

Form 10-Q
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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

For the quarterly period ended March 31, 2002

or

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

For the transition period from _____ to _____

Commission File Number	Registrant, State of Incorporation, Address and Telephone Number	I.R.S. Employer Identification Number
03-33207	GREAT PLAINS ENERGY INCORPORATED (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200	43-1916803
1-707	KANSAS CITY POWER & LIGHT COMPANY (A Missouri Corporation) 1201 Walnut Street Kansas City, Missouri 64106 (816) 556-2200	44-0308720

Each of the following classes or series of securities registered pursuant to
Section 12(b) of the Act is registered on the New York Stock Exchange:

Registrant	Title of each class	
Great Plains Energy Incorporated	Cumulative Preferred Stock par value \$100 per share	3.80%
	Cumulative Preferred Stock par value \$100 per share	4.50%
	Cumulative Preferred Stock par value \$100 per share	4.35%
	Common Stock without par value	

Securities registered pursuant to Section 12(g) of the Act: None.

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

Yes No

The number of shares outstanding of the registrant's Common stock at May 8,
2002, was 61,908,574 shares.

GLOSSARY OF TERMS

The following is a glossary of frequently used abbreviations or acronyms that
are found throughout this report:

Abbreviation or Acronym	Definition
Clean Air Act	Clean Air Act Amendments of 1990
CO2	Carbon Dioxide
Consolidated KCP&L	KCP&L and its subsidiary HSS
COLI	Corporate Owned Life Insurance
DIP	Debtor-in-Possession

DTI	DTI Holdings, Inc. and its subsidiary Digital Teleport Inc.
EIRR	Environmental Improvement Revenue Refunding
EPA	Environmental Protection Agency
EPS	Earnings per share
FASB	Financial Accounting Standards Board
FERC	Federal Energy Regulatory Commission
GPP	Great Plains Power Incorporated, a subsidiary of Great Plains Energy Incorporated
HSS	Home Service Solutions Inc., a subsidiary of KCP&L
KCC	The State Corporation Commission of the State of Kansas
KCP&L	Kansas City Power & Light Company, a regulated electric utility subsidiary of Great Plains Energy Incorporated
MACT	Maximum Achievable Control Technology
MISO	Midwest Independent System Operator
MPSC	Missouri Public Service Commission
NEIL	Nuclear Electric Insurance Limited
NOx	Nitrogen Oxide
PCBs	Polychlorinated biphenyls
RSAE	R.S. Andrews Enterprises, Inc. a consumer services company in which HSS owns a 72% equity interest
RTO	Regional Transmission Organization
SPP	Southwest Power Pool
SFAS	Statement of Financial Accounting Standards
WCNOC	Wolf Creek Nuclear Operating Corporation

PART I - FINANCIAL INFORMATION
Item 1. Consolidated Financial Statements

GREAT PLAINS ENERGY
Consolidated Balance Sheets
(Unaudited)

	March 31 2002	December 31 2001

(thousands)		
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 23,453	\$ 29,034
Receivables	155,609	152,114
Fuel inventories, at average cost	25,453	22,246
Materials and supplies, at average cost	52,346	50,696
Current income taxes	48,519	31,031
Deferred income taxes	3,433	5,061
Other	12,685	19,167
	-----	-----
Total	321,498	309,349

Nonutility Property and Investments		
Affordable housing limited partnerships	74,921	81,136
Gas property and investments	45,869	43,385
Nuclear decommissioning trust fund	64,135	61,766
Other	71,628	64,519
	-----	-----
Total	256,553	250,806

Utility Plant, at Original Cost		
Electric	4,376,024	4,332,464
Less-accumulated depreciation	1,824,703	1,793,786
	-----	-----
Net utility plant in service	2,551,321	2,538,678
Construction work in progress	42,387	51,265
Nuclear fuel, net of amortization of \$130,857 and \$127,101	30,730	33,771
	-----	-----
Total	2,624,438	2,623,714

Deferred Charges		
Regulatory assets	141,362	124,406
Prepaid pension costs	87,739	88,337
Goodwill	37,066	37,066
Other deferred charges	37,182	30,724
	-----	-----
Total	303,349	280,533

Total	\$3,505,838	\$3,464,402
=====		
LIABILITIES AND CAPITALIZATION		
Current Liabilities		
Notes payable	\$ 182,439	\$ 144,404
Commercial paper	31,388	62,000
Current maturities of long-term debt	38,768	238,767
EIRR bonds classified as current	177,500	177,500
Accounts payable	186,429	173,956
Accrued taxes	25,553	14,324
Accrued interest	19,030	13,262
Accrued payroll and vacations	23,833	26,422
Accrued refueling outage costs	8,805	12,979
Other	26,437	35,810
	-----	-----
Total	720,182	899,424

Deferred Credits and Other Liabilities		
Deferred income taxes	606,900	594,704
Deferred investment tax credits	44,702	45,748
Accrued nuclear decommissioning costs	65,415	63,040
Other	120,542	114,085
	-----	-----
Total	837,559	817,577

Capitalization (see statements)	1,948,097	1,747,401

Commitments and Contingencies (Note 5)

Total	\$3,505,838	\$3,464,402
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The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY
Consolidated Statements of Capitalization
(Unaudited)

	March 31 2002	December 31 2001

(thousands)		
Long-term Debt (excluding current maturities)		
General Mortgage Bonds		
Medium-Term Notes due 2003-08, 7.28% weighted-average rate	\$ 179,000	\$ 179,000
2.72%* and 2.71%** EIRR bonds due 2012-23	158,768	158,768
EIRR bonds classified as current liabilities	(31,000)	(31,000)
Senior Notes		
7.125% due 2005	250,000	250,000
6.500% due 2011	150,000	150,000
6.000% due 2007	225,000	-
Unamortized discount	(1,084)	(660)
EIRR bonds		
3.25%*** Series A & B due 2015	106,500	106,500
3.25%*** Series D due 2017	40,000	40,000
EIRR bonds classified as current liabilities	(146,500)	(146,500)
4.50%*** Series C due 2017	50,000	50,000
Subsidiary Obligations		
R.S. Andrews Enterprises, Inc. long-term debt 8.02%* and 8.14%** weighted-average rate due 2003-07	3,022	2,832
Affordable Housing Notes 8.16% weighted-average rate due 2003-08	19,746	19,746
Total	1,003,452	778,686

Company-obligated Mandatorily Redeemable Preferred Securities of a trust holding solely KCP&L Subordinated Debentures	150,000	150,000

Cumulative Preferred Stock		
\$100 Par Value		
3.80% - 100,000 shares issued	10,000	10,000
4.50% - 100,000 shares issued	10,000	10,000
4.20% - 70,000 shares issued	7,000	7,000
4.35% - 120,000 shares issued	12,000	12,000
Total	39,000	39,000

Common Stock Equity		
Common stock-150,000,000 shares authorized without par value 61,908,726 shares issued, stated value	449,697	449,697
Capital stock premium and expense	(1,632)	(1,656)
Retained earnings (see statements)	315,829	344,815
Accumulated other comprehensive loss		
Loss on derivative hedging instruments	(7,218)	(12,110)
Minimum pension liability	(1,031)	(1,031)
Total	755,645	779,715

Total	\$ 1,948,097	\$ 1,747,401
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* Variable rate securities, weighted-average rate as of March 31, 2002

** Variable rate securities, weighted-average rate as of December 31, 2001

*** Variable rate securities, weighted-average rate as of March 31, 2002 and December 31, 2001

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

GREAT PLAINS ENERGY
Consolidated Statements of Income
(Unaudited)

Three Months Ended March 31	2002	2001

	(thousands)	
Operating Revenues		
Electric revenues - KCP&L	\$ 198,909	\$ 198,822
Electric revenues - Strategic Energy	151,814	50,315
Other revenues	13,883	31,053
	-----	-----
Total	364,606	280,190

Operating Expenses		
Fuel	34,007	32,714
Purchased power - KCP&L	10,931	24,170
Purchased power - Strategic Energy	130,792	44,529
Gas purchased and production expenses	852	12,155
Other	77,204	79,800
Maintenance	34,934	21,309
Depreciation and depletion	37,431	36,631
(Gain) Loss on property	41	(1,308)
General taxes	23,161	22,852
	-----	-----
Total	349,353	272,852

Operating income	15,253	7,338
Loss from equity investments	(316)	(536)
Minority interest in subsidiaries	(2,437)	2,785
Non-operating income	1,217	3,516
Non-operating expenses	(8,382)	(7,481)
Interest charges	20,798	24,221

Loss before income taxes	(15,463)	(18,599)
Income taxes	(12,566)	(15,627)

Loss before extraordinary item	(2,897)	(2,972)
Early extinguishment of debt, net of income taxes	-	15,872

Net income (loss)	(2,897)	12,900
Preferred stock dividend requirements	412	412

Earnings (Loss) available for common stock	\$ (3,309)	\$ 12,488
=====		
Average number of common shares outstanding	61,884	61,853

Basic and diluted loss per common share before extraordinary item	\$ (0.05)	\$ (0.06)
Early extinguishment of debt	-	0.26

Basic and diluted earnings (loss) per common share	\$ (0.05)	\$ 0.20

Cash dividends per common share	\$ 0.415	\$ 0.415
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The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY
Consolidated Statements of Cash Flows
(Unaudited)

Three Months Ended March 31	2002	2001

	(thousands)	
Cash Flows from Operating Activities		
Net income (loss)	\$ (2,897)	\$ 12,900
Adjustments to reconcile income to net cash from operating activities:		
Early extinguishment of debt, net of income taxes	-	(15,872)
Depreciation and depletion	37,431	36,631
Amortization of:		
Nuclear fuel	3,756	4,159
Other	2,251	3,930
Deferred income taxes (net)	10,451	(1,585)
Investment tax credit amortization	(1,046)	(1,072)
Loss from equity investments	316	536
(Gain) Loss on property	41	(1,308)
Allowance for equity funds used during construction	12	(2,308)
Deferred storm costs	(18,114)	-
Other operating activities (Note 2)	7,744	(51,527)
	-----	-----
Net cash from operating activities	39,945	(15,516)

Cash Flows from Investing Activities		
Utility capital expenditures	(36,678)	(73,838)
Allowance for borrowed funds used during construction	(270)	(4,118)
Purchases of investments	(2,435)	(36,284)
Purchases of nonutility property	(5,080)	(17,921)
Proceeds from sale of assets	296	9,478
Hawthorn No. 5 partial insurance recovery	-	15,000
Loan to DTI prior to majority ownership	-	(94,000)
Other investing activities	(5,440)	420
	-----	-----
Net cash from investing activities	(49,607)	(201,263)

Cash Flows from Financing Activities		
Issuance of long-term debt	224,730	111,500
Repayment of long-term debt	(200,000)	(40,127)
Net change in short-term borrowings	7,423	148,159
Dividends paid	(26,089)	(26,082)
Other financing activities	(1,983)	(144)
	-----	-----
Net cash from financing activities	4,081	193,306

Net Change in Cash and Cash Equivalents	(5,581)	(23,473)
Cash and Cash Equivalents at Beginning of Year	29,034	34,877
	-----	-----
Cash and Cash Equivalents at End of Period	\$ 23,453	\$ 11,404
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The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended March 31	
	2002	2001

	(thousands)	
Net income (loss)	\$ (2,897)	\$ 12,900
	-----	-----
Other comprehensive income (loss):		
Gain (loss) on derivative hedging instruments	5,843	(2,590)
Income taxes	(2,391)	1,080
	-----	-----
Net gain (loss) on derivative hedging instruments	3,452	(1,510)
	-----	-----
Reclassification to revenues and expenses, net of tax	1,440	(4,007)
	-----	-----
Comprehensive income before cumulative effect of a change in accounting principles, net of income taxes	1,995	7,383
Cumulative effect to January 1, 2001, of a change in accounting principles, net of income taxes	-	17,443
	-----	-----
Comprehensive income	\$ 1,995	\$ 24,826
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The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

GREAT PLAINS ENERGY
Consolidated Statements of Retained Earnings
(Unaudited)

	Three Months Ended March 31	
	2002	2001

	(thousands)	
Beginning balance	\$ 344,815	\$ 473,321
Net income (loss)	(2,897)	12,900
	-----	-----
Dividends declared	341,918	486,221
Preferred stock - at required rates	412	412
Common stock	25,677	25,670
	-----	-----
Ending balance	\$ 315,829	\$ 460,139
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The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Balance Sheets
(Unaudited)

	March 31 2002	December 31 2001

(thousands)		
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 827	\$ 962
Receivables	49,484	62,511
Fuel inventories, at average cost	25,453	22,246
Materials and supplies, at average cost	52,346	50,696
Current income taxes	14,085	-
Deferred income taxes	3,433	5,061
Other	9,967	11,484
	-----	-----
Total	155,595	152,960

Nonutility Property and Investments		
Nuclear decommissioning trust fund	64,135	61,766
Other	47,224	40,797
	-----	-----
Total	111,359	102,563

Utility Plant, at Original Cost		
Electric	4,376,024	4,332,464
Less-accumulated depreciation	1,824,703	1,793,786
	-----	-----
Net utility plant in service	2,551,321	2,538,678
Construction work in progress	42,387	51,265
Nuclear fuel, net of amortization of \$130,857 and \$127,101	30,730	33,771
	-----	-----
Total	2,624,438	2,623,714

Deferred Charges		
Regulatory assets	141,362	124,406
Prepaid pension costs	87,739	88,337
Goodwill	22,952	22,952
Other deferred charges	29,949	30,724
	-----	-----
Total	282,002	266,419

Total	\$3,173,394	\$3,145,656
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LIABILITIES AND CAPITALIZATION		
Current Liabilities		
Notes payable	\$ 22,439	\$ 20,404
Commercial paper	31,388	62,000
Current maturities of long-term debt	27,384	227,383
EIRR bonds classified as current	177,500	177,500
Accounts payable	114,979	113,029
Accrued taxes	24,674	15,895
Accrued interest	16,716	11,327
Accrued payroll and vacations	22,603	22,581
Accrued refueling outage costs	8,805	12,979
Other	13,421	14,562
	-----	-----
Total	459,909	677,660

Deferred Credits and Other Liabilities		
Deferred income taxes	641,418	630,699
Deferred investment tax credits	44,702	45,748
Accrued nuclear decommissioning costs	65,415	63,040
Other	81,111	75,186
	-----	-----
Total	832,646	814,673

Capitalization (see statements)	1,880,839	1,653,323

Commitments and Contingencies (Note 5)		

Total

\$3,173,394

\$3,145,656

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Capitalization
(Unaudited)

	March 31 2002	December 31 2001
----- (thousands) -----		
Long-term Debt (excluding current maturities)		
General Mortgage Bonds		
Medium-Term Notes due 2003-08, 7.28% weighted-average rate	\$ 179,000	\$ 179,000
2.72* and 2.71%** EIRR bonds due 2012-23	158,768	158,768
EIRR bonds classified as current liabilities	(31,000)	(31,000)
Senior Notes		
7.125% due 2005	250,000	250,000
6.500% due 2011	150,000	150,000
6.000% due 2007	225,000	-
Unamortized discount	(1,084)	(660)
EIRR bonds		
3.25*** Series A & B due 2015	106,500	106,500
3.25*** Series D due 2017	40,000	40,000
EIRR bonds classified as current liabilities	(146,500)	(146,500)
4.50*** Series C due 2017	50,000	50,000
Subsidiary Obligations		
R.S. Andrews Enterprises, Inc. long-term debt 8.02%* and 8.14%** weighted-average rate due 2003-07	3,022	2,832
Total	983,706	758,940

Company-obligated Mandatorily Redeemable Preferred Securities of a trust holding solely KCPL Subordinated Debentures	150,000	150,000

Common Stock Equity		
Common stock-1,000 shares authorized without par value 1 share issued, stated value	562,041	526,041
Retained earnings (see statements)	185,866	219,524
Accumulated other comprehensive loss		
Loss on derivative hedging instruments	257	(151)
Minimum pension liability	(1,031)	(1,031)
Total	747,133	744,383

Total	\$ 1,880,839	\$ 1,653,323
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* Variable rate securities, weighted-average rate as of March 31, 2002

** Variable rate securities, weighted-average rate as of December 31, 2001

*** Variable rate securities, weighted-average rate as of March 31, 2002 and December 31, 2001

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Income
(Unaudited)

Three Months Ended March 31	2002	2001

	(thousands)	

Operating Revenues		
Electric sales revenues	\$ 198,909	\$ 249,137
Other revenues	13,276	31,053
	-----	-----
Total	212,185	280,190

Operating Expenses		
Fuel	34,007	32,714
Purchased power	10,931	68,699
Gas purchased and production expenses	-	12,155
Other	66,069	79,800
Maintenance	34,897	21,309
Depreciation and depletion	36,879	36,631
Gain on property	(122)	(1,308)
General taxes	22,823	22,852
	-----	-----
Total	205,484	272,852

Operating income	6,701	7,338
Losses from equity investments	-	(536)
Minority interest in subsidiaries	-	2,785
Non-operating income	861	3,516
Non-operating expenses	(2,657)	(7,481)
Interest charges	19,412	24,221

Loss before income taxes and extraordinary item	(14,507)	(18,599)
Income taxes	(6,526)	(15,627)

Loss before extraordinary item	(7,981)	(2,972)
Early extinguishment of debt, net of income taxes	-	15,872
	-----	-----
Net income (loss)	(7,981)	12,900
Preferred stock dividend requirements	-	412
	-----	-----
Earnings (loss) available for common stock	\$ (7,981)	\$ 12,488
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The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Cash Flows
(Unaudited)

Three Months Ended March 31	2002	2001

	(thousands)	
Cash Flows from Operating Activities		
Net income (loss)	\$ (7,981)	\$ 12,900
Adjustments to reconcile income to net cash from operating activities:		
Early extinguishment of debt, net of income taxes	-	(15,872)
Depreciation and depletion	36,879	36,631
Amortization of:		
Nuclear fuel	3,756	4,159
Other	1,522	3,930
Deferred income taxes (net)	12,110	(1,585)
Investment tax credit amortization	(1,046)	(1,072)
Loss from equity investments	-	536
(Gain) Loss on property	(122)	(1,308)
Allowance for equity funds used during construction	12	(2,308)
Deferred storm costs	(18,114)	-
Other operating activities (Note 2)	13,292	(51,527)
	-----	-----
Net cash from operating activities	40,308	(15,516)

Cash Flows from Investing Activities		
Utility capital expenditures	(36,678)	(73,838)
Allowance for borrowed funds used during construction	(270)	(4,118)
Purchases of investments	(855)	(36,284)
Purchases of nonutility property	(1,376)	(17,921)
Proceeds from sale of assets	-	9,478
Hawthorn No. 5 partial insurance recovery	-	15,000
Loan to DTI prior to majority ownership	-	(94,000)
Other investing activities	(6,329)	420
	-----	-----
Net cash from investing activities	(45,508)	(201,263)

Cash Flows from Financing Activities		
Issuance of long-term debt	224,730	111,500
Repayment of long-term debt	(200,000)	(40,127)
Net change in short-term borrowings	(28,577)	148,159
Dividends paid	-	(26,082)
Dividends paid to Great Plains Energy	(25,677)	-
Equity contribution from Great Plains Energy	36,000	-
Other financing activities	(1,411)	(144)
	-----	-----
Net cash from financing activities	5,065	193,306

Net Change in Cash and Cash Equivalents	(135)	(23,473)
Cash and Cash Equivalents at Beginning of Year	962	34,877
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Cash and Cash Equivalents at End of Period	\$ 827	\$ 11,404
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The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended March 31	
	2002	2001
	(thousands)	
Net income (loss)	\$ (7,981)	\$ 12,900
Other comprehensive income (loss):		
Gain (loss) on derivative hedging instruments	608	(2,590)
Income taxes	(237)	1,080
Net gain (loss) on derivative hedging instruments	371	(1,510)
Reclassification to revenues and expenses, net of tax	37	(4,007)
Comprehensive income (loss) before cumulative effect of a change in accounting principles, net of income taxes	(7,573)	7,383
Cumulative effect to January 1, 2001, of a change in accounting principles, net of income taxes	-	17,443
Comprehensive income (loss)	\$ (7,573)	\$ 24,826

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

KANSAS CITY POWER & LIGHT COMPANY
Consolidated Statements of Retained Earnings
(Unaudited)

	Three Months Ended March 31	
	2002	2001
	(thousands)	
Beginning balance	\$ 219,524	\$ 473,321
Net income (loss)	(7,981)	12,900
	211,543	486,221
Dividends declared		
Preferred stock - at required rates	-	412
Common stock	-	25,670
Common stock held by Great Plains Energy	25,677	-
Ending balance	\$ 185,866	\$ 460,139

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

Great Plains Energy and Consolidated KCP&L separately file this combined Quarterly Report on Form 10-Q. Information contained herein relating to an individual registrant is filed by such registrant on its own behalf. Each registrant makes representations only as to information relating to itself.

This report should be read in its entirety. No one section of the report deals with all aspects of the subject matter.

