

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): December 18,  
2000 (December 14, 2000)

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

1-707  
(Commission file number)

MISSOURI  
(State of other jurisdiction of  
incorporation or organization)

44-0308720  
(I.R.S. Employer  
Identification No.)

1201 Walnut  
Kansas City, Missouri 64106  
(Address of principal executive offices)

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

NOT APPLICABLE  
(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS

KCPL ISSUES \$250,000,000 AGGREGATE PRINCIPAL AMOUNT OF SENIOR DEBT SECURITIES.

Kansas City Power & Light Company files herewith copies of the Indenture, Underwriting Agreement and Terms Agreement entered into in connection with its issuance of \$250,000,000 aggregate principal amount of 7.125% Senior Notes due December 15, 2005.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibit  
Number

- 4(a) Indenture dated as of December 1, 2000, between Kansas City Power & Light Company and The Bank of New York.
- 4(b) Underwriting Agreement dated December 13, 2000, among the Company and Banc of America Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated.
- 4(c) Terms Agreement dated December 14, 2000, among the Company and Banc of America Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representatives of the underwriters named therein.

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 hereunto duly authorized.

KANSAS CITY POWER & LIGHT COMPANY

/s/Jeanie Sell Latz

Senior Vice President-Corporate Services

Date: December 18, 2000

=====  
KANSAS CITY POWER & LIGHT COMPANY

AND

THE BANK OF NEW YORK,  
TRUSTEE

INDENTURE

DATED AS OF DECEMBER 1, 2000

PROVIDING FOR THE ISSUANCE OF  
DEBT SECURITIES  
=====

CROSS REFERENCE SHEET\*

Between

Provisions of Trust Indenture Act of 1939,  
As Amended.

and

Indenture dated as of , 2000 between  
Kansas City Power & Light Company  
and The Bank of New York,  
Trustee

Section of Act -----	Section of Indenture -----
310 (a) (1) and (2)	4.04 and 7.08
310 (a) (3) and (4)	Not Applicable
310 (b)	7.07 and 7.09(b)
310 (c)	Not Applicable
311 (a) and (b)	7.12
311 (c)	Not Applicable
312 (a)	5.01 and 5.02 (a)
312 (b) and (c)	5.02 (b) and (c)
313 (a) (1), (2), (3), (5), (6) and (7)	5.04 (a)
313 (a) (6)	Not Applicable
313 (b) (1)	Not Applicable
313 (b) (2)	5.04 (b)
313 (c)	5.04 (b)
313 (d)	5.04 (c)
314 (a)	5.03
314 (b)	Not Applicable
314 (c) (1) and (2)	15.06
314 (c) (3)	Not Applicable
314 (d)	Not Applicable
314 (e)	15.06
314 (f)	Not Applicable
315 (a), (c) and (d)	7.01
315 (b)	6.07
315 (e)	6.08
316 (a) (1)	6.06
316 (a) (2)	Omitted
316 (a) last paragraph	8.04
316 (b)	6.04
317 (a)	6.02
317 (b)	4.05 and 7.05
318 (a)	15.07

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\* This Cross Reference Sheet is not part of the Indenture.

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THIS INDENTURE, dated as of December 1, 2000, between KANSAS CITY POWER & LIGHT COMPANY, a corporation organized and existing under the laws of the State of Missouri (herein called the "Company"), and The Bank of New York, a banking corporation organized and existing under the laws of the State of New York (herein called the "Trustee"):

WHEREAS, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance in one or more series from time to time of its debentures, notes or other evidences of indebtedness (hereinafter called the "Securities") and to provide the general terms and conditions upon which the Securities are to be authenticated, issued and delivered;

WHEREAS, the Trustee has power to enter into this Indenture and to accept and execute the trusts herein created; and

WHEREAS, the Company represents that all acts and things necessary to make the Securities, when executed by the Company and authenticated and delivered by the Trustee as in this Indenture provided, and duly issued by the Company, the valid, binding and legal obligations of the Company will, at the time of such execution, authentication and delivery, have been done and performed; that all acts and things necessary to constitute these presents a valid indenture and agreement according to its terms have been done and performed; that the execution of this Indenture by the Company has in all respects been duly authorized; and that the issue hereunder of the Securities will, at the time of the issue thereof, have in all respects been duly authorized; and the Company, in the exercise of each and every legal right and power in it vested, executes this Indenture and proposes to make, execute, issue and deliver the Securities;

NOW, THEREFORE:

In consideration of the premises, of the purchase and acceptance of the Securities by the holders thereof and of the sum of \$1 duly paid by the Trustee at the execution of these presents, the receipt whereof is hereby acknowledged, the Company covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective holders from time to time of the Securities or of any series thereof, as follows:

#### ARTICLE ONE

#### DEFINITIONS

SECTION 1.01. CERTAIN TERMS DEFINED. The following terms (except as herein 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. All other terms used in this Indenture which are defined (either directly or by reference) in the Trust Indenture Act (except as herein otherwise expressly provided or unless the context otherwise requires) shall have the meanings so assigned to such terms.

#### AFFILIATE:

The term "Affiliate" of the Company shall mean any company that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the Company.

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.

BOARD RESOLUTION:

The term "Board Resolution" means a copy of a resolution or resolutions 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, and delivered to the Trustee.

BUSINESS DAY:

The term "Business Day" means, with respect to any series of Securities, any day other than (i) a Saturday or Sunday or (ii) a day on which banking institutions in the Borough of Manhattan, the City of New York and the State of New York or the State of Missouri, are authorized or obligated by law or executive order to close.

COMPANY:

The term "Company" shall mean the person named as the Company in the first paragraph of this instrument until a successor corporation shall have become such pursuant to Article Eleven of this Indenture, and thereafter "Company" shall mean such successor corporation.

COMPANY ORDER:

The term "Company Order" shall mean the written order, request or instruction of the Company signed on behalf of the Company by its Chairman of the Board, Vice Chairman, President or a Vice President and by its Treasurer or an Assistant Treasurer or its Secretary or an Assistant Secretary.

CORPORATION:

The term "corporation" shall mean any corporation, voluntary association, joint stock company, business trust or other similar organization.

DEPOSITARY:

The term "Depositary" shall mean, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more Global Securities, the person designated as Depositary by the Company pursuant to Section 2.03 until a successor Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Depositary" shall mean or include each person who is then a Depositary hereunder, and if at any time there is more than one such person, "Depositary" as used with respect to the Securities of any such series shall mean the Depositary with respect to the Securities of that series.

EVENT OF DEFAULT:

The term "Event of Default" shall mean any event specified in Section 6.01, continued for the period of time, if any, and after the giving of the notice, if any, therein designated.

GLOBAL SECURITY:

The term "Global Security" shall mean a Security evidencing all or part of a series of Securities issued to a Depository for such series in accordance with Section 2.01.

INDENTURE:

The term "Indenture" shall mean this instrument as originally executed or as it may from time to time be supplemented and amended by one or more indentures supplemental hereto pursuant to Article Ten hereof and shall include the form and terms of particular series of Securities established as contemplated in Section 2.03.

INTEREST:

The term "interest", when used with respect to an Original Issue Discount Security which by its terms bears interest only after maturity, shall mean interest payable after maturity, at the rate prescribed in such Original Issue Discount Security.

INTEREST PAYMENT DATE:

The term "interest payment date" when used with respect to any Security or any installment of interest thereon shall mean the date specified in such Security as the fixed date on which such installment of interest is due and payable.

OFFICERS' CERTIFICATE:

The term "Officers' Certificate" shall mean a certificate signed by the Chairman of the Board, Vice Chairman, President or any Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Company.

OPINION OF COUNSEL:

The term "Opinion of Counsel" shall mean an opinion in writing signed by legal counsel, who may be an employee of or of counsel to the Company.

ORIGINAL ISSUE DISCOUNT SECURITY:

The term "Original Issue Discount Security" shall mean any Security that provides for an amount less than the principal thereof to be due and payable upon a declaration of acceleration of the maturity thereof pursuant to Section 6.01.

OUTSTANDING:

The term "outstanding", when used with reference to Securities, shall, subject to the provisions of Section 8.04, mean, as of any particular time, all Securities theretofore authenticated and delivered by the Trustee under this Indenture, except:

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

(b) Securities or portions thereof for the payment or redemption of which moneys, or as provided in Section 12.02 hereof, direct obligations of the United States of America, 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 that if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as in Article Three provided, or provision satisfactory to the Trustee shall have been made for giving such notice); and

(c) Securities which have been paid pursuant to Section 2.07 or in exchange for or in lieu of which other Securities shall have been authenticated and delivered pursuant to Section 2.07;

provided, however, that in determining whether the holders of the requisite principal amount of Outstanding Securities have taken any action, given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether a quorum is present at a meeting of Securityholders, the principal amount of an Original Issue Discount Security that shall be deemed to be Outstanding shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon acceleration of the maturity thereof pursuant to Section 6.01.

PERSON:

The term "person" shall mean an individual, a corporation, a partnership, a trust, an unincorporated organization or a government or any agency or political subdivision thereof.

PRINCIPAL OFFICE OF THE COMPANY:

The term "principal office of the Company" shall mean the principal office of the Company as shall be specified from time to time in a Company Order delivered to the Trustee. Any such Company Order may specify a principal office of the Company for one or more purposes under this Indenture and such Company Order or one or more other Company Orders may specify one or more other principal offices of the Company for one or more other purposes under this Indenture.

QUALIFYING GENERATION FACILITIES:

The term "Qualifying Generation Facilities" shall mean real and personal property of the Company used by the Company for the generation of electric energy, but not real and personal property used for the transmission or distribution of electric energy, and shall include,

without limitation, the assets included on the Company's financial statements comprising the electric generating facilities listed under Item 2 "Properties - Generation Resources" (or equivalent section contained therein) in the Company's most current Annual Report on Form 10-K (the "Form 10-K") and any similar facilities for the generation of electric energy acquired by the Company subsequent to the filing of the Form 10-K.

RECORD DATE:

The term "record date" shall mean, with respect to any interest payable on any Security on any interest payment date, the close of business on the date specified in such Security or, in the case of defaulted interest, the close of business on any subsequent record date established as provided in Section 2.02 (in each case whether or not such day is a Business Day).

REGISTERED HOLDER:

The term "registered holder", "Securityholder", "holder" or other similar term shall mean the person or persons in whose name or names a particular Security shall be registered upon the Security Register.

RESPONSIBLE OFFICER:

The term "Responsible Officer", when used with respect to the Trustee, shall mean any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs 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 such person's knowledge of and familiarity with the particular subject.

SECURITYHOLDER:

The term "Securityholder" shall have the meaning specified under the term "registered holder".

SECURITY REGISTER:

The term "Security Register" shall have the meaning specified in Section 2.05.

SUCCESSOR:

The term "Successor" shall have the meaning specified in Section 11.02.

TRUSTEE:

The term "Trustee" shall mean the person named as Trustee in the first paragraph of this instrument and, subject to the provisions of Article Seven of this Indenture, shall also include its successors and assigns, and if at any time there is more than one trustee, "Trustee" as used with respect to the Securities of any series shall mean the trustee with respect to Securities of that series.

TRUST INDENTURE ACT:

The term "Trust Indenture Act" shall mean the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed, except as provided in Section 10.02; PROVIDED, HOWEVER, that in the event the Trust Indenture Act of 1939 is amended after such date, "Trust Indenture Act" means, to the extent required by any such amendment, the Trust Indenture Act of 1939 as so amended.

VICE PRESIDENT:

The term "Vice President", when used with respect to the Company, shall mean any Vice President, any Senior Vice President, any Executive Vice President and any Senior Executive Vice President of the Company.

ARTICLE TWO

ISSUE, DESCRIPTION, EXECUTION, EXCHANGE AND  
REGISTRATION OF TRANSFER OF SECURITIES

SECTION 2.01. AUTHENTICATION, DELIVERY AND DATING.

At any time and from time to time after the execution and delivery of this instrument, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication. The Trustee shall thereupon authenticate and deliver such Securities upon receipt of, and pursuant to, a Company Order, without any further action by the Company. In authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall be entitled to receive, and (subject to Section 7.01) shall be fully protected in relying upon:

(a) a Board Resolution relating thereto and, if applicable, an appropriate record of any action taken pursuant to such resolution, certified by the Secretary or an Assistant Secretary of the Company;

(b) an executed supplemental indenture, if any, or Company Order;

(c) an Officers' Certificate, dated the date such Officers' Certificate is delivered to the Trustee, prepared in accordance with Section 15.06; and

(d) an Opinion of Counsel prepared in accordance with Section 15.06, which shall also state:

(1) that the form and terms of such Securities have been established by or pursuant to one or more Board Resolutions, by a supplemental indenture as permitted by Section 10.01(e) or Company Order, or by both such resolution or resolutions and such supplemental indenture or Company Order, in conformity with the provisions of this Indenture;

(2) that the supplemental indenture, if any, when executed and delivered by the Company and the Trustee, will constitute a valid and legally binding obligation of the Company; and

(3) that such Securities, when authenticated and delivered by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and legally binding obligations of the Company, enforceable in accordance with their terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting the enforcement of creditors' rights and to general equity principles.

The Trustee shall have the right to decline to authenticate and deliver any Securities under this Section if the issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

If the Company shall establish pursuant to Section 2.03 that the Securities of a series are to be issued in whole or in part in the form of one or more Global Securities, then the Company shall execute and the Trustee upon receipt of, and pursuant to, a Company Order, shall, in accordance with this Section, authenticate and deliver one or more Global Securities that (i) shall represent and shall be denominated in an amount equal to the aggregate principal amount of the Outstanding Securities of such series to be represented by one or more Global Securities, (ii) shall be registered in the name of the Depository for such Global Security or Global Securities or the nominee of such Depository, and (iii) shall be delivered by the Trustee to such Depository or pursuant to such Depository's instruction.

Each Depository designated pursuant to Section 2.03 for a Global Security must, at the time of its designation and at all times while it serves as Depository, be a clearing agency registered under the Securities Exchange Act of 1934, as amended, and any other applicable statute or regulation.

Each Security shall be dated the date of its authentication.

Notwithstanding the provisions of this Section and Section 2.03, if all Securities of a series are not to be originally issued at one time, it shall not be necessary to deliver the Officers' Certificate otherwise required pursuant to Section 2.03 or the Company Order, Board Resolution, Officers' Certificate and Opinion of Counsel otherwise required pursuant to this Section at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued. After any such first delivery, any separate written request by the Company that the Trustee authenticate Securities of such series for original issue will be deemed to be a certificate by the Company that all conditions precedent provided for in this Indenture relating to the authentication and delivery of such Securities continue to have been compiled with.

SECTION 2.02. FORMS GENERALLY. The Securities of each series shall be issuable in registered form without coupons and shall be in substantially the form as shall be established by or pursuant to one or more Board Resolutions or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and



other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon as the officers of the Company executing the same may approve (execution thereof to be conclusive evidence of such approval) 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 the Securities may be listed, or to conform to usage. The Securities shall be issued, except as otherwise provided with respect to any series of Securities pursuant to Section 2.03, in the denomination of \$1,000 and any larger denomination which is an integral multiple of \$1,000 approved by the Company, such approval to be evidenced by the execution thereof.

The person in whose name any Security is registered at the close of business on any record date with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date, notwithstanding the cancellation of such Security upon any transfer or exchange subsequent to such record date and prior to such interest payment date, unless such Security is redeemed on a date fixed for redemption after such record date and prior to such interest payment date; provided, however, that if and to the extent the Company shall fail to pay on any interest payment date the interest due on such date, such defaulted interest shall be paid to the persons in whose names outstanding Securities are registered at the close of business on the tenth day preceding the date of payment of such defaulted interest or, at the election of the Company, to the persons in whose names outstanding Securities are registered on a subsequent record date established by notice given by mail by or on behalf of the Company to the holders of such Securities not less than 10 days preceding such subsequent record date, which subsequent record date shall precede by at least 10 days the date of payment of such defaulted interest. Such notice shall be given to the persons in whose names such outstanding Securities are registered at the close of business on the fifth Business Day next preceding the date of the mailing of such notice.

Except as otherwise provided with respect to any series of Securities pursuant to Section 2.03, interest on the Securities of each series shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

The definitive Securities shall be printed, lithographed or engraved or produced by any combination of these methods on a steel engraved border or steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

The Trustee's certificate of authentication on all Securities shall be in substantially the following form:

This is one of the Securities of the series designated herein issued under the Indenture described herein.

THE BANK OF NEW YORK,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

Dated \_\_\_\_\_

SECTION 2.03. AMOUNT; TERMS OF SERIES. The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is not limited.

