be effective or will be reinstated, as the case may be, if at any time any of Preferred Securities must restore payment of any sums paid under the Preferred Securities or under this Preferred Securities Guarantee.

ARTICLE VIII
INDEMNIFICATION

SECTION 8.1. EXCULPATION.

(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Guarantor or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith in accordance with this Guarantee Agreement and in a manner that such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Guarantee Agreement or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's negligence or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Guarantor and upon such information, opinions, reports or statements presented to the Guarantor by any Person as to matters the Indemnified Person reasonably believes are within such Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Guarantor, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which Distributions to Holders of Preferred Securities might properly be paid.

SECTION 8.2. INDEMNIFICATION.

(a) To the fullest extent permitted by applicable law, the Guarantor shall indemnify and hold harmless each Indemnified

Person from and against any loss, damage or claim incurred by such Indemnified Person by reason of any act or omission performed or omitted by such Indemnified Person in good faith in accordance with this Guarantee Agreement and in a manner such Indemnified Person reasonably believed to be within the scope of authority conferred on such Indemnified Person by this Guarantee Agreement, except that no Indemnified Person shall be entitled to be indemnified in respect of any loss, damage or claim incurred by such Indemnified Person by reason of negligence or willful misconduct with respect to such acts or omissions.

(b) To the fullest extent permitted by applicable law, expenses (including legal fees) incurred by an Indemnified Person in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Guarantor prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Guarantor of an undertaking by or on behalf of the Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified as authorized in Section 8.2(a).

ARTICLE IX SUCCESSOR CORPORATION

SECTION 9.1. GUARANTOR MAY CONSOLIDATE, ETC. Nothing contained in this Guarantee Agreement shall prevent any consolidation or merger of the Guarantor with or into any other corporation or corporations (whether or not affiliated with the Guarantor), or successive consolidations or mergers in which the Guarantor or its successor or successors shall be a party or parties, or shall prevent any sale, conveyance, transfer or other disposition of the property of the Guarantor or its successor or successors as an entirety, or substantially as an entirety, to any other corporation (whether or not affiliated with the Guarantor or its successor or successors) authorized to acquire and operate the same; PROVIDED, HOWEVER, the Guarantor hereby covenants and agrees that, upon any such consolidation, merger, sale, conveyance, transfer or other disposition, the due and punctual payment, performance and observance of all the covenants and conditions of this Guarantee Agreement to be paid, performed or observed by the Guarantor, shall be expressly assumed, by supplemental indenture (which shall conform to the provisions of the Trust Indenture Act, as then in effect) satisfactory in form to the Trustee executed and delivered to the Trustee by the entity formed by such consolidation, or into which the Guarantor shall have been merged, or by the entity which shall have acquired such property.

SECTION 9.2. SUCCESSOR CORPORATION SUBSTITUTED.

(a) In case of any such consolidation, merger, sale, conveyance, transfer or other disposition and upon the assumption by the successor corporation, by supplemental indenture, executed and delivered to the Trustee and satisfactory in form to the Trustee, of the due and punctual payment, performance and observance of all of the covenants and conditions of this Guarantee Agreement to be paid, performed or observed by the Guarantor, such successor corporation shall succeed to and be substituted for the Guarantor with the same effect as if it had been named as the Guarantor herein.

(b) Nothing contained in this Guarantee Agreement shall prevent the Guarantor from merging into itself or acquiring by purchase or otherwise all or any part of the property of any other Person (whether or not affiliated with the Guarantor).

SECTION 9.3. EVIDENCE OF CONSOLIDATION, ETC. TO TRUSTEE. The Trustee, subject to the provisions of Section 3.01, may receive an opinion of counsel as conclusive evidence that any such consolidation, merger, sale, conveyance, transfer or other disposition, and any such assumption, comply with the provisions of this Article.

ARTICLE IX
MISCELLANEOUS

SECTION 10.1. SUCCESSORS AND ASSIGNS. All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders of the Preferred Securities then outstanding.

SECTION 10.2. AMENDMENTS. Except with respect to any changes that do not materially adversely affect the rights of Holders (in which case, no consent of Holders will be required), this Guarantee Agreement may only be amended with the prior approval of the Holders of at least 66-2/3% in liquidation amount of all the outstanding Preferred Securities. The provisions of Section 12.2 of the Declaration with respect to meetings of Holders of the Preferred Securities apply to the giving of such approval.

SECTION 10.3. NOTICES. All notices provided for in this Guarantee Agreement shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by registered or certified mail, as follows:

(a) If given to the Guarantee Trustee, at the Guarantee Trustee's mailing address set forth below (or such other address as the Guarantee Trustee may give notice of to the Holders of the Preferred Securities):

The First National Bank of Chicago
One First National Plaza, Suite 0126
Chicago, Illinois 60670-0126
Attention: Corporate Trust Administration

(b) If given to the Guarantor, at the Guarantor's mailing address set forth below (or such other address as the Guarantor may give notice of to the Holders of the Preferred Securities):

Kansas City Power & Light Company
1201 Walnut
Kansas City, Missouri 64106-2124
Attention: Treasurer

(c) If given to any Holder of Preferred Securities, at the address set forth on the books and records of the Issuer.

All such notices shall be deemed to have been given when received in person, telecopied with receipt confirmed, or mailed by first class mail, postage prepaid except that if a notice or other document is refused delivery or cannot be delivered because of a changed address of which no notice was given, such notice or other document shall be deemed to have been delivered on the date of such refusal or inability to deliver.

SECTION 10.4. BENEFIT. This Guarantee Agreement is solely for the benefit of the Holders of the Preferred Securities and, subject to Section 3.1(a), is not separately transferable from the Preferred Securities.

SECTION 10.5. GOVERNING LAW. THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.

THIS GUARANTEE AGREEMENT is executed as of the day and year first above written.

KANSAS CITY POWER & LIGHT COMPANY

By: /s/ B. J. Beaudoin
Name: Bernard J. Beaudoin
Title: Executive Vice President -
Chief Financial Officer

THE FIRST NATIONAL BANK OF CHICAGO, Not
in its individual capacity but solely as
Guarantee Trustee

By: /s/ John R. Prendiville
Name: John R. Prendiville
Title: Vice President

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	955	
(16,087)		
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		(0.26)