CAUTIONARY STATEMENTS REGARDING CERTAIN FORWARD-LOOKING INFORMATION

Statements made in this report that are not based on historical facts are forward-looking, may involve risks and uncertainties, and are intended to be as of the date when made. In connection with the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, the registrants are providing a number of important factors that could cause actual results to differ materially from provided forward-looking information. These important factors include:

- o future economic conditions in the regional, national and international markets
- o state, federal and foreign regulation
- o weather conditions including weather-related damage
- o cost of fuel
- o financial market conditions including, but not limited to, changes in interest rates
- o inflation rates
- o increased competition including, but not limited to, the deregulation of the electric utility industry and the entry of new competitors
- o ability to carry out marketing and sales plans
- o ability to achieve generation planning goals and the occurrence of unplanned generation outages
- o nuclear operations
- o ability to enter new markets successfully and capitalize on growth opportunities in nonregulated businesses
- o adverse changes in applicable laws, regulations or rules governing environmental regulations (including air quality), tax or accounting matters
- o delays in the anticipated in-service dates of additional generating capacity
- o performance of projects undertaken by our non-regulated businesses and the success of efforts to invest in and develop new opportunities
- o non-performance of counterparties
- o availability and cost of capital and
- o other risks and uncertainties.

This list of factors is not all-inclusive because it is not possible to predict all possible factors.

GREAT PLAINS ENERGY INCORPORATED
KANSAS CITY POWER & LIGHT COMPANY
Notes to Consolidated Financial Statements

In management's opinion, the consolidated interim financial statements reflect all adjustments (which include only normal recurring adjustments) necessary to present fairly the results of operations for the interim periods presented. These statements and notes should be read in connection with the financial statements and related notes included in our combined 2001 annual report on Form 10-K.

The notes to consolidated financial statements that follow are a combined presentation for Great Plains Energy and consolidated KCP&L, both registrants under this filing.

1. Organization

Great Plains Energy (The Company)

Great Plains Energy's consolidated financial statements include consolidated KCP&L, KLT Inc. and GPP. KLT Inc.'s major holdings consist of Strategic Energy, KLT Gas, and investments in affordable housing limited partnerships. GPP, formed in 2001, will be a competitive generator that will sell to the wholesale market.

Effective October 1, 2001, KCP&L dividdened its 100% ownership of KLT Inc. and GPP to Great Plains Energy. As a result, those companies are subsidiaries of Great Plains Energy and are not included in consolidated KCP&L's results of operations and financial position since that date. The presentation of the prior year results of operations for Great Plains Energy is provided for comparative purposes and is identical to the results of operations for consolidated KCP&L, prior to formation of the holding company, presented for that year. Intercompany balances and transactions have been eliminated in consolidation.

Consolidated KCP&L

KCP&L's consolidated financial statements include its wholly owned subsidiary HSS. HSS has two subsidiaries: Worry Free Service, Inc. and RSAE. In addition, KCP&L's consolidated results of operations include KLT Inc. and GPP for all periods prior to the October 1, 2001, formation of the holding company.

2. SUPPLEMENTAL CASH FLOW INFORMATION

Great Plains Energy Other Operating Activities

	Three Months Ended March 31	
	2002	2001
	(thousands)	
Cash flows affected by changes in:		
Receivables	\$ (3,495)	\$ 6,498
Fuel inventories	(3,170)	1,409
Materials and supplies	(1,650)	(541)
Accounts payable	12,473	(58,611)
Accrued taxes and current income taxes	(6,259)	(257)
Accrued interest	5,768	1,486
Wolf Creek refueling outage accrual	(4,174)	2,835
Pension and postretirement benefit obligations	2,281	(2,800)
Other	5,970	(1,546)
Total other operating activities	\$ 7,744	\$(51,527)
Cash paid during the period:		
Interest	\$ 14,995	\$ 22,181
Income taxes	\$ -	\$ 145

Consolidated KCP&L Other Operating Activities

	Three Months Ended March 31	
	2002	2001
	(thousands)	
Cash flows affected by changes in:		
Receivables	\$ 13,027	\$ 6,498
Fuel inventories	(3,170)	1,409
Materials and supplies	(1,650)	(541)
Accounts payable	1,950	(58,611)
Accrued taxes and current income taxes	(5,306)	(257)
Accrued interest	5,389	1,486
Wolf Creek refueling outage accrual	(4,174)	2,835
Pension and postretirement benefit obligations	2,281	(2,800)
Other	4,945	(1,546)
Total other operating activities	\$ 13,292	\$(51,527)
Cash paid during the period:		
Interest	\$ 13,502	\$ 22,181
Income taxes	\$ -	\$ 145

During the first quarter of 2001, KLT Telecom, a wholly owned subsidiary of KLT Inc., increased its equity ownership in DTI to a majority ownership and HSS increased its equity ownership in RSAE to a majority ownership. The effect of these transactions is summarized in the tables that follow. The initial consolidation of DTI (February 8, 2001) and RSAE (January 1, 2001) are excluded from both Great Plains Energy and KCP&L's consolidated statement of cash flows for the three months ended March 31, 2001. See Note 9. for discussion of DTI's bankruptcy.

	DTI	RSAE
	(thousands)	
Cash paid to obtain majority ownership	\$ (39,855)	\$ (560)
Subsidiary cash	4,557	1,053
Purchase of DTI and RSAE, net of cash received	\$ (35,298)	\$ 493
Initial consolidation of subsidiaries:		
Assets		
Cash	\$ 4,557	\$ 1,053
Receivables	1,012	4,078
Other nonutility property and investments	363,825	6,267
Goodwill	62,974	24,496
Other assets	5,143	3,919
Eliminate equity investment	(67,660)	(7,200)
Total assets	\$ 369,851	\$ 32,613
Liabilities		
Notes payable	\$ 5,300	\$ 10,057
Accounts payable	31,299	6,219
Accrued taxes	2,414	24
Deferred income taxes	7,437	-
Other liabilities and deferred credits	46,531	13,418
Loan from KLT Telecom (a)	94,000	-
Long-term debt	182,870	2,895
Total liabilities	\$ 369,851	\$ 32,613

(a) KLT Telecom provided a \$94 million loan to DTI for the completion of the tender offer of 50.4 percent of DTI's Senior Discount Notes prior to increasing its DTI investment to a majority ownership.

3. CAPITALIZATION

During the first quarter of 2002, Great Plains Energy terminated its \$129 million bridge revolving credit facility. Great Plains Energy replaced the bridge facility with a \$205 million syndicated 364-day, revolving credit facility with a group of banks. At March 31, 2002, Great Plains Energy had \$160 million of borrowings outstanding under the facility.

In March 2002, KCP&L issued \$225 million of 6.0% unsecured senior notes through a private placement expiring in 2007. The proceeds from the issuance were primarily used to refinance maturing unsecured medium-term notes. During the second quarter of 2002, KCP&L, pursuant to its obligations under a registration rights agreement entered into in connection with the private placement, plans to file an S-4 registration statement offering to exchange up to \$225 million of new 6.0% unsecured senior notes for the \$225 million privately placed notes. The new notes will carry the same terms and conditions as the privately placed issue and will generally be freely tradable.

In March 2002, Great Plains Energy made a \$36 million capital contribution to KCP&L increasing capital stock premium and expense to \$75 million.

Great Plains Energy filed an S-3 registration statement on April 29, 2002, which will allow for the issuance of an aggregate amount up to \$300 million of any combination of senior debt securities, subordinated debt securities, trust preferred securities, convertible securities, or common stock. Great Plains Energy has announced its plans to issue additional common equity in 2002.

4. SEGMENT AND RELATED INFORMATION

Great Plains Energy

Great Plains Energy has three reportable segments based on its method of internal reporting, which generally segregates the reportable segments based on products and services, management responsibility and regulation. Segment information is provided for the following: (1) KCP&L is the regulated electric utility which generates, transmits and distributes electricity; (2) KLT Inc. is an investment company focusing on energy-related ventures that are unregulated with high growth potential; such as energy services, natural gas development and production and affordable housing limited partnerships; and (3) HSS holds investments in two businesses focusing primarily in residential services. "Other" includes the operations of GPP, a competitive generator that will focus on development, production and trading of wholesale electric capacity and energy, unallocated corporate charges and intercompany eliminations. The summary of significant accounting policies applies to all of the reportable segments. Segment performance is evaluated based on net income.

The tables below reflect summarized financial information concerning Great Plains Energy's reportable segments. Prior year information has been restated to conform to the current presentation.

For the three months ended
March 31, 2002

	KCP&L	HSS	KLT Inc. (millions)	Other	Great Plains Energy
Operating revenues	\$ 198.9	\$ 13.3	\$ 152.4	\$ -	\$ 364.6
Fuel	(34.0)	-	-	-	(34.0)
Purchased power	(10.9)	-	(130.8)	-	(141.7)
Other (a)	(110.8)	(13.0)	(11.5)	(0.9)	(136.2)
Depreciation and depletion	(35.8)	(1.1)	(0.5)	-	(37.4)
Gain (loss) on property	-	0.1	(0.1)	-	-
Loss from equity investments	-	-	(0.3)	-	(0.3)
Non-operating income (expenses)	(1.9)	0.1	(7.7)	(0.2)	(9.7)
Interest charges	(19.0)	(0.4)	(1.3)	(0.1)	(20.8)
Income taxes	6.6	(0.1)	5.6	0.5	12.6
Net income (loss)	\$ (6.9)	\$ (1.1)	\$ 5.8	\$ (0.7)	\$ (2.9)

Favorable/(unfavorable) variance between three months ended March 31, 2002 and March 31, 2001	KCP&L	HSS	KLT Inc. (millions)	Other	Great Plains Energy
Operating revenues	\$ 0.1	\$ (3.4)	\$ 87.7	\$ -	\$ 84.4
Fuel	(1.3)	-	-	-	(1.3)
Purchased power	13.3	-	(86.3)	-	(73.0)
Other (a)	(17.8)	7.8	10.8	(0.9)	(0.1)
Depreciation and depletion	(3.1)	(0.5)	2.8	-	(0.8)
Gain (loss) on property	-	0.1	(1.4)	-	(1.3)
Loss from equity investments	-	0.1	0.1	-	0.2
Non-operating income (expenses)	1.3	(2.2)	(7.3)	(0.2)	(8.4)
Interest charges	0.4	-	3.1	(0.1)	3.4
Income taxes	2.3	(1.1)	(4.7)	0.5	(3.0)
Early extinguishment of debt	-	-	(15.9)	-	(15.9)
Net income (loss)	\$ (4.8)	\$ 0.8	\$ (11.1)	\$ (0.7)	\$ (15.8)

For the three months ended March 31, 2001	KCP&L	HSS	KLT Inc. (millions)	Other	Great Plains Energy
Operating revenues	\$198.8	\$ 16.7	\$ 64.7	\$ -	\$280.2
Fuel	(32.7)	-	-	-	(32.7)
Purchased power	(24.2)	-	(44.5)	-	(68.7)
Other (a)	(93.0)	(20.8)	(22.3)	-	(136.1)
Depreciation and depletion	(32.7)	(0.6)	(3.3)	-	(36.6)
Gain on property	-	-	1.3	-	1.3
Loss from equity investments	-	(0.1)	(0.4)	-	(0.5)
Non-operating income (expenses)	(3.2)	2.3	(0.4)	-	(1.3)
Interest charges	(19.4)	(0.4)	(4.4)	-	(24.2)
Income taxes	4.3	1.0	10.3	-	15.6
Early extinguishment of debt	-	-	15.9	-	15.9
Net income (loss)	\$ (2.1)	\$ (1.9)	\$ 16.9	\$ -	\$ 12.9

(a) Other includes gas purchased and production expenses, telecommunications expenses, other operating, maintenance and general tax expenses.

The following table provides additional detail on the operations of the KLT Inc. segment.

For the three months ended March 31, 2002	DTI(a)	SEL(b)	KLT Gas (millions)	Other	KLT Inc.
Operating revenues	\$ -	\$152.2	\$ 0.2	\$ -	\$152.4
Purchased power	-	(130.8)	-	-	(130.8)
Other	-	(7.0)	(2.5)	(2.0)	(11.5)
Depreciation and depletion	-	(0.2)	(0.3)	-	(0.5)
Loss on property	-	-	(0.1)	-	(0.1)
Loss from equity investments	-	-	-	(0.3)	(0.3)
Non-operating income (expenses)	-	(2.4)	0.3	(5.6)	(7.7)
Interest charges	-	(0.1)	-	(1.2)	(1.3)
Income taxes	-	(4.8)	2.3	8.1	5.6
Net income (loss)	\$ -	\$ 6.9	\$ (0.1)	\$(1.0)	\$ 5.8

For the three months ended

March 31, 2001	DTI(a)	SEL(b)	KLT Gas (millions)	Oher	KLT Inc.
Operating revenues	\$ 2.3	\$ 60.9	\$ 1.5	\$ -	\$ 64.7
Purchased power	-	(44.5)	-	-	(44.5)
Other	(3.8)	(14.3)	(2.7)	(1.5)	(22.3)
Depreciation and depletion	(2.6)	-	(0.6)	(0.1)	(3.3)
Gain on property	-	-	1.3	-	1.3
Gain (loss) from equity investments	-	-	0.1	(0.5)	(0.4)
Non-operating income (expenses)	0.9	(0.3)	-	(1.0)	(0.4)
Interest charges	(4.0)	(0.1)	-	(0.3)	(4.4)
Income taxes	2.8	(0.7)	1.8	6.4	10.3
Early extinguishment of debt	15.9	-	-	-	15.9
Net income	\$11.5	\$ 1.0	\$ 1.4	\$ 3.0	\$ 16.9

(a) KLT Inc. acquired a majority ownership in DTI in February 2001. Prior to this, the investment in DTI was recorded on an equity basis. On December 31, 2001, DTI filed voluntary petitions for bankruptcy. DTI's reorganization under Chapter 11 of the U.S. Bankruptcy Code continues in process. As a result of DTI's filing for bankruptcy protection, and KLT Telecom's resultant loss of control, KLT Telecom has not included in its results for the three months ended March 31, 2002, the ongoing earnings or loss incurred by DTI.

(b) Represents Strategic Energy's impact on KLT Inc.'s results of operations for the periods presented.

Consolidated KCP&L

On October 1, 2001, consolidated KCP&L dividdened its ownership interest in KLT Inc. and GPP to Great Plains Energy. As a result, those companies are direct subsidiaries of Great Plains Energy and are not included in consolidated KCP&L's results of operations and financial position since October 1, 2001.

The table below reflects summarized financial information for the three months ended March 31, 2002, concerning consolidated KCP&L's reportable segments. For the three months ended March 31, 2001, consolidated KCP&L's segment information is identical to the Great Plains Energy segment information presented above.

For the three months ended March 31, 2002	KCP&L	HSS (millions)	Consolidated KCP&L
Operating revenues	\$ 198.9	\$ 13.3	\$ 212.2
Fuel	(34.0)	-	(34.0)
Purchased power	(10.9)	-	(10.9)
Other (a)	(110.8)	(13.0)	(123.8)
Depreciation and depletion	(35.8)	(1.1)	(36.9)
Gain on property	-	0.1	0.1
Non-operating income (expenses)	(1.9)	0.1	(1.8)
Interest charges	(19.0)	(0.4)	(19.4)
Income taxes	6.6	(0.1)	6.5
Net income (loss)	\$ (6.9)	\$ (1.1)	\$ (8.0)

(a) Other includes other operating, maintenance and general tax expenses.

For the three months ended March 31	KCP&L	HSS	KLT Inc. (millions)	Other	Great Plains Energy
2002					
Assets	\$3,116.0	\$57.4	\$ 332.0	\$0.4	\$ 3,505.8
Capital and investment expenditures	37.5	1.4	5.0	0.3	44.2
2001					
Assets	\$2,997.4	\$57.0	\$ 737.4	\$0.1	\$ 3,791.9
Net equity method investments (b)	-	-	24.1	-	24.1
Capital and investment expenditures	74.7	(0.5)	53.8	-	128.0

(b) Excluding affordable housing limited partnerships.

5. COMMITMENTS AND CONTINGENCIES

Nuclear Liability and Insurance

Liability Insurance

The Price-Anderson Act currently limits the combined public liability of nuclear reactor owners to \$9.5 billion for claims that could arise from a single nuclear incident. The owners of Wolf Creek (the Owners) carry the maximum available commercial insurance of \$0.2 billion. Secondary Financial Protection, an assessment plan mandated by the NRC, provides insurance for the \$9.3 billion balance.

Under Secondary Financial Protection, if there were a catastrophic nuclear incident involving any of the nation's licensed reactors, the Owners would be subject to a maximum retrospective assessment per incident of up to \$88 million (\$41 million, KCP&L's 47% share). The Owners are jointly and severally liable for these charges, payable at a rate not to exceed \$10 million (\$5 million, KCP&L's 47% share) per incident per year, excluding applicable premium taxes. The assessment, most recently revised in 1998, is subject to an inflation adjustment every five years based on the Consumer Price Index.

Property, Decontamination, Premature Decommissioning and Extra Expense Insurance
The Owners also carry \$2.8 billion (\$1.3 billion, KCP&L's 47% share) of property damage, decontamination and premature decommissioning insurance for loss resulting from damage to the Wolf Creek facilities. NEIL provides this insurance.

In the event of an accident, insurance proceeds must first be used for reactor stabilization and NRC mandated site decontamination. KCP&L's share of any remaining proceeds can be used for further decontamination, property damage restoration and premature decommissioning costs. Premature decommissioning coverage applies only if an accident at Wolf Creek exceeds \$500 million in property damage and decontamination expenses, and only after trust funds have been exhausted.

The Owners also carry additional insurance from NEIL to cover costs of replacement power and other extra expenses incurred in the event of a prolonged outage resulting from accidental property damage at Wolf Creek.

Under all NEIL policies, KCP&L is subject to retrospective assessments if NEIL losses, for each policy year, exceed the accumulated funds available to the insurer under that policy. The estimated maximum amount of retrospective assessments to KCP&L under the current policies could total about \$10.7 million.

In the event of a catastrophic loss at Wolf Creek, the insurance coverage may not be adequate to cover property damage and extra expenses incurred. Uninsured losses, to the extent not recovered through

rates, would be assumed by KCP&L and could have a material, adverse effect on its financial condition, results of operations and cash flows.

Low-Level Waste

The Low-Level Radioactive Waste Policy Amendments Act of 1985 mandated that the various states, individually or through interstate compacts, develop alternative low-level radioactive waste disposal facilities. The states of Kansas, Nebraska, Arkansas, Louisiana and Oklahoma formed the Central Interstate Low-Level Radioactive Waste Compact and selected a site in northern Nebraska to locate a disposal facility. WCNOG and the owners of the other five nuclear units in the compact provided most of the pre-construction financing for this project. KCP&L's net investment on its books at March 31, 2002 and December 31, 2001, was \$7.4 million.

Significant opposition to the project has been raised by Nebraska officials and residents in the area of the proposed facility, and attempts have been made through litigation and proposed legislation in Nebraska to slow down or stop development of the facility. On December 18, 1998, the application for a license to construct this project was denied. This issue is being addressed in the courts. The passage of time, as well as developments in pending legal proceedings, has increased the chances for reversal of the license denial.

In May 1999, the Nebraska legislature passed a bill withdrawing Nebraska from the Compact. In August 1999, the Nebraska Governor gave official notice of the withdrawal to the other member states. Withdrawal will not be effective for five years and will not, of itself, nullify the site license proceeding.

Environmental Matters

KCP&L's operations are subject to regulation by federal, state and local authorities with regard to air and other environmental matters. The generation and transmission of electricity produces and requires disposal of certain hazardous products which are subject to these laws and regulations. In addition to imposing continuing compliance obligations, these laws and regulations authorize the imposition of substantial penalties for noncompliance, including fines, injunctive relief and other sanctions. Failure to comply with these laws and regulations could have a material adverse affect on KCP&L.

KCP&L operates in an environmentally responsible manner and seeks to use current technology to avoid and treat contamination. KCP&L regularly conducts environmental audits designed to ensure compliance with governmental regulations and to detect contamination. Governmental bodies, however, may impose additional or more rigid environmental regulations that could require substantial changes to operations or facilities at a significant cost. Expenditures to comply with environmental laws and regulations have not been material in amount and are not expected to be material in the upcoming years with the exception of the issues discussed below.

Certain Air Toxic Substances

In July 2000, the National Research Council published its findings of a study under the Clean Air Act which stated that power plants that burn fossil fuels, particularly coal, generate the greatest amount of mercury emissions. As a result, in December 2000, the EPA announced it would propose Maximum Achievable Control Technology (MACT) requirements by December 2003 to reduce mercury emissions and issue final rules by December 2004. Until the rules are proposed, KCP&L cannot predict the likelihood or compliance costs of such regulations.

Air Particulate Matter

In July 1997, the EPA revised ozone and particulate matter air quality standards creating a new eight-hour ozone standard and establishing a new standard for particulate matter less than 2.5 microns in diameter. These standards were challenged in the U. S. Court of Appeals for the District of Columbia (Appeals Court) that decided against the EPA. Upon further appeal, the U. S. Supreme Court reviewed

the standards and remanded the case back to the Appeals Court for further review, including a review of whether the standards were arbitrary and capricious. On March 26, 2002, the Appeals Court issued its 3 to 0 decision on challenges to the 8-hour ozone and PM-2.5 national ambient air quality standards (NAAQS). This ruling denies all state, industry and environmental groups petitions for review and thus upheld as valid the EPA's new 8-hour ozone and PM-2.5 NAAQS. In so doing, the court held that the EPA acted consistently with the Clean Air Act in setting the standards at the levels it chose and the EPA's actions were reasonable and not arbitrary and capricious, and cited the deference given the Agency's decision-making authority. The court stated that the extensive records established for each rule supported the EPA's actions in both rulemakings.