The Securities may be issued in one or more series. There shall be established by or pursuant to one or more Board Resolutions, and set forth in an Officers' Certificate, or established in one or more indentures supplemental hereto or Company Order or Orders, prior to the issuance of Securities of any series:

(a) the title of the Securities of the series (which shall distinguish the Securities of the series from the Securities of all other series, except to the extent that additional Securities of an existing series are being issued);

(b) any limit upon the aggregate principal amount of the Securities of the series which may be outstanding under this Indenture (except as otherwise provided in Sections 2.05, 2.06 and 2.07);

(c) the date or dates on which the principal of and premium, if any, on the Securities of the series is payable;

(d) the rate or rates at which the Securities of the series shall bear interest, if any, or the method by which such rate or rates shall be determined, the date or dates from which such interest shall accrue, or the method by which such date or dates shall be determined, the interest payment dates on which any such interest shall be payable and the record dates for the determination of holders to whom interest of any interest payment date is payable, the basis of computation of interest (if other than as provided in Section 2.02), and the right, if any, to extend or advance the maturity of the Securities and the conditions to such extension or advancement;

(e) if the amount of payments of the principal of, premium, if any, or interest, if any, on the Securities of the series may be determined with reference to an index, formula, or other method, the manner in which such amounts shall be determined;

(f) the place or places where the principal of, premium, if any, and interest on Securities of the series shall be payable;

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

(h) the obligation, if any, of the Company to redeem, purchase or repay Securities of the series pursuant to any sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which, the period or periods within which and the terms and conditions upon which Securities of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligation;

(i) whether the Securities of the series shall be issued in whole or in part in the form of one or more Global Securities and, in such case, the Depositary for such Global Security or Global Securities;

(j) if other than the principal amount thereof, the portion of the principal amount of any Securities which shall be payable upon declaration of acceleration of maturity thereof pursuant to Section 6.01;

(k) if other than denomination of \$1,000 or any integral multiple thereof, the denominations in which Securities of the series shall be issuable;

(l) if the provisions of Section 12.02 are to apply to the Securities of the series, a statement indicating the same;

(m) if the provisions of Section 2.09 are to apply to the Securities of the series, the terms upon which the Company may elect to defer the payment of interest on an interest payment date;

(n) if the provisions of Article Fourteen are to apply to the Securities of the series, a statement indicating the same;

(o) if the Securities of such series are to be deposited as trust assets in a trust, the name of the applicable trust into which the Securities of such series are to be deposited;

(p) any exchangeability, conversion, prepayment or tender provisions (whether at the option of the Company or a holder of Securities) of the Securities, including exchangeability, conversion, prepayment or tender date or dates of such series, if any, and the price or prices and other terms and conditions applicable to the exchange, conversion, prepayment or tender (including any premium);

(q) any restriction or condition on the transferability of a series of Securities;

(r) the terms and conditions, if any, pursuant to which the Securities of the series are to be secured; and

(s) any other terms of the Securities of the series, including additional covenants of the Company and specific modifications, additions or deletions in the Events of Default applicable to the series from those set forth in Section 6.01 (which terms shall not be inconsistent with the provisions of this Indenture or adversely affect the rights of the holders of any other series of Securities then outstanding).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided by or pursuant to any such Board Resolution, and set forth in such Officers' Certificate, or in any such indenture supplemental hereto.

SECTION 2.04. EXECUTION. The Securities shall be signed on behalf of the Company by the Chairman or President or any Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Company, under its corporate seal. Such signatures may be manual or facsimile signatures of the present or any future such authorized officers and may be imprinted or otherwise reproduced on the Securities. The seal of the Company may be in the form of a facsimile thereof and may be impressed, imprinted or otherwise reproduced on the Securities.

Only such Securities as shall bear thereon a certificate of authentication substantially in the form hereinbefore recited, executed by the Trustee, shall be entitled to the benefits of this Indenture or be valid or obligatory for any purpose. Such certificate by the Trustee upon any Security executed by the Company shall be conclusive evidence that the Security so authenticated has been duly authenticated and delivered hereunder.

In case any officer of the Company who shall have signed any of the Securities either manually or by facsimile signature shall cease to be such officer before the Securities so signed shall have been authenticated and delivered by the Trustee, or disposed of by the Company, such Securities nevertheless may be authenticated and delivered or disposed of as though the person who signed such Securities had not ceased to be such officer of the Company; and any Security may be signed on behalf of the Company by such person as, at the actual date of the execution of such Security, shall be the proper officers of the Company, although at the date of the execution of this Indenture any such person was not such officer.

SECTION 2.05. EXCHANGE, REGISTRATION AND REGISTRATION OF TRANSFER. The Company shall keep, at the office or agency to be maintained by the Company in accordance with Section 4.02, a register or registers (herein sometimes referred to collectively as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of each series of the Securities and for the registration of transfers of Securities of each series as in this Article provided. The Security Register shall be in written form or convertible into written form without unreasonable delay, and shall be open for inspection by the Trustee at all reasonable times. Subject to the provisions of the last paragraph of this Section 2.05, upon surrender for registration of transfer of any Security of any series at the office or agency maintained in accordance with Section 4.02, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series and of like tenor, or any authorized denominations and of a like aggregate principal amount and maturity.

At the option of the holder thereof, Securities of any series (except a Global Security) may be exchanged for other Securities of the same series and of like tenor, of any authorized denominations and of a like aggregate principal amount and maturity, upon surrender of the Securities to be exchanged at the office or agency maintained in accordance with Section 4.02. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall authenticate and deliver, the Securities which the holder making the exchange is entitled to receive.

Notwithstanding any other provision of this Section, unless and until it is exchanged in whole or in part for Securities in definitive form, a Global Security representing all or a portion of the Securities of a series may not be transferred except as a whole by the Depositary for such series to a nominee of such Depositary or by a nominee of such Depositary

to such Depository or another nominee of such Depository or by such Depository or any such nominee to a successor Depository for such series or a nominee of such successor Depository.

If at any time the Depository for the Securities of a series notifies the Company that it is unwilling or unable to continue as Depository for the Securities of such series or if at any time the Depository for the Securities of such series shall no longer be eligible under Section 2.01, the Company shall appoint a successor Depository with respect to the Securities of such series. If a successor Depository for the Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company's election pursuant to Section 2.03(i) shall no longer be effective with respect to the Securities of such series and the Company will execute, and the Trustee, upon receipt of, and pursuant to a Company Order will authenticate and deliver Securities of such series in definitive form in an aggregate principal amount equal to the principal amount of the Global Security or Global Securities representing such series in exchange for such Global Security or Global Securities.

The Company may at any time in its sole discretion determine that the Securities of any series issued in the form of one or more Global Securities shall no longer be represented by such Global Security or Global Securities. In such event the Company will execute, and the Trustee, upon receipt of, and pursuant to, a Company Order will authenticate and deliver Securities of such series in definitive form and in aggregate principal amount equal to the principal amount of the Global Security or Global Securities representing such series in exchange for such Global Security or Global Securities.

If specified by the Company pursuant to Section 2.03 with respect to a series of Securities, the Depository for such series of Securities may surrender a Global Security for such series of Securities in exchange in whole or in part for Securities of such series in definitive form on such terms as are acceptable to the Company and such Depository. Thereupon, the Company shall execute, and the Trustee shall authenticate and deliver, without service charge,

(i) to each person specified by such Depository a new Security or Securities of the same series, in definitive form, of any authorized denomination as requested by such person in aggregate principal amount equal to and in exchange for such person's beneficial interest in the Global Security; and

(ii) to such Depository a new Global Security in a denomination equal to the difference, if any, between the principal amount of the surrendered Global Security and the aggregate principal amount of Securities delivered to holders thereof pursuant to the immediately preceding clause (i) of this Section.

Upon exchange of a Global Security for Securities in definitive form, such Global Security shall be cancelled by the Trustee. Securities issued in exchange for a Global Security pursuant to this Section shall be registered in such names and in such authorized denominations as the Depository for such Global Security shall instruct the Trustee. The Trustee shall deliver such Securities to the persons in whose names such Securities are so registered.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration or transfer or exchange.

All Securities presented or surrendered for registration of transfer, exchange or payment shall (if so required by the Company or the Trustee) be duly endorsed by, or be accompanied by a written instrument or instruments of transfer, in form satisfactory to the Company and the Trustee, duly executed by the registered holder or by his attorney duly authorized in writing.

No service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

The Company shall not be required (a) to issue, register the transfer of or exchange Securities of any series for a period of 15 days next preceding any selection of Securities of such series to be redeemed, or (b) to register the transfer of or exchange any Security or portion thereof called or selected for redemption.

SECTION 2.06. TEMPORARY SECURITIES. Pending the preparation of definitive Securities of any series, the Company may execute and the Trustee shall authenticate and deliver temporary Securities of such series (printed, lithographed or typewritten) of any authorized denomination, and substantially in the form of the definitive Securities of such series, but with such omission, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Company. Temporary Securities may be issued without a recital of specific redemption prices and may contain such reference to any provisions of this Indenture as may be appropriate. Every temporary Security shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Securities of such series. Without unnecessary delay the Company will execute and will furnish definitive Securities of each series and thereupon any or all temporary Securities of such series may be surrendered in exchange therefor, at the principal office of the Company, and, subject to Section 2.05 hereof, the Company shall execute and the Trustee shall authenticate and deliver in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities of such series of authorized denominations. Until so exchanged, the temporary Securities shall be entitled to the same benefits under this Indenture, and shall be subject to the same provisions hereof (except as provided in this Section), as definitive Securities of such series authenticated and delivered hereunder.

SECTION 2.07. MUTILATED, DESTROYED, LOST AND STOLEN SECURITIES. In case any temporary or definitive Security shall become mutilated or be destroyed, lost or stolen, the Company in the case of a mutilated Security shall, and in the case of a destroyed, lost or stolen Security in its discretion may, execute, and upon the Company's request the Trustee shall authenticate and deliver, a new Security of the same series and bearing a number not contemporaneously outstanding, in exchange and in substitution for the mutilated Security, or in lieu of and in substitution for the Security so destroyed, lost or stolen. The applicant for a substitute Security shall first furnish to the Company and to 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 first furnish to the Company and to the Trustee

evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof. The Trustee may authenticate any such substitute Security and deliver the same upon the written request or authorization of the Company. Upon the issue of any substitute 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 connected therewith. If any Security that has become, or is about to become, due and payable is mutilated, or is destroyed, lost or stolen, the Company may, instead of issuing a substitute Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Security) if the applicant for such payment shall furnish to the Company and to the Trustee such security or indemnity as they may require to save each of 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 Security and of the ownership thereof.

Every substitute Security issued pursuant to this Section shall constitute an additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of the same series duly issued hereunder. All 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 Securities, and shall preclude 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 OF SURRENDERED SECURITIES; DESTRUCTION THEREOF.** All Securities surrendered for the purpose of payment, redemption, exchange or registration of transfer or for credit against any sinking fund payment, shall, if surrendered to the Company or any paying agent, promptly be delivered to the Trustee for cancellation, or, if surrendered to the Trustee, shall be cancelled by it, and no Securities shall be issued in lieu thereof except as expressly permitted by any of the provisions of this Indenture. Upon the request of the Company, the Trustee shall deliver to the Company cancelled Securities held by the Trustee, or, in the absence of such request, the Trustee may destroy the same and deliver a certificate of such destruction to the Company. If the Company shall acquire any of the Securities, however, such acquisition shall not operate as a satisfaction of the indebtedness represented by such Securities unless and until the same are surrendered to the Trustee for cancellation.

**SECTION 2.09. EXTENSION OF INTEREST PAYMENT PERIOD.** With respect to Securities of any series as to which, pursuant to Section 2.03(m), it has been established that this Section 2.09 applies, subject to such terms as may be established pursuant to Section 2.03(m), the Company may at any time and from time to time, so long as no Event of Default shall have occurred and be continuing with respect to the Securities of any series hereunder, elect to extend interest payment periods or defer the payment of interest on an interest payment date, and such election shall not be an Event of Default with respect to the Securities of any series.

ARTICLE THREE

REDEMPTION OF SECURITIES AND SINKING FUNDS

SECTION 3.01. APPLICABILITY OF RIGHT OF REDEMPTION.

Redemption of Securities (other than pursuant to a sinking fund or analogous provision) permitted by the terms of any series of Securities shall be made in accordance with such terms and Sections 3.02 and 3.03; provided, however, that if any such terms of a series of Securities shall conflict with any provision of this Article, the terms of such series shall govern.

SECTION 3.02. ELECTION TO REDEEM; NOTICE OF

REDEMPTION; PARTIAL REDEMPTION. The election of the Company to redeem any Securities of any series shall be authorized by a Board Resolution and evidenced by an Officers' Certificate. In case the Company shall desire to exercise such right to redeem all, or, as the case may be, any part of the Securities of any series in accordance with the right reserved so to do, it shall give notice of such redemption to holders of the Securities to be redeemed as hereinafter in this Section provided.

Notice of redemption to the holders of Securities to be redeemed as a whole or in part shall be given by mailing of a notice of such redemption not less than 30 nor more than 60 days prior to the date fixed for redemption to the registered holders of Securities to be redeemed in whole or in part at their last addresses as they shall appear upon the Security Register. Such mailing shall be by first-class mail postage prepaid. The notice if 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, the failure to give such notice by mail, or any defect in such notice, to the registered holder of any Security designated for redemption in whole or in part shall not affect the validity of the proceedings for redemption of any other Security.

Each such notice of redemption shall specify the date fixed for redemption and the price at which Securities are to be redeemed, shall state that the conditions precedent to such redemption, if any, have occurred and describe the same, and shall state that payment of the redemption price of the Securities to be redeemed, together with accrued interest thereon to the date fixed for redemption (except that if such redemption date is an interest payment date, the interest due on such date with respect to a particular Security shall be payable to the holder of such Security on the record date for such interest payment date), will be made at the office or agency to be maintained by the Company in accordance with Section 4.02 upon presentation and surrender of such Securities and that from and after said date interest thereon will cease to accrue. If less than all the Securities of a series are to be redeemed, the notice to each registered holder of Securities to be redeemed shall identify such registered holder's Securities to be redeemed as a whole or in part. In case any Security is to be redeemed in part only, the notice which relates to such Securities shall state the portion of the principal amount to be redeemed, and that on and after the redemption date, upon surrender of such Security, a new Security or Securities of the same series in principal amount equal to the unredeemed portion thereof will be issued.

To the extent that the Securities of any series have different terms, the Company shall designate the Securities to be redeemed if less than all of the series is to be redeemed. If less than all the Securities of a series having the same terms are to be redeemed, the Company shall give the Trustee, not less than 45 days (or such lesser number of days as the Trustee shall



approve) prior to the date fixed by the Company for the redemption of Securities, written notice of the aggregate amount of the Securities to be redeemed, and thereupon the Trustee shall select, in such manner as in its sole discretion it shall deem appropriate and fair, the Securities of such series or portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) thereof to be redeemed, and shall thereafter promptly notify the Company and any paying agent in writing of the Securities of such series or portions thereof to be redeemed.

Any notice of redemption to be mailed by the Company pursuant to this Section shall be prepared by the Company and mailed, at the Company's direction, by the Trustee in the name and at the expense of the Company.

SECTION 3.03. PAYMENT OF SECURITIES CALLED FOR REDEMPTION. If notice of redemption shall have been given in the manner provided in Section 3.02, the Securities or portions of Securities 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 thereon to the date fixed for redemption (except that if such redemption date is an interest payment date the interest due on such date shall be payable to the holder of such Security on the record date for such interest payment date), and on and after such date of redemption (unless the Company shall default in the payment of such Securities or portions thereof at the redemption price, together with interest accrued thereon to the date fixed for redemption) interest on the Securities or portions of Securities so called for redemption shall cease to accrue, and such Securities and portions of Securities shall be deemed not to be outstanding hereunder and shall not be entitled to any benefit under this Indenture except to receive payment of the redemption price, together with accrued interest thereon to the date fixed for redemption. On presentation and surrender of such Securities on or after said date at said place of payment in said notice specified, the said Securities or specified portions thereof shall be paid and redeemed by the Company at the applicable redemption price, together (subject to the right of the holder on the record date if such redemption date is an interest payment date) with interest accrued thereon to the date fixed for redemption.

Upon presentation and surrender of any Security which is to be redeemed in part only, the Company shall execute and the Trustee shall authenticate and deliver to the holder thereof, at the expense of the Company, a new Security or Securities of the same series of authorized denominations in principal amount equal to the unredeemed portion of the Security so surrendered.

SECTION 3.04. APPLICABILITY OF SINKING FUND. Redemption of Securities permitted or required pursuant to a sinking fund for the retirement of Securities of a series by the terms of such series of Securities shall be made in accordance with such terms of such series of Securities and this Article; provided, however, that if any such terms of a series of Securities shall conflict with any provision of this Article, the terms of such series shall govern.

The minimum amount of any sinking fund payment provided for by the terms of 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 the by terms of Securities of any series is herein referred to as an "optional sinking fund payment." If provided for by the terms of Securities of any series, the cash amount of any mandatory sinking fund payment may be subject to reduction as provided in Section 3.05.

SECTION 3.05. SATISFACTION OF MANDATORY SINKING

FUND PAYMENTS WITH SECURITIES. Subject to Section 3.06, in lieu of making all or any part of any mandatory sinking fund payment with respect to any Securities of a series in cash, the Company may at its option (a) deliver to the Trustee Securities of that series theretofore purchased or otherwise acquired by the Company, or (b) receive credit for the principal amount of Securities of that series which have been previously delivered to the Trustee by the Company or redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the redemption price specified in such Securities for redemption through operation of the sinking fund and the cash amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 3.06. REDEMPTION OF SECURITIES FOR SINKING

FUNDS. Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee a Company Order specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied through delivery and/or crediting of Securities of that series pursuant to Section 3.05 (which Securities will, if not previously delivered, accompany such Company Order) and whether the Company intends to exercise its right to make a permitted optional sinking fund payment with respect to such series. Such Company Order shall be irrevocable, and upon its delivery the Company shall be obligated to make the cash payment or payments therein referred to, if any, prior to such sinking fund payment date. In the case of the failure of the Company to deliver such Company Order, the sinking fund payment due with respect to the next sinking fund payment date for that series of Securities shall be paid entirely in cash and shall be sufficient to redeem the principal amount of such Securities subject to a mandatory sinking fund payment without the option to deliver or credit Securities as provided in Section 3.05 and without the right to make any optional sinking fund payment with respect to such series.