This ruling by the Appeals Court removed the last major hurdle to the EPA's implementation of stricter ambient air quality standards for ozone and fine particles. If required to be implemented, the impact on KCP&L and all other utilities that use fossil fuels could be substantial. In addition, the EPA is conducting a three-year study of fine particulate ambient air levels. Until this testing and review period has been completed, KCP&L cannot determine additional compliance costs, if any, associated with the new particulate regulations.

Nitrogen Oxide

The EPA announced in 1998 regulations implementing reductions in NOx emissions. These regulations initially called for 22 states, including Missouri, to submit plans for controlling NOx emissions. The regulations require a significant reduction in NOx emissions from 1990 levels at KCP&L's Missouri coal-fired plants by the year 2003.

In December 1998, KCP&L and several other western Missouri utilities filed suit against the EPA over the inclusion of western Missouri in the NOx reduction program based on the 1-hour NOx standard. On March 3, 2000, a three-judge panel of the District of Columbia Circuit of the U.S. Court of Appeals sent the NOx rules related to Missouri back to the EPA, stating the EPA failed to prove that fossil plants in the western part of Missouri significantly contribute to ozone formation in downwind states. On March 5, 2001, the U.S. Supreme Court denied certiorari, making the decision of the Court of Appeals final.

In the February 22, 2002, Federal Register, the EPA issued proposed Phase II NOx SIP Call regulation which specifically excludes the fossil plants in the western part of Missouri from the NOx SIP Call. Official comments to the EPA's proposed regulation will be received until April 29, 2002.

If required to be implemented, KCP&L would need to incur significant capital costs, purchase power or purchase NOx emission allowances. Preliminary analysis of the regulations indicates that selective catalytic reduction technology, as well as other changes, may be required for some of the KCP&L units. Currently, KCP&L estimates that additional capital expenditures to comply with these regulations could range from \$40 million to \$60 million. Operations and maintenance expenses could also increase by more than \$2.5 million per year. KCP&L continues to refine these preliminary estimates and explore alternatives. The ultimate cost of these regulations, if any, could be significantly different from the amounts estimated above.

Carbon Dioxide

At a December 1997 meeting in Kyoto, Japan, delegates from 167 nations, including the United States, agreed to a treaty (Kyoto Protocol) that would require a seven percent reduction in United States carbon dioxide (CO2) emissions below 1990 levels. Although the United States agreed to the Kyoto Protocol, the treaty has not been sent to Congress for ratification. The financial impact on KCP&L of future requirements in the reduction of CO2 emissions cannot be determined until specific regulations are adopted.

Proposed Water Use Regulations

In February 2002, the EPA issued proposed rules related to certain existing power producing facilities that employ cooling water intake structures that withdraw 50 million gallons or more per day and use 25% or more of that water for cooling purposes. The EPA must take final action by August 2003. KCP&L will continue to monitor the progress of this rulemaking. The impact of these proposed rules has not yet been quantified, however, KCP&L's generating stations would be affected.

KCP&L Leases

In 2001, KCP&L entered into a synthetic lease arrangement with a Trust (Lessor) to finance the purchase, installation, assembly and construction of five combustion turbines and related property and equipment that will add 385 megawatts of peaking capacity (the "Project"). The Trust is a special-purpose entity and has an aggregate financing commitment from third-party equity and debt participants (Investors) of \$200 million. In accordance with SFAS No. 13 "Accounting for Leases," and related EITF issues (including EITF Issue No. 90-15, "Impact of Non-substantive Lessors, Residual Value Guarantees, and Other Provisions in Leasing Transactions" and EITF Issue No. 97-10, "The Effect of Lessee Involvement in Asset Construction"), the Project and related lease obligations are not included in KCP&L's consolidated balance sheet. The Lessor has appointed KCP&L as supervisory agent responsible for completing construction of the Project by no later than June 2004. The initial lease term is approximately three and one quarter years, beginning at the date of construction completion, which is expected to be October 2003. At the end of the lease term (October 2006), KCP&L may choose to sell the Project for the Lessor, guaranteeing to the Lessor a residual value for the Project in an amount which may be up to 83.21% of the project cost. If KCP&L does not elect the sale option, KCP&L must either extend the lease, if it can obtain the consent of the Lessor, or purchase the Project for the then outstanding project cost. KCP&L also has contingent obligations to the Lessor upon an event of a default during both the construction period and lease period. Upon a default in the construction period, KCP&L's maximum obligation to the Lessor equals (i) in the circumstances of bankruptcy, fraud, illegal acts, misapplication of funds and willful misconduct, 100% of then-incurred project costs, and (ii) in all other circumstances, an amount which may be up to 89.9% of then-incurred project costs that are capitalizable in accordance with GAAP. At March 31, 2002, cumulative project costs were approximately \$74.7 million. Upon a default during the lease period, KCP&L's maximum obligation to the Lessor equals 100% of project costs. KCP&L's rental obligation, which reflects interest payments only, totals approximately \$35.5 million in the aggregate.

During the first quarter of 2002, the FASB considered proposed approaches related to identifying and accounting for special-purpose entities. One approach being considered is to require consolidation of a special-purpose entity if the equity investment held by third-party owners in the special-purpose entity is less than 10% of total capitalization. Special-purpose entities in existence at the date of adoption of this interpretation will likely be consolidated by the primary beneficiary.

Strategic Energy Purchased Power Energy Commitments

Strategic Energy has entered into agreements to purchase electricity at various fixed prices to meet estimated supply requirements for 2002 through 2007. Commitments at March 31, 2002, under these agreements total \$374.1 million in 2002, \$344.8 million in 2003, \$221.3 million in 2004, \$185.2 million in 2005, \$23.2 million in 2006 and \$1.1 million in 2007. See Note 8 for further discussion.

Put Option Held by Minority Interests in Strategic Energy

KLT Inc., through one of its subsidiaries, owns 82.75% of Strategic Energy. Certain employees of Strategic Energy and other investors have a put option to sell all or part of their interests in Strategic Energy (currently 11.45%) at any time within the 90 days following January 31, 2004, under certain circumstances, at fair market value. Fair market value will be determined by the mutual agreement of the parties, or if an agreement cannot be reached, then by third party appraisal.

6. GOODWILL

SFAS No. 142, "Goodwill and Other Intangible Assets"

The Company adopted SFAS No. 142 on January 1, 2002. Under the new pronouncement an initial impairment test (comparison of the fair value of a reporting unit to its carrying amount) must be done on all goodwill within six months of initially applying the statement and then at least annually, thereafter. Also, goodwill is no longer amortized. Strategic Energy's valuation is complete and no impairment of the \$14 million of goodwill will be recorded. Valuations of RSAE are in process and will be utilized to assess impairment, if any, of its \$23 million of goodwill. Transition adjustments for the adoption of SFAS No. 142, if any, will be recorded by June 30, 2002. Goodwill amortization for the three months ended March 31, 2001, was immaterial.

7. RECEIVABLES

	March 31 2002	December 31 2001
	(thousands)	
Kansas City Power & Light Receivables Company	\$ 14,645	\$ 25,723
KCP&L other receivables	34,839	36,788
Consolidated KCP&L receivables	49,484	62,511
Great Plains Energy other receivables	106,125	89,603
Great Plains Energy receivables	\$ 155,609	\$ 152,114

KCP&L has a revolving agreement to sell all of its right, title and interest in the majority of its customer accounts receivable to Kansas City Power & Light Receivables Company, a special purpose entity established to purchase customer accounts receivable from KCP&L. Accounts receivable sold under the revolving agreement between Kansas City Power & Light Receivables Company and KCP&L totaled \$84.6 million at March 31, 2002 and \$95.7 million at December 31, 2001. In consideration of receivables sold in excess of \$70 million (cash value of the sale), KCP&L received a subordinated note from Kansas City Power & Light Receivables Company.

KCP&L other receivables at March 31, 2002, consist primarily of receivables from partners in jointly-owned electric utility plants, bulk power sales receivables and accounts receivable held by RSAE and Worry Free. Great Plains Energy other receivables at March 31, 2002, consist of accounts receivable held by KLT Inc. and its subsidiaries, including receivables of \$104.3 million held by Strategic Energy.

8. DERIVATIVE FINANCIAL INSTRUMENTS

On January 1, 2001, the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended. SFAS No. 133 requires that every derivative instrument be recorded on the balance sheet as an asset or liability measured at its fair value and that changes in the fair value be recognized currently in earnings unless specific hedge accounting criteria are met.

SFAS No. 133 requires that as of the date of initial adoption, the difference between the fair market value of derivative instruments recorded on the balance sheet and the previous carrying amount of those derivatives be reported in net income or other comprehensive income, as appropriate, as a cumulative effect of a change in accounting principle. The adoption of SFAS No. 133 on January 1, 2001, required the Company to record a \$0.2 million expense, net of \$0.1 million of income tax. The Company did not reflect this immaterial amount as a cumulative effect. This entry increased interest expense by \$0.6 million and reduced purchased power expense by \$0.3 million. The Company also recorded \$17.4 million, net of \$12.6 million of income tax, as a cumulative effect of a change in

accounting principle applicable to comprehensive income for its cash flow hedges. Cash flow hedges are derivative instruments used to mitigate the exposure to variability in expected future cash flows attributable to a particular risk.

Derivative Instruments and Hedging Activities

The Company's activities expose it to a variety of market risks including interest rates and commodity prices. Management has established risk management policies and strategies to reduce the potentially adverse effects that the volatility of the markets may have on its operating results.

The Company's interest rate risk management strategy uses derivative instruments to minimize significant, unanticipated earnings fluctuations caused by interest-rate volatility on a portion of its variable rate debt. The Company maintains commodity-price risk management strategies that use derivative instruments to minimize significant, unanticipated earnings fluctuations caused by commodity price volatility.

The Company's risk management activities, including the use of derivatives, are subject to the management, direction and control of internal Risk Management Committees.

Interest Rate Risk Management

KCP&L utilizes interest rate management derivatives to reduce a portion of KCP&L's interest rate risk by converting a portion of its variable interest rate payments into fixed interest rate payments.

KCP&L entered into interest rate swap agreements to fix the interest rate on \$30 million of floating-rate long-term debt. These swaps do not qualify for hedge accounting. The swap agreements terminate in 2003 and effectively fix the interest to a weighted-average rate of 3.88%. The fair market values of these agreements are recorded as current assets and liabilities and adjustments to interest expense on the income statement. Changes in the fair market value of these instruments are recorded in the income statement.

Commodity Risk Management

KCP&L's risk management policy is to use derivative hedge instruments to mitigate its exposure to market price fluctuations on its projected gas generation requirements for retail and firm wholesale sales. These hedging instruments are designated as cash flow hedges. The fair market value of these instruments is recorded as current assets and current liabilities. When the gas is purchased and to the extent the hedge is effective at mitigating the impact of a change in the purchase price of gas, the amounts in other comprehensive income are reclassified to the consolidated income statement. To the extent that the hedges are not effective, the ineffective portion of the changes in fair market value are recorded directly in fuel expense.

Strategic Energy maintains a commodity-price risk management strategy that uses forward physical energy purchases and derivative instruments to minimize significant, unanticipated earnings fluctuations caused by commodity-price volatility. An option that was designated as a cash flow hedge expired on December 31, 2001. The option allowed Strategic Energy to purchase up to 270 megawatts of power at a fixed rate of \$21 per mwh. The fair market value of this option and swap agreements designated as cash flow hedges at January 1, 2001, was recorded as a current asset and a cumulative effect of a change in accounting principle in comprehensive income.

Supplying electricity to retail customers under fixed rate contracts requires Strategic Energy to match customers' demand with fixed price purchases. In certain markets where Strategic Energy operates, there is limited availability of forward fixed price power contracts. By entering into swap contracts for a portion of its forecasted purchases in these markets, the future purchase price of electricity is effectively fixed under these swap contracts protecting Strategic Energy from price volatility. The swap contracts

limit the unfavorable effect that price increases will have on electricity purchases. Under SFAS No. 133, the majority of the swap agreements are designated as cash flow hedges resulting in the difference between the market value of energy and the hedge value being recorded as comprehensive income(loss). To the extent that the hedges are not effective, the ineffective portion of the changes in fair market value will be recorded directly in purchased power. At March 31, 2002, the accumulated comprehensive loss, net of income taxes and minority interest, reflected in Great Plains Energy's consolidated statement of capitalization reflected a \$7.4 million loss related to such cash flow hedges. However, most of the energy hedged with the swaps has been sold to customers through contracts at prices different than the fair market value used to value the swaps. Therefore, Strategic Energy does not anticipate incurring any of the losses represented in comprehensive income.

The remaining swap agreements do not qualify for hedge accounting. The fair market value of these swaps at January 1, 2001, was recorded as an asset or liability on the consolidated balance sheet and an adjustment to the cost of purchased power. The change in the fair market value and future changes in the fair market values of these swaps will also be recorded in purchased power.

KLT Gas' risk management policy is to use firm sales agreements or financial hedge instruments to mitigate its exposure to market price fluctuations on up to 85% of its daily natural gas production. These hedging instruments are designated as cash flow hedges. The fair market value of these instruments at January 1, 2001, was recorded as current assets and current liabilities, as applicable, and the cumulative effect of a change in an accounting principle in comprehensive income. When the gas is sold and to the extent the hedge is effective at mitigating the impact of a change in the sales price of gas, the amounts in other comprehensive income are reclassified to the consolidated income statement. To the extent that the hedges are not effective, the ineffective portion of the changes in fair market value are recorded directly in gas revenues.

KLT Gas unwound the majority of its gas hedge derivatives with an offsetting swap transaction during the second quarter of 2001 primarily due to declining production at its gas properties. This transaction did not qualify for hedge accounting. The fair market value of the swap has been recorded in gas revenues.

The amounts recorded related to the cash flow hedges are summarized below.

Great Plains Energy activity for the three months ended March 31, 2002

	December 31 2001	Increase (Decrease) in Comprehensive Income	Reclassified	March 31 2002
Assets				
Other current assets	\$ (0.2)	\$0.9	\$ 0.1	\$0.8
Other deferred debits	-	0.3	-	0.3
Liabilities and capitalization				
Other current liabilities	(12.7)	2.4	2.9	(7.4)
Other comprehensive income	12.1	(3.4)	(1.5)	7.2
Deferred income taxes	8.5	(2.4)	(1.0)	5.1
Other deferred credits	(7.7)	2.2	(0.5)	(6.0)

10. KCP&L JANUARY ICE STORM

At the end of January 2002, the most damaging ice storm in Kansas City history caused roughly 285,000 customer outages throughout the KCP&L territory. Incremental costs incurred during the first quarter of 2002 related to the January ice storm were approximately \$45.4 million of which \$12.5 million were capital expenditures and therefore recorded to utility plant. KCP&L expensed \$14.8 million (\$0.15 per share) for the Kansas jurisdictional portion of the storm costs and deferred as a regulatory asset \$18.1 million of the storm costs applicable to Missouri. KCP&L has reached a stipulation and agreement with the KCC staff and the Citizens Utility Ratepayers Board that would result in a rate moratorium until 2006 in return for KCP&L's agreement to not seek reimbursement for storm-related costs, and implement a \$5 million revenue reduction in 2003. Additionally, KCP&L agreed to determine depreciation expense of the Wolf Creek nuclear generating station using a 60 year life instead of a 40 year life effective January 2003, which will result in a reduction of expense and revenue by \$7 million to \$8 million in 2003. KCP&L also agreed to file a rate case by May 15, 2006. The stipulation and agreement has been filed with the KCC and is subject to its approval.

Additionally, on April 24, 2002, KCP&L filed a request for an accounting authority order, which does not affect rates, with the MPSC for deferral and amortization over a five-year period of the \$18.1 million Missouri jurisdictional portion of the storm costs. KCP&L defers, on the balance sheet, items when allowed by a commissions' rate order or when it is probable, based on regulatory past practices, that future rates will recover the amortization of the deferred costs. Therefore, once the order is received from the MPSC, KCP&L will begin amortizing the Missouri storm expense. The impact is expected to be \$2.1 million (\$0.02 per share) in 2002 and \$3.6 million (\$0.04 per share) annually for the remainder of the amortization period. However, if the MPSC does not grant the accounting authority order, KCP&L will expense the entire \$18.1 million.

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

The Management's Discussion and Analysis of Financial Condition and Results of Operations that follow are a combined presentation for Great Plains Energy and KCP&L, both registrants under this filing. The discussion and analysis by management focuses on those factors that had a material effect on the financial condition and results of operations of the registrants during the periods presented. It should be read in conjunction with the accompanying Financial Statements and Notes. Note 4. Segment and Related Information summarizes the income statement by segment.

Great Plains Energy Incorporated

Effective October 1, 2001, Great Plains Energy became the holding company of the following subsidiaries:

- o KCP&L, an integrated electric utility in the states of Missouri and Kansas, focused on providing reliable, low-cost electricity to retail customers;
 - o HSS, an unregulated subsidiary of KCP&L, holds investments in two businesses, Worry Free Service, Inc. and RSAE, focusing primarily in residential services;
- o GPP, a competitive generator that will focus on development, production and trading of wholesale electric capacity and energy; and
- o KLT Inc., an investment company focusing on energy-related ventures that are unregulated with high growth potential. KLT Inc.'s major holdings consist of Strategic Energy, KLT Gas and affordable housing limited partnerships.

Effective October 1, 2001, all outstanding KCP&L shares were exchanged one for one for shares of Great Plains Energy. The Great Plains Energy trading symbol "GXP" replaced the KCP&L trading symbol "KLT" on the New York Stock Exchange.

Great Plains Energy Consolidated Earnings Overview

Great Plains Energy's earnings decreased from \$12.5 million, or \$0.20 per share for the three months ended March 31, 2001, to a loss of \$3.3 million, or \$(0.05) per share, for the same period of 2002. The following table provides an overview of the contributions to earnings for the three months ended March 31, 2002 and 2001.

	Three Months Ended March 31	
	2002	2001
Consolidated KCP&L		
KCP&L	\$ (0.11)	\$ (0.04)
HSS	(0.02)	(0.03)
Consolidated KCP&L	(0.13)	(0.07)
KLT Inc.		
Excluding extraordinary item	0.09	0.01
Extraordinary item:		
Early extinguishment of debt	-	0.26
KLT Inc.	0.09	0.27
GPP and other	(0.01)	-
Reported Consolidated EPS	\$ (0.05)	\$ 0.20

The decrease in consolidated KCP&L's earnings for the three months ended March 31, 2002, compared to the same period of 2001, is the result of expensing \$14.8 million for the Kansas jurisdictional portion of the January 2002 ice storm and increased pension expense, partially offset by improved operating performance of KCP&L driven by the return to service of Hawthorn No. 5 in June 2001. Strategic Energy's strong growth was the primary reason for the increased earnings for KLT Inc. for the three months ended March 31, 2002, compared to the same period of 2001, excluding the extraordinary item in 2001.

On February 1, 2001, DTI, an equity investment of KLT Telecom on that date, completed a tender offer for 50.4% of its outstanding senior discount notes. This transaction resulted in a \$15.9 million (\$0.26 per share) extraordinary gain on the early extinguishment of debt.

On December 31, 2001, DTI filed voluntary petitions for bankruptcy. As a result of DTI's filing for bankruptcy protection, and KLT Telecom's resultant loss of control, KLT Telecom has not included in its results for the three months ended March 31, 2002, the ongoing earnings or loss incurred by DTI.

For further discussion regarding each segment's contribution to consolidated EPS, see its respective Earnings Overview section below.

Consolidated KCP&L

The following discussion of KCP&L results of operations excludes the results of operations for KLT Inc., which was transferred to Great Plains Energy on October 1, 2001, and discusses HSS separately. KCP&L's Consolidated Income Statement, however, includes KLT Inc.'s results of operations for the three months ended March 31, 2001, and HSS' results of operations in both periods. Consequently, the KCP&L discussion should be read in conjunction with the

information provided in Note 4 of the notes to consolidated financial statements which provides financial information for the relevant periods for KCP&L, HSS and KLT Inc. separately.

KCP&L Operations

KCP&L Business Overview

KCP&L, a regulated utility, consists of two business units - power and delivery.

The power business unit has over 3,700 megawatts of generating capacity. During 2001, KCP&L entered into a \$200 million, five-year construction and synthetic operating lease transaction for five combustion turbines that will add 385 megawatts of peaking capacity. Site preparation will begin in 2002 for the arrival of the first combustion turbine in 2003. The operating lease may be amended to transfer the right to use some or all of the units to GPP. If transferred, a significant portion of the output from some of these units may be sold to KCP&L.

The delivery business unit consists of transmission and distribution facilities that serve over 475,000 customers as of March 31, 2002. Historically, load growth has increased annually by approximately 2.0% to 2.5% through increased customer usage and additional customers. Rates charged for electricity are below the national average and KCP&L's reliability of service is above the national average.

KCP&L has an obligation, under FERC Order 2000, to join a FERC approved RTO. RTOs combine regional transmission operations of utility businesses into an organization that schedules transmission services and monitors the energy market to ensure regional transmission reliability and non-discriminatory access. KCP&L is a member of the SPP. During the first quarter of 2002, the SPP and the MISO voted to consolidate the two organizations to create a larger Midwestern RTO, a non-profit organization that will operate in twenty states and one Canadian province. The consolidation is expected to be completed during the third quarter of 2002 but is subject to FERC approval. FERC has already approved an RTO proposal submitted by the MISO.