Any sinking fund payment or payments (mandatory or optional) made in cash, plus any unused balance of any preceding sinking fund payments made in cash, which shall equal or exceed \$100,000 (or a lesser sum if the Company shall so request) with respect to the Securities of any particular series shall be applied by the Trustee, a paying agent or the Company, if it acts as its own paying agent, on the sinking fund payment date next following the date of such payment to the redemption of such Securities at the redemption price specified in such Securities for operation of the sinking fund, together with accrued interest to the sinking fund payment date. Any sinking fund moneys not so applied or allocated to the redemption of Securities shall be added to the next cash sinking fund payment received by the Trustee, such paying agent or the Company for such series and, together with such payment, shall be applied in accordance with the provisions of this Section. Any and all sinking fund moneys with respect to the Securities of any particular series held by the Trustee, such paying agent or the Company on the last sinking fund payment date with respect to Securities of such series and not held for the payment or redemption of particular Securities shall be applied by the Trustee, such paying agent or the Company, together with other moneys, if necessary, to be deposited sufficient for the purpose, to the payment of principal of such Securities at maturity.

Not more than 60 days and not less than 45 days prior to each sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in accordance with Section 3.02. The Company shall cause notice of the redemption thereof to be given not less than 30 nor more than 60 days prior to the sinking fund payment date in the manner provided in Section 3.02, except that the notice of redemption shall also state that the Securities of such series are being redeemed by operation of the sinking fund and the sinking fund payment date. Such notice having been duly given, the redemption of such Securities shall be made on the sinking fund payment date upon the terms and in the manner stated in Section 3.03.

#### ARTICLE FOUR

##### PARTICULAR COVENANTS OF THE COMPANY

SECTION 4.01. PAYMENT OF PRINCIPAL, PREMIUM, IF ANY, AND INTEREST. The Company covenants and agrees for the benefit of each series of Securities that it will duly and punctually pay or cause to be paid the principal of and premium, if any, and interest, if any, on each of the Securities of that series at the times and places and in the manner provided herein and in the Securities of that series.

SECTION 4.02. OFFICE OR AGENCY FOR CERTAIN PURPOSES. The Company will maintain an office or agency (or offices or agencies) where the Securities may be presented for registration of transfer and exchange as in this Indenture provided, and where notices and demands to or upon the Company in respect of the Securities or of this Indenture may be served and where the Securities may be presented for payment. The principal office of the Company shall be such office or agency unless the Company shall maintain some other office or agency for such purposes and shall give the Trustee and the registered holders of the Securities written notice of the location thereof.

SECTION 4.03. MAINTENANCE OF CORPORATE EXISTENCE. The Company will preserve its corporate existence, but this covenant shall not require the Company to continue its corporate existence in the event of a consolidation or merger of the Company in accordance with the provisions of Article Eleven hereof as a result of which the Company shall lose its corporate identity, or in the event of a sale or conveyance of the property of the Company as an entirety or substantially as an entirety in accordance with the provisions of said Article Eleven.

SECTION 4.04. APPOINTMENTS TO FILL VACANCIES IN TRUSTEE'S OFFICE. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 7.09, a Trustee, so that there shall at all times be a Trustee hereunder.

SECTION 4.05. PROVISIONS AS TO PAYING AGENT. (a) If the Company shall act as its own paying agent with respect to any series of Securities, it will, on or before each due date of the principal of or premium, if any, or interest, if any, on the Securities of that series, set aside, segregate and hold in trust for the benefit of the holders of such Securities or of the Trustee, as the case may be, a sum sufficient to pay such principal or premium, if any, or interest so becoming due and will notify the Trustee of any failure to take such action and of any failure by

the Company (or by any other obligor on the Securities of that series) to make any payment of the principal of or premium, if any, or interest on the Securities of such series when the same shall be due and payable.

(b) Whenever the Company shall have one or more paying agents, other than the Company, for any series of Securities, it will, on or before each due date of the principal of or premium, if any, or interest, if any, on any Securities of that series, deposit with a 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 holders of such Securities, and (unless such paying agent is the Trustee) the Company will notify the Trustee of such action or the failure to take such action.

(c) If the Company shall appoint a paying agent other than the Trustee or the Company with respect to any series of Securities, it will cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to this Section that such agent will:

(1) hold all sums held by it as such agent for the payment of the principal of or premium, if any, or interest on the Securities of such series (whether such sums have been paid to it by the Company or by any other obligor on the Securities of such series) in trust for the benefit of the holders of the Securities of such series or of the Trustee, as the case may be;

(2) give the Trustee notice of any default by the Company (or by any other obligor on the Securities of such series) in the making of any payment of the principal of or premium, if any, or interest on the Securities of such series when the same shall be due and payable; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such paying agent.

(d) Anything in this Section to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by it, or by any paying agent hereunder, as required by this Section, such sums to be held by the Trustee upon the trusts herein contained.

(e) Anything in this Section to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section is subject to Sections 12.04 and 12.05.

SECTION 4.06. ANNUAL OFFICERS' CERTIFICATE TO TRUSTEE. The Company will deliver to the Trustee prior to November 1 in each year, an Officers' Certificate stating that in the course of the performance by the signers of their duties as officers of the Company they would normally obtain knowledge of any default by the Company in the performance of any covenants contained in Sections 4.03 and 11.02, stating whether or not they have obtained knowledge of any such default and, if so, specifying each such default of which the signers have knowledge and the nature thereof.

SECTION 4.07. REPORTS TO BE FURNISHED

SECURITYHOLDERS. The Company will transmit or cause to be transmitted to the Securityholders, as soon as practicable after the mailing of such material to its stockholders, copies of all annual financial reports distributed to its stockholders generally. Reports pursuant to this Section shall be transmitted by mail to all registered holders of Securities, as the names and addresses of such holders appear upon the Security Register.

SECTION 4.08. FURTHER ASSURANCES. From time to

time whenever reasonably demanded by the Trustee, the Company will make, execute and deliver or cause to be made, executed and delivered any and all such further and other instruments and assurances as may be reasonably necessary or proper to carry out the intention or facilitate the performance of the terms of this Indenture.

ARTICLE FIVE

SECURITYHOLDERS' LISTS, COMMUNICATIONS TO SECURITYHOLDERS, AND REPORTS BY THE COMPANY AND THE TRUSTEE

SECTION 5.01. COMPANY TO FURNISH TRUSTEE

INFORMATION AS TO NAMES AND ADDRESSES OF SECURITYHOLDERS. The Company shall furnish or cause to be furnished to the Trustee:

(a) on June 15 and December 15 in each year (beginning with June 15, 2001), a list in such form as the Trustee may reasonably require of the names and addresses of the holders of each series of Securities as of a date not more than 15 days prior to the time such list is furnished, and

(b) at such other times as the Trustee may request in writing within 30 days after 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 that, if and so long as the Trustee is the sole Security registrar, no such list need be furnished.

SECTION 5.02. PRESERVATION OF INFORMATION;

COMMUNICATIONS TO SECURITYHOLDERS. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the holders of each series of Securities received by it in the capacity of Security registrar and the names and addresses of holders of each series of Securities contained in the most recent list furnished to it under Section 5.01. The Trustee may destroy any such list upon receipt of a new list so furnished.

(b) The rights of Securityholders to communicate with other Securityholders with respect to their rights under this Indenture or under the Securities, and the corresponding rights and privileges of the Trustee, shall be as provided by the Trust Indenture Act.

(c) Each and every holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any paying agent or other agent of either of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the holders of Securities made pursuant to the Trust Indenture Act, regardless of the source from which such information

was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made pursuant to the Trust Indenture Act.

SECTION 5.03. REPORTS BY COMPANY. The Company shall file with the Trustee and the Securities and Exchange Commission, and transmit to Securityholders, such information, documents and other reports, and such summaries thereof, as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant to such Act; PROVIDED that any such information, documents or reports required to be filed with said Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, shall be filed with the Trustee within 15 days after the same is so required to be filed with said Commission. Delivery of any information, documents and reports by the Company to the Trustee pursuant to the provisions of this Section 5.03 is for informational purposes only and the Trustee's receipt of same shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates).

SECTION 5.04. REPORTS BY TRUSTEE. (a) The Trustee shall transmit to Securityholders such reports concerning the Trustee and its actions under this Indenture as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto. If required by Section 313(a) of the Trust Indenture Act, the Trustee shall, within sixty days after each October 15 following the execution and delivery of this instrument deliver to Securityholders a brief report, dated as of such October 15, which complies with the provisions of such Section 313(a).

(b) The Trustee shall transmit the reports required by Section 313(b) of the Trust Indenture Act in accordance with Section 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 each stock exchange upon which any Securities are listed and also with the Securities and Exchange Commission. If the Company lists the Securities of any series on any stock exchange, it will promptly so notify the Trustee.

## ARTICLE SIX

### REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENT OF DEFAULT

SECTION 6.01. EVENTS OF DEFAULT DEFINED; ACCELERATION OF MATURITY; WAIVER OF DEFAULT. In case one or more of the following shall have occurred and be continuing with respect to the Securities of any series, it shall be an event of default of such series (unless it is specifically deleted in a supplemental indenture or Board Resolution under which such series of Securities is issued or has been modified in any such supplemental indenture), that is to say:

(a) default in the payment of any installment of interest upon any Security of such 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 the interest

payment period or deferral of interest payment by the Company as contemplated in Section 2.09 shall not constitute a failure to pay interest for this purpose; or

(b) default in the payment of the principal of or premium, if any, on any Security of such series as and when the same shall become due and payable either at maturity, upon redemption, by declaration or otherwise, and continuance of such default for a period of one Business Day; or

(c) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company contained in the Securities of such series or in this Indenture (other than a covenant or agreement which has been expressly included in the Securities or in this Indenture solely for the benefit of a series of Securities other than that series) for a period of 60 days after the date on which written notice of such failure, requiring the Company to remedy the same and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee, or to the Company and the Trustee by the holders of a least 33% in aggregate principal amount of the Securities of such series at the time outstanding; or

(d) if a decree or order for relief shall be entered by a court of competent jurisdiction in respect of the Company in an involuntary case under any applicable bankruptcy, insolvency or other similar law nor or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Company or of a major part of its property, or ordering the winding up or liquidation of the Company's affairs, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or

(e) if the Company shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law nor or hereafter in effect, or the Company shall consent to the entry by order of a court of competent jurisdiction of a decree or order in respect of the Company in an involuntary case or proceeding under any applicable bankruptcy, insolvency or other similar law nor or hereafter in effect or to the commencement of any bankruptcy or insolvency proceeding against the Company; or

(f) if the Company shall make an assignment for the benefit of its creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or of a major part of its property; or

(g) the occurrence of any other Event of Default with respect to Securities of such series as provided in a supplemental indenture applicable to such series of Securities pursuant to Section 10.01(d);

then and in each and every such case, unless the principal of the Securities of such series shall have already become due and payable, either the Trustee or the holders of not less than 33% in aggregate principal amount of the Securities of such series then outstanding hereunder, by notice in writing to the Company (and to the Trustee if given by Securityholders), may declare the principal of all the Securities of such series to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Securities of such series contained to the contrary notwithstanding.

Payment of principal and interest on such Securities shall remain subordinated to the extent provided in Article Fourteen, notwithstanding that such amount shall become immediately due and payable as herein provided. This provision, however, is subject to the condition that if, at any time after the principal of the Securities of such series shall have been so declared due and payable, and before any sale of property under any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to pay all matured installments of interest upon all the Securities of such series and the principal of and premium, if any, on any and all Securities of such series which shall have become due otherwise than by declaration (with interest on overdue installments of interest, to the extent legally enforceable under applicable law, and on such principal of and premium, if any, on each Security of such series at the rate borne by such Security to the date of such payment or deposit) and all amounts then due and payable to the Trustee hereunder, including the reasonable compensation of the Trustee, its agents, attorneys and counsel, and any and all defaults under this Indenture, other than the nonpayment of principal on Securities of such series which shall have become due by declaration, shall have been remedied -- then, and in every such case the holders of a majority in aggregate principal amount of the Securities of such series then outstanding, by written notice to the Company and to the Trustee, may on behalf of the holders of all of the Securities of such series waive all defaults and rescind and annul such declaration and its consequences; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

In case the Trustee shall have proceeded to enforce any right under this Indenture for the holders of Securities of any series 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, the Trustee and the holders of the Securities of such series shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company, the Trustee and the holders of the Securities of such series shall continue as though no such proceedings had been taken.

The Company and the Trustee may, to the extent provided in Section 10.01, enter into one or more indentures supplemental hereto with respect to any series of the Securities which may provide for additional, different or fewer Events of Default with respect to such series of Securities.

SECTION 6.02. COLLECTION OF INDEBTEDNESS BY TRUSTEE; TRUSTEE MAY PROVE DEBT. The Company covenants that (1) in case default shall be made in the payment of any installment of interest on any of the Securities, as and when the same shall become due and payable, and such default shall have continued for a period of 30 days, or (2) in case default shall be made in the payment of the principal of or premium, if any, on any of the Securities when and as the same shall have become due and payable, whether upon maturity of the Securities 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 holders of such Securities, the whole amount that then shall have become due and payable on such Securities for principal and premium, if any, and interest, with interest upon the overdue principal and premium, if any, of each such Security and (to the extent legally enforceable under applicable law) upon installments of interest, at the rate borne by such Security; and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation of the Trustee,



its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder other than through its own negligence or bad faith.

In case the Company shall fail forthwith to pay such amounts 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 against the Company or other obligor on such Securities 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 such other obligor upon such Securities and collect in the manner provided by law out of the property of the Company or such other obligor upon such Securities, wherever situated, the moneys adjudged or decreed to be payable.

In case there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor upon the Securities of any series under Title 11 of the United States Code or any other applicable Federal or state bankruptcy, insolvency or other similar law relative to the Company or such other obligor, its creditors or its property, or in case a receiver or trustee shall have been appointed for its property or in case of any other judicial proceedings relative to the Company or other obligor upon the Securities of any series, its creditors or its property, the Trustee, irrespective of whether the principal of the Securities of any series shall then be due and payable as therein expressed, upon redemption or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to this Section, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Securities of any series, and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Securityholders of any series allowed in any judicial proceeding relative to the Company or other obligor upon the Securities of any series, its creditors, or its property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses; and any receiver, assignee or trustee in bankruptcy or reorganization is hereby authorized by each of the Securityholders to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Securityholders, to pay to the Trustee any amount due it for compensation and expenses, including counsel fees incurred by it up to the date of such distribution.

All rights of action and of asserting claims under this Indenture, or under any of the Securities of any series, may be enforced by the Trustee without the possession of any of the Securities of such series, or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the holders of the Securities of such series. In any proceedings brought by the Trustee (and also any proceedings involving the interpretation of any provision of this Indenture to which the Trustee shall be a party), the Trustee shall be held to represent all the holders of the Securities of a series, and it shall not be necessary to make any holders of the Securities of such series parties to any such proceedings.

In case of an Event of Default hereunder with respect to Securities of a particular series, the Trustee may, but unless first requested so to do by the holders of at least a majority in aggregate principal amount of the Securities of such series at the time outstanding and furnished

with reasonable indemnity against all costs, expenses and liabilities shall not (subject to the provisions of Section 7.01) be under any obligation to, proceed to protect and enforce the rights vested in it by this Indenture by such appropriate judicial proceedings as are necessary to protect and enforce any of such rights, either by suit in equity or by action at law or by proceedings 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 herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of the holder of any Security any plan of reorganization, arrangement, adjustment or composition affecting the Securities of any series or the rights of any holder thereof, or to authorize the Trustee to vote in respect of the claim of any holder of any Security in any such proceeding.

SECTION 6.03. APPLICATION OF PROCEEDS. Any moneys collected by the Trustee with respect to a series of Securities pursuant to Section 6.02 shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys:

FIRST: To the payment of all costs and expenses in connection with the collection of such moneys, and all amounts payable to the Trustee under Section 7.06;

SECOND: To the payment of all Senior Indebtedness of the Company if and to the extent required by Article Fourteen;

THIRD: To the payment of the entire amounts then due and unpaid upon the Securities in respect of which or for the benefit of which such moneys shall have been collected, without any preference or priority, ratably according to the amounts due and payable upon such Securities upon presentation of the several Securities and notation of such payment thereon, if partly paid, and upon surrender thereof, if fully paid;

FOURTH: To the Company.

SECTION 6.04. LIMITATIONS ON SUITS BY SECURITYHOLDERS. No holder of any 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 such holder previously shall have given to the Trustee written notice of default and of the continuance thereof with respect to the Securities of that series, and unless also the holders of not less than 33% in aggregate principal amount of the Securities of that 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 and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and 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 no direction inconsistent with such written request shall have been given to the Trustee pursuant to Section 6.06, it being understood and intended, and being expressly covenanted by the holder of every Security of such series with every other holder of Securities of such series and the Trustee, that no one or more holders of Securities of such series shall have any right in any manner whatever

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 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 Securities of such series. For the protection and enforcement 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.

Notwithstanding any other provision of this Indenture, but subject to Article Fourteen, the right of any holder of any Security to receive payment of the principal of and premium, if any, and interest on such Security, on or after the respective due dates expressed in such Security, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder.

SECTION 6.05. POWERS AND REMEDIES CUMULATIVE; DELAY OR OMISSION NOT WAIVER. All powers and remedies given by this Article to the Trustee or to the holders of Securities of any series shall, to the extent permitted by law and subject to Section 6.04, be deemed cumulative and not exclusive of any thereof or of any other powers and remedies available to the Trustee or such Securityholders by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this indenture, and no delay or omission of the Trustee or of any holder of the Securities of any series to exercise any right or power accruing upon any 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 Section 6.04, every power and remedy given by this Article or by law to the Trustee or to such Securityholders may be exercised from time to time, and as often as shall be deemed expedient by the Trustee or by such Securityholders.