KCP&L Earnings Overview

KCP&L's contribution to earnings was a loss of \$0.11 for the three months ended March 31, 2002, compared to a loss of \$0.04 for the same period of 2001. The following table and discussion highlight significant factors affecting the change in KCP&L's EPS contribution for the periods indicated.

Three months ended March 31, 2002 compared to March 31, 2001

Revenue, net of fuel and purchased power	\$ 0.12
Kansas jurisdictional portion of the January 2002 ice storm	(0.15)
Pension expense	(0.04)
Increased depreciation	(0.03)
Other	0.03
Reported Consolidated EPS	\$(0.07)

Earnings per share decreased \$0.07 for the three months ended primarily due to expensing the Kansas jurisdictional portion of the January 2002 ice storm and increased pension expense. These costs were partially offset by improved operating performance of KCP&L driven by the return to service of Hawthorn No. 5 in June 2001.

KCP&L Electric Sales Revenues and Megawatt-hour (mwh) Sales
 Total revenues were consistent for the three months ended March 31, 2002, compared to the same period of 2001. Decreased retail sales were offset by increased bulk power sales. However, the price per bulk power kwh sold decreased for the three months ended March 31, 2002, compared to the same period of 2001.

KCP&L Electric Sales Revenues			
Three Months Ended			
March 31			
	2002	2001	%
	(millions)		Change
Retail sales			
Residential	\$69.8	\$70.8	(1)%
Commercial	86.5	84.1	3 %
Industrial	19.8	27.2	(27)%
Other	2.2	2.0	4 %
Total retail	178.3	184.1	(3)%
Sales for resale			
Bulk power sales	16.6	10.2	63 %
Other	0.9	1.2	(22)%
Other revenues	3.1	3.3	(6)%
KCP&L electric revenues	\$198.9	\$198.8	- %

KCP&L Megawatt-hour (mwh) Sales			
Three Months Ended			
March 31			
	2002	2001	%
	(thousands)		Change
Retail sales			
Residential	1,069	1,114	(4)%
Commercial	1,556	1,544	1 %
Industrial	426	567	(25)%
Other	22	20	6 %
Total retail	3,073	3,245	(5)%
Sales for resale			
Bulk power sales	825	395	109 %
Other	30	31	(4)%
KCP&L electric sales	3,928	3,671	7 %

The decrease in retail revenues and mwh sales for the three months ended March 31, 2002, compared to the same period of 2001 is primarily due to the impact of mild weather on residential mwh sales, cost reductions implemented by large industrial customers and the bankruptcy of one major industrial customer in early 2001. Load growth resulting from higher usage-per-customer and the addition of new customers partially offset the decreases. Less than 1% of revenues include an automatic fuel adjustment provision.

Bulk power sales vary with system requirements, generating unit and purchased power availability, fuel costs and requirements of other electric systems. The significant increase in bulk power mwh sales for the three months ended March 31, 2002, compared to the same period of 2001, was primarily attributable to the return to service of Hawthorn No. 5 in June 2001. The average price per mwh of bulk power sales decreased 22% for the three months

ended March 31, 2002, compared to the same period of 2001, partially offsetting the effect of the increased bulk power mwh sales on revenues.

KCP&L has reached a stipulation and agreement with the KCC staff and the Citizens Utility Ratepayers Board that would result in a rate moratorium until 2006 in return for KCP&L's agreement to not seek reimbursement for storm-related costs, and implement a \$5 million revenue reduction in 2003. Additionally, KCP&L agreed to determine depreciation expense of the Wolf Creek nuclear generating station using a 60 year life instead of a 40 year life effective January 2003, which results in a reduction of expense and revenue by approximately \$7 million to \$8 million in 2003. KCP&L also agreed to file a rate case by May 15, 2006. The stipulation and agreement has been filed with the KCC and is subject to its approval.

KCP&L Fuel and Purchased Power

KCP&L fuel costs increased \$1.3 million for the three months ended March 31, 2002, compared to the same period of 2001, primarily because of a 13% increase in mwh's generated partially offset by a 5% reduction in the fuel cost per mmBtu. The increase in mwh's generated and a portion of the reduction in the fuel cost per mmBtu is primarily due to the return to service of Hawthorn No. 5, a coal-fired unit, in June 2001. Coal has a significantly lower cost per mmBtu than oil. Significantly lower natural gas prices for the three months ended March 31, 2002, compared to the same period of 2001 also contributed to the lower fuel cost per mmBtu.

Fossil plants represented 72% of total generation and the nuclear plant about 28% for the three months ended March 31, 2002, compared to 65% and 35% for the same period of 2001. The change in the fuel mix is due to Wolf Creek's refueling and maintenance outage discussed below. Nuclear fuel costs per mmBtu remain substantially less than the mmBtu price of coal. KCP&L expects its cost of nuclear fuel to remain fairly constant through the year 2003. KCP&L's procurement strategies continue to provide delivered coal costs below the regional average.

Purchased power expenses decreased \$13.3 million for the three months ended March 31, 2002, compared to the same period of 2001 due to a 39% decrease in mwh's purchased due to increased availability of KCP&L's generating units. In addition, purchased power average prices were down 47% for the three months ended March 31, 2002, compared to the same period of 2001. However, the cost per mwh for purchased power is still significantly higher than the fuel cost per mwh of coal and nuclear generation.

KCP&L Other (including operating, maintenance and general taxes)

KCP&L's other expenses increased \$17.8 million for the three months ended March 31, 2002, compared to the same period of 2001 primarily due to the following:

- o pension expense increased by \$4.0 million mostly due to a significant decline in the market value of plan assets at the end of the plan's year, September 30, 2001; and
- o maintenance expense increased due to expensing \$14.8 million for the Kansas jurisdictional portion of the January ice storm.

Depreciation

KCP&L's depreciation expense increased \$3.1 million for the three months ended March 31, 2002, compared to the same period of 2001, primarily due to increased capital additions relating to Hawthorn No. 5, which was placed in service in June 2001, and the purchase of the previously leased Hawthorn No. 6 turbine at the end of the third quarter of 2001.

Minority Interest in Subsidiaries

For the three months ended March 31, 2002, minority interest in income of subsidiaries decreased \$2.8 million from the three months ended March 31, 2001, primarily due to the losses of RSAE reducing HSS' minority interest to zero and Strategic Energy's minority interest no longer being included in the KCP&L consolidated income statement due to the formation of the holding company.

KCP&L Interest Charges

KCP&L's interest charges decreased \$0.4 million for the three months ended March 31, 2002, compared to the same period of 2001, due to decreases in long-term and short-term debt expense partially offset by a decrease in the allowance for borrowed funds used during construction.

Long-term debt interest expense

KCP&L's long-term debt interest expense decreased \$2.6 million for the three months ended March 31, 2002, compared to the same period of 2001 due to decreases in variable interest rates, partially offset by higher average levels of long-term debt outstanding. The higher average levels of debt primarily reflect the issuances of \$375.0 million of unsecured, fixed-rate senior notes partially offset by \$240.0 million of scheduled debt repayments since March 31, 2001.

Capitalized interest

Allowance for borrowed funds used during construction decreased \$3.8 million for the three months ended March 31, 2002, compared to the same period of 2001 because of decreased construction work in progress primarily due to the return to service of Hawthorn No. 5 in June 2001

Short-term debt interest expense

KCP&L's short-term debt interest expense decreased by \$1.9 million to \$0.5 million for the three months ended March 31, 2002, from \$2.4 million for the three months ended March 31, 2001, due to significantly lower interest rates on commercial paper and significantly lower average levels of outstanding commercial paper. KCP&L had \$31.4 million of commercial paper outstanding at March 31, 2002 and \$198.8 million of commercial paper outstanding at March 31, 2001.

Wolf Creek

Wolf Creek represents about 15% of KCP&L's generating capacity. The plant's operating performance has remained strong over the last three years, contributing an average of 29% of KCP&L's annual mwh generation while operating at an average capacity of 92%. Wolf Creek has the lowest fuel cost per mmBtu of any of KCP&L's generating units.

KCP&L accrues the incremental operating, maintenance and replacement power costs for planned outages evenly over the unit's operating cycle, normally 18 months. As actual outage expenses are incurred, the refueling liability and related deferred tax asset are reduced. Wolf Creek returned to service on April 27, 2002, following a 35-day refueling and maintenance outage that began on March 23, 2002. The outage had been projected to be 30 days. One of the reasons for the delay was the failure of a reactor coolant pump motor. During the outage, a complete inspection of the reactor vessel head indicated no corrosion or other problems of the type experienced at the Davis-Besse nuclear plant in Ohio. The next outage is scheduled for the fall of 2003.

Ownership and operation of a nuclear generating unit exposes KCP&L to risks regarding decommissioning costs at the end of the unit's life and to potential retrospective assessments and property losses in excess of insurance coverage.

HSS Operations

HSS, an unregulated subsidiary of KCP&L, holds investments in businesses primarily in residential services. HSS is comprised of two subsidiaries, RSAE and Worry Free Services, Inc.

KCP&L's cash investment in HSS was \$46.9 million at March 31, 2002, and December 31, 2001. HSS' loss for the three months ended March 31, 2002, totaled \$1.1 million (\$0.02 per share) compared to a loss of \$1.9 million (\$0.03 per share) for the three months ended March 31, 2001. HSS' decreased loss for the three months ended March 31, 2002, was primarily due to decreased losses associated with its ownership in RSAE. Through March 31, 2002, KCP&L's accumulated losses were \$24.7 million on its investment in HSS.

HSS' minority interest in RSAE was reduced to zero during 2001 as a result of losses. For the three months ended March 31, 2002, HSS recorded a \$1.2 million loss from its investment in RSAE. As long as RSAE is consolidated, future losses by RSAE will be recorded in HSS' income statement at 100% which will further decrease the investment below zero.

RSAE increased its line of credit to \$25.0 million during the first quarter 2002. At March 31, 2002, RSAE had \$22.4 million outstanding under the line of credit. RSAE used the additional borrowings to repay a \$1.3 million loan from HSS during the first quarter of 2002.

KLT Inc. Operations

KLT Inc. Business Overview

KLT Inc. is an unregulated subsidiary that pursues energy-related ventures in high growth businesses. Existing ventures include natural gas development and production, energy services and affordable housing limited partnerships. The Company's cash investment in KLT Inc. was \$150.0 million at March 31, 2002, and December 31, 2001.

Natural Gas Development and Production - KLT Gas

KLT Gas' business strategy is to acquire and develop early stage coalbed methane properties. KLT Gas believes that coalbed methane production provides an economically attractive alternative source of supply to meet the growing demand for natural gas in North America and has built a knowledge base in coalbed methane production and reserves evaluation. Therefore, KLT Gas focuses on coalbed methane - a niche in the natural gas industry where it believes its expertise provides a competitive advantage. Because it has a longer, predictable reserve life and lower development cost, coalbed methane is inherently lower risk than conventional gas exploration.

Although gas prices have been volatile recently, KLT Gas continues to believe that the long-term future price scenarios for natural gas appear strong. Environmental concerns and the increased demand for natural gas for new electric generating capacity are contributing to this projected growth in demand.

KLT Gas' properties are located in Colorado, Texas, Wyoming, Kansas, and Nebraska. These leased properties cover approximately 244,000 undeveloped acres. The development of this acreage is in accordance with KLT Gas' exploration plan and capital budget. KLT Gas has revised its capital expenditure estimates based on changes in market conditions to about \$7 million, \$40 million, \$36 million and \$9 million for the years 2002 through 2005, respectively. The timing of the development may vary from current plans based upon obtaining the required environmental and regulatory approvals and permits and future changes in market conditions.

Energy Management Service - Strategic Energy

Strategic Energy provides power supply coordination services, purchasing electricity and reselling it to retail and wholesale customers in several deregulated electricity markets, including Pennsylvania, southern California, Ohio, New York, Massachusetts and Texas. Strategic Energy also provides strategic planning and consulting services in the natural gas and electricity markets. In the first quarter of 2001, KLT Energy Services exchanged its ownership of \$4.7 million of preferred stock in another energy service company for additional ownership in Strategic Energy. This transaction increased KLT Energy Services ownership of Strategic Energy from 72% to 83%.

Strategic Energy currently provides power supply coordination services on behalf of approximately 21,500 commercial and small manufacturing accounts. One to five year contracts are entered into with customers to supply electricity and manage their energy needs. In return, Strategic Energy receives an ongoing management fee plus the contracted price for the electricity.

Strategic Energy's customer base is very diverse. Customers include numerous Fortune 500 companies, school districts, and governmental entities. Based on current signed contracts and expected usage, Strategic Energy forecasts a peak load of 2,354 megawatts. The largest concentration of the forecasted load, 746 megawatts, is in southern California.

Strategic Energy enters into forward contracts to purchase fixed quantities of electricity at fixed prices that match the forecasted sales of electricity to retail end users. At March 31, 2002, Strategic Energy had entered into forward contracts with multiple suppliers. Should the supplier default or not deliver, Strategic Energy would be exposed to market fluctuations, and possible losses, to the extent that the then current market price differed from the fixed forward contract price.

Strategic Energy monitors this risk by evaluating the credit quality of its suppliers on a routine basis as part of its risk management policy and practices. At March 31, 2002, Strategic Energy's five largest suppliers under forward supply contracts represented 77% of the total future committed purchases.

Strategic Energy maintains a commodity-price risk management strategy that uses forward physical energy purchases and derivative instruments to minimize significant, unanticipated earnings fluctuations caused by commodity-price volatility. Supplying electricity to retail customers under fixed rate contracts requires Strategic Energy to match customers' demand with fixed price purchases. In certain markets where Strategic Energy operates, there is limited availability of forward fixed price power contracts. By entering into swap contracts for a portion of its forecasted purchases in these markets, the future purchase price of electricity is effectively fixed under these swap contracts. The swap contracts limit the unfavorable effect that price increases will have on electricity purchases. Under SFAS No. 133, the majority of the swap agreements are designated as cash flow hedges resulting in the difference between the market

value of energy and the hedge value being recorded as comprehensive income(loss). At March 31, 2002, the accumulated comprehensive loss, net of income taxes and minority interest, reflected in Great Plains Energy's consolidated statement of capitalization reflected a \$7.4 million loss related to such cash flow hedges. However, most of the energy hedged with the swaps has been sold to customers through contracts at prices different than the fair market value used to value the swaps. Therefore, Strategic Energy does not anticipate incurring the losses represented in comprehensive income.

Investments in Affordable Housing Limited Partnerships - KLT Investments
At March 31, 2002, KLT Investments had \$74.9 million in affordable housing limited partnerships. About 66% of these investments were recorded at cost; the equity method was used for the remainder. Tax expense is reduced in the year tax credits are generated. The investments generate future cash flows from tax credits and tax losses of the partnerships. The investments also generate cash flows from the sales of the properties. For most investments, tax credits are received over ten years. A change in accounting principle relating to investments made after May 19, 1995, requires the use of the equity method when a company owns more than 5% in a limited partnership investment. Of the investments recorded at cost, \$47.6 million exceed this 5% level but were made before May 19, 1995.

On a quarterly basis, KLT Investments compares the cost of those properties accounted for by the cost method to the total of projected residual value of the properties and remaining tax credits to be received. Estimated residual values are based on studies performed by an independent firm. Based on the latest comparison, KLT Investments reduced its investments in affordable housing limited partnerships by \$5.3 million during the first quarter of 2002. KLT Investments estimates that additional reductions in affordable housing investments will approximate \$4 million in the remainder of 2002. Projected annual reductions of the carrying value for the years 2003 through 2006 total \$12 million, \$8 million, \$7 million and \$6 million, respectively. Even after these reductions, earnings from affordable housing are expected to be positive for the next five years.

These projections are based on the latest information available but the ultimate amount and timing of actual reductions made could be significantly different from the above estimates.

DTI Bankruptcy Update

On December 31, 2001, a subsidiary of KLT Telecom, DTI filed voluntary petitions for bankruptcy. DTI's reorganization under Chapter 11 of the U.S. Bankruptcy Code continues in process. Timing of completion of the bankruptcy process has yet to be determined. During the first quarter of 2002, the bankruptcy court approved \$5 million DIP financing to be provided by KLT Telecom. To-date, none of the DIP financing has been borrowed by DTI. As a result of DTI's filing for bankruptcy protection and KLT Telecom's resultant loss of control, KLT Telecom has not included for the three months ended March 31, 2002, the ongoing earnings or loss incurred by DTI.

KLT Inc. Earnings Overview

The following table and discussion highlight significant factors affecting KLT Inc.'s effect on consolidated EPS for the three months ended March 31, 2002 and March 31, 2001.

	Three Months Ended	
	2002	2001
Strategic Energy	\$ 0.11	\$ 0.02
DTI		
Operations 2/8/02 to 12/31/01	-	(0.07)
Gain on early extinguishment of debt and equity losses prior to majority ownership	-	0.26
KLT Gas	-	0.02
KLT Investments	-	0.05
Other	(0.02)	(0.01)
KLT Inc. EPS	\$ 0.09	\$ 0.27

Strategic Energy

Strategic Energy's increase in earnings per share for the three months ended March 31, 2002, compared to the same period of 2001, is due to continued strong growth in its electric energy management business.

DTI

On February 1, 2001, DTI, an equity investment of KLT Telecom on that date, completed a tender offer for 50.4% of its outstanding senior discount notes. This transaction resulted in a \$15.9 million (\$0.26 per share) extraordinary gain on the early extinguishment of debt.

KLT Gas

KLT Gas is currently developing production properties following its most recent sale of property during the second quarter of 2001.

KLT Investments

During the three months ended March 31, 2002, KLT Investments Inc. recorded earnings of approximately \$0.05 per share before it reduced its investments in affordable housing limited partnerships by \$5.3 million before taxes (\$0.05 per share). No reduction to its investments in affordable housing limited partnerships was recognized during the same period of 2001.

KLT Inc. Revenues

	Three Months Ended		% Change
	2002	2001	
	March 31 (millions)		
DTI	\$ -	\$ 2.3	n/a
Strategic Energy			
Electric - Retail	144.6	36.6	295 %
Electric - Wholesale	7.2	13.7	(47)%
Gas and other	0.4	10.6	(96)%
KLT Gas	0.2	1.5	(87)%
KLT Inc. Revenues	\$152.4	\$64.7	136 %

Strategic Energy currently serves approximately 21,500 commercial and small manufacturing accounts, compared to about 8,000 accounts for the similar period in 2001. From the beginning of 2002, Strategic Energy added about 2,000 commercial and small manufacturing accounts. Total megawatt-hour (mwh) sales for the three months ended March 31, 2002 increased to 2,240,321 mwh's from 728,997 mwh's for the same period in 2001. In addition, based on current signed contracts and expected usage, Strategic Energy forecasts a peak load of 2,354 megawatts compared to a peak load of 2,268 megawatts at the beginning of 2002.

Strategic Energy's wholesale revenues decreased for the three months ended March 31, 2002, compared to the same period of 2001, primarily due to large block sales of power during the first quarter of 2001 purchased under an option which expired at the end of 2001. Strategic Energy purchases energy in the wholesale markets to meet its customers' energy needs. For sales during peak periods, Strategic Energy purchases small blocks of power prior to the sales contract in order to quote stable pricing to potential new customers. Power purchased in excess of retail sales is sold in the wholesale markets.

Strategic Energy provides to its customers periodic price reductions, billing credits or cash payments resulting from favorable experience in its power supply coordination efforts. The amounts credited back to the customer are treated as a reduction of electricity energy sales when it is determined to be payable.

During the fourth quarter of 2001, Strategic Energy phased out its natural gas retail supply service in order to focus on consulting, which resulted in a decrease in gas and other sales revenues for the three months ended March 31, 2002, compared to the same period of 2001.

KLT Gas revenues decreased for the three months ended March 31, 2002, compared to the same period of 2001, primarily due to declining production at KLT Gas' Southwest Texas property.

KLT Inc. Non-operating Income (Expenses)

The unfavorable change in non-operating income (expenses) for the three months ended March 31, 2002, compared to the same period of 2001, was primarily due to KLT Investments' \$5.3 million reduction in the carrying value of affordable housing limited partnerships.

KLT Inc. Income Taxes

KLT Inc. income taxes vary with the level of taxable income. Additionally, KLT Inc. accrued tax credits of \$6.2 million for the three months ended March 31, 2002, and \$6.6 million for the three months ended March 31, 2001. These tax credits are related to investments in affordable housing limited partnerships and natural gas properties.

Other Consolidated Discussion

Significant Balance Sheet Changes

(March 31, 2002 compared to December 31, 2001)

- o Great Plains Energy and consolidated KCP&L current income taxes (receivable) increased reflecting the tax benefit associated with KCP&L net losses including deducting deferred and capitalized storm costs.
- o Great Plains Energy affordable housing limited partnerships decreased \$6.2 million primarily due to a reduction in the valuation of the properties held by KLT Inc.
- o Great Plains Energy other nonutility property and investments increased \$7.1 million primarily because consolidated KCP&L increased \$6.4 million. Consolidated KCP&L's other nonutility property and investments increased primarily due to a \$2.9 million increase in the cash surrender value of KCP&L's COLI and a \$3.5 million increase in property at RSAE to record vehicles under a capital lease.
- o Great Plains Energy and consolidated KCP&L combined electric utility plant and construction work in progress increased \$34.7 million primarily due to \$12.5 million of capital expenditures due to the January ice storm and \$22.2 million for other utility capital expenditures.
- o Great Plains Energy and consolidated KCP&L regulatory assets increased \$17.0 million primarily due to deferral of \$18.1 million of the January ice storm costs applicable to Missouri customers.
- o Great Plains Energy notes payable increased \$38.0 million due to increased borrowings by Great Plains Energy on its short-term credit facility for general corporate purposes.
- o Great Plains Energy and consolidated KCP&L commercial paper decreased \$30.6 million primarily due to the repayment of KCP&L commercial paper with the proceeds from a Great Plains Energy capital infusion.
- o Great Plains Energy and consolidated KCP&L current maturities of long-term debt decreased \$200.0 million due to the refinancing of \$200.0 million of maturing KCP&L medium-term notes with the issuance of KCP&L unsecured senior notes.
- o Great Plains Energy accounts payable increased \$12.5 million primarily due to increased accounts payable at Strategic Energy. Approximately \$8 million of the increase at Strategic Energy is due to an increase in accrued customer credits to approximately \$13 million at March 31, 2002. Strategic Energy provides to its customers periodic price reductions, billing credits or cash payments resulting from favorable experience in its power supply coordination efforts.
- o Great Plains Energy accrued taxes increased \$11.2 million and consolidated KCP&L accrued taxes increased \$8.8 million primarily due to an \$11.1 million increase in KCP&L accrued property taxes.
- o Great Plains Energy and consolidated KCP&L accrued interest increased primarily due to the timing of interest payments on KCP&L long-term debt.
- o Great Plains Energy other current liabilities decreased primarily due to the fluctuation in the fair value of Strategic Energy's derivatives.

Capital Requirements and Liquidity

Great Plains Energy operates through its subsidiaries and has no material assets other than the stock of its subsidiaries. Great Plains Energy's ability to make payments on its debt securities and its ability to pay dividends is dependent on its receipt of dividends from its subsidiaries or proceeds from the sale of its securities.

Great Plains Energy's liquid resources at March 31, 2002, included cash flows from operations of subsidiaries and \$216.1 million of unused bank lines of credit. The unused lines consisted of \$159.8 million from KCP&L's short-term bank lines of credit, \$1.3 million from RSAE's bank credit agreement, \$10.0 million from Strategic Energy's bank line of credit, and \$45.0 million from Great Plains Energy's revolving credit facility.

During the first quarter of 2002, Great Plains Energy terminated its \$129 million bridge revolving credit facility and replaced it with a \$205 million 364-day revolving credit facility syndicated with a group of banks. The revolving credit facility contains a Material Adverse Change (MAC) clause that requires Great Plains Energy to represent, prior to receiving any funding, that no MAC has occurred. Great Plains Energy's available liquidity under both facilities is not impacted by a decline in credit ratings unless the downgrade occurs in the context of a merger, consolidation or sale.

KCP&L's primary sources of liquidity are cash flows from operations and bilateral credit lines totaling \$191.0 million with eight banks (as of March 31, 2002). KCP&L uses these lines to provide support for its issuance of commercial paper, \$31.4 million of which was outstanding at March 31, 2002. These bank facilities are each for a 364-day term and mature at various times throughout the year. KCP&L has MAC clauses in two agreements covering \$50.0 million of available bilateral credit lines. These two agreements require KCP&L to represent, prior to receiving any funding, that no MAC has occurred. KCP&L's available liquidity under these facilities is not impacted by a decline in credit ratings unless the downgrade occurs in the context of a merger, consolidation or sale.

In connection with the corporate reorganization, agreements KCP&L had with KLT Investments Inc., a wholly owned subsidiary of KLT Inc., associated with notes KLT Investments Inc. issued to acquire its affordable housing investments were amended to replace KCP&L with Great Plains Energy. Great Plains Energy agreed not to take certain actions including, but not limited to, merging, dissolving or causing the dissolution of KLT Investments Inc., or withdrawing amounts from KLT Investments Inc. if the withdrawals would result in KLT Investments Inc. to not be in compliance with minimum net worth and cash balance requirements. The amendment also gives KLT Investments Inc.'s lenders the right to have KLT Investments Inc. repurchase the notes if Great Plains Energy's senior debt rating falls below investment grade, or if Great Plains Energy ceases to own at least 80% of KCP&L's stock. At March 31, 2002, KLT Investments Inc. had \$31.1 million in outstanding notes, including current maturities.

Pursuant to agreements with the MPSC and the KCC, KCP&L has maintained its common equity at not less than 35 percent of total capitalization. Additionally, Great Plains Energy has maintained its consolidated common equity at no less than 30 percent of total consolidated capitalization. For the purposes of this calculation, capitalization is defined as common equity, preferred stock, long-term debt and short-term debt in excess of construction work in progress.

Great Plains Energy's consolidated statements of cash flows include consolidated KCP&L, KLT Inc. and GPP. KCP&L's consolidated statements of cash flows include its wholly owned subsidiary HSS. In addition, KCP&L's consolidated statements of cash flows include KLT Inc.

and GPP for all the periods prior to the October 1, 2001 formation of the holding company. The presentation of the prior year statement of cash flows for Great Plains Energy is provided for comparative purposes and is identical to the statement of cash flows for consolidated KCP&L, prior to the formation of the holding company.

Great Plains Energy and consolidated KCP&L generated positive cash flows from operating activities for the three months ended March 31, 2002. The increase for Great Plains Energy and consolidated KCP&L over the same period of 2001 is attributable to changes in working capital detailed in Note 2 to the consolidated financial statements. The individual components of working capital vary with normal business cycles and operations. Also, the timing of the Wolf Creek outage affects the refueling outage accrual, deferred income taxes and amortization of nuclear fuel.

Cash used for investing activities varies with the timing of utility capital expenditures and purchases of investments and nonutility property. Investing activities are offset by the proceeds from the sale of properties and insurance recoveries. Partially because of the June 2001 completion of the rebuild of Hawthorn No. 5, utility capital expenditures for the three months ended March 31, 2002, decreased \$37.2 million and the allowance for borrowed funds used during construction decreased \$3.8 million from the first quarter of 2001. Cash used for purchases of investments and nonutility property for the three months ended March 31, 2002, compared to the same period of 2001, decreased primarily reflecting KLT Telecom's 2001 investments in DTI and DTI purchases of telecommunications property.

Cash from Great Plains Energy and consolidated KCP&L financing activities decreased for the three months ended March 31, 2002 compared to the same period of 2001, primarily because the net changes in short-term borrowings. Additionally, long-term debt issuances, net of repayments decreased \$46.6 million. These decreases reflect decreased investing activities in utility capital expenditures, nonutility property and investments discussed above.

KCP&L expects to meet day-to-day operating requirements, construction requirements (excluding new generating capacity) and dividends with internally-generated funds. However, it might not be able to meet these requirements with internally-generated funds because of the effect of inflation on operating expenses, the level of mwh sales, regulatory actions, compliance with future environmental regulations and the availability of generating units. The funds Great Plains Energy and consolidated KCP&L need to retire \$434 million and \$403 million, respectively, of maturing debt through the year 2006 are expected to be provided from operations, the issuance of long and short-term debt and/or the issuance of equity or equity-linked instruments. In addition, the Company may issue debt, equity and/or equity-linked instruments to finance growth or take advantage of new opportunities.

In March 2002, KCP&L issued \$225 million of 6.0% unsecured senior notes through a private placement expiring in 2007. The proceeds from the issuance were primarily used to refinance maturing unsecured medium-term notes. During the second quarter of 2002, KCP&L, pursuant to its obligations under a registration rights agreement entered into in connection with the private placement, plans to file an S-4 registration statement offering to exchange up to \$225 million of new 6.0% unsecured senior notes for the \$225 million privately placed notes. The new notes will carry the same terms and conditions as the privately placed issue and will generally be freely tradable.

Great Plains Energy filed an S-3 registration statement on April 29, 2002, which will allow for the issuance of an aggregate amount up to \$300 million of any combination of senior debt

securities, subordinated debt securities, trust preferred securities, convertible securities, or common stock. Great Plains Energy has announced its plans to issue additional common equity in 2002.

Supplemental Capital Requirements and Liquidity Information Update

Great Plains Energy's other long-term contractual cash obligations, net have increased approximately 20% since December 31, 2001. The increase is primarily for new Strategic Energy purchased power contracts in the years 2003 through 2006 supporting the growth in their energy management business.

Great Plains Energy's guarantees in total have not increased substantially since December 31, 2001. However, during the first quarter of 2002, approximately \$41 million of KLT Inc.'s guarantees related to Strategic Energy have been replaced by Great Plains Energy guarantees. There was also an increase to \$25 million from \$22 million at December 31, 2001, in RSAE's line of credit with a commercial bank, which Great Plains Energy supports through an agreement that ensures adequate capital to operate.

Environmental Matters

The Company's operations comply with federal, state and local environmental laws and regulations. The generation and transmission of electricity produces and requires disposal of certain products and by-products, including PCBs, asbestos and other hazardous materials. The Superfund law imposes strict joint and several liability for those who generate, transport or deposit hazardous waste. In addition, the current owner of contaminated property, as well as prior owners since the time of contamination, may be liable for cleanup costs.

Environmental audits are conducted to detect contamination and ensure compliance with governmental regulations. However, compliance programs need to meet new and future environmental laws, as well as regulations governing water and air quality, including carbon dioxide emissions, nitrogen oxide emissions, hazardous waste handling and disposal, toxic substances and the effects of electromagnetic fields. Therefore, compliance programs could require substantial changes to operations or facilities (see Note 5 to the consolidated financial statements).

Critical Accounting Policies Update

KCP&L is regulated and follows SFAS No. 71, "Accounting for Certain Types of Regulation", which applies to regulated entities with rates that are designed to recover the costs of providing service. Accordingly, KCP&L defers on the balance sheet items when allowed by a commission's rate order or when it is probable, based on regulatory past practices, that future rates will recover the amortization of the deferred costs. If SFAS No. 71 were not applicable, regulatory assets would be written off. At March 31, 2002, KCP&L had \$141.4 million of unamortized regulatory assets.

On April 24, 2002, KCP&L filed a request for an accounting authority order, which does not affect rates, with the MPSC for deferral and amortization over a five-year period of the \$18.1 million Missouri jurisdictional portion of the January 2002 ice storm costs. Once the order is received from the MPSC, KCP&L will begin amortizing the Missouri portion of the storm costs. The impact is expected to be \$2.1 million (\$0.02 per share) in 2002 and \$3.6 million (\$0.04 per share) annually for the remainder of the amortization period. However, if the MPSC does not grant the accounting authority order, KCP&L will expense the entire \$18.1 million.

The Company adopted SFAS No. 142 on January 1, 2002. Under the new pronouncement an initial impairment test (comparison of the fair value of a reporting unit to its carrying amount) must be done on all goodwill within six months of initially applying the statement and then at least annually, thereafter. Also, goodwill is no longer amortized. Strategic Energy's valuation is complete and no impairment of the \$14 million of goodwill will be recorded. Valuations of RSAE are in process and will be utilized to assess impairment, if any, of its \$23 million of goodwill. Transition adjustments for the adoption of SFAS No. 142, if any, will be recorded by June 30, 2002.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Great Plains Energy and consolidated KCP&L are exposed to market risks associated with commodity price and supply, interest rates and equity prices. Market risks are handled in accordance with established policies, which may include entering into various derivative transactions. In the normal course of business, Great Plains Energy and consolidated KCP&L also face risks that are either non-financial or non-quantifiable. Such risks principally include business, legal, operational and credit risks and are not represented in the following analysis.

Great Plains Energy and consolidated KCP&L interim period disclosures about market risk included in quarterly reports on Form 10-Q address material changes, if any from the most recently filed annual report on Form 10-K. Therefore, interim period disclosures should be read in connection with the quantitative and qualitative disclosures about market risk included in our 2001 annual report on Form 10-K. There have been no material changes in Great Plains Energy's or consolidated KCP&L's market risk since December 31, 2001.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

EXHIBITS

GREAT PLAINS ENERGY INCORPORATED

EXHIBIT
NO.

- 10.1.a. Support Agreement between Great Plains Energy Incorporated and R. S. Andrews Enterprises, Inc. dated October 25, 2001.
- 10.2.a. Guarantee and Suretyship Agreement between Great Plains Energy Incorporated and PNC Bank dated March 8, 2002.
- 10.3.a. Credit Agreement dated March 13, 2002 between Great Plains Energy Incorporated, BNP Paribas, Bank One of America, N.A., and Bank One, N.A.
- 10.4.a. Guarantee between Great Plains Energy Incorporated and Williams Energy Incorporated dated April 1, 2002.

KANSAS CITY POWER & LIGHT COMPANY

EXHIBIT
NO.

- 4.1.b. Indenture dated March 1, 2002 between The Bank of New York and Kansas City Power & Light Company.
- 4.2.b. Registration Rights Agreement dated March 13, 2002 between Kansas City Power & Light Company, Banc of America Securities LLC and BNP Paribas Securities Corp.

REPORTS ON FORM 8-K

GREAT PLAINS ENERGY INCORPORATED

Great Plains Energy Incorporated filed a report on Form 8-K dated February 8, 2002, on February 15, 2002, regarding a change in its certifying accountant.

Great Plains Energy Incorporated filed a report on Form 8-K/A dated February 8, 2002 on February 26, 2002, regarding a change in its certifying accountant.

Great Plains Energy Incorporated filed a report on Form 8-K dated April 24, 2002, on April 25, 2002, including a press release regarding first quarter results and accompanying financials.

KANSAS CITY POWER & LIGHT COMPANY

Kansas City Power & Light Company filed a report on Form 8-K dated February 8, 2002, on February 15, 2002, regarding a change in its certifying accountant.

Kansas City Power & Light Company filed a report on Form 8-K/A dated February 8, 2002 on February 26, 2002, regarding a change in its certifying accountant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Great Plains Energy Incorporated and Kansas City Power & Light Company have duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GREAT PLAINS ENERGY INCORPORATED

Dated: May 10, 2002 By: /s/Bernard J. Beaudoin
(Bernard J. Beaudoin)
(Chief Executive Officer)

Dated: May 10, 2002 By: /s/Neil Roadman
(Neil Roadman)
(Principal Accounting Officer)

KANSAS CITY POWER & LIGHT COMPANY

Dated: May 10, 2002 By: /s/Bernard J. Beaudoin
(Bernard J. Beaudoin)
(Chief Executive Officer)

Dated: May 10, 2002 By: /s/Neil Roadman
(Neil Roadman)
(Principal Accounting Officer)

SUPPORT AGREEMENT
BETWEEN
GREAT PLAINS ENERGY INCORPORATED
AND
R.S. ANDREWS ENTERPRISES, INC.

This SUPPORT AGREEMENT (this "Agreement"), made as of the 25th day of October, 2001, is by and between GREAT PLAINS ENERGY INCORPORATED ("Parent") and R.S. ANDREWS ENTERPRISES, INC. ("RSAE").

WITNESSETH:

WHEREAS, Parent is the indirect owner of 100% of the outstanding common stock of Home Service Solutions, Inc. ("HSS") and HSS is the owner of 72% of the outstanding Series A and Series B Convertible Preferred Stock and Common Stock of RSAE;

WHEREAS, RSAE currently maintains, and intends to incur additional indebtedness ("Debt") under that certain Credit Agreement, dated as of March 17, 2000 (as the same may be amended or otherwise modified from time to time, the "Credit Agreement"), among RSAE, various financial institutions (together with their successors and assigns, "Lenders") and LaSalle Bank National Association, as agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, the "Agent"), thereby enabling RSAE to obtain financing for itself;

WHEREAS, Parent and RSAE desire to take certain actions to enhance and maintain the financial condition of RSAE as hereinafter set forth in order to enable RSAE to both maintain and incur such Debt on more advantageous and reasonable terms than would otherwise be available; and

WHEREAS, the Agent and the Lenders will rely upon this Agreement in both maintaining and making additional loans and extensions of credit to RSAE;

NOW, THEREFORE, in consideration of the premises, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. STOCK OWNERSHIP. During the term of this Agreement, Parent will own, directly or indirectly, free and clear of any security interest, lien or encumbrance, all of the voting capital stock of HSS now or hereafter issued and outstanding. During the term of this Agreement, Parent will cause HSS to own, free and clear of any security interest, lien or encumbrance, at least 51% of the voting capital stock of RSAE now or hereafter issued and outstanding.

2. NET WORTH. Parent agrees that it intends to cause both HSS and RSAE to have at all times a positive tangible net worth (stockholders' equity less intangible assets), as determined in accordance with generally accepted accounting principles, except that such determination shall be made on an unconsolidated basis.

3. LIQUIDITY. If, during the term of this Agreement, RSAE is unable to make timely payment of interest or principal on any Debt, Parent promptly shall provide to RSAE, at its request or the request of the Agent or any Lender, such funds (in the form of cash or liquid assets) as equity or, if Parent and RSAE shall agree, as a loan. If such funds are advanced to RSAE as a loan, such loan shall be on such terms and conditions, including maturity and rate of interest, as Parent and RSAE shall agree; provided, however, that any such loan shall be unsecured and right of payment of any such loan shall be postponed and subordinated to the prior payment in full in cash of all Debt and the termination of all commitments to lend under the Credit Agreement pursuant to subordination provisions in form and substance satisfactory to the Agent. Notwithstanding any payments made by or for the account of Parent pursuant to this Section 3, Parent shall not be subrogated to any of the rights of

the Agent or the Lenders until the payment in full in cash of all Debt and the termination of all commitments to lend under the Credit Agreement.

4. WAIVERS. Parent hereby waives any failure or delay on the part of RSAE in asserting or enforcing any of its rights or in making any claims or demands hereunder. RSAE and the Lenders may at any time, without notice to (except as set forth below) or consent by Parent and without affecting or impairing RSAE's or the Lenders' rights or Parent's obligations hereunder, do any of the following with respect to any Debt:

(a) retain or obtain security interest in any property to secure any of the Debt,

(b) retain or obtain the primary or secondary obligation of any other obligor or obligator with respect to any of the Debt,

(c) extend or renew for one or more periods (whether or not longer than the original period), alter or exchange any Debt, or release or compromise any obligation of any nature of any obligor with respect to any Debt,

(d) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing any Debt, or extend or renew for one or more periods (whether or not longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property,

(e) amend the Credit Agreement or any related document from time to time in any manner, and

(f) extend loans and other financial accommodations to either HSS or RSAE in addition to the Debt.

The Agent will endeavor to provide notice to Parent of any loans or other financial accommodations described in clause (f) above of which the Agent has knowledge; provided that failure to give such notice shall not affect the obligations of Parent hereunder.

5. TERMINATION; AMENDMENT. The Agreement may be amended or terminated at any time by written amendment or agreement signed by each party; provided, however, that:

(a) no modification of or amendment to this Agreement may be made in a manner that adversely affects the rights of the Lenders unless (i) such modification or amendment occurs after all Debt shall have been paid in full in cash and the Lenders have no further commitment to make advances under the Credit Agreement or (ii) all Lenders consent in advance and in writing to such modification or amendment;

(b) this Agreement may be terminated only after all Debt shall have been paid in full and the Lenders have no further commitment to make advances under the Credit Agreement; and

(c) notwithstanding any prior termination of this Agreement in accordance with clause (b) above, if at any time all or any part of any payment theretofore applied by the Agent or any Lender to the Debt is or must be rescinded or returned by the Agent or any Lender for any reason (including, without limitation, the insolvency, bankruptcy or reorganization of RSAE or Parent), such Debt shall be deemed to have continued in existence and this Agreement shall be reinstated, all as though such application by the Agent or such Lender had not been made.

6. RIGHTS AND REMEDIES OF THE AGENT. The Agent shall have the right to demand that RSAE exercise any and all of its rights and remedies under this Agreement, and, if RSAE fails or refuses to take timely action to exercise its rights and remedies hereunder or if RSAE defaults in the timely payment of interest, fees or principal on any Debt when due, the Agent may proceed directly against Parent to exercise RSAE's rights and remedies hereunder (including, without limitation, any and all rights of RSAE to demand or otherwise require payment of any amount under, or performance of any provision of, this Agreement) or to obtain payment of such defaulted interest, fees or principal owed to any Lender, and Parent shall comply and cooperate in all respects with any such exercise and shall, if the Agent so requests, pay any such amounts directly to the Agent. Anything herein to the contrary notwithstanding, the Agent and the Lenders may proceed to enforce this Agreement against the undersigned, without pursuing or exhausting any right or remedy which the Agent or the Lenders may have against RSAE or any other person, firm or corporation.

7. Representations and Warranties. Each of the undersigned represents and warrants for the benefit of the Agent and the Lenders that: a) this Agreement has been duly authorized,

executed and delivered by such undersigned, is in full force and effect and is binding upon and enforceable against such undersigned in accordance with its terms; and (b) Parent has no defense, setoff or counterclaim arising under this Agreement. Parent acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Credit Agreement.