SECTION 6.06. CONTROL BY SECURITYHOLDERS; WAIVER OF DEFAULT. The holders of a majority in aggregate principal amount of the Securities of any series at the time outstanding 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 Securities of such series; provided, however, that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture; and provided further, that nothing in this Indenture shall impair the right of the Trustee to take any action deemed proper by the Trustee and which is not inconsistent with such direction by such Securityholders. The holders of a majority in aggregate principal amount of the Securities of any series at the time outstanding may on behalf of the holders of all of the 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 the Securities of 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 Securities of such series. In the case of any such waiver, the Company, the Trustee and the holders of the 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. TRUSTEE TO GIVE NOTICE OF DEFAULTS KNOWN TO IT, BUT MAY WITHHOLD IN CERTAIN CIRCUMSTANCES. The Trustee shall, within 90 days after the occurrence of a default with respect to the Securities of any series, give to the Securityholders of such series, in the manner and to the extent required to do so by the Trust Indenture Act, notice of all defaults actually known to a Responsible Officer of the Trustee, unless such defaults shall have been

cured before the giving of such notice (the term "defaults" for the purposes of this Section being hereby defined to be the events specified in Sections 6.01(a), (b), (c), (d), (e), (f) and (g) with respect to Securities of such series not including periods of grace, if any, provided for therein and irrespective of the giving of them written notice specified in subparagraph (c) of Section 6.01); provided, however, that in case of any default of the character specified in subparagraph (c) of Section 6.01 no such notice shall be given until at least sixty (60) days after the occurrence thereof; and provided further, that, except in the case of default in the payment of the principal of or premium, if any, or interest on any of the Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors and/or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Securityholders of such series.

SECTION 6.08. RIGHT OF COURT TO REQUIRE FILING OF UNDERTAKING TO PAY COSTS. All parties to this Indenture agree, and each holder of any Security by his 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 and reasonable expenses, 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 this Section shall not apply to any suit instituted by the Trustee, to any suit instituted by any Securityholder, or group of Securityholders, holding in the aggregate more than 10% in principal amount of the Securities of any series outstanding, or to any suit instituted by any Securityholder of any series for the enforcement of the payment of the principal of or premium, if any, or interest on any Security of such series, on or after the due dates expressed in such Security.

## ARTICLE SEVEN

### CONCERNING THE TRUSTEE

SECTION 7.01. DUTIES AND RESPONSIBILITIES OF TRUSTEE. With respect to the holders of any series of Securities issued hereunder, the Trustee, prior to the occurrence of an Event of Default with respect to the Securities of that series and after the curing or waiving of all Events of Default which may have occurred with respect to such series, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default with respect to Securities of any series has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture with respect to such series 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.

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:

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

(1) the duties and obligations of the Trustee with respect to the Securities of that series shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable 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

(2) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon 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 which 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 requirements of this Indenture (but need not confirm or investigate the accuracy of any mathematical calculations or other facts stated therein);

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

(c) 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 registered holders given as provided in Section 6.06 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.

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

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

(a) the Trustee may conclusively rely and shall be protected in acting, or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture Security, other evidence of indebtedness or other paper or document (whether in its original or facsimile form) believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced to the Trustee by a Company Order (unless other evidence

in respect thereof be herein specifically prescribed); and any resolution of the Board of Directors shall be sufficiently evidenced to the Trustee by a Board Resolution;

(c) the Trustee may consult with counsel of its own selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(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 and liabilities which may be incurred by the Trustee in complying with such request, order or direction;

(e) 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, suffering or omitting any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of 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 bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under the provisions of this Indenture in good faith and in reliance thereon;

(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, appraisal, bond, debenture Securityholder, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the expense of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation;

(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 by it with due care hereunder;

(h) the Trustee shall not be charged with knowledge of any Event of Default with respect to the Securities of any series for which it is acting as Trustee unless either (1) a Responsible Officer of the Trustee shall have actual knowledge of the Event of Default or (2) written notice of such Event of Default shall have been given to the Trustee by the Company, any other obligor on such Securities or by any holder of such Securities; and

(i) the rights, privileges, protections, immunities and benefits given to the Trustee hereunder, including, without limitation, its rights to compensation, reimbursement and indemnification under Section 7.06, are hereby extended and also

made applicable to, and shall be enforceable by, the Trustee in each of its other capacities hereunder.

SECTION 7.03. TRUSTEE NOT RESPONSIBLE FOR RECITALS, ETC. The recitals contained herein and in the Securities, except the Trustee's certificate of authentication and the representation as to the power of the Trustee to enter into this Indenture and accept and execute the trusts hereby created, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of any of the Securities or of the proceeds of such Securities.

SECTION 7.04. TRUSTEE AND OTHERS MAY HOLD SECURITIES. Subject to Sections 7.07 and 7.12, the Trustee or any paying agent or Security registrar or any other agent of the Company or the Trustee, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Company or other obligor on the Securities with the same rights it would have if it were not Trustee, paying agent, Security registrar or such other agent.

SECTION 7.05. MONEYS HELD BY TRUSTEE OR PAYING AGENT. Subject to Sections 12.04 and 12.05, all moneys received by the Trustee or any paying agent shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but any paying agent that is a bank need not segregate such moneys from other funds except to the extent required by law and shall not be invested. Neither the Trustee nor any paying agent shall be under any liability for interest on any moneys received by it hereunder except such as it may agree with the Company to pay thereon. So long as no Event of Default with respect to Securities of any series, other than an Event of Default under subparagraph (c) of Section 6.01, shall have occurred and be continuing, all interest allowed on any such moneys shall be paid from time to time upon the written order of the Company, signed by its President, or any Vice President or its Treasurer or an Assistant Treasurer.

SECTION 7.06. COMPENSATION AND INDEMNIFICATION OF TRUSTEE AND ITS LIEN. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust), and, except as herein otherwise expressly provided, 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 shall be caused by its own negligence or bad faith. The Company also covenants and agrees to fully indemnify the Trustee and any predecessor Trustee for, and to hold it harmless against, any and all loss, liability, claim, damage or expense incurred without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability whether asserted by the Company, any Holder or any other Person. The obligations of the Company under this Section shall constitute additional indebtedness hereunder. Such additional indebtedness shall be secured by a lien prior to that of the 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 Securities. "Trustee" for

purposes of this Section shall include (i) the Trustee in each of its other capacities hereunder and (ii) any predecessor Trustee; provided, however, that the negligence, willful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 6.01, the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any bankruptcy law.

The provisions of this Section 7.06 shall survive the termination for any reason of this Indenture and the resignation or removal of the Trustee.

**SECTION 7.07. DISQUALIFICATION; CONFLICTING INTERESTS.** If the Trustee shall have or acquire any conflicting interest within the meaning of the Trust Indenture Act, it shall either eliminate such conflicting interest or resign to the extent, in the manner and with the effect, and subject to the conditions, provided in the Trust Indenture Act and this Indenture. To the extent permitted by such Act, the Trustee shall not be deemed to have a conflicting interest by virtue of being a trustee (i) under this Indenture with respect to Securities of more than one series. Nothing herein shall prevent the Trustee from filing with the Securities and Exchange Commission the application referred to in the second to last paragraph of Section 310(b) of the Trust Indenture Act.

**SECTION 7.08. PERSONS ELIGIBLE FOR APPOINTMENT AS TRUSTEE.** The Trustee hereunder shall at all times be a corporation organized and doing business under the laws of the United States or any State or territory thereof or of the District of Columbia authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000, 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 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. In case at any time the Trustee shall cease to be eligible in accordance with this Section, the Trustee shall resign immediately in the manner and with the effect specified in Section 7.09.

**SECTION 7.09. RESIGNATION AND REMOVAL OF TRUSTEE; APPOINTMENT OF SUCCESSOR.** (a) The Trustee, or any trustee or trustees hereafter appointed, may at any time resign with respect to any one or more or all series of Securities by giving written notice to the Company and by mailing notice of such resignation, to the holders of Securities of that or those series at their last addresses as they shall appear on the Security Register. Upon receiving such notice of resignation, the Company shall promptly appoint a successor trustee or trustees with respect to the applicable series by written instrument 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 with respect to a particular series and have accepted appointment within 30 days after the mailing of such notice of resignation, the resigning trustee may petition at the expense of the Company any court of competent jurisdiction for the appointment of a successor trustee, or any Securityholder who has been a bona fide holder of a Security or Securities of the applicable series for at least 6 months may, subject to Section 6.08, on behalf of himself 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) If at any time:

(1) the Trustee shall fail to comply with Section 7.07(a) after written request therefor by the Company or by any Securityholder who has been a bona fide holder of a Security or Securities for at least 6 months, or

(2) the Trustee shall cease to be eligible under Section 7.08 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 bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, 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 the applicable series of Securities, and appoint a successor trustee by written instrument, in duplicate, executed by order of the Board of Directors of the Company, one copy of which instrument shall be delivered to the trustee so removed and one copy to the successor trustee, or, subject to Section 6.08, any Securityholder who has been a bona fide holder of a Security or Securities of any such series for at least 6 months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor trustee with respect to such series. Such court may thereupon after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor trustee with respect to such series.

(c) The holders of a majority in aggregate principal amount of the Securities of any series at the time outstanding may at any time remove the Trustee with respect to that series and appoint with respect to such series a successor trustee by delivering to the trustee so removed, to the successor trustee so appointed and to the Company, the evidence provided for in Section 8.01 of the action taken by the Securityholders.

(d) Any resignation or removal of the Trustee and any appointment of a successor trustee pursuant to this Section shall become effective upon acceptance of appointment by the successor trustee as provided in Section 7.10.

SECTION 7.10. ACCEPTANCE OF APPOINTMENT BY SUCCESSOR TRUSTEE. Any successor trustee appointed under Section 7.09 shall execute, acknowledge and deliver to the Company and to its predecessor trustee with respect to any or all applicable series an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations with respect to such series of its predecessor hereunder, with like effect as if originally named as trustee herein; but, nevertheless, on the written request of the Company or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of Section 7.06, execute and deliver an instrument transferring to such

successor trustee all the rights, powers and trusts with respect to such series of the trustee so ceasing to act. Upon request of any such successor trustee, the Company shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights and powers. Any trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such trustee to secure any amounts then due it pursuant to Section 7.06.

In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the predecessor Trustee and each successor Trustee with respect to the Securities of any applicable series shall execute and deliver an indenture supplemental hereto which shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the predecessor Trustee with respect to the Securities of any series as to which the predecessor Trustee is not retiring shall continue to be vested in the predecessor Trustee, and 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 and 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.

No successor Trustee with respect to any series of Securities shall accept appointment as provided in this Section unless at the time of such acceptance such successor Trustee shall with respect to such series be qualified under Section 7.07 and eligible under Section 7.08.

Upon acceptance of appointment by a successor Trustee with respect to the Securities of any series, the Company shall mail notice of the succession of such Trustee hereunder to the holders of Securities of such series at their last addresses as they shall appear on the Security Register. If the Company fails to mail such notice within 10 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Company.

**SECTION 7.11. MERGER, CONVERSION OR CONSOLIDATION OF TRUSTEE.** Any person into which the Trustee may be merged or converted or with which it may be consolidated, or any person resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any person succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such person shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

**SECTION 7.12. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY.** If the Trustee shall be or become a creditor of the Company or any other obligor upon the Securities (other than by reason of a relationship described in Section 311(b) of the Trust Indenture Act), the Trustee shall be subject to any and all applicable provisions of the Trust Indenture Act regarding the collection of claims against the Company or such other obligor. For purposes of Section 311(b) of the Trust Indenture Act:

(a) The term "cash transaction" shall mean any transaction in which full payment for goods or securities sold is made within 7 days after delivery of the goods

or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(b) The term "self-liquidating paper" shall mean any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacture, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

## ARTICLE EIGHT

### CONCERNING THE SECURITYHOLDERS

#### SECTION 8.01. EVIDENCE OF ACTION TAKEN BY

SECURITYHOLDERS. Whenever in this Indenture it is provided that the holders of a specified percentage or a majority in aggregate principal amount of the Securities or of any series of Securities 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 specified percentage or majority have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by Securityholders in person or by agent or proxy appointed in writing, or (b) by the record of the holders of Securities voting in favor thereof at any meeting of Securityholders duly called and held in accordance with the provisions of Article Nine, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Securityholders.

#### SECTION 8.02. PROOF OF EXECUTION OF INSTRUMENTS AND

OF HOLDING OF SECURITIES. Subject to the provisions of Sections 7.01, 7.02 and 9.05, proof of the execution of any instrument by a Securityholder or his agent or proxy and proof of the holding by any person of any of the Securities shall be sufficient if made in the following manner:

The fact and date of the execution by any such person of any instrument may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in any State within the United States, that the person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer. Where such execution is by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and the date of the execution of any such instrument may also be proved in any other manner which the Trustee may deem sufficient.

The ownership of Securities may be proved by the Security Register or by a certificate of the Security registrar.

The Trustee may require such additional proof, if any, of any material referred to in this Section as it shall deem necessary.

The record of any Securityholders' meeting shall be proved as provided in Section 9.06.

SECTION 8.03. REGISTERED HOLDERS OF SECURITIES MAY BE TREATED AS OWNERS. The Company, the Trustee, any paying agent, and any Security registrar may deem and treat the person in whose name any Security shall be registered upon the Security Register as the absolute owner of such Security (whether or not such 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 thereof or on account thereof and of interest thereon as herein provided 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. All such payments so made to any such registered holder for the time being, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Security.

SECTION 8.04. SECURITIES OWNED BY COMPANY DEEMED NOT OUTSTANDING. In determining whether the holders of the requisite aggregate principal amount of Securities have concurred in any direction, consent or waiver under this Indenture, Securities which are owned by the Company or any other obligor on the Securities or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Securities shall be disregarded and deemed not to be outstanding for the purpose of any such determination, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Securities which a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded. Securities so owned which 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 that the pledgee has the right to vote such 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. Subject to the provisions of Section 7.01, 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. RIGHT OF REVOCATION OF ACTION TAKEN. 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 the percentage in aggregate principal amount of the Securities or of any series of Securities specified in this Indenture in connection with such action, any holder of a Security the serial number of which is shown by the evidence to be included in the Securities the holders of which have consented to such action may, by filing written notice with the Trustee at its principal office and upon proof of holding as provided in Section 8.02, revoke such action so far as concerns such Security. Except as aforesaid, any such action taken by the holder of any Security shall be conclusive and binding upon such holder and upon all future holders and owners of such Security, and of any Security issued in exchange therefor or in place thereof, irrespective of whether or not any notation in regard thereto is made upon such Security or any Security issued in exchange therefor or in place thereof. Any action taken by the holders of the percentage in aggregate principal amount of the Securities specified in this Indenture in

connection with such action shall be conclusively binding upon the Company, the Trustee and the holders of all the Securities.

ARTICLE NINE

SECURITYHOLDERS' MEETINGS

SECTION 9.01. PURPOSES FOR WHICH SECURITYHOLDERS' MEETINGS MAY BE CALLED. A meeting of Securityholders may be called at any time and from time to time pursuant to this Article for any of the following purposes:

(1) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to waive or to consent to the waiving of any default hereunder and its consequences, or to take any other action authorized to be taken by Securityholders pursuant to Article Six;

(2) to remove the Trustee and appoint a successor trustee pursuant to Article Seven;

(3) to consent to the execution of an indenture or indentures supplemental hereto pursuant to Section 10.02; or

(4) to take any other action authorized to be taken by or on behalf of the holders of any specified aggregate principal amount of the Securities under any other provision of this Indenture or under applicable law.

SECTION 9.02. CALL OF MEETINGS BY TRUSTEE. The Trustee may at any time call a meeting of Securityholders of any series to be held at any such time and at such place in the Borough of Manhattan, The City of New York, as the Trustee shall determine. Notice of every meeting of Securityholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be mailed by the Trustee, first-class postage prepaid, not less than 20 nor more than 180 days prior to the date fixed for the meeting, to the holders of Securities of such series at their last addresses as they shall appear upon the Security Register.

SECTION 9.03. COMPANY AND SECURITYHOLDERS MAY CALL MEETING. In case the Company, pursuant to a resolution of its Board of Directors, or the holders of at least 10% in aggregate principal amount of the Securities of any series then outstanding, shall have requested the Trustee to call a meeting of Securityholders of such series, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have made the mailing of the notice of such meeting within 20 days after receipt of such request, then the Company or the holders of such Securities in the amount above specified may determine the time and the place in said Borough of Manhattan for such meeting and may call such meeting to take any action authorized in Section 9.01, by mailing notice thereof as provided in Section 9.02.

SECTION 9.04. PERSONS ENTITLED TO VOTE AT MEETING. To be entitled to vote at any meeting of Securityholders of a series a person shall be (a) a registered holder of one or more

Securities of such series or (b) a person appointed by an instrument in writing as proxy for the holder or holders of such Securities by a registered holder of one or more such Securities. The only persons who shall be entitled to be present or to speak at any meeting of Securityholders shall be the persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 9.05. DETERMINATION OF VOTING RIGHTS; CONDUCT AND ADJOURNMENT OF MEETING. Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders, in regard to proof of the holding of Securities and of the appointment of proxies, and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 8.02 or other proof. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 8.02 and the appointment of any proxy shall be proved in the manner specified in said Section 8.02 or by having the signature of the person executing the proxy witnessed or guaranteed by any bank, banker, trust company or firm satisfactory to the Trustee.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Securityholders as provided in Section 9.03, in which case the Company or the Securityholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the holders of a majority in principal amount of the Securities represented at the meeting and entitled to vote.

Subject to the provisions of Section 8.04, at any meeting any Securityholder of a series or proxy shall be entitled to one vote for each \$1,000 principal amount of Securities of such series held or represented by him (in the case of Original Issue Discount Securities, such principal amount is the amount that would be due and payable upon the acceleration of the maturity thereof pursuant to Section 6.01) provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not outstanding and ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities of such series held by him or instruments in writing as aforesaid duly designating him as the person to vote on behalf of other Securityholders of such series. Any meeting of Securityholders duly called pursuant to Section 9.02 or 9.03 may be adjourned from time to time, and the meeting may be held as so adjourned without further notice.

At any meeting, the presence of persons holding or representing Securities in an aggregate principal amount sufficient to take action upon the business for the transaction of which such meeting was called shall be necessary to constitute a quorum; but, if less than a quorum be present, the persons holding or representing a majority of the Securities represented at the meeting may adjourn such meeting with the same effect, for all intents and purposes, as though a quorum had been present.

SECTION 9.06. COUNTING VOTE AND RECORDING ACTION OF MEETING. The vote upon any resolution submitted to any meeting of Securityholders of a series shall be by written ballots on which shall be subscribed the signatures of the holders of Securities of such series or

of their representatives by proxy and the serial number or numbers of the Securities of such series held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Securityholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was mailed as provided in Sections 9.02 and 9.03. The record shall show the serial numbers of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

#### ARTICLE TEN

##### SUPPLEMENTAL INDENTURES

SECTION 10.01. SUPPLEMENTAL INDENTURES WITHOUT CONSENT OF SECURITYHOLDERS. Without the consent of any holders of the Securities, the Company, when authorized by a resolution of its Board of Directors, 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 it shall be in force at the date of execution of such indenture or indentures) for one or more of the following purposes:

(a) to evidence the succession of another corporation to the Company, or successive successions, and the assumption by the Successor of the covenants, agreements and obligations of the Company pursuant to Article Eleven;

(b) to add to the covenants and agreements of the Company such further covenants, agreements, restrictions or conditions for the protection of the holders of the Securities of all or any series as its Board of Directors and the Trustee shall consider to be for the protection of the holders of Securities of such series (and if such covenants, agreements, restrictions or conditions are to be for the benefit of less than all series of Securities, stating that such covenants, agreements, restrictions or conditions are expressly being included for the benefit of such series), and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants, agreements, restrictions or conditions a default or an Event of Default permitting the enforcement of all or any of the several remedies provided in this Indenture as herein set forth; provided, however, that in respect of any such additional covenant, agreement, restriction or condition such supplemental indenture may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may

limit the remedies available to the Trustee upon such default or may limit the right of the holders of Securities to waive such default;

(c) to add, delete or modify any Events of Default with respect to all or any series of the Securities, the form and terms of which are being established pursuant to such supplemental indenture as permitted in Sections 2.01, 2.02 and 2.03 (and, if any such event of default is applicable to fewer than all such series of the Securities, specifying the series to which such event of default is applicable), and to specify the rights and remedies of the Trustee and the holders of such Securities in connection therewith;

(d) to cure any ambiguity or to correct or supplement any provision contained herein or in any supplemental indenture which may be defective or inconsistent with any other provisions contained herein or in any supplemental indenture, or to make any other addition, modification or elimination as shall not be inconsistent with the provisions of this Indenture or any supplemental indenture and shall not adversely affect the interests of the holders of the Securities;

(e) to establish the form and terms of the Securities of any series as permitted in Sections 2.01, 2.02 and 2.03, or to authorize the issuance of additional Securities of a series previously authorized or to add to the conditions, limitations or restrictions on the authorized amount, terms of purposes of issue, authentication or delivery of the Securities of any series, as herein set forth, or other conditions, limitations or restrictions thereafter to be observed; and

(f) to evidence and provide for the acceptance of appointment hereunder by a successor trustee with respect to the Securities of one or more series and to 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, pursuant to the requirements of Section 7.10.

The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

Any supplemental indenture authorized by the provisions of this Section shall be executed by the Company and the Trustee and shall not require the consent of the holders of any of the Securities at the time outstanding, notwithstanding Section 10.02.

**SECTION 10.02. 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 Securities of any series at the time outstanding, the Company, when authorized by a resolution of its Board of Directors, 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 it shall be in force at the date of execution of such indenture or indentures) for the purpose, with respect to Securities of such series, 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 the rights of the holders of the Securities of such series; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity, or the earlier optional date of maturity, if any, of any Security, or reduce the principal amount thereof or the premium thereon, if any, or reduce the rate, or make the principal thereof or premium, if any, or interest thereon payable in any coin or currency other than that provided in such Security without the consent of the holder of each Security so affected, or (ii) reduce the principal amount of Securities of any series, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all Securities of such series then outstanding.

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 the Securityholders 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.

A supplemental indenture which changes or eliminates any provision of this Indenture or of any series of Securities which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of holders of Securities of such series with respect to such provision, shall be deemed not to affect the rights under this Indenture of the holders of Securities of any other series.

It shall not be necessary for the consent of the Securityholders 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.

Promptly after the execution by the Company and the Trustee of any supplemental indenture under this Section, the Company shall mail a notice, setting forth in general terms the substance of such supplemental indenture, to the holders of Securities at their last addresses as they shall appear on the Security Register. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental indenture.

**SECTION 10.03. EFFECT OF SUPPLEMENTAL INDENTURES.**  
Upon the execution of any supplemental indenture pursuant to the provisions of this Article, this Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitation of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the holders of Securities 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 10.04. NOTATION ON SECURITIES IN RESPECT OF SUPPLEMENTAL INDENTURES.** Securities authenticated and delivered after the execution of any supplemental indenture pursuant to the provisions of this Article or after any action taken at a Securityholders' meeting pursuant to the provisions of Article Nine may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such

supplemental indenture or as to any such action. If the Company and the Trustee shall so determine, new Securities of any series so modified as to conform, in the opinion of the Company and the Trustee, 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 Securities of such series then outstanding.

SECTION 10.05. OPINION OF COUNSEL TO BE GIVEN TRUSTEE. Prior to executing any supplemental indenture, the Trustee shall be provided an Opinion of Counsel as conclusive evidence that any such supplemental indenture is authorized by the terms of this Indenture and that it is proper for the Trustee under the provisions of this Article to join in the execution thereof.

## ARTICLE ELEVEN

### CONSOLIDATION, MERGER AND SALE

SECTION 11.01. COMPANY MAY CONSOLIDATE OR MERGE, ETC. Subject to the provisions of Section 11.02, nothing contained in this Indenture shall prevent any consolidation of the Company with or the merger of the Company into any other corporation, or any merger of any other corporation into the Company, or successive consolidations or mergers to which the Company or its successor or successors shall be a party or parties, or shall prevent any sale, transfer or lease of the properties of the Company as an entirety or substantially as an entirety to any other corporation lawfully entitled to acquire the same.

SECTION 11.02. CONDITIONS TO CONSOLIDATION OR MERGER, ETC. The Company covenants and agrees that it will not consolidate with or merge into any other corporation, or sell, transfer or lease its properties as an entirety or substantially as an entirety to any person unless, and the Company covenants and agrees that any such consolidation, merger, sale, transfer or lease shall be upon the conditions that (i) the successor corporation formed by or surviving any such consolidation or merger or the person to which such sale, transfer or lease shall have been made (the "Successor") shall be a corporation organized and existing under the laws of the United States of America or a state thereof, (ii) the due and punctual payment of the principal of and premium, if any, and interest on the Securities according to their tenor, and the due and punctual performance and observance of all the terms, covenants and conditions of this Indenture, the Securities and all indentures supplemental hereto to be performed or observed by the Company shall, by an indenture supplemental hereto, executed and delivered to the Trustee, be expressly assumed by the Successor, as fully and effectually as if such Successor had been an original party hereto, and (iii) immediately after such merger, consolidation, sale, transfer or lease, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing.

The Successor, other than a Successor by reason of a lease of the Company's properties, upon executing such indenture supplemental hereto, in form satisfactory to the Trustee, shall succeed to and be substituted for the Company with the same effect as if it had been an original party hereto, thus relieving the Company of all liabilities hereunder and under the Securities, and the Successor shall possess and from time to time may exercise each and every power hereunder of the Company, and may execute and deliver Securities hereunder, either

in the name of the Company or the Successor, and any act or proceeding required by this Indenture to be done or performed by any board or officer of the Company may be done or performed with like force and effect by the like board or officer of the Successor.

The foregoing notwithstanding, the Company may sell, transfer or lease Qualifying Generation Facilities to any Affiliate of the Company and such sale, transfer or lease shall not be subject to the foregoing requirements of this Section 11.02, provided that the assets subject to such sales, transfers or leases occurring after the date of this Indenture shall not in the aggregate represent assets with a depreciated value on the books of the Company, calculated with respect to such assets at the time of each such sale, transfer or lease, in excess of 65% of the depreciated value on the books of the Company of its total assets as set forth in its balance sheet at September 30, 2000.

SECTION 11.03. DOCUMENTS AND OPINION TO BE FURNISHED TO THE TRUSTEE. The Company covenants and agrees that if it shall consolidate with or merge into any other corporation or if it shall sell, transfer or lease its properties, as an entirety or substantially as an entirety, the Company will promptly furnish to the Trustee:

(1) A certificate signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary of the Successor stating that the covenants of the Company contained in Section 11.02 have been complied with;

(2) An executed counterpart of any instrument or instruments executed by the Company or the Successor in the performance of such covenants; and

(3) An Opinion of Counsel stating that in the opinion of such counsel such covenants have been complied with and that any instrument or instruments executed by the Company or the Successor in the performance of such covenants comply with the requirements of such covenants.

Each certificate, instrument and opinion furnished to the Trustee pursuant to the provisions of this Section shall conform to the requirements of Section 15.06.

Subject to the provisions of Sections 7.01 and 7.02, the Trustee may receive an Opinion of Counsel conforming to the requirements of Section 15.06 as conclusive evidence that any such consolidation, merger, sale, transfer or lease, any such assumption and any such supplemental indenture or other instrument or instruments comply with the provisions of this Article.

ARTICLE TWELVE

SATISFACTION AND DISCHARGE OF INDENTURE;  
DEFEASANCE; UNCLAIMED MONEYS

SECTION 12.01. SATISFACTION AND DISCHARGE OF

INDENTURE. If (a) the Company shall deliver to the Trustee for cancellation all outstanding Securities, or (b) all outstanding Securities not 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 with the Trustee as trust funds the entire amount sufficient to pay at maturity or upon redemption all such Securities not 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 redemption, and if in either case the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect, 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. The Company agrees to reimburse the Trustee for any costs or expenses thereafter reasonably and properly incurred by the Trustee without negligence or bad faith in connection with this Indenture or the Securities.

SECTION 12.02. DEFEASANCE. Provided that the same

has been duly authorized with respect to Securities of a particular series pursuant to Section 2.03(1), if, at any time after the date hereof, the Company shall deposit with the Trustee, in trust for the benefit of the holders thereof, (i) funds sufficient to pay, or (ii) such amount of direct noncallable obligations of, or noncallable obligations the payment of principal of and interest on which is fully guaranteed by, the United States of America, or to the payment of which obligations or guarantees the full faith and credit of the United States of America is pledged, as will, or will together with the income thereon without consideration of any reinvestment thereof, be sufficient to pay all sums due for principal of, premium, if any, and interest on the Securities of such series, as they shall become due from time to time, and shall pay all costs, charges and expenses incurred or to be incurred by the Trustee in relation thereto or in carrying out the provisions of this Indenture, this Indenture shall cease to be of further effect with respect to Securities of such series (except as to (i) rights of registration of transfer, substitution and exchange of Securities of such series, (ii) rights of holders to receive payments of, principal of, premium, if any, and interest on the Securities of such series as they shall become due from time to time and other rights, duties and obligations of Securityholders as beneficiaries hereof with respect to the amounts so deposited with the Trustee, and (iii) the rights, obligations and immunities of the Trustee hereunder (for which purposes the Securities of such series shall be deemed outstanding)), and the Trustee, on the written request of the Company, accompanied by the Officers' Certificate and Opinion of Counsel required by Section 15.06, shall execute and deliver to the Company such instruments as shall be requisite to evidence the satisfaction thereof with respect to Securities of such series.

SECTION 12.03. APPLICATION BY TRUSTEE OF FUNDS

DEPOSITED FOR PAYMENT OF SECURITIES. All moneys deposited with the Trustee pursuant to Sections 12.01 and 12.02, or received by the Trustee in respect of obligations deposited with the Trustee pursuant to Section 12.02 shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Company acting as its own paying agent), to the holders of the particular

Securities, for the payment of which such moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal, premium, if any, and interest.

SECTION 12.04. REPAYMENT OF MONEYS HELD BY PAYING AGENT. In connection with the satisfaction and discharge of this Indenture all moneys then held by any paying agent, other than the Trustee, under this Indenture shall, upon and in accordance with 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.

SECTION 12.05. RETURN OF UNCLAIMED MONEYS. Any moneys deposited with the Trustee or any paying agent not applied but remaining unclaimed by the holders of Securities for 2 years after the date upon which the principal of and premium, if any, or interest on such Securities shall have become due and payable shall be repaid to the Company by the Trustee or such paying agent on written demand; and the holder of any of the Securities entitled to receive such payment shall thereafter look only to the Company for the payment thereof and all liability of the Trustee or any such paying agent with respect to such moneys shall thereupon cease. In the absence of any such Company Order, the Trustee or any such paying agent shall from time to time deliver such unclaimed funds to, or as directed by, the pertinent escheat authority, as identified by the Trustee or such paying agent in its sole discretion, pursuant to and in accordance with applicable unclaimed property laws, rules or regulations. Any such delivery shall be in accordance with the customary practices and procedures of the Trustee or such paying agent and the escheat authority and, upon any such delivery, all liability of the Trustee and such paying agent with respect to such unclaimed funds shall thereupon cease.

#### ARTICLE THIRTEEN

##### IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

SECTION 13.01. PERSONAL IMMUNITY FROM LIABILITY OF INCORPORATORS, STOCKHOLDERS, ETC. No recourse under or upon any obligation, covenant or agreement of this Indenture or any indenture supplemental hereto, or of any Security, or for any claim based thereon or otherwise in respect thereof, shall be had against any incorporator or against any past, present or future stockholder, officer or member of the Board of Directors, as such, of the Company or of any successor corporation, either directly or through the Company or any 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 and any and all such claims being hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issue of the Securities.

#### ARTICLE FOURTEEN

##### SUBORDINATION

SECTION 14.01. SECURITIES SUBORDINATED TO SENIOR INDEBTEDNESS. With respect to Securities of any series as to which, pursuant to Section 2.03(n), it has been established that

this Article Fourteen applies (herein called the "Subordinated Securities"), the Company covenants and agrees, and each holder of Subordinated Securities, by his acceptance thereof, likewise covenants and agrees, that the indebtedness represented by the Subordinated Securities and the payment of the principal of, premium, if any, and interest on each and all of the Subordinated Securities are hereby expressly subordinate and junior to the extent and in the manner hereinafter set forth, in right of payment to the prior payment in full of all Senior Indebtedness. "Senior Indebtedness" means all indebtedness of the Company for the repayment of money borrowed (whether or not represented by bonds, debentures, notes or other securities) other than the indebtedness evidenced by the Subordinated Securities and any indebtedness subordinated to, or subordinated on parity with, the Subordinated Securities. "Senior Indebtedness" does not include customer deposits or other amounts securing obligations of others to the Company.

SECTION 14.02. EVENTS OF SUBORDINATION. In the event (a) of any distribution of assets of the Company upon any dissolution, winding up, liquidation or reorganization of the Company, whether in bankruptcy, insolvency, reorganization or receivership proceedings or upon an assignment for the benefit of creditors or any other marshalling of the assets and liabilities of the Company or otherwise, except a distribution in connection with a consolidation, merger or sale, transfer or lease of the properties of the Company which complies with the requirements of Section 11.02, or (b) of any default by the Company in the payment of principal, premium, interest or any other payment due on any Senior Indebtedness, or in the event that the maturity of any Senior Indebtedness has been accelerated because of a default, and such default shall not have been rescinded, then:

(1) in the circumstance described in the foregoing clause (a) the holders of all Senior Indebtedness, and in the circumstance described in the foregoing clause (b) the holders of all Senior Indebtedness outstanding at the time the principal of such Senior Indebtedness shall have been so declared due and payable, shall first be entitled to receive payment of the full amount due thereon in respect of principal, premium, if any, and interest, or provision shall be made for such amount in money or money's worth, before the holders of any of the Subordinated Securities are entitled to receive any payment on account of the principal of, premium, if any, or interest on the indebtedness evidenced by the Subordinated Securities;

(2) any payment by, or distribution of assets of, the Company of any kind or character, whether in cash, property or securities (other than securities 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 subordinate, at least to the extent provided in this Article with respect to the Subordinated Securities, to the payment of all Senior Indebtedness, provided that the rights of the holders of the Senior Indebtedness are not altered by such reorganization or readjustment), to which the holders of any of the Subordinated Securities or the Trustee would be entitled except for the provisions of this Article shall be paid or delivered by the person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior

Indebtedness may have been issued, ratably according to the aggregate amounts remaining unpaid on account of such Senior Indebtedness held or represented by each, to the extent necessary to make payment in full of all Senior Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness, before any payment or distribution is made to the holders of the indebtedness evidenced by the Subordinated Securities or to the Trustee under this Indenture; and

(3) in the event that, notwithstanding the foregoing, any payment by, or distribution of assets of, the Company of any kind of character, whether in cash, property or securities (other than securities 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 subordinate, at least to the extent provided in this Article with respect to the Subordinated Securities, to the payment of all Senior Indebtedness, provided that the rights of the holders of Senior Indebtedness are not altered by such reorganization or readjustment), shall be received by the Trustee or the holders of any of the Subordinated Securities before all Senior Indebtedness is paid in full, such payment or distribution shall be paid over to the holders of such Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of such Senior Indebtedness may have been issued, ratably as aforesaid, for application to the payment of all Senior Indebtedness remaining unpaid until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution (or provision therefor) to the holders of such Senior Indebtedness.