8. NOTICES. Any notice, instruction, request, consent, demand or other communication required or contemplated by this Agreement shall be in writing, shall be given or made or communicated by United States mail, facsimile transmission or hand delivery, addressed as follows:

If to Parent: GREAT PLAINS ENERGY INCORPORATED
1201 Walnut, 20 th Floor
Kansas City, Missouri 64141
Attention: Treasurer
Facsimile: (816) 556-2996

If to RSAE: R.S. ANDREWS ENTERPRISES, INC.
3510 DeKalb Tech Parkway
Atlanta, Georgia 30340
Attention: James A. Tramonte, Esq.
Facsimile: (770) 454-4636

9. SUCCESSORS. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and is also intended for the benefit of the Agent and the Lenders (the "Benefitted Parties"), notwithstanding that such Benefitted Parties are not parties hereto, each Benefitted Party shall be entitled to the full benefits of this Agreement and to enforce the covenants and agreements contained herein. This Agreement is not intended for the benefit of any person other than the Benefitted Parties, and shall not confer or be deemed to confer upon any other such person any benefits, rights or remedies hereunder.

10. GOVERNING LAW. This Agreement shall be governed by the internal laws of the State of Missouri.

11. REMEDIES. The parties to this Agreement acknowledge and agree that breach of any of the covenants of Parent set forth herein may not be compensable by payment of money damages and, therefore, that the covenants of Parent set forth herein may be enforced in equity by a decree requiring specific performance. Such remedies shall be cumulative and non-exclusive and shall be in addition to any other rights and remedies RSAE may have under this Agreement.

12. COSTS AND EXPENSES. After the occurrence of an Event of Default (as defined in the Credit Agreement), Parent agrees that it will pay all reasonable out-of-pocket expenses, legal fees and legal costs incurred by RSAE, the Agent or any Lender in protecting and enforcing its rights hereunder or in connection herewith.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers as of the date first above written.

GREAT PLAINS ENERGY INCORPORATED

By:/s/ Andrea F. Bielsker
Its: V.P.-Finance, CFO and Treasurer

R.S. ANDREWS ENTERPRISES, INC.

By:/s/Charles J. Cansler
Its: CFO

By: /s/ J. Tramonte
Its: Secretary

GUARANTY AND SURETYSHIP AGREEMENT

THIS GUARANTY AND SURETYSHIP AGREEMENT (this "GUARANTY") is made and entered into as of this 8th day of March, 2002, by GREAT PLAINS ENERGY INCORPORATED (the "GUARANTOR"), with an address at 1201 Walnut Street, Kansas City, MO 64106, in consideration of the extension of credit by PNC BANK, NATIONAL ASSOCIATION (the "BANK"), with an address at One PNC Plaza, 249 Fifth Avenue, Pittsburgh, Pennsylvania 15222, to STRATEGIC ENERGY, L.L.C. (the "BORROWER"), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

1. GUARANTY OF OBLIGATIONS. The Guarantor hereby guarantees, and becomes surety for, the prompt payment of all debts, liabilities and financial obligations owing by the Borrower to the Bank or to any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., of any kind or nature, present or future (including any interest accruing thereon after maturity, or after the filing of any petition in bankruptcy, or the commencement of any insolvency, reorganization or like proceeding relating to the Borrower, whether or not a claim for post-filing or post-petition interest is allowed in such proceeding), arising under or related to (x) that certain Letter Agreement governing a \$25,000,000 committed line of credit for the issuance of standby letters of credit between the Borrower and the Bank, dated March 30, 2001, as amended on or about the date herewith, (y) each letter of credit issued by the Bank on account of the Borrower pursuant to such Letter Agreement, and (z) that certain Reimbursement Agreement for Standby Letter(s) of Credit executed by the Borrower in favor of the Bank, dated November 14, 2000, as amended (but only as it pertains to the Letter Agreement and letters of credit issued pursuant to such Letter Agreement), and any amendments, extensions, renewals or increases of any of the foregoing and all costs and expenses of the Bank incurred in the documentation, negotiation, modification, enforcement, collection or otherwise in connection with any of the foregoing, including reasonable attorneys' fees and expenses (hereinafter referred to collectively as the "OBLIGATIONS"). If the Borrower defaults under any such Obligations, the Guarantor will pay the amount due to the Bank. Notwithstanding anything contained in this Guaranty to the contrary, in the event that the Borrower is required to make a payment to cash-collateralize any Letters of Credit in accordance with the terms of the Reimbursement Agreement,

(a) the Guarantor shall not be required to provide cash collateral for the Letters of Credit unless one of the following events shall have occurred:

(1) the Guarantor shall fail, at any time, to cause the ratio of (i) Total Indebtedness (as defined on Schedule A hereto) to (ii) Total Capitalization (as defined on Schedule A hereto) to be less than or equal to 0.65 to 1.0;

(2) the Guarantor shall permit the Interest Coverage Ratio (as defined on Schedule A hereto) as of the end of any fiscal quarter of the Guarantor to be less than 2.0 to 1.0;

(3) an "Event of Default" shall occur under this Guaranty; or

(4) the Borrower or the Guarantor shall dissolve, terminate its existence, become insolvent, have a receiver appointed for it or any part of its property, make an assignment for the benefit of creditors, or be subject to any proceedings under any bankruptcy or insolvency laws; then

(b) the amount of cash collateral to be provided by the Guarantor shall be limited to one hundred percent (100%) of the undrawn face amount of the outstanding Letters of Credit;

provided that the Guarantor shall continue to be obligated to pay, to the extent not paid by the Borrower, all other Obligations (including without limitation, all fees charged in connection with the issuance of the Letters of Credit and all reasonable attorneys fees and expenses) whether or not cash collateral shall have been provided to the Bank by the Guarantor or any other party.

2. NATURE OF GUARANTY; WAIVERS. This is a guaranty of payment

and not of collection and the Bank shall not be required, as a condition of the Guarantor's liability, to make any demand upon or to pursue any of its rights against the Borrower, or to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the Obligations.

This is an absolute, unconditional, irrevocable and continuing guaranty and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full, and the Bank has terminated this Guaranty. This Guaranty will remain in full force and effect even if there is no principal balance outstanding under the Obligations at a particular time or from time to time. This Guaranty will not be affected by any surrender, exchange, acceptance, compromise or release by the Bank of any other party, or any other guaranty or any security held by it for any of the Obligations, by any failure of the Bank to take any steps to perfect or maintain its lien or security interest in or to preserve its rights to any security or other collateral for any of the Obligations or any guaranty, or by any irregularity, unenforceability or invalidity of any of the Obligations or

any part thereof or any security or other guaranty thereof. The Guarantor's obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off, deduction or defense based upon any claim the Guarantor may have against the Borrower or the Bank, except payment or performance of the Obligations.

Notice of acceptance of this Guaranty, notice of extensions of credit to the Borrower from time to time, notice of default, diligence, presentment, notice of dishonor, protest, demand for payment, and any defense based upon the Bank's failure to comply with the notice requirements of the applicable version of Uniform Commercial Code 9-504 are hereby waived. The Guarantor waives all defenses based on suretyship or impairment of collateral.

The Bank at any time and from time to time, without the consent of the Guarantor, and without impairing or releasing, discharging or modifying the Guarantor's liabilities hereunder, may (a) change the manner, place, time or terms of payment or performance of or interest rates on, or other terms relating to, any of the Obligations; (b) renew, substitute, modify, amend or alter, or grant consents or waivers relating to any of the Obligations, any other guaranties, or any security for any Obligations or guaranties; (c) apply any and all payments by whomever paid or however realized including any proceeds of any collateral, to any Obligations of the Borrower in such order, manner and amount as the Bank may determine in its sole discretion; (d) settle, compromise or deal with any other person, including the Borrower or the Guarantor, with respect to any Obligations in such manner as the Bank deems appropriate in its sole discretion; (e) substitute, exchange or release any security or guaranty; or (f) take such actions and exercise such remedies hereunder as provided herein. The Bank shall provide the Guarantor with prompt notice of the occurrence of any actions within the scope of clauses (a) through (f) of this paragraph; provided, however, that failure to provide such notice shall not affect the validity of said actions or the Obligations of the Guarantor under this Guaranty.

3. REPAYMENTS OR RECOVERY FROM THE BANK. If any demand is made at any time upon the Bank for the repayment or recovery of any amount received by it in payment or on account of any of the Obligations and if the Bank repays all or any part of such amount by reason of any judgment, decree or order of any court or administrative body or by reason of any settlement or compromise of any such demand, the Guarantor will be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never been received originally by the Bank. The provisions of this section will be and remain effective notwithstanding any contrary action which may have been taken by the Guarantor in reliance upon such payment, and any such contrary action so taken will be without prejudice to the Bank's rights hereunder and will be deemed to have been conditioned upon such payment having become final and irrevocable.

4. FINANCIAL STATEMENTS. Unless compliance is waived in writing by the Bank or until all of the Obligations have been paid in full, the Guarantor will promptly submit to the Bank copies of its Annual Report on Form 10-K and its Quarterly Report on Form 10-Q.

5. ENFORCEABILITY OF OBLIGATIONS. No modification, limitation or discharge of the Obligations arising out of or by virtue of any bankruptcy, reorganization or similar proceeding for relief of debtors under federal or state law will affect, modify, limit or discharge the Guarantor's liability in any manner whatsoever and this Guaranty will remain and continue in full force and effect and will be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted. The Guarantor waives all rights and benefits which might accrue to it by reason of any such proceeding and will be liable to the full extent hereunder, irrespective of any modification, limitation or discharge of the liability of the Borrower that may result from any such proceeding.

6. EVENTS OF DEFAULT. The occurrence of any of the following shall be an "EVENT OF DEFAULT": (i) the Guarantor's failure to perform any of its obligations hereunder (including without limitation, the Guarantor's obligation to provide cash collateral for the Letters of Credit pursuant to the terms of Section 1 above); (ii) the falsity, inaccuracy or material breach by the Guarantor of any written warranty, representation or statement made or furnished to the Bank by or on behalf of the Guarantor; or (iii) the termination or attempted termination of this Guaranty. Upon the occurrence of any Event of Default, (a) the Guarantor shall pay to the Bank the amount of the Obligations; or (b) on demand of the Bank, the Guarantor shall immediately deposit with the Bank, in U.S. dollars, all amounts due or to become due under the Obligations, and the Bank may at any time use such funds to repay the Obligations; or (c) the Bank in its discretion may exercise with respect to any collateral any one or more of the rights and remedies provided a secured party under the applicable version of the Uniform Commercial Code; or (d) the Bank in its discretion may exercise from time to time any other rights and remedies available to it at law, in equity or otherwise.

7. COSTS. To the extent that the Bank incurs any costs or expenses in protecting or enforcing its rights under the Obligations or this Guaranty, including reasonable attorneys' fees and the costs and expenses of litigation, such costs and expenses will be due on demand, will be included in the Obligations and will bear interest from the incurring or payment thereof at the Default Rate (as defined in any of the Obligations).

8. POSTPONEMENT OF SUBROGATION. Until the Obligations are indefeasibly paid in full, the Guarantor postpones and subordinates in favor of the Bank any and all rights which the Guarantor may have to (a) assert any claim against the Borrower based on subrogation rights with respect to payments made hereunder, and (b) any realization on any property of the Borrower, including participation in any marshalling of the Borrower's assets.

9. NOTICES. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by facsimile transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to the addresses for the Bank and the Guarantor set forth above or to such other address as one may give to the other in writing for such purpose.

10. PRESERVATION OF RIGHTS. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity. The Bank may proceed in any order against the Borrower, the Guarantor or any other obligor of, or collateral securing, the Obligations.

11. ILLEGALITY. In case any one or more of the provisions contained in this Guaranty should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

12. CHANGES IN WRITING. No modification, amendment or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Guarantor in any case will entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstance.

13. ENTIRE AGREEMENT. This Guaranty (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Guarantor and the Bank with respect to the subject matter hereof; provided, however, that this Guaranty is in addition to, and not in substitution for, any other guarantees from the Guarantor to the Bank.

14. SUCCESSORS AND ASSIGNS. This Guaranty will be binding upon and inure to the benefit of the Guarantor and the Bank and their respective heirs, executors, administrators, successors and assigns; PROVIDED, HOWEVER, that the Guarantor may not assign this Guaranty in whole or in part without the Bank's prior written consent and the Bank at any time may assign this Guaranty in whole or in part.

15. INTERPRETATION. In this Guaranty, unless the Bank and the Guarantor otherwise agree in writing, the singular includes the plural and the plural the singular; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; and references to sections or exhibits are to those of this Guaranty unless otherwise indicated. Section headings in this Guaranty are included for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose. If this Guaranty is executed by more than one party as Guarantor, the obligations of such persons or entities will be joint and several.

16. INDEMNITY. The Guarantor agrees to indemnify each of the Bank, its directors, officers and employees and each legal entity, if any, who controls the Bank (the "INDEMNIFIED PARTIES") and to hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation or preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party as a result of the execution of or performance under this Guaranty; PROVIDED, HOWEVER, that the foregoing indemnity agreement shall not apply to claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The indemnity agreement contained in this Section shall survive the termination of

this Guaranty. The Guarantor may participate at its expense in the defense of any such claim.

17. GOVERNING LAW AND JURISDICTION. This Guaranty has been delivered to and accepted by the Bank and will be deemed to be made in the Commonwealth of Pennsylvania. THIS GUARANTY WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE GUARANTOR DETERMINED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, EXCLUDING ITS CONFLICT OF LAWS RULES. The Guarantor hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the county or judicial district where the Bank's office indicated above is located; provided that nothing contained in this Guaranty will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Guarantor individually, against any security or against any property of the Guarantor within any other county, state or other foreign or domestic jurisdiction. The Guarantor acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Guarantor. The Guarantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Guaranty.

18. EQUAL CREDIT OPPORTUNITY ACT. If the Guarantor is not an "applicant for credit" under Section 202.2 (e) of the Equal Credit Opportunity Act of 1974 ("ECOA"), the Guarantor acknowledges that (i) this Guaranty has been executed to

provide credit support for the Obligations, and (ii) the Guarantor was not required to execute this Guaranty in violation of Section 202.7(d) of the ECOA.

19. WAIVER OF JURY TRIAL. THE GUARANTOR IRREVOCABLY WAIVES ANY AND ALL RIGHT THE GUARANTOR MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS GUARANTY, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS GUARANTY OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GUARANTOR ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

THE GUARANTOR ACKNOWLEDGES THAT IT HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS GUARANTY, INCLUDING THE WAIVER OF JURY TRIAL, AND HAS BEEN ADVISED BY COUNSEL AS NECESSARY OR APPROPRIATE.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

GREAT PLAINS ENERGY INCORPORATED

Attest: _____	By: _____
Print Name: _____	Print Name: _____ (SEAL)
Title: _____	Title: _____

SCHEDULE A

To

GUARANTY AND SURETYSHIP AGREEMENT

DEFINED TERMS

"ATTRIBUTABLE INDEBTEDNESS" means, on any date, (a) in respect of any Capitalized Lease Obligation of any person, the capitalized amount thereof that would appear on a balance sheet of such person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capitalized Lease.

"CAPITALIZED LEASE" of a person means any lease of property by such person as lessee which would be capitalized on a balance sheet of such person prepared in accordance with GAAP.

"CAPITALIZED LEASE OBLIGATIONS" of a person means the amount of the obligations of such person under Capitalized Leases which would be shown as a liability on a balance sheet of such person prepared in accordance with GAAP.

"CONSOLIDATED EBITDA" means, for any period, for the Guarantor and its Consolidated Subsidiaries, an amount equal to the result of (i) Consolidated Net Income PLUS (ii) Consolidated Interest charges PLUS (iii) the amount of taxes, based on or measured by income, used or included in the determination of such Consolidated Net Income PLUS (iv) the amount of depreciation and amortization expense deducted in determining such Consolidated Net Income PLUS (v) all other non-cash items that reduce Consolidated Net Income for such period MINUS (vi) all non-cash items that increase Consolidated Net Income for such period.

"CONSOLIDATED INTEREST CHARGES" means, for the Guarantor and its Consolidated Subsidiaries for any period, the sum of (i) all interest, premium payments, fees, charges and related expenses of the Guarantor and its Consolidated Subsidiaries in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, and (ii) the portion of rent expense of the Guarantor and its Consolidated Subsidiaries with respect to such period under capital leases that is treated as interest in accordance with GAAP. It is understood and agreed that Consolidated Interest Charges shall not include any obligations of the Guarantor or any Consolidated Subsidiary with respect to subordinated, deferrable interest debt securities, and any related securities issued by a trust or other special purpose entity in connection therewith.

"CONSOLIDATED NET INCOME" means, for any period, for the Guarantor and its Consolidated Subsidiaries, the net income of the Guarantor and its Consolidated Subsidiaries from continuing operation, excluding extraordinary items for that period.

"CONSOLIDATED SUBSIDIARIES" means, as to any person, each Subsidiary of such person (whether now existing or hereafter created or acquired) the financial statement of which shall be (or should have been) consolidated with the financial statements of such person in accordance with GAAP.

"CONTINGENT OBLIGATION" of a person means any agreement, undertaking or arrangement by which such person assumes, guarantees, endorses, contingently agrees to purchase or provide fund for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other person, or agrees to maintain the net worth or working capital or otherwise becomes or is contingently liable upon, the obligation or liability of any other person, or agrees to maintain the net worth or working capital or other financial condition of any other person, or otherwise assures any creditor of such other person against loss.

"INDEBTEDNESS" means, as to any person at any particular time, all of the following, without duplication, to the extent recourse may be had

to the assets or properties of such person in respect thereof: (i) all obligations of such person for borrowed money and all obligations of such person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (ii) any direct or contingent obligations of such person in the aggregate in excess of \$2,000,000 arising under letters of credit (including standby and commercial), banker's acceptances, bank guaranties, surety bonds and similar instruments; (iii) net obligations of such person under Swap Contracts; (iv) all obligations of such Persons to pay the deferred purchase price of property or services (except trade accounts payable arising, and accrued expenses incurred, in the ordinary course of business), and indebtedness (excluding prepaid interest thereon) secured by a lien on property owned or being purchased by

such person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such person or is limited in recourse; (v) cCapitalized lLease oObligations and sSynthetic lLease oObligations of such person; and (vi) all Contingent Obligations of such person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any person shall include the Indebtedness of any partnership or joint venture in which such person is a general partner or a joint venturer, unless such Indebtedness is non-recourse to such person. It is understood and agreed that Indebtedness (including Contingent Obligations) shall not include any obligations of the Guarantor with respect to subordinated, deferrable interest debt securities, and any related securities issued by a trust or other special purpose entity in connection therewith, as long as the maturity date of such debt is subsequent to the scheduled facility termination date for the Guarantor's existing Credit Agreement; PROVIDED that the amount of mandatory principal amortization or defeasance of such debt prior to the scheduled facility termination date shall be included in this definition of Indebtedness. The amount of any cCapitalized lLease oObligation ofr Synthetic Lease Obligation as of any date shall be deemed to be the amount of aAttributable iIndebtedness in respect thereof as of such date.

"INTEREST COVERAGE RATIO" means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the period of the four prior fiscal quarters ending on such date to (b) Consolidated Interest Charges during such period.

"PROJECT FINANCE SUBSIDIARY" means any Subsidiary that meets the following requirements: (i) it is primarily engaged, directly or indirectly, in the ownership, operation and/or financing of independent power production and related facilities and assets; and (ii) neither the Guarantor nor any other Subsidiary (other than another Project Finance Subsidiary) has any liability, contingent or otherwise, for the Indebtedness or other obligations of such Subsidiary (other than non-recourse liability resulting from the pledge of stock of such Subsidiary).

"SHAREHOLDERS' EQUITY" means, as of any date of determination for the Borrower and its Consolidated Subsidiaries on a consolidated basis, shareholders' equity as of that date determined in accordance with GAAP.

"SWAP CONTRACT" means (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or forward bond index transactions, collar transactions, currency swap transaction, cross-currency rate swap transaction, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any option to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"SYNTHETIC LEASE OBLIGATION" means the monetary obligation of a person under (a) a so-called synthetic or off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such person but which, upon the insolvency or bankruptcy of such person, would be characterized as the indebtedness of such person (without regard to accounting treatment).

"TOTAL CAPITALIZATION" means Total Indebtedness of the guarantor and its Consolidated Subsidiaries plus the sum of (i) Shareholder's Equity and (ii) to the extent not otherwise included in Indebtedness or Shareholder's Equity, preferred and preference stock and securities of the Guarantor and its Subsidiaries included in a consolidated balance sheet of the Guarantor and its Consolidated Subsidiaries in accordance with GAAP.

"TOTAL INDEBTEDNESS" means all Indebtedness of the Guarantor and its Consolidated Subsidiaries on a consolidated basis, excluding (i) Indebtedness arising under Swap Contracts entered into in the ordinary course of business to hedge bona fide transactions and business risks and not for speculation, (ii) Indebtedness of Project Finance Subsidiaries, (iii) Contingent Obligations incurred after May 15, 1996 with respect to Indebtedness of Strategic Energy, L.L.C. in an aggregate amount not exceeding \$275,000,000 and (iv) Indebtedness of KLT Investments Inc. incurred in connection with the acquisition and maintenance of its interest (whether direct or indirect) in low income housing projects.

CREDIT AGREEMENT

Dated as of March 13, 2002

among

GREAT PLAINS ENERGY INCORPORATED,

CERTAIN LENDERS,

BNP PARIBAS,

as Syndication Agent,

BANK OF AMERICA, N.A.,

as Co-Documentation Agent,

THE BANK OF NEW YORK,

as Co-Documentation Agent,

and

BANK ONE, NA,

as Administrative Agent

BANC ONE CAPITAL MARKETS,
INC.