SECTION 14.03. SUBROGATION. Subject to the payment in full of all Senior Indebtedness, the rights of the holders of the Subordinated Securities shall be subrogated to the rights of the holders of such Senior Indebtedness to receive payments or distribution of cash, property or securities of the Company applicable to such Senior Indebtedness until all amounts owing on the Subordinated Securities shall be paid in full, and, as among the Company, its creditors other than holders of such Senior Indebtedness, and the holders of the Subordinated Securities, no such payment or distribution made to the holders of Senior Indebtedness by virtue of this article which otherwise would have been made to the holders of the Subordinated Securities shall be deemed to be a payment by the Company on account of such Senior Indebtedness, it being understood that the provisions of this Article are and are intended solely for the purpose of defining the relative rights of the holders of the Subordinated Securities, on the one hand, and the holders of Senior Indebtedness, on the other hand.

SECTION 14.04. OBLIGATION OF COMPANY UNCONDITIONAL. Nothing contained in this Article or elsewhere in this Indenture or in the Subordinated Securities is intended to or shall impair, as among the Company, its creditors other than the holders of Senior Indebtedness, and the holders of the Subordinated Securities the obligation of the Company, which is absolute and unconditional to pay to the holders of the Subordinated Securities the principal of, premium, if any, and interest on the Subordinated Securities 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 Securities and creditors of the Company other than the holders of Senior Indebtedness, nor shall anything herein or therein prevent the Trustee or the holder of any

Subordinated Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article of the holders of 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, the Trustee and the holders of the Subordinated Securities shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which any such dissolution, winding up, liquidation or reorganization proceeding affecting the affairs of the Company is pending or upon a certificate of the trustee in bankruptcy, receiver, assignee for the benefit of creditors, liquidating trustee or agent or other Person making any payment or distribution, delivered to the Trustee or to the holders of the Subordinated Securities, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of the Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount paid or distributed thereon and all other facts pertinent thereto or to this Article. 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 Senior Indebtedness to participate in any payment or distribution pursuant to this Section, the Trustee may request such person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of Senior Indebtedness held by such Person, as to the extent to which such Person is entitled to participate in such payment or distribution, and as to other facts pertinent to the right of such Person under this Section, 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 14.05. PAYMENTS ON SUBORDINATED SECURITIES PERMITTED. Nothing contained in this Article or elsewhere in this Indenture, or in any of the Subordinated Securities, shall affect the obligation of the Company to make, or prevent the Company from making, payments of the principal of, premium, if any, or interest on the Subordinated Securities in accordance with the provision hereof and thereof, or shall prevent the Trustee or any paying agent of the Company from applying any moneys deposited with it hereunder to the payment of the principal of, premium, if any, or interest on the Subordinated Securities, in each case except as otherwise provided in this Article.

SECTION 14.06. EFFECTUATION OF SUBORDINATION BY TRUSTEE. Each holder of Subordinated Securities, by his acceptance thereof, authorizes and directs the Trustee in his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article and appoints the Trustee his attorney-in-fact for any and all such purposes.

SECTION 14.07. KNOWLEDGE OF TRUSTEE. Notwithstanding the provisions of this Article or any other provisions of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payment of moneys to or by the Trustee, or the taking of any other action by the Trustee (and shall not be liable for making such payment or taking such action), unless and until a Responsible Officer of the Trustee having responsibility for the administration of the trust established by this Indenture shall have received written notice thereof from the Company, any holder of Subordinated Securities, any paying agent of the Company or any holder or representative of any class of Senior Indebtedness, and, prior to the receipt of any such written notice, the Trustee shall be entitled in all respects to assume that no such facts exist; provided that, if prior to the third



Business Day preceding the date upon which by the terms hereof any monies become payable for any purpose (including, without limitation, the payment of either the principal of or interest on any Subordinated Security), or the date of the execution of an instrument pursuant to Section 12.02 acknowledging satisfaction and discharge of this Indenture, a Responsible Officer of the Trustee shall not have received with respect to such monies or to such funds or obligations deposited pursuant to Section 12.02, the notice provided for in this Section 14.07, then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such monies or such funds or obligations and apply the same to the purpose for which they were received and shall not be affected by any notice to the contrary which may be received by it on or after such date.

SECTION 14.08. TRUSTEE'S RELATION TO SENIOR

INDEBTEDNESS. The Trustee shall be entitled to all the rights set forth in this Article with respect to any Senior Indebtedness at the time held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in Section 7.12 or elsewhere in this Indenture shall deprive the Trustee of any of its rights as such holder. Nothing in this Article shall apply to claims of or payments to the Trustee under or pursuant to Section 7.06.

With respect to the holders of Senior Indebtedness, the Trustee undertakes to perform or to observe only such of its covenants and obligations as are specifically set forth in this Article, and no implied covenants or obligations with respect to the holders of 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 Senior Indebtedness, and the Trustee shall not be liable to any holder of Senior Indebtedness, if it shall mistakenly pay over or deliver to holders of Subordinated Securities, the Company or any other Person monies or assets to which any holder of Senior Indebtedness shall be entitled by virtue of this Article or otherwise.

SECTION 14.09. RIGHTS OF HOLDERS OF SENIOR

INDEBTEDNESS NOT IMPAIRED. No right of any present or future holder of any Senior Indebtedness to enforce the subordination herein shall at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof any such holder may have or be otherwise charged with.

ARTICLE FIFTEEN

MISCELLANEOUS PROVISIONS

SECTION 15.01. SUCCESSORS.

All the covenants, stipulations, promises and agreements in this Indenture contained by or in behalf of the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 15.02. BENEFITS OF INDENTURE RESTRICTED TO

PARTIES AND SECURITYHOLDERS. Nothing in this Indenture or in the Securities, expressed or implied, shall give or be construed to give to any person, other than the Company, the Trustee and the Securityholders, any legal or equitable right, remedy or claim under or in respect of this Indenture.

SECTION 15.03. PAYMENTS DUE ON SUNDAYS AND

HOLIDAYS. In any case where the date of maturity of principal of or interest on any Securities or the date fixed for redemption of any Securities shall be a Sunday or legal holiday or a day on which banking institutions in the City of New York are authorized by law to close, unless otherwise provided in a supplemental indenture relating to a series of Securities, 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 date of maturity or the date fixed for redemption and no interest shall accrue for the period after such date.

SECTION 15.04. NOTICES AND DEMANDS ON COMPANY AND

TRUSTEE. Any notice, request or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the holders of Securities on the Company shall be in writing and shall be deemed to have been sufficiently given or served, for all purposes, if given or served at, or sent by registered mail to, the principal office of the Company (until another address is filed in writing by the Company with the Trustee). Any notice, direction, request or demand by any Securityholder to or upon the Trustee shall be in writing and shall be deemed to have been sufficiently given or made, for all purposes, if given or made at, or sent by registered mail to, the office of the Trustee located at 101 Barclay Street, New York, New York 10286, Attention: Corporate Trust Administration, or at any other address previously furnished in writing to the Company by the Trustee. Any notice required or permitted to be mailed to a Securityholder by the Company or the Trustee pursuant to the provisions of this Indenture shall be in writing and shall be deemed to be properly mailed by being deposited, first class mail postage prepaid, in a post office letter box in the United States addressed to such Securityholder at the address of such holder as shown on the Security Register.

SECTION 15.05. LAW OF NEW YORK TO GOVERN. This

Indenture and each Security shall be deemed to be a contract made under the law of the State of New York, and for all purposes shall be construed in accordance with the law of said State.

SECTION 15.06. OFFICERS' CERTIFICATES AND OPINIONS

OF COUNSEL; STATEMENTS TO BE CONTAINED THEREIN. 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 relative to such particular application or demand, no additional certificate or opinion need be furnished.

Each certificate or opinion provided for in this Indenture, and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture, shall include (1) a statement that the person making such certificate or opinion has read such covenant or condition and the definitions herein relating thereto; (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, he has made such examination or investigation as is necessary to enable him 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 15.07. CONFLICT OF ANY PROVISION OF INDENTURE WITH TRUST INDENTURE ACT. If and to the extent that any provision of this Indenture (or any provision of the terms of a series of Securities) limits, qualifies or conflicts with any provision of the Trust Indenture Act or another provision which is required or deemed to be included in this Indenture by any of the provisions of the Trust Indenture Act, the provision or requirement of the Trust Indenture Act shall control.

SECTION 15.08. 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 15.09. SEVERABILITY. If any provision of this Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

KANSAS CITY POWER & LIGHT COMPANY

By: /s/Andrea F. Bielsker  
Name: Andrea F. Bielsker  
Title: Vice President-Finance and Treasurer

[CORPORATE SEAL]

ATTEST:

/s/Jeanie Sell Latz  
Name: Jeanie Sell Latz  
Title: Senior Vice President-Corporate Services  
and Corporate Secretary

THE BANK OF NEW YORK,  
Trustee

By: /s/Robert A. Massimillo  
Name: Robert A. Massimillo  
Title: Assistant Vice President

STATE OF MISSOURI    )  
                          )    ss.  
COUNTY OF JACKSON    )

On the 13th day of December, 2000 before me personally came Andrea F. Bielsker, to me known, who, being by me duly sworn, did depose and say that she is a Vice President of KANSAS CITY POWER & LIGHT COMPANY, one of the corporations described in and which executed the above instrument; that she 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 she signed her name thereto by like authority.

[NOTORIAL SEAL]

/s/Jacquetta L. Hartman  
Notary Public

Jacquetta L. Hartman  
Notary Public State of Missouri  
Ray County  
My Commission Exp. Apr. 8, 2004

STATE OF MISSOURI    )  
                          )    ss.  
COUNTY OF JACKSON    )

On the 13th day of December, 2000 before me personally came Jeanie Sell Latz, to me known, who, being by me duly sworn, did depose and say that she is a Senior Vice President of KANSAS CITY POWER & LIGHT COMPANY, one of the corporations described in and which executed the above instrument; that she 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 she signed her name thereto by like authority.

[NOTORIAL SEAL]

/s/Jacquetta L. Hartman  
Notary Public

Jacquetta L. Hartman  
Notary Public State of Missouri  
Ray County  
My Commission Exp. Apr. 8, 2004

Kansas City Power & Light Company

Debt Securities

UNDERWRITING AGREEMENT

December 13, 2000

BANC OF AMERICA SECURITIES LLC  
100 North Tryon Street, 7th Floor  
Charlotte, NC 28255

MERRILL LYNCH & CO.  
Merrill Lynch, Pierce, Fenner & Smith  
Incorporated  
World Financial Center  
North Tower  
New York, New York 10281-1209

Ladies and Gentlemen:

Kansas City Power & Light Company, a Missouri corporation (the "Company"), proposes to issue and sell up to \$400,000,000 aggregate principal amount of its senior or subordinated debt securities (the "Debt Securities"), from time to time, in or pursuant to one or more offerings on terms to be determined at the time of sale.

The Debt Securities will be issued in one or more series as senior indebtedness (the "Senior Debt Securities") or as subordinated indebtedness (the "Subordinated Debt Securities") under the indenture, dated as of December 1, 2000 (the "Indenture"), between the Company and The Bank of New York, as trustee (the "Trustee"). Each series of Debt Securities may vary, as applicable, as to title, aggregate principal amount, rank, interest rate or formula and timing of payments thereof, stated maturity date, redemption and/or repayment provisions, sinking fund requirements, conversion provisions and any other variable terms established by or pursuant to the applicable Indenture.

Whenever the Company determines to make an offering of Debt Securities through Banc of America Securities LLC and Merrill Lynch & Co., Merrill Lynch, Pierce, Fenner & Smith Incorporated, as joint-book running managing underwriters (the "Representatives"), or through an underwriting syndicate jointly-managed by the Representatives, the Company will enter into an agreement (each, a "Terms Agreement") providing for the sale of such Debt Securities to, and the purchase and offering thereof by, the Representatives and such other underwriters, if any, selected by the Representatives (the "Underwriters", which term shall include the Representatives, whether acting as sole Underwriters or as a member of an underwriting syndicate, as well as any Underwriter substituted pursuant to Section 10 hereof). The Terms Agreement

relating to the offering of Debt Securities shall specify the aggregate principal amount of Debt Securities to be issued (the "Underwritten Debt Securities"), the name of each Underwriter participating in such offering (subject to substitution as provided in Section 10 hereof) and the name of any Underwriter other than the Representatives acting as co-manager in connection with such offering, the aggregate principal amount of Underwritten Debt Securities which each such Underwriter severally agrees to purchase, whether such offering is on a fixed or variable price basis and, if on a fixed price basis, the initial offering price, the price at which the Underwritten Debt Securities are to be purchased by the Underwriters, the form, time, date and place of delivery and payment of the Underwritten Debt Securities and any other material variable terms of the Underwritten Debt Securities. The Terms Agreement, which shall be substantially in the form of Exhibit A hereto, may take the form of an exchange of any standard form of written telecommunication between the Company and the Representatives, acting for themselves and, if applicable, as representative of any other Underwriters. Each offering of Underwritten Debt Securities through the Representatives as sole Underwriters or through an underwriting syndicate managed by the Representatives will be governed by this Underwriting Agreement, as supplemented by the applicable Terms Agreement.

The Company has filed with the Securities and Exchange Commission (the "SEC") a registration statement on Form S-3 (No. 333-50396) for the registration of the Debt Securities under the Securities Act of 1933, as amended (the "1933 Act"), and the offering thereof from time to time in accordance with Rule 415 of the rules and regulations of the SEC under the 1933 Act (the "1933 Act Regulations"). Such registration statement has been declared effective by the SEC and the Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended (the "1939 Act"), and the Company has filed such post-effective amendments thereto as may be required prior to the execution of the applicable Terms Agreement and each such post-effective amendment, if any, has been declared effective by the SEC. Such registration statement (as so amended, if applicable), is referred to herein as the "Registration Statement"; and the final prospectus and the final prospectus supplement relating to the offering of the Underwritten Debt Securities, in the forms first furnished to the Underwriters by the Company for use in connection with the offering of the Underwritten Debt Securities, are collectively referred to herein as the "Prospectus"; provided, however, that all references to the "Registration Statement" and the "Prospectus" shall also be deemed to include all documents incorporated therein by reference pursuant to the Securities Exchange Act of 1934, as amended (the "1934 Act"), prior to the execution of the applicable Terms Agreement; provided, further, that if the Company files a registration statement with the SEC pursuant to Rule 462(b) of the 1933 Act Regulations (the "Rule 462(b) Registration Statement"), then all references to "Registration Statement" shall also be deemed to include the Rule 462 (b) Registration Statement. A "preliminary prospectus" shall be deemed to refer to (i) any prospectus used before the Registration Statement became effective and (ii) any preliminary prospectus supplement that omitted information to be included upon pricing in a form of prospectus filed with the SEC pursuant to Rule 424(b) of the 1933 Act Regulations and was used after such effectiveness and prior to the initial delivery of the Prospectus to the Underwriters by the Company. For purposes of this Underwriting Agreement, all references to the Registration Statement, Prospectus or preliminary prospectus or to any amendment or supplement to any of the foregoing shall



be deemed to include any copy filed with the SEC pursuant to its Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

All references in this Underwriting Agreement to financial statements and schedules and other information which is "contained," "included" or "stated" (or other references of like import) in the Registration Statement, Prospectus or preliminary prospectus shall be deemed to mean and include all such financial statements and schedules and other information which is incorporated by reference in the Registration Statement, Prospectus or preliminary prospectus, as the case may be, prior to the execution of the applicable Terms Agreement; and all references in this Underwriting Agreement to amendments or supplements to the Registration Statement, Prospectus or preliminary prospectus shall be deemed to include the filing of any document under the 1934 Act which is incorporated by reference in the Registration Statement, Prospectus or preliminary prospectus, as the case may be, after the execution of the applicable Terms Agreement.

#### SECTION 1. REPRESENTATIONS AND WARRANTIES OF THE COMPANY.

(a) The Company represents and warrants to, and agrees with, each Underwriter named in the applicable Terms Agreement, as of the date thereof, and as of the Closing Time (as defined below) (in each case, a "Representation Date") that:

(i) COMPLIANCE WITH REGISTRATION REQUIREMENTS. The Company meets the requirements for use of Form S-3 under the 1933 Act. The Registration Statement (including any Rule 462(b) Registration Statement) has become effective under the 1933 Act and no stop order suspending the effectiveness of the Registration Statement (or such Rule 462(b) Registration Statement) has been issued under the 1933 Act and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, are contemplated by the SEC, and any request on the part of the SEC for additional information has been complied with. In addition, the Indenture has been duly qualified under the 1939 Act.

At the respective times the Registration Statement (including any Rule 462(b) Registration Statement) and any post-effective amendments thereto (including the filing of the Company's most recent Annual Report on Form 10-K with the SEC (the "Annual Report on Form 10-K")) became effective and at each Representation Date, the Registration Statement (including any Rule 462(b) Registration Statement) and any amendments thereto complied and will comply in all material respects with the requirements of the 1933 Act and the 1933 Act Regulations and the 1939 Act and the rules and regulations of the SEC under the 1939 Act (the "1939 Act Regulations") and did not and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. At the date of the Prospectus, at the Closing Time and as of each Representation Date, neither

the Prospectus nor any amendments and supplements thereto included or will include an untrue statement of a material fact or omitted or will omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, the representations and warranties in this subsection shall not apply to statements in or omissions from the Registration Statement or the Prospectus made in reliance upon and in conformity with information furnished to the Company in writing by the Underwriters expressly for use in the Registration Statement or the Prospectus.

Each preliminary prospectus and prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 under the 1933 Act, complied when so filed in all material respects with the 1933 Act Regulations and each preliminary prospectus and the Prospectus delivered to the Underwriters for use in connection with the offering of Underwritten Debt Securities will, at the time of such delivery, be identical to any electronically transmitted copies thereof filed with the SEC pursuant to EDGAR, except to the extent permitted by Regulation S-T.