Lead Arranger and Sole Book
Manager

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CREDIT AGREEMENT

This Agreement dated as of March 13, 2002 is among Great Plains Energy Incorporated, a Missouri corporation, the Lenders and Bank One, NA, as Administrative Agent. The parties hereto agree as follows:

ARTICLE I DEFINITIONS

1.1. DEFINITIONS. As used in this Agreement, the following terms have the following meanings (such meanings to be equally applicable to both the singular and plural forms of such terms):

"Administrative Agent" means Bank One, NA in its capacity as contractual representative of the Lenders pursuant to ARTICLE X, and not in its individual capacity as a Lender, and any successor Administrative Agent appointed pursuant to ARTICLE X.

"Advance" means a borrowing hereunder (or conversion or continuation thereof) consisting of the aggregate amount of the several Loans made on the same Borrowing Date (or date of conversion or continuation) by the Lenders to the Borrower of the same Type and, in the case of Eurodollar Advances, for the same Interest Period.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities or by contract or otherwise.

"Aggregate Commitment" means the aggregate of the Commitments of all Lenders, as changed from time to time pursuant to the terms hereof.

"Agreement" means this credit agreement, as it may be amended or modified and in effect from time to time.

"Alternate Base Rate" means, for any day, a rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of the Federal Funds Effective Rate for such day plus 1/2% per annum.

"Applicable Margin" means, with respect to Advances of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type as set forth in the Pricing Schedule.

"Arranger" means Banc One Capital Markets, Inc., a Delaware corporation, and its successors.

"Article" means an article of this Agreement unless another document is specifically referenced.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capitalized Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a Capitalized Lease.

"Authorized Officer" means any of the President, any Vice President, the chief financial officer or the Treasurer of the Borrower, in each case acting singly.

"Bank One" means Bank One, NA in its individual capacity, and its successors.

"Borrower" means Great Plains Energy Incorporated, a Missouri corporation, and its permitted successors and assigns.

"Borrowing Date" means a date on which an Advance is made hereunder.

"Borrowing Notice" is defined in SECTION 2.8.

"Business Day" means (i) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago and New York for the conduct of substantially all of their commercial lending activities and on which dealings in United States dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in Chicago for the conduct of substantially all of their commercial lending activities.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with GAAP.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with GAAP.

"Change of Control" means an event or series of events by which:

(i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of the Borrower or its Subsidiaries, or any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, directly or indirectly, of 33 1/3% or more of the equity interests of the Borrower; or

(ii) during any period of 12 consecutive months (or such lesser period of time as shall have elapsed since the formation of the Borrower), a majority of the members of the board of directors or other equivalent governing body of the Borrower ceases to be composed of individuals (x) who were members of that board or equivalent governing body on the first day of such period, (y) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (x) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (z) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (x) and (y) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

"Code" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time.

"Commitment" means, for each Lender, the obligation of such Lender to make Loans in an aggregate amount not exceeding the amount set forth on SCHEDULE I hereto or as set forth in any Notice of Assignment relating to any assignment that has become effective pursuant to SECTION 12.3.2, as such amount may be modified from time to time pursuant to the terms hereof.

"Consolidated EBITDA" means, for any period, for the Borrower and its Consolidated Subsidiaries, an amount equal to the result of (i) Consolidated Net Income PLUS (ii) Consolidated Interest Charges PLUS (iii) the amount of taxes, based on or measured by income, used or included in the determination of such Consolidated Net Income PLUS (iv) the amount of depreciation and amortization expense deducted in determining such Consolidated Net Income PLUS (v) all other non-cash items that reduce Consolidated Net Income for such period MINUS (vi) all non-cash items that increase Consolidated Net Income for such period.

"Consolidated Interest Charges" means, for the Borrower and its Consolidated Subsidiaries for any period, the sum of (i) all interest, premium payments, fees, charges and related expenses of the Borrower and its Consolidated Subsidiaries in connection with borrowed money (including capitalized interest) or in connection with the deferred purchase price of assets, in each case to the extent treated as interest in accordance with GAAP, and (ii) the portion of rent expense of the Borrower and its Consolidated Subsidiaries with respect to such period under capital leases that is treated as interest in accordance with GAAP. It is understood and agreed that Consolidated Interest Charges shall not include any obligations of the Borrower or any Consolidated Subsidiary with respect to subordinated, deferrable interest debt securities, and any related securities issued by a trust or other special purpose entity in connection therewith, as long as the maturity date of such debt securities is subsequent to the scheduled Facility Termination Date.

"Consolidated Net Income" means, for any period, for the Borrower and its Consolidated Subsidiaries, the net income of the Borrower and its Consolidated Subsidiaries from continuing operations, excluding extraordinary items for that period.

"Consolidated Subsidiaries" means, as to any Person, each Subsidiary of such Person (whether now existing or hereafter created or acquired) the financial statements of which shall be

(or should have been) consolidated with the financial statements of such Person in accordance with GAAP.

"Consolidated Tangible Net Worth" means, as of any date of determination, for the Borrower and its Consolidated Subsidiaries, Shareholders' Equity of the Borrower and its Consolidated Subsidiaries on that date MINUS the Intangible Assets of the Borrower and its Consolidated Subsidiaries on that date.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss.

"Controlled Group" means all members of a controlled group of corporations or other business entities and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Conversion/Continuation Notice" is defined in SECTION 2.9.

"Default" means an event described in ARTICLE VII.

"DTI" means DTI Holdings, Inc.

"DTI Company" means any of DTI and any of its Subsidiaries.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any rule or regulation issued thereunder.

"Eurodollar Advance" means an Advance which bears interest at the applicable Eurodollar Rate.

"Eurodollar Base Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars appearing on Reuters Screen FRBD as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period; PROVIDED that, (i) if Reuters Screen FRBD is not available to the Administrative Agent

for any reason, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the applicable British Bankers' Association Interest Settlement Rate for deposits in U.S. dollars as reported by any other generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period, and (ii) if no such British Bankers' Association Interest Settlement Rate is available to the Administrative Agent, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the rate determined by the Administrative Agent to be the rate at which Bank One or one of its Affiliate banks offers to place deposits in U.S. dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of Bank One's relevant Eurodollar Loan and having a maturity equal to such Interest Period.

"Eurodollar Loan" means a Loan which bears interest at the applicable Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Advance or Eurodollar Loan for the relevant Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus (ii) the Applicable Margin. The Eurodollar Rate shall be rounded to the next higher multiple of 1/16 of 1% if the rate is not such a multiple.

"Excluded Taxes" means, in the case of each Lender or applicable Lending Installation and the Administrative Agent, taxes imposed on its overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which such Lender or the Administrative Agent is incorporated or organized or (ii) the jurisdiction in which the Administrative Agent's or such Lender's principal executive office or such Lender's applicable Lending Installation is located.

"Exhibit" refers to an exhibit to this Agreement, unless another document is specifically referenced.

"Facility Fee Rate" means, at any time, the percentage rate per annum at which facility fees are accruing at such time as set forth in the Pricing Schedule.

"Facility Termination Date" means March 12, 2003 or any earlier date on which the Aggregate Commitment is reduced to zero or otherwise terminated pursuant to the terms hereof.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Chicago time) on such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by the Administrative Agent in its sole discretion.

"Floating Rate" means, for any day, a rate per annum equal to the sum of (i) the Alternate Base Rate for such day plus (ii) the Applicable Margin, in each case changing when and as the Alternate Base Rate changes.

"Floating Rate Advance" means an Advance which bears interest at the Floating Rate.

"Floating Rate Loan" means a Loan which bears interest at the Floating Rate.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements of the Financial Accounting Standards Board.

"Indebtedness" means, as to any Person at a particular time, all of the following, without duplication, to the extent recourse may be had to the assets or properties of such Person in respect thereof: (i) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments; (ii) any direct or contingent obligations of such Person in the aggregate in excess of \$2,000,000 arising under letters of credit (including standby and commercial), banker's acceptances, bank guaranties, surety bonds and similar instruments; (iii) net obligations of such Person under Swap Contracts; (iv) all obligations of such Person to pay the deferred purchase price of property or services (except trade accounts payable arising, and accrued expenses incurred, in the ordinary course of business), and indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse; (v) Capitalized Lease Obligations and Synthetic Lease Obligations of such Person; and (vi) all Contingent Obligations of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture in which such Person is a general partner or a joint venturer, unless such Indebtedness is non-recourse to such Person. It is understood and agreed that Indebtedness (including Contingent Obligations) shall not include any obligations of the Borrower with respect to subordinated, deferrable interest debt securities, and any related securities issued by a trust or other special purpose entity in connection therewith, as long as the maturity date of such debt is subsequent to the scheduled Facility Termination Date; PROVIDED that the amount of mandatory principal amortization or defeasance of such debt prior to the scheduled Facility Termination Date shall be included in this definition of Indebtedness. The amount of any Capitalized Lease Obligation or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

"Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the period of the four prior fiscal quarters ending on such date to (b) Consolidated Interest Charges during such period.

"Interest Period" means, with respect to a Eurodollar Advance, a period of one, two, three or six months commencing on a Business Day selected by the Borrower pursuant to this Agreement. Such Interest Period shall end on the day which corresponds numerically to such date one, two, three or six months thereafter; PROVIDED, HOWEVER, that if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month. If an Interest Period would otherwise end on a day which is not a Business Day, such

Interest Period shall end on the next succeeding Business Day; PROVIDED, HOWEVER, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day.

"KCPL" means Kansas City Power & Light Company, a Missouri corporation.

"Lenders" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns.

"Lending Installation" means, with respect to a Lender or the Administrative Agent, the office, branch, subsidiary or affiliate of such Lender or the Administrative Agent listed on the signature pages hereof or on a Schedule or otherwise selected by such Lender or the Administrative Agent pursuant to SECTION 2.17.

"Lien" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement).

"Loan" means, with respect to a Lender, such Lender's loan made pursuant to ARTICLE II (or any conversion or continuation thereof).

"Loan Documents" means this Agreement and each Note issued pursuant to SECTION 2.13.

"Material Adverse Effect" means a material adverse effect on (i) the business, Property, condition (financial or otherwise), results of operations, or prospects of the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents or (iii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Administrative Agent or the Lenders thereunder.

"Material Indebtedness" is defined in SECTION 7.5.

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a Plan maintained pursuant to a collective bargaining agreement or any other arrangement to which the Borrower or any member of the Controlled Group is a party to which more than one employer is obligated to make contributions.

"Non-U.S. Lender" is defined in SECTION 3.5(IV).

"Note" is defined in SECTION 2.13.

"Notice of Assignment" is defined in SECTION 12.3.2.

"Obligations" means all unpaid principal of and accrued and unpaid interest on the Loans, all accrued and unpaid fees and all expenses, reimbursements, indemnities and other

obligations of the Borrower to the Lenders or to any Lender, the Administrative Agent or any indemnified party arising under the Loan Documents.

"Other Taxes" is defined in SECTION 3.5(II).

"Participants" is defined in SECTION 12.2.1.

"Payment Date" means the last Business Day of each March, June, September and December.

"PBGC" means the Pension Benefit Guaranty Corporation, or any successor thereto.

"Person" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" means an employee pension benefit plan which is covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code as to which the Borrower or any member of the Controlled Group may have any liability.

"Pricing Schedule" means the Schedule attached hereto identified as such.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced by Bank One or its parent from time to time (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Project Finance Subsidiary" means any Subsidiary that meets the following requirements: (i) it is primarily engaged, directly or indirectly, in the ownership, operation and/or financing of independent power production and related facilities and assets; and (ii) neither the Borrower nor any other Subsidiary (other than another Project Finance Subsidiary) has any liability, contingent or otherwise, for the Indebtedness or other obligations of such Subsidiary (other than non-recourse liability resulting from the pledge of stock of such Subsidiary).

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"PUHCA" means the Public Utility Holding Company Act of 1935, as amended.

"Purchasers" is defined in SECTION 12.3.1.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks for the

purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"Reportable Event" means a reportable event as defined in Section 4043 of ERISA and the regulations issued under such section, with respect to a Plan, excluding, however, such events as to which the PBGC has by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within 30 days of the occurrence of such event; PROVIDED, HOWEVER, that a failure to meet the minimum funding standard of Section 412 of the Code and of Section 302 of ERISA shall be a Reportable Event regardless of the issuance of any such waiver of the notice requirement in accordance with either Section 4043(a) of ERISA or Section 412(d) of the Code.

"Required Lenders" means Lenders in the aggregate having at least 51% of the Aggregate Commitment or, if the Aggregate Commitment has been terminated, Lenders in the aggregate holding at least 51% of the aggregate unpaid principal amount of the outstanding Advances.

"Reserve Requirement" means, with respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw Hill Companies, Inc.

"Schedule" refers to a specific schedule to this Agreement, unless another document is specifically referenced.

"SEC" means the Securities and Exchange Commission.

"SEC Order" means the order issued by the SEC to the Borrower and various Affiliates dated September 7, 2001 (Release No. 35-27436; 70-9861), or an extension, renewal or replacement of such order in form and substance satisfactory to the Lenders.

"Section" means a numbered section of this Agreement, unless another document is specifically referenced.

"Shareholders' Equity" means, as of any date of determination for the Borrower and its Consolidated Subsidiaries on a consolidated basis, shareholders' equity as of that date determined in accordance with GAAP.

"Significant Subsidiary" means, at any time, KCPL and each other Subsidiary of the Borrower which (a) as of the date of determination, owns consolidated assets equal to or greater than 15% of the consolidated assets of the Borrower and its Subsidiaries or (b) which had consolidated net income from continuing operations (excluding extraordinary items) during the four most recently ended fiscal quarters equal to or greater than 15% of the sum of (i) Consolidated Net Income during such period plus (ii) for any period ending prior to December 31, 2002, the amount designated as "Net DTI Impairment Charge" in the footnotes to the Borrower's statement of income delivered to the Agent for the fiscal year ended December 31, 2001.

"Single Employer Plan" means a Plan maintained by the Borrower or any member of the Controlled Group for employees of the Borrower or any member of the Controlled Group.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled; PROVIDED that no DTI Company will be considered a Subsidiary of the Borrower for purposes of this Agreement. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Substantial Portion" means, with respect to the Property of the Borrower and its Subsidiaries, Property which (i) represents more than 10% of the consolidated assets of the Borrower and its Consolidated Subsidiaries as would be shown in the consolidated financial statements of the Borrower and its Consolidated Subsidiaries as at the beginning of the twelve-month period ending with the month in which such determination is made, or (ii) is responsible for more than 10% of the consolidated net sales or of the Consolidated Net Income of the Borrower and its Consolidated Subsidiaries as reflected in the financial statements referred to in clause (i) above.

"Swap Contract" means (i) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transaction, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (ii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic or off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes.

"`34 Act Reports" means the periodic reports of the Borrower filed with the SEC on Forms 10K, 10Q and 8K (or any successor forms thereto).

"Total Capitalization" means Total Indebtedness of the Borrower and its Consolidated Subsidiaries plus the sum of (i) Shareholder's Equity and (ii) to the extent not otherwise included in Indebtedness or Shareholder's Equity, preferred and preference stock and securities of the Borrower and its Subsidiaries included in a consolidated balance sheet of the Borrower and its Consolidated Subsidiaries in accordance with GAAP.

"Total Indebtedness" means all Indebtedness of the Borrower and its Consolidated Subsidiaries on a consolidated basis, excluding (i) Indebtedness arising under Swap Contracts entered into in the ordinary course of business to hedge bona fide transactions and business risks and not for speculation, (ii) Indebtedness of Project Finance Subsidiaries, (iii) Contingent Obligations incurred after May 15, 1996 with respect to Indebtedness of Strategic Energy, L.L.C. in an aggregate amount not exceeding \$275,000,000 and (iv) Indebtedness of KLT Investments Inc. incurred in connection with the acquisition and maintenance of its interests (whether direct or indirect) in low income housing projects.

"Transferee" is defined in SECTION 12.4.

"Type" means, with respect to any Advance, its nature as a Floating Rate Advance or a Eurodollar Advance.

"Unmatured Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"Utilization Fee Rate" means, at any time, the percentage rate per annum at which utilization fees are accruing at such time as set forth in the Pricing Schedule.

"Wholly-Owned Subsidiary" of a Person means (i) any Subsidiary all of the outstanding voting securities of which shall at the time be owned or controlled, directly or indirectly, by such Person or one or more Wholly-Owned Subsidiaries of such Person, or by such Person and one or more Wholly-Owned Subsidiaries of such Person, or (ii) any partnership, limited liability company, association, joint venture or similar business organization 100% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled.

1.2. ACCOUNTING PRINCIPLES. Unless the context otherwise clearly requires, all accounting terms not expressly defined herein shall be construed, and all financial computations required under this Agreement shall be made, in accordance with GAAP, consistently applied; PROVIDED that if the Borrower notifies the Administrative Agent that the Borrower wishes to amend any covenant in SECTION 6 to eliminate the effect of any change in GAAP on the operation of such covenant (or if the Administrative Agent notifies the Borrower that the Required Lenders wish to amend any covenant in SECTION 6 for such purpose), then the Borrower's compliance with such covenant shall be determined on the basis of GAAP in effect immediately before the relevant change in GAAP became effective, until either such notice is withdrawn or such covenant is amended in a manner satisfactory to the Borrower and the Required Lenders.

ARTICLE II

THE CREDITS

2.1. COMMITMENT. From and including the date of this Agreement and prior to the Facility Termination Date, subject to the terms and conditions set forth in this Agreement, each Lender severally agrees to make Loans to the Borrower from time to time in amounts not to exceed in the aggregate at any one time outstanding the amount of its Commitment. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow at any time prior to the Facility Termination Date. The Commitments shall expire on the Facility Termination Date.

2.2. REQUIRED PAYMENTS; TERMINATION. All outstanding Advances and all other unpaid Obligations shall be paid in full by the Borrower on the Facility Termination Date.

2.3. RATABLE LOANS. Each Advance hereunder shall consist of Loans made from the several Lenders ratably in proportion to the ratio that their respective Commitments bear to the Aggregate Commitment.

2.4. TYPES OF ADVANCES; MINIMUM AMOUNT. The Advances may be Floating Rate Advances or Eurodollar Advances, or a combination thereof, selected by the Borrower in accordance with SECTIONS 2.8 and 2.9. Each Eurodollar Advance shall be in the minimum amount of \$5,000,000 or a higher integral multiple of \$1,000,000, and each Floating Rate Advance shall be in the minimum amount of \$1,000,000 or an integral multiple thereof.

2.5. FACILITY FEE; UTILIZATION FEE. The Borrower agrees to pay to the Administrative Agent for the account of each Lender (a) a facility fee at a per annum rate equal to the Facility Fee Rate on such Lender's Commitment (regardless of usage) from the date hereof to and including the Facility Termination Date, payable on each Payment Date hereafter and on the Facility Termination Date, and (b) for any date on which the aggregate amount of outstanding Loans exceeds 33% of the Aggregate Commitment, a utilization fee at a per annum rate equal to the Utilization Fee Rate on such Lender's outstanding Loans, payable on each Payment Date hereafter, on the Facility Termination Date and, if applicable, thereafter on demand.

2.6. CHANGES IN AGGREGATE COMMITMENT.

(a) The Borrower may permanently reduce the Aggregate Commitment in whole, or in part ratably among the Lenders in integral multiples of \$5,000,000, upon at least three Business Days' prior written notice to the Administrative Agent, which notice shall specify the amount of any such reduction; PROVIDED, HOWEVER, that the amount of the Aggregate Commitment may not be reduced below the aggregate principal amount of the outstanding Advances. All accrued facility fees and utilization fees shall be payable on the effective date of any termination of the obligations of the Lenders to make Loans hereunder.

(b) The Borrower may, from time to time, by means of a letter delivered to the Administrative Agent substantially in the form of Exhibit F, request that the Aggregate Commitment be increased to up to \$225,000,000 (less the amount of any previous reductions of

the Aggregate Commitment pursuant to clause (a) above) by (a) increasing the Commitment of one or more Lenders which have agreed to such increase and/or (b) adding one or more commercial banks or other Persons as a party hereto (each an "Additional Lender") with a Commitment in an amount agreed to by any such Additional Lender; PROVIDED that no Additional Lender shall be added as a party hereto without the written consent of the Administrative Agent (which shall not be unreasonably withheld) or if an Unmatured Default or a Default exists. Any increase in the Aggregate Commitment pursuant to this clause (b) shall be effective three Business Days after the date on which the Administrative Agent has received and accepted the applicable increase letter in the form of Annex 1 to Exhibit F (in the case of an increase in the Commitment of an existing Lender) or assumption letter in the form of Annex 2 to Exhibit F (in the case of the addition of a commercial bank or other Person as a new Lender). The Administrative Agent shall promptly notify the Borrower and the Lenders of any increase in the amount of the Aggregate Commitment pursuant to this clause (b) and of the Commitment of each Lender after giving effect thereto. The Borrower acknowledges that, in order to maintain Advances in accordance with each Lender's pro-rata share of all outstanding Advances prior to any increase in the Aggregate Commitment pursuant to this clause (b), a reallocation of the Commitments as a result of a non-pro-rata increase in the Aggregate Commitment may require prepayment of all or portions of certain Advances on the date of such increase (and any such prepayment shall be subject to the provisions of SECTION 3.4).

2.7. OPTIONAL PRINCIPAL PAYMENTS.

(a) The Borrower may from time to time prepay Floating Rate Advances upon one Business Day's prior notice to the Administrative Agent, without penalty or premium. Each partial prepayment of Floating Rate Advances shall be in a minimum aggregate amount of \$1,000,000 or an integral multiple thereof.