(ii) INCORPORATED DOCUMENTS. The documents incorporated by reference in the Prospectus pursuant to Item 12 of Form S-3 under the 1933 Act, at the time they were filed with the SEC, complied in all material respects with the requirements of the 1934 Act and the rules and regulations of the SEC thereunder (the "1934 Act Regulations"), and, when read together and with the other information in the Prospectus, at the time the Registration Statement becomes effective, at Closing Time and as of each Representation Date will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and any documents deemed to be incorporated by reference in the Prospectus will, when they are filed with the SEC, comply in all material respects with the requirements of the 1934 Act Regulations, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

(iii) DUE INCORPORATION AND QUALIFICATION. The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the state of its incorporation with corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Prospectus; and the Company is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify and be in good standing would not have a material adverse effect on the condition, financial or otherwise, or the earnings, business affairs or business prospects of the Company.

(iv) SUBSIDIARIES. The Company has no significant subsidiaries, as "significant subsidiary" is defined in Rule 405 of Regulation C of the 1933 Act Regulations.

(v) ACCOUNTANTS. The accountants who issued their reports on the financial statements included or incorporated by reference in the Prospectus are independent public accountants within the meaning of the 1933 Act and the 1933 Act Regulations.

(vi) FINANCIAL STATEMENTS. The financial statements and any supporting schedules of the Company included or incorporated by reference in the Registration Statement and the Prospectus present fairly the financial position of the Company as of the dates indicated and the results of its operations and cash flows for the periods specified; and, except as stated therein, said financial statements have been prepared in conformity with generally accepted accounting principles in the United States (except for certain footnote disclosures required to be included in financial statements prepared in accordance with generally accepted accounting principles) applied on a consistent basis; and any supporting schedules included in the Registration Statement present fairly the information required to be stated therein.

(vii) AUTHORIZATION AND VALIDITY OF THIS AGREEMENT, TERMS AGREEMENT, THE INDENTURE AND DEBT SECURITIES. This Agreement has been, and the applicable Terms Agreement as of its date will be, duly authorized and, upon execution and delivery by the Underwriters, will be valid and binding agreements of the Company; the Indenture has been duly authorized and, upon execution and delivery by the Trustee, will be a valid and binding obligation of the Company enforceable in accordance with its terms; the Underwritten Debt Securities have been, or as of the date of such Terms Agreement will have been, duly and validly authorized for issuance, offer and sale pursuant to this Agreement and the applicable Terms Agreement and, when issued, authenticated and delivered pursuant to the provisions of this Agreement, the applicable Terms Agreement and the Indenture against payment of the consideration therefor specified in the Prospectus or pursuant to any Terms Agreement, the Underwritten Debt Securities will constitute valid and legally binding obligations of the Company enforceable in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting enforcement of creditors' rights generally or by general equity principles; the Underwritten Debt Securities being sold pursuant to the applicable Terms Agreement and Indenture will be substantially in the forms heretofore delivered to the Underwriters and such Underwritten Debt Securities and the Indenture each will conform, as of each Representation Date, in all material respects to all statements relating thereto contained in the Prospectus; and each holder of the Underwritten Debt Securities will be entitled to the benefits provided by the Indenture.

(viii) MATERIAL CHANGES OR MATERIAL TRANSACTIONS. Since the respective dates as of which information is given in the Registration Statement and the Prospectus, except as may otherwise be stated therein or contemplated thereby, (a) there has been no material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business and (b) there have been no material transactions entered into by the Company other than those in the ordinary course of business.

(ix) NO DEFAULTS. The Company is not in violation of its Restated Articles of Consolidation, as amended, or by-laws, or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which it is a party or by which it or its properties may be bound; the execution and delivery of this Agreement and each applicable Terms Agreement and the consummation of the transactions contemplated herein and therein have been duly authorized by all necessary corporate action and will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Company is a party or by which it may be bound or to which any of the property or assets of the Company is subject, nor will such action result in any violation of the provisions of the Restated Articles of Consolidation, as amended, or by-laws, of the Company or any law, administrative regulation or administrative or court order or decree.

(x) REGULATORY APPROVALS. The Company has made all necessary filings and obtained all necessary consents or approvals from the Missouri Public Service Commission in connection with the issuance and sale of the Underwritten Debt Securities or will have done so by the time the Underwritten Debt Securities shall be issued and sold, and no consent, approval, authorization, order or decree of any other court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement and each applicable Terms Agreement except such as may be required under the 1933 Act, the 1933 Act Regulations or state securities ("Blue Sky") laws.

(xi) LEGAL PROCEEDINGS; CONTRACTS. Except as may be set forth in the Prospectus, there is no action, suit or proceeding before or by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened against or affecting, the Company which might, in the opinion of the Company, result in any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, or might materially and adversely affect its properties or assets or might materially and adversely affect the consummation of this Agreement or the applicable Terms Agreement; and there are no contracts or documents of the Company which are required to be filed as exhibits to the

Registration Statement by the 1933 Act or by the 1933 Act Regulations which have not been so filed.

(xii) FRANCHISES. The Company holds valid and subsisting franchises, licenses and permits authorizing it to carry on the respective utility businesses in which it is engaged in the territories from which substantially all of its gross operating revenue is derived.

(xiii) RATINGS. The Debt Securities are rated A2 (on review for possible downgrade) by Moody's Investors Service, Inc. and BBB+ by Standard & Poor's Ratings Group or such other rating as to which the Company shall have most recently notified the Underwriters pursuant to Section 3(a) hereof.

(B) ADDITIONAL CERTIFICATIONS. Any certificate signed by any director or officer of the Company and delivered to the Underwriters or to counsel for the Underwriters shall be deemed a representation and warranty by the Company to the Underwriters as to the matters covered thereby on the date of such certificate and, unless subsequently amended or supplemented, at each Representation Date subsequent thereto.

## SECTION 2. SALE AND DELIVERY TO UNDERWRITERS; CLOSING.

(a) UNDERWRITTEN SECURITIES. The several commitments of the Underwriters to purchase the Underwritten Debt Securities pursuant to the applicable Terms Agreement shall be deemed to have been made on the basis of the representations, warranties and agreements herein contained and shall be subject to the terms and conditions herein set forth.

(b) Payment of the purchase price for, and delivery of, the Underwritten Debt Securities shall be made at the office of Dewey Ballantine LLP, 1301 Avenue of the Americas, New York, New York 10019, or at such other place or places as shall be agreed upon by the Underwriters and the Company, at 10:00 A.M. on the third or fourth business day (unless postponed in accordance with the provisions of Section 10) following the date of the applicable Terms Agreement, or such other time not later than ten business days after such date as shall be agreed upon by the Underwriters and the Company (such time and date of payment and delivery each being herein called "Closing Time"). Payment shall be made to the Company by wire transfer of immediately available funds to: UMB Bank, N.A., Kansas City, Missouri ABA #101000695, Account # 9800001430, Account of Kansas City Power & Light Company, against delivery to The Depository Trust Company for the account of the Underwriters of the certificate for the Debt Securities to be purchased by them. The certificate for the Debt Securities shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company, and held by the Trustee, as custodian. The Company will permit the Underwriters, on or before the first full business day prior to the Closing Time, to examine and package for delivery the certificate for

the Debt Securities to be purchased by the Underwriters at the offices of The Depository Trust Company, New York, New York.

SECTION 3. COVENANTS OF THE COMPANY.

The Company covenants with each Underwriter as follows:

(a) NOTICE OF CERTAIN EVENTS. The Company will notify the Underwriters immediately, and confirm the notice in writing, of (i) the effectiveness of any post-effective amendment to the Registration Statement or the filing of any supplement or amendment to the Prospectus, (ii) the receipt of any comments from the SEC, (iii) any request by the SEC for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or for additional information, (iv) the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any preliminary prospectus, or of the initiation of any proceedings for any of such purposes, and (v) any withdrawal or lowering of the rating assigned by Moody's Investors Service, Inc. or Standard & Poor's Rating Group to any debt securities of the Company or the public announcement by any Rating Agency that it has under surveillance or review, with possible negative implications, its rating of such Debt Securities, but only to the extent such Rating Agency has notified the Company of such surveillance or review. The Company will promptly effect the filings necessary pursuant to Rule 424 and will take such steps as it deems necessary to ascertain promptly whether the Prospectus transmitted for filing under Rule 424 was received for filing by the SEC and, in the event that it was not, it will promptly file the Prospectus. The Company will make every reasonable effort to prevent the issuance of any stop order and, if any stop order is issued, to obtain the lifting thereof at the earliest possible moment.

(b) AMENDMENTS AND SUPPLEMENTS. The Company will not: (i) at any time after the Registration Statement becomes effective, file any amendment to the Registration Statement or any amendment or supplement to the Prospectus (including a prospectus filed pursuant to Rule 424(b) which differs from the prospectus on file at the time the Registration Statement becomes effective), or (ii) at any time when delivery of a Prospectus (exclusive of documents incorporated therein by reference) is required in connection with the offering or sale of the Debt Securities, file any documents pursuant to Section 13, 14 or 15(d) of the 1934 Act, in either case, to which you shall reasonably object or which shall be reasonably disapproved by counsel for the Underwriters.

(c) COPIES OF THE REGISTRATION STATEMENT. The Company will deliver to the Underwriters as many signed and conformed copies of the Registration Statement (as originally filed) and of each amendment thereto (including exhibits filed therewith or incorporated by reference therein and documents incorporated by reference in the Prospectus) as the Underwriters may reasonably request.

(d) COPIES OF THE PROSPECTUS. The Company will deliver to each Underwriter, from time to time before the Registration Statement becomes effective, such number of copies of the preliminary prospectus as originally filed, relating to the Underwritten Debt Securities, and of any amended preliminary prospectus, and will deliver, as soon as the Registration Statement becomes effective and thereafter from time to time during the period when the Prospectus is required to be delivered under the 1933 Act, such number of copies of the Prospectus (as amended or supplemented), as such Underwriter may reasonably request for the purposes contemplated by the 1933 Act or the 1933 Regulations.

(e) REVISIONS OF PROSPECTUS - MATERIAL CHANGES. If at any time when a prospectus relating to the Underwritten Debt Securities is required to be delivered under the 1933 Act any event shall occur or condition exist as a result of which it is necessary, in the reasonable opinion of counsel for the Underwriters or counsel for the Company, to amend or supplement the Prospectus in order that the Prospectus will not include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein not misleading in the light of the circumstances existing at the time the Prospectus is delivered to a purchaser, or if it shall be necessary, in the reasonable opinion of either such counsel, to amend or supplement the Registration Statement or the Prospectus in order to comply with the requirements of the 1933 Act or the 1933 Act Regulations, the Company will promptly prepare and file with the SEC such amendment or supplement, whether by filing documents pursuant to the 1934 Act, the 1933 Act or otherwise, as may be necessary to correct such untrue statement or omission or to make the Registration Statement and Prospectus comply with such requirements.

(f) EARNINGS STATEMENTS. The Company will make generally available to its security holders as soon as practicable, but not later than 90 days after the close of the period covered thereby, an earnings statement (in form complying with the provisions of Rule 158 under the 1933 Act) covering each twelve month period beginning, in each case, not later than the first day of the Company's fiscal quarter next following the "effective date" (as defined in such Rule 158) of the Registration Statement.

(g) BLUE SKY QUALIFICATIONS. The Company will endeavor, in cooperation with the Underwriters, to qualify the Underwritten Debt Securities for offering and sale under the applicable securities laws of such states and other jurisdictions of the United States as the Underwriters may designate, and will maintain such qualifications in effect for as long as may be required for the distribution of the Debt Securities; PROVIDED, HOWEVER, that the Company shall not be obligated to file any general consent to service of process or to qualify as a foreign corporation in any jurisdiction in which it is not so qualified. The Company will file such statements and reports as may be required by the laws of each jurisdiction in which the Underwritten Debt Securities have been qualified as above provided. The Company will promptly advise the Underwriters of the receipt by the Company of any notification with respect to the suspension of the

qualification of the Underwritten Debt Securities for sale in any such state or jurisdiction or the initiating or threatening of any proceeding for such purpose.

(h) 1934 ACT FILINGS. The Company, during the period when the Prospectus is required to be delivered under the 1933 Act, will file promptly all documents required to be filed with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the 1934 Act.

(i) RESTRICTION ON SALE OF SECURITIES. Between the date of the applicable Terms Agreement and the Closing Time or such other date specified in such Terms Agreement, the Company will not, without prior written consent of the Representatives, directly or indirectly, issue, sell, offer or contract to sell, grant any option for the sale of, or otherwise dispose of, the Debt Securities (other than the Underwritten Debt Securities sold pursuant to such Terms Agreement).

#### SECTION 4. CONDITIONS; OBLIGATIONS.

The obligations of the several Underwriters to purchase and pay for the Underwritten Debt Securities pursuant to the applicable Terms Agreement will be subject to the accuracy of the representations and warranties on the part of the Company herein and to the accuracy of the statements of the Company's officers made in any certificate furnished pursuant to the provisions hereof, to the performance and observance by the Company of all its covenants and agreements herein contained and to the following additional conditions precedent:

(a) REGISTRATION STATEMENT. Prior to the Closing Time, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the Underwriters, shall be threatened by the SEC.

(b) SECURITIES RATINGS. Prior to the Closing Time, the rating assigned by Moody's Investors Service, Inc. or Standard & Poor's Ratings Group to any debt securities or preferred stock of the Company as of the date of this Agreement or the applicable Terms Agreement shall not have been lowered or placed on what is commonly termed a "watch list" for possible downgrading.

(c) MATERIAL CHANGES AND TRANSACTIONS. Since the respective most recent dates as of which information is given in the Prospectus or since the date of any applicable Terms Agreement and up to the Closing Time, there shall not have been any material adverse change in the condition of the Company, financial or otherwise, except as reflected in or contemplated by the Prospectus, and, since such dates and up to the Closing Time, there shall not have been any material transaction entered into by the Company other than transactions contemplated by the Prospectus and transactions in the ordinary course of business.



(d) LEGAL OPINIONS. At Closing Time, the Underwriters shall have received the following legal opinions, dated the Closing Time, and in form and substance satisfactory to the Underwriters:

(1) OPINION OF COMPANY COUNSEL. The opinion of Ms. Jeanie Sell Latz, Senior Vice President - Corporate Services and Corporate Secretary, or the General Counsel of the Company (collectively, "Company Legal Officer") to the effect that:

(i) the Company is a validly organized and existing corporation in good standing under the laws of the State of Missouri and is duly qualified as a foreign corporation to do business in the State of Kansas;

(ii) the Company is a public utility duly authorized by its Restated Articles of Consolidation, as amended, under which it was organized to carry on the business in which it is engaged as set forth in the Prospectus; and the Company has the legal right to function and operate as an electric utility in the States of Missouri and Kansas;

(iii) this Agreement, the Terms Agreements, if any, and the Indenture have each been duly authorized, executed and delivered by the Company and each constitutes a legal, valid and binding obligation of the Company enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally; and this Agreement, the Terms Agreements, if any, and the Indenture conform as to legal matters with the statements concerning them made in the Registration Statement and the Prospectus, and such statements accurately set forth the matters respecting this Agreement, the Terms Agreements, if any, and the Indenture required to be set forth in the Registration Statement and the Prospectus;

(iv) the Underwritten Debt Securities are in due and proper form; the issue and sale of the Underwritten Debt Securities by the Company in accordance with the terms of this Agreement have been duly and validly authorized by the necessary corporate action; the Underwritten Debt Securities, when duly executed (which execution may include facsimile signatures of officers of the Company) authenticated and delivered to the purchasers thereof against payment of the agreed consideration therefor, will constitute legal, valid and binding obligations of the Company in accordance with their terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights generally; and the Underwritten Debt Securities conform as to legal matters with the statements concerning them made in the Registration Statement and Prospectus, and such statements accurately set forth the matters respecting the Underwritten Debt

Securities required to be set forth in the Registration Statement and Prospectus;

(v) the order of the Missouri Public Service Commission authorizing the issuance and sale of the Underwritten Debt Securities has been duly entered and is still in force and effect, and no further approval, authorization, consent, certificate or order of any state or federal commission or regulatory authority is necessary with respect to the issue and sale of the Underwritten Debt Securities as contemplated in this Agreement and applicable Terms Agreement;

(vi) the Company holds valid and subsisting franchises, licenses and permits authorizing it to carry on the respective utility businesses in which it is engaged in the territory from which substantially all of its gross operating revenue is derived;

(vii) the statements contained in the Registration Statement and Prospectus which are expressed therein to have been made on the authority of legal counsel to the Company have been reviewed by him and, as to matters of law and legal conclusions, are correct;

(viii) the Registration Statement is effective under the 1933 Act, and no proceedings for a stop order are pending or, to the best of Ms. Latz's knowledge, threatened under Section 8(d) of the 1933 Act;

(ix) (A) the Registration Statement and the Prospectus comply as to form in all material respects with the 1933 Act and the 1939 Act and with the 1933 Act Regulations and (B) the documents incorporated by reference in the Prospectus, as of the time they were filed with the SEC, complied as to form in all material respects with the requirements of the 1934 Act and the 1934 Act Regulations, it being understood that Ms. Latz need express no opinion or belief as to the financial statements and other financial data included in the Registration Statement, Prospectus or such documents;

(x) the Indenture has been qualified under the 1939 Act;

(xi) To the best of the Company Legal Officer's knowledge, there are no legal or governmental proceedings pending or threatened which are required to be disclosed in the Prospectus, other than those disclosed therein, and all pending legal or governmental proceedings to which the Company is a party or of which any of its property is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business of the Company, are, considered in the aggregate, not material to the financial condition of the Company;

(xii) To the best of the Company Legal Officer's knowledge, the Company is not in violation of its Restated Articles of Consolidation, as amended, or in default in the performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note or lease to which it is a party or by which it or any of its properties may be bound. The execution and delivery of this Agreement and applicable Terms Agreement or the consummation by the Company of the transactions contemplated by this Agreement and applicable Terms Agreement and the incurrence of the obligations therein contemplated, will not conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company pursuant to, any contract, indenture, mortgage, loan agreement, note, lease or other instrument known to such counsel and to which the Company is a party or by which it may be bound or to which any of the property or assets of the Company is subject, or any law, administrative regulation or administrative or court decree known to such counsel to be applicable to the Company of any court or governmental agency, authority or body or any arbitrator having jurisdiction over the Company; nor will such action result in any violation of the provisions of the Restated Articles of Consolidation, as amended, or by-laws of the Company;

(xiii) To the best of the Company Legal Officer's knowledge, there are no contracts, indentures, mortgages, loan agreements, notes, leases or other instruments or documents required to be described or referred to in the Registration Statement or the Prospectus or to be filed as exhibits thereto other than those described or referred to therein or filed or incorporated by reference as exhibits thereto, the descriptions thereof or references thereto are correct, and no default exists in the due performance or observance of any material obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, loan agreement, note, lease or other instruments described, referred to, filed or incorporated by reference.

(2) OPINION OF COUNSEL TO THE UNDERWRITERS. The letter of Dewey Ballantine LLP, counsel for the Underwriters, in which such counsel shall set forth their opinions with respect to the issuance and sale of the Underwritten Debt Securities, the Registration Statement, the Prospectus and other related matters as the Underwriters may reasonably require, and the Company shall have furnished to such counsel such documents as they may request for the purpose of enabling them to pass upon such matters.

(3) ADDITIONAL STATEMENTS. In giving their opinions required by subsection (d)(1) and (d)(2) of this Section, the Company Legal Officer and Dewey Ballantine LLP shall each additionally state that nothing has come to their attention that would lead them to believe that the Registration Statement, at the time it became effective, and if an amendment to the Registration Statement or an Annual

Report on Form 10-K has been filed by the Company with the SEC subsequent to the effectiveness of the Registration Statement, then at the time such amendment became effective or at the time of the most recent such filing, and at the Closing Time, contains or contained an untrue statement of a material fact or omits or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading or that the Prospectus, as of its date, as amended or supplemented at the Closing Time, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(E) OFFICER'S CERTIFICATE. At the Closing Time the Underwriters shall have received a certificate of the President or Vice President and the chief financial or chief accounting officer of the Company, dated the Closing Time, to the effect that (i) since the respective dates as of which information is given in the Registration Statement and the Prospectus or since the date of any applicable Terms Agreement, there has not been any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business, (ii) the other representations and warranties of the Company contained in Section 1 hereof are true and correct with the same force and effect as though expressly made at and as of the date of such certificate, (iii) the Company has performed or complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Time, and (iv) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been initiated or threatened by the SEC.

(F) COMFORT LETTERS. (1) At the time of the execution of each applicable Terms Agreement, the Underwriters shall have received a letter from PricewaterhouseCoopers LLP, dated as of the date thereof and in form and substance satisfactory to the Underwriters, addressed to the Underwriters containing statements and information of the type ordinarily included in an accountants' SAS 72 comfort letter.

(2) At the Closing Time, the Underwriters shall have received from PricewaterhouseCoopers LLP a letter, dated the Closing Time, to the effect that such accountants reaffirm the statements made in the letter furnished pursuant to Section (4)(f)(1), except that the specified date referred to shall be a date not more than three days prior to the Closing Time.

(G) OTHER DOCUMENTS. At the Closing Time, counsel to the Underwriters shall have been furnished with such documents and opinions as such counsel may reasonably require for the purpose of enabling such counsel to pass upon the issuance and sale of the Debt Securities as herein contemplated and related proceedings, or in order to evidence the accuracy and completeness of any of the representations and warranties, or the fulfillment of any of the conditions, herein contained; and all proceedings taken by the Company in connection with the issuance and sale of the Debt Securities as herein contemplated shall be

satisfactory in form and substance to the Underwriters and to counsel to the Underwriters.

If any condition specified in subdivisions (a) through (g) of this Section 4 shall not have been fulfilled when and as required to be fulfilled, the applicable Terms Agreement may be terminated by the Underwriters by notice to the Company at any time prior to the Closing Time, and such termination shall be without liability of any party to any other party, except Sections 5 and 6 and the provisions concerning payment of expenses under Section 7 hereof shall survive any such termination and remain in full force and effect.

#### SECTION 5. INDEMNIFICATION.

(a) INDEMNIFICATION OF THE UNDERWRITERS. The Company agrees to indemnify and hold harmless each Underwriter and each person, if any, who controls such Underwriter within the meaning of Section 15 of the 1933 Act as follows:

(i) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto), or the omission or alleged omission therefrom of a material fact necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the preliminary prospectus or Prospectus (or any amendment or supplement thereto) or the omission or alleged omission therefrom of a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such untrue statement or omission or such alleged untrue statement or omission was made in reliance upon and in conformity with written information furnished to the Company by such Underwriter expressly for use in the Registration Statement, preliminary prospectus or the Prospectus;

(ii) against any and all loss, liability, claim, damage and expense whatsoever, as incurred, to the extent of the aggregate amount paid in settlement of any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and

(iii) against any and all expense whatsoever, as incurred, (including the fees and disbursements of counsel chosen by such Underwriter) reasonably incurred in investigating, preparing or defending against any litigation, or investigation or proceeding by any governmental agency or body, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) above.

(b) INDEMNIFICATION OF COMPANY. Each Underwriter severally agrees to indemnify and hold harmless the Company, its directors, each of its officers who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act against any and all loss, liability, claim, damage and expense described in the indemnity contained in subsection (a) of this Section, as incurred, but only with respect to untrue statements or omissions, or alleged untrue statements or omissions, made in the Registration Statement (or any amendment thereto) or the preliminary prospectus or the Prospectus (or any amendment or supplement thereto) in reliance upon and in conformity with written information furnished to the Company by such Underwriter expressly for use in the Registration statement (or any amendment thereto) or the preliminary prospectus or the Prospectus (or any amendment or supplement thereto).

(c) GENERAL. Each indemnified party shall give prompt notice to each indemnifying party of any action commenced against it in respect of which indemnity may be sought hereunder, but failure to so notify an indemnifying party shall not relieve such indemnifying party from any liability which it may have otherwise than on account of this indemnity agreement. An indemnifying party may participate at its own expense in the defense of such action. In no event shall the indemnifying parties be liable for the fees and expenses of more than one counsel (in addition to any local counsel) for all indemnified parties in connection with any one action or separate but similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances.

#### SECTION 6. CONTRIBUTION.

In order to provide for just and equitable contribution in circumstances in which the indemnity agreement provided for in Section 5 hereof is for any reason held to be unavailable to or insufficient to hold harmless the indemnified parties although applicable in accordance with its terms, the Company and each Underwriter shall contribute to the aggregate losses, liabilities, claims, damages and expenses of the nature contemplated by said indemnity agreement incurred by the Company and such Underwriter, as incurred, in such proportions that such Underwriter is responsible for that portion represented by the percentage that the total commissions and underwriting discounts received by such Underwriter to the date of such liability bears to the total sales price from the sale of Underwritten Debt Securities sold to or through such Underwriter pursuant to the applicable Terms Agreement to the date of such liability, and the Company is responsible for the balance; PROVIDED, HOWEVER, that no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section, each person, if any, who controls such Underwriter within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement, and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act shall have the same rights to contribution as the Company.

SECTION 7. PAYMENT OF EXPENSES.

The Company will pay all expenses incident to the performance of its obligations under this Agreement and the applicable Terms Agreement, including:

(a) The preparation and filing of the Registration Statement and all amendments thereto and the Prospectus and any amendments or supplements thereto;

(b) The preparation, filing and reproduction of this Agreement;

(c) The preparation, printing, issuance and delivery of the Debt Securities;

(d) The fees and disbursements of the Company's accountants and counsel;

(e) The qualification of the Debt Securities under state securities laws in accordance with the provisions of Section 3(g) hereof, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters in connection therewith and in connection with the preparation of any Blue Sky Survey and any Legal Investment Survey;

(f) The printing and delivery to the Underwriters in quantities as hereinabove stated of copies of the Registration Statement and any amendments thereto, and of the Prospectus and any amendments or supplements thereto, and the delivery by the Underwriters of the Prospectus and any amendments or supplements thereto in connection with solicitations or confirmations of sales of the Debt Securities;

(g) Any fees charged by rating agencies for the rating of the Debt Securities;

(h) The fees and expenses, if any, incurred with respect to any filing with the National Association of Securities Dealers, Inc.; and

(i) The cost of preparing, and providing any CUSIP or other identification number for, the Debt Securities.

The Underwriters shall be responsible for the fees and disbursements of their counsel, Dewey Ballantine LLP, except to the extent provided in Section 7(e).

SECTION 8. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY.

All representations, warranties and agreements contained in this Agreement or the applicable Terms Agreement or in certificates of officers of the Company submitted pursuant hereto or thereto, shall remain operative and in full force

and effect, regardless of any investigation made by or on behalf of the Underwriters or any controlling person of the Underwriters, or by or on behalf of the Company, and shall survive the delivery of and payment for any of the Underwritten Debt Securities.

#### SECTION 9. TERMINATION.

(a) TERMINATION OF THIS AGREEMENT. This Agreement (excluding any Terms Agreement) may be terminated for any reason, at any time by either the Company or the Representatives, upon the giving of 30 days' written notice of such terminations to the other party hereto.

(b) TERMINATION OF A TERMS AGREEMENT. The Representatives may terminate any applicable Terms Agreement, immediately upon notice to the Company, at any time prior to the Closing Time (i) if there has been, since the date of such Terms Agreement or since the respective dates as of which information is given in the Prospectus, any material adverse change in the condition, financial or otherwise, or in the earnings, business affairs or business prospects of the Company, whether or not arising in the ordinary course of business, or (ii) if there shall have occurred any material adverse change in the financial markets in the United States or any outbreak or escalation of hostilities or other national or international calamity or crisis the effect of which is such as to make it, in the judgment of the Representatives, impracticable to market the Underwritten Debt Securities or enforce contracts for the sale of the Underwritten Debt Securities, or (iii) if trading in any securities of the Company has been suspended by the SEC or a national securities exchange, or if trading generally on either the American Stock Exchange or the New York Stock Exchange shall have been suspended, or minimum or maximum prices for trading have been fixed, or maximum ranges for prices for securities have been required, by either of said exchanges or by order of the SEC or any other governmental authority, or if a banking moratorium shall have been declared by either Federal or New York authorities, or (iv) if the rating assigned by any nationally recognized securities rating agency to any debt securities of the Company as of the date of the applicable Terms Agreement shall have been lowered since that date or if any such rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of any debt securities of the Company, or (v) if there shall have come to the attention of the Representatives any facts that would cause the Representatives to believe that the Prospectus, at the time it was required to be delivered to a purchaser of Underwritten Debt Securities, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances existing at the time of such delivery, not misleading.

(c) GENERAL. If the Underwriters shall so terminate this Agreement, or the applicable Terms Agreement pursuant to Section 9(b), such termination shall be without liability of any party to any other party except for any expenses to be paid or reimbursed by the Company pursuant to Section 7 and



provided further that Sections 5 and 6 shall survive such termination and remain in full force and effect.

SECTION 10. DEFAULT BY ONE OF THE UNDERWRITERS.

If one or more of the Underwriters shall fail at the Closing Time to purchase the principal amount of Underwritten Debt Securities which it or they are obligated to purchase under the applicable Terms Agreement (the "Defaulted Debt Securities"), then the remaining Underwriters (the "Non-Defaulting Underwriter") shall have the right, within 24 hours thereafter, to make arrangements to purchase all, but not less than all, of the Defaulted Debt Securities upon the terms herein set forth. If, however, during such 24 hours the Non-Defaulting Underwriters shall not have completed such arrangements for the purchase of all of the Defaulted Debt Securities, then this Agreement shall terminate without any liability on the part of the Company or the Non-Defaulting Underwriters. Nothing in this Section 10 and no action taken pursuant to this Section 10 shall relieve any Defaulting Underwriter from liability in respect of any default of such Underwriter under this Agreement. In the event of a default by any Underwriter as set forth in this Section 10, either the Non-Defaulting Underwriters or the Company shall have the right to postpone the Closing Time for a period not exceeding seven days in order that any required changes in the Registration Statement or Prospectus or in any other documents or arrangements may be effected.

SECTION 11. NOTICES.

Unless otherwise provided herein, all notices required under the terms and provisions hereof shall be in writing, either delivered by hand, by mail or by telex, telecopier or telegram, and any such notice shall be effective when received at the address specified below.

If to the Company:

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

If to the Underwriters:

Banc of America Securities LLC  
100 North Tryon Street, 7th Floor  
Charlotte, NC 28255  
Attention: Brian L. Hungerford  
Facsimile: (704) 388-9982

AND

Merrill Lynch & Co.  
Merrill Lynch, Pierce, Fenner & Smith  
Incorporated  
North Tower  
World Financial Center  
New York, New York 10281  
Attention: Mary Ryan  
Facsimile: (212) 449-7148

or at such other address as such party may designate from time to time by notice duly given in accordance with the terms of this Section 11.

#### SECTION 12. GOVERNING LAW.

This Agreement, any applicable Terms Agreement and all the rights and obligations of the parties shall be governed by and construed in accordance with the laws of the State of New York applicable to agreements made and to be performed in such State. Any suit, action or proceeding brought by the Company against the Underwriters in connection with or arising under this Agreement or such Terms Agreement shall be brought solely in the state or federal court of appropriate jurisdiction located in the Borough of Manhattan, The City of New York.

#### SECTION 13. PARTIES.

This Agreement and the applicable Terms Agreement shall inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement or such Terms Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons and officers and directors referred to in Sections 5 and 6 and their heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or such Terms Agreement or any provision herein contained. This Agreement and such Terms Agreement and all conditions and provisions hereof are intended to be for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons and officers and directors and their heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Debt Securities from any of the Underwriters shall be deemed to be a successor by reason merely of such purchase.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument along with all counterparts will become a binding agreement between the Underwriters and the Company in accordance with its terms.

Very truly yours,

KANSAS CITY POWER & LIGHT COMPANY

By: /s/Andrea F. Bielsker  
Name: Andrea F. Bielsker  
Title: Vice President-Finance and Treasurer

Accepted:

BANC OF AMERICA SECURITIES LLC

By: /s/Lily Chang  
Name: Lily Chang  
Title: Principal

MERRILL LYNCH, PIERCE, FENNER & SMITH  
INCORPORATED

By: /s/Mary E. Ryan  
Name: Mary E. Ryan  
Title: Vice President

KANSAS CITY POWER & LIGHT COMPANY  
(a Missouri corporation)

Debt Securities

TERMS AGREEMENT

December 14, 2000

To: Kansas City Power & Light Company  
1201 Walnut  
Kansas City, Missouri 64100-2124

Ladies and Gentlemen:

We understand that Kansas City Power & Light Company, a Missouri corporation (the "Company"), proposes to issue and sell \$250,000,000 aggregate principal amount of its senior debt securities (the "Debt Securities"). Subject to the terms and conditions set forth or incorporated by reference herein from the Underwriting Agreement, dated December 13, 2000, among the Company and Banc of America Securities LLC and Merrill Lynch, Pierce, Fenner & Smith Incorporated, the underwriters named below (the "Underwriters") offer to purchase, severally and not jointly, the principal amount of Debt Securities opposite their names set forth below at the purchase price set forth below.

UNDERWRITER	PRINCIPAL AMOUNT OF DEBT SECURITIES
Banc of America Securities LLC	\$100,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	\$100,000,000
Banc One Capital Markets, Inc.	\$ 25,000,000
ABN AMRO Incorporated	\$ 12,500,000
BNY Capital Markets, Inc.	\$ 12,500,000
Total	\$250,000,000 =====

DEBT SECURITIES

Title: 7.125% Senior Notes due December 15, 2005

Rank: The Senior Notes will rank equally with the Company's other unsecured debt securities that are not subordinated obligations.

Ratings: Moody's Investors Service, Inc. - A2 (on review for possible downgrade)  
Standard & Poor's Ratings Group - BBB+

Aggregate principal amount: \$250,000,000

Denominations: \$1,000

Currency of payment: US dollars

Interest rate or formula: 7.125% per annum

Interest payment dates: June 15 and December 15, commencing June 15, 2001

Regular record dates: June 1 or December 1, as applicable, prior to the Interest Payment Dates

Stated maturity date: December 15, 2005

Redemption provisions: Optional make-whole redemption (T+25) as described in the prospectus supplement.

Sinking fund requirements: None

Conversion provisions: None

Listing requirements: None

Black-out provisions: Date of this Terms Agreement through Closing Date

Fixed or Variable Price Offering: Fixed Price Offering  
If Fixed Price Offering, initial public offering price:  
99.778% of the principal amount, plus accrued interest,  
if any, from December 19, 2000.

Form: Book-entry only

Other terms and conditions: Put options as described in the  
prospectus supplement.

Closing Date and location: December 19, 2000 at the offices of  
Dewey Ballantine LLP

Please accept this offer no later than 6 p.m. (New York City time) on December 14, 2000 by signing a copy of this Terms Agreement in the space set forth below and returning the signed copy to us.

Very truly yours,

BANC OF AMERICA SECURITIES LLC

By: /s/Lily Chang  
Authorized Signatory

MERRILL LYNCH, PIERCE, FENNER &  
SMITH INCORPORATED

By: /s/Mary E. Ryan  
Authorized Signatory

[Acting on behalf of themselves and the  
other underwriters named herein]

Accepted:

KANSAS CITY POWER & LIGHT COMPANY

By: /s/Andrea F. Bielsker  
Name: Andrea F. Bielsker  
Title: Vice President-Finance and Treasurer