(b) The Borrower may from time to time prepay Eurodollar Advances (subject to the payment of any funding indemnification amounts required by SECTION 3.4) upon three Business Days' prior notice to the Administrative Agent, without penalty or premium. Each partial prepayment of Eurodollar Advances shall be in a minimum aggregate amount of \$5,000,000 or a higher integral multiple of \$1,000,000.

2.8. METHOD OF SELECTING TYPES AND INTEREST PERIODS FOR NEW ADVANCES. The Borrower shall select the Type of Advance and, in the case of each Eurodollar Advance, the Interest Period applicable thereto from time to time. The Borrower shall give the Administrative Agent irrevocable notice (a "Borrowing Notice") not later than 11:00 a.m. (Chicago time) on the Borrowing Date of each Floating Rate Advance and not later than 11:00 a.m. (Chicago time) three Business Days before the Borrowing Date for each Eurodollar Advance, specifying:

- (i) the Borrowing Date, which shall be a Business Day, of such Advance,
- (ii) the aggregate amount of such Advance,
- (iii) the Type of Advance selected, and
- (vi) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

Not later than noon (Chicago time) on each Borrowing Date, each Lender shall make available its Loan or Loans in funds immediately available in Chicago to the Administrative Agent at its address specified pursuant to ARTICLE XIII. The Administrative Agent will make the funds so received from the Lenders available to the Borrower at the Administrative Agent's aforesaid address.

2.9. CONVERSION AND CONTINUATION OF OUTSTANDING ADVANCES. Floating Rate Advances shall continue as Floating Rate Advances unless and until such Floating Rate Advances are converted into Eurodollar Advances pursuant to this SECTION 2.9 or are repaid in accordance with SECTION 2.7. Each Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Eurodollar Advance shall be automatically converted into a Floating Rate Advance unless (x) such Eurodollar Advance is or was repaid in accordance with SECTION 2.7 or (y) the Borrower shall have given the Administrative Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Eurodollar Advance continue as a Eurodollar Advance for the same or another Interest Period. Subject to the terms of SECTION 2.4, the Borrower may elect from time to time to convert all or any part of a Floating Rate Advance into a Eurodollar Advance. The Borrower shall give the Administrative Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of a Floating Rate Advance into a Eurodollar Advance or continuation of a Eurodollar Advance not later than 10:00 a.m. (Chicago time) at least three Business Days prior to the date of the requested conversion or continuation, specifying:

- (i) the requested date, which shall be a Business Day, of such conversion or continuation,
- (ii) the aggregate amount and Type of the Advance which is to be converted or continued, and
- (iii) the amount of such Advance which is to be converted into or continued as a Eurodollar Advance and the duration of the Interest Period applicable thereto.

2.10. CHANGES IN INTEREST RATE, ETC Each Floating Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance is made or is automatically converted from a Eurodollar Advance into a Floating Rate Advance pursuant to SECTION 2.9, to but excluding the date it is paid or is converted into a Eurodollar Advance pursuant to SECTION 2.9 hereof, at a rate per annum equal to the Floating Rate for such day. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the interest rate determined by the Administrative Agent as applicable to such Eurodollar Advance based upon the Borrower's selections under SECTIONS 2.8 and 2.9 and otherwise in accordance with the terms hereof. No Interest Period may end after the Facility Termination Date.

2.11. RATES APPLICABLE AFTER DEFAULT. Notwithstanding anything to the contrary contained in SECTION 2.8 or 2.9, during the continuance of a Default or Unmatured Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of SECTION 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that no Advance may be made as, converted into or continued as a Eurodollar Advance. During the continuance of a Default the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of SECTION 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that (i) each Eurodollar Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus 2% per annum and (ii) each Floating Rate Advance shall bear interest at a rate per annum equal to the Floating Rate in effect from time to time plus 2% per annum; PROVIDED that, during the continuance of a Default under SECTION 7.6 or 7.7, the interest rates set forth in clauses (i) and (ii) above shall be applicable to all Advances without any election or action on the part of the Administrative Agent or any Lender.

2.12. METHOD OF PAYMENT. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Administrative Agent at the Administrative Agent's address specified pursuant to ARTICLE XIII, or at any other Lending Installation of the Administrative Agent specified in writing by the Administrative Agent to the Borrower, by noon (Chicago time) on the date when due and shall be applied ratably by the Administrative Agent among the Lenders. Each payment delivered to the Administrative Agent for the account of any Lender shall be delivered promptly by the Administrative Agent to such Lender in the same type of funds that the Administrative Agent received at its address specified pursuant to ARTICLE XIII or at any Lending Installation specified in a notice received by the Administrative Agent from such Lender.

2.13. NOTELESS AGREEMENT; EVIDENCE OF INDEBTEDNESS. (i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(ii) The Administrative Agent shall also maintain accounts in which it will record (a) the amount of each Loan made hereunder, the Type thereof and the Interest Period with respect thereto, (b) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (c) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(iii) The entries maintained in the accounts maintained pursuant to paragraphs (i) and (ii) above shall be PRIMA FACIE evidence of the existence and amounts of the Obligations therein recorded; PROVIDED, HOWEVER, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

- (iv) Any Lender may request that its Loans be evidenced by a promissory note substantially in the form of Exhibit E (a "Note"). In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to the order of such Lender. Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (including after any assignment pursuant to SECTION 12.3) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to SECTION 12.3, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in paragraphs (i) and (ii) above.

2.14. TELEPHONIC NOTICES. The Borrower hereby authorizes the Lenders and the Administrative Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Administrative Agent or any Lender in good faith believes to be acting on behalf of the Borrower. The Borrower agrees to deliver promptly to the Administrative Agent a written confirmation, if such confirmation is requested by the Administrative Agent or any Lender, of each telephonic notice signed by an Authorized Officer. If the written confirmation differs in any material respect from the action taken by the Administrative Agent and the Lenders, the records of the Administrative Agent and the Lenders shall govern absent manifest error.

2.15. INTEREST PAYMENT DATES; INTEREST AND FEE BASIS. Interest accrued on each Floating Rate Advance shall be payable on each Payment Date, commencing with the first such date to occur after the date hereof and at maturity. Interest accrued on each Eurodollar Advance shall be payable on the last day of its applicable Interest Period, on any date on which the Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. All computations of interest for Floating Rate Loans when the Alternate Base Rate is determined by the Prime Rate shall be made on the basis of a year of 365 or 366 days, as the case may be, and actual days elapsed. All other computations of interest and fees shall be calculated for actual days elapsed on the basis of a 360-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to noon (Chicago time) at the place of payment (it being understood that the Administrative Agent shall be deemed to have received a payment prior to noon (Chicago time) if (x) the Borrower has provided the Administrative Agent with evidence satisfactory to the Administrative Agent that the Borrower has initiated a wire transfer of such payment prior to such time and (y) the Administrative Agent actually receives such payment on the same Business Day on which such wire transfer was initiated). If any payment of principal or interest on an Advance shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of a principal payment, such extension of time shall be included in computing interest in connection with such payment.

2.16. NOTIFICATION OF ADVANCES, INTEREST RATES, PREPAYMENTS AND COMMITMENT REDUCTIONS. Promptly after receipt thereof, the Administrative Agent will notify each Lender of the contents of each Aggregate Commitment reduction notice, Borrowing Notice, Conversion/Continuation Notice, and repayment notice received by it hereunder. The

Administrative Agent will notify each Lender of the interest rate applicable to each Eurodollar Advance promptly upon determination of such interest rate and will give each Lender prompt notice of each change in the Alternate Base Rate.

2.17. LENDING INSTALLATIONS. Each Lender may book its Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans and any Notes issued hereunder shall be deemed held by each Lender for the benefit of such Lending Installation. Each Lender may, by written notice to the Administrative Agent and the Borrower in accordance with ARTICLE XIII, designate replacement or additional Lending Installations through which Loans will be made by it and for whose account Loan payments are to be made.

2.18. NON-RECEIPT OF FUNDS BY THE ADMINISTRATIVE AGENT. Unless the Borrower or a Lender, as the case may be, notifies the Administrative Agent prior to the date on which it is scheduled to make payment to the Administrative Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Administrative Agent for the account of the Lenders, that it does not intend to make such payment, the Administrative Agent may assume that such payment has been made. The Administrative Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Administrative Agent, the recipient of such payment shall, on demand by the Administrative Agent, repay to the Administrative Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Administrative Agent until the date the Administrative Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the Federal Funds Effective Rate for such day or (y) in the case of payment by the Borrower, the interest rate applicable to the relevant Loan.

ARTICLE III

YIELD PROTECTION; TAXES

3.1. YIELD PROTECTION. If, on or after the date of this Agreement, the adoption of any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any change in the interpretation or administration thereof by any governmental or quasi-governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender or any applicable Lending Installation with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

- (i) subjects any Lender or any applicable Lending Installation to any Taxes, or changes the basis of taxation of payments (other than with respect to Excluded Taxes) to any Lender in respect of its Eurodollar Loans, or

(ii) imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender, or any applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Advances), or

(iii) imposes any other condition the result of which is to increase the cost to any Lender or any applicable Lending Installation of making, funding or maintaining its Eurodollar Loans or reduces any amount receivable by any Lender or any applicable Lending Installation in connection with its Eurodollar Loans or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of Eurodollar Loans held or interest received by it, by an amount deemed material by such Lender,

and the result of any of the foregoing is to increase the cost to such Lender or applicable Lending Installation of making or maintaining its Eurodollar Loans or Commitment or to reduce the return received by such Lender or applicable Lending Installation in connection with such Eurodollar Loans or Commitment, then, within 15 days of demand by such Lender, the Borrower shall pay such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction in amount received.

3.2. CHANGES IN CAPITAL ADEQUACY REGULATIONS. If a Lender determines the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporation controlling such Lender is increased as a result of a Change, then, within 15 days of demand by such Lender, the Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender determines is attributable to this Agreement, its Loans or its Commitment to make Loans hereunder (after taking into account such Lender's policies as to capital adequacy). "Change" means (i) any change after the date of this Agreement in (or in the interpretation of) the Risk-Based Capital Guidelines or (ii) any adoption of or change in (or any change in the interpretation of) any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the date of this Agreement which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "Risk-Based Capital Guidelines" means (x) the risk-based capital guidelines in effect in the United States on the date of this Agreement, including transition rules, and (y) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the date of this Agreement.

3.3. AVAILABILITY OF TYPES OF ADVANCES. If (i) any Lender determines that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, (ii) the Required Lenders determine that (a) deposits of a type and maturity appropriate to match fund Eurodollar Advances are not available or (b) the interest rate applicable to a Type of Advance

does not accurately reflect the cost of making or maintaining such Advance or (iii) the Administrative Agent determines that adequate and reasonable means do not exist for determining the Eurodollar Base Rate, then the Administrative Agent shall suspend the availability of the affected Type of Advance and, in the case of clause (i), require any affected Eurodollar Advances to be repaid or converted to Floating Rate Advances, subject to the payment of any funding indemnification amounts required by SECTION 3.4.

3.4. FUNDING INDEMNIFICATION. If any conversion, prepayment or payment of a Eurodollar Advance occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a Eurodollar Advance is not made, paid, continued or converted on the date or in the amount specified by the Borrower for any reason other than default by the Lenders, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain such Eurodollar Advance.

3.5. TAXES. (i) All payments by the Borrower to or for the account of any Lender or the Administrative Agent hereunder or under any Note shall be made free and clear of and without deduction for any and all Taxes. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender or the Administrative Agent, (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this SECTION 3.5) such Lender or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (b) the Borrower shall make such deductions, (c) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (d) the Borrower shall furnish to the Administrative Agent the original copy of a receipt evidencing payment thereof within 30 days after such payment is made.

- (ii) In addition, the Borrower hereby agrees to pay any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any Note or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note ("Other Taxes").
- (iii) The Borrower hereby agrees to indemnify the Administrative Agent and each Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed on amounts payable under this SECTION 3.5) paid by the Administrative Agent or such Lender and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto. Payments due under this indemnification shall be made within 30 days of the date the Administrative Agent or such Lender makes demand therefor pursuant to SECTION 3.6.
- (iv) Each Lender that is not incorporated under the laws of the United States of America or a state thereof (each a "Non-U.S. Lender") agrees that it will, not less than ten Business Days after the date of this Agreement (or, if later, the date it becomes a party hereto), (i) deliver to each of the Borrower and the

Administrative Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, and (ii) deliver to each of the Borrower and the Administrative Agent a United States Internal Revenue Form W-8BEN or W-9, as the case may be, and certify that it is entitled to an exemption from United States backup withholding tax. Each Non-U.S. Lender further undertakes to deliver to each of the Borrower and the Administrative Agent (x) renewals or additional copies of such form (or any successor form) on or before the date that such form expires or becomes obsolete, and (y) after the occurrence of any event requiring a change in the most recent forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Borrower or the Administrative Agent. All forms or amendments described in the preceding sentence shall certify that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, UNLESS an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form or amendment with respect to it and such Lender advises the Borrower and the Administrative Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

- (iv) For any period during which a Non-U.S. Lender has failed to provide the Borrower with an appropriate form pursuant to clause (iv), above (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any governmental authority, occurring subsequent to the date on which a form originally was required to be provided), such Non-U.S. Lender shall not be entitled to indemnification under this SECTION 3.5 with respect to Taxes imposed by the United States; PROVIDED that, should a Non-U.S. Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under clause (iv), above, the Borrower shall take such steps as such Non-U.S. Lender shall reasonably request to assist such Non-U.S. Lender to recover such Taxes.
- (v) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any Note pursuant to the law of any relevant jurisdiction or any treaty shall deliver to the Borrower (with a copy to the Administrative Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

3.6. LENDER STATEMENTS; SURVIVAL OF INDEMNITY. To the extent reasonably possible and upon the request of the Borrower, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under SECTIONS 3.1, 3.2 and 3.5 or to avoid the unavailability of Eurodollar Advances under SECTION 3.3, so long as such designation is not, in the judgment of such Lender, disadvantageous to such Lender. Each Lender shall deliver a written statement of such Lender to the Borrower (with a copy to the Administrative Agent) as to the amount due, if any, under SECTION 3.1, 3.2, 3.4 or 3.5. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on the Borrower in the absence of manifest error. Determination of amounts payable under such Sections in connection with a Eurodollar Loan shall be calculated as though each Lender funded its Eurodollar Loan through the purchase of a deposit of the type and maturity corresponding to the deposit used as a reference in determining the Eurodollar Rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement of any Lender shall be payable on demand after receipt by the Borrower of such written statement. The obligations of the Borrower under SECTIONS 3.1, 3.2, 3.4 and 3.5 shall survive payment of the Obligations and termination of this Agreement.

ARTICLE IV

CONDITIONS PRECEDENT

4.1. INITIAL ADVANCE. The Lenders shall not be required to make the initial Advance hereunder until the Borrower has furnished the Administrative Agent with (a) all fees required to be paid to the Lenders on the date hereof, (b) evidence that the Borrower's existing credit facility with Bank One, NA has been (or, concurrently with the initial Advance hereunder, will be) paid in full and (c) all of the following, in form and substance satisfactory to the Administrative Agent and each Lender, and in sufficient copies for each Lender:

- (i) Copies of the articles or certificate of incorporation of the Borrower, together with all amendments, certified by the Secretary or an Assistant Secretary of the Borrower, and a certificate of good standing, certified by the appropriate governmental officer in its jurisdiction of incorporation.
- (ii) Copies, certified by the Secretary or an Assistant Secretary of the Borrower, of its by-laws and of its Board of Directors' resolutions and of resolutions or actions of any other body authorizing the execution of the Loan Documents to which the Borrower is a party.
- (iii) An incumbency certificate, executed by the Secretary or an Assistant Secretary of the Borrower, which shall identify by name and title and bear the signatures of the Authorized Officers and any other officers of the Borrower authorized to sign the Loan Documents to which the Borrower is a party, upon which certificate the Administrative Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Borrower.

- (iv) A certificate, signed by the chief accounting officer or the chief financial officer of the Borrower, stating that on the initial Borrowing Date no Default or Unmatured Default has occurred and is continuing.
- (v) A written opinion of the Borrower's counsel, addressed to the Administrative Agent and the Lenders in substantially the form of Exhibit A.
- (vi) Executed counterparts of this Agreement executed by the Borrower and each Lender.
- (vii) Any Notes requested by a Lender pursuant to SECTION 2.13 payable to the order of each such requesting Lender.
- (viii) A copy of the SEC Order authorizing the Borrower to incur the Indebtedness contemplated by the Loan Documents, certified by the Secretary or an Assistant Secretary of the Borrower.
- (ix) Written money transfer instructions, in substantially the form of Exhibit D, addressed to the Administrative Agent and signed by an Authorized Officer who has executed and delivered an incumbency certificate in accordance with the terms hereof, together with such other related money transfer authorizations as the Administrative Agent may have reasonably requested.
- (x) Such other documents as any Lender or its counsel may have reasonably requested.

4.2. EACH ADVANCE. The Lenders shall not be required to make any Advance (other than an Advance that, after giving effect thereto and to the application of the proceeds thereof, does not increase the aggregate amount of outstanding Advances), unless on the applicable Borrowing Date:

- (i) there exists no Default or Unmatured Default.
- (ii) the representations and warranties contained in ARTICLE V are true and correct as of such Borrowing Date except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date.
- (iii) the SEC Order shall not have expired or been revoked and shall permit the Borrower to incur the Indebtedness evidenced by such Advance. The Borrower shall, upon request, provide the Administrative Agent with evidence satisfactory to the Administrative Agent that, after giving effect to such Advance, the aggregate amount of short-term debt instruments issued by the Borrower in reliance upon the SEC Order shall not exceed the maximum amount of Indebtedness authorized by the SEC Order.

Each delivery of a Borrowing Notice shall constitute a representation and warranty by the Borrower that the conditions contained in SECTIONS 4.2(I) and (II) have been satisfied. Any Lender may require delivery of a duly completed compliance certificate in substantially the form of Exhibit B as a condition to making an Advance.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lenders that:

5.1. EXISTENCE AND STANDING. Each of the Borrower and its Significant Subsidiaries is a corporation, partnership (in the case of Subsidiaries only) or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

5.2. AUTHORIZATION AND VALIDITY. The Borrower has the power and authority and legal right to execute and deliver the Loan Documents and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents and the performance of its obligations thereunder have been duly authorized by proper corporate proceedings, and the Loan Documents constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally.

5.3. NO CONFLICT; GOVERNMENT CONSENT. Neither the execution and delivery by the Borrower of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate (i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or (ii) the Borrower's articles or certificate of incorporation or by-laws or (iii) the provisions of any indenture, instrument or agreement to which the Borrower is a party or is subject, or by which it, or its Property, is bound, or conflict with or constitute a default thereunder, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower pursuant to the terms of any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower, is required to be obtained by the Borrower in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4. FINANCIAL STATEMENTS. The December 31, 2000, March 31, 2001, June 30, 2001, September 30, 2001 and December 31, 2001 consolidated financial statements of KCPL and its Subsidiaries heretofore delivered to the Lenders were prepared in accordance with GAAP

and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations for the period then ended subject, in the case of the March 31, 2001, June 30, 2001, September 30, 2001 and December 31, 2001 financial statements, to normal year-end adjustments.

5.5. MATERIAL ADVERSE CHANGE. Since December 31, 2001, there has been no change in the business, Property, prospects, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

5.6. TAXES. The Borrower and its Significant Subsidiaries have filed all United States federal tax returns and all other material tax returns which are required to be filed and have paid all taxes due and payable pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Significant Subsidiaries, except such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with GAAP and as to which no Lien exists. No tax liens have been filed and no material claims are being asserted against the Borrower or any Significant Subsidiary with respect to any such taxes. The charges, accruals and reserves on the books of the Borrower and its Significant Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.7. LITIGATION; ETC. Except as set forth in the Borrower's `34 Act Reports, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Loans. Other than any liability incident to any litigation, arbitration or proceeding which could not reasonably be expected to have a Material Adverse Effect, the Borrower has no material contingent obligations not provided for or disclosed in the financial statements referred to in SECTION 5.4.

5.8. ERISA. The Borrower and each other member of the Controlled Group has fulfilled its obligations under the minimum funding standards of ERISA and the Code with respect to each Plan and is in compliance in all material respects with the presently applicable provisions of ERISA and the Code with respect to each Plan. Neither the Borrower nor any other member of the Controlled Group has (i) sought a waiver of the minimum funding standard under Section 412 of the Code in respect of any Plan, (ii) failed to make any contribution or payment to any Plan or Multiemployer Plan, or made any amendment to any Plan which has resulted or could result in the imposition of a Lien or the posting of a bond or other security under ERISA or the Code or (iii) incurred any liability under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA.

5.9. ACCURACY OF INFORMATION. No information, exhibit or report furnished by the Borrower or any of its Subsidiaries to the Administrative Agent or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not misleading.

5.10. REGULATION U. The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (as defined in Regulation U), or extending credit for the purpose of purchasing or carrying margin stock. Margin stock constitutes less than 25% of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge or other restriction hereunder.

5.11. MATERIAL AGREEMENTS. Neither the Borrower nor any Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate restriction which is reasonably likely to have a Material Adverse Effect. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement to which it is a party, which default could reasonably be expected to have a Material Adverse Effect.

5.12. COMPLIANCE WITH LAWS. The Borrower and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property except for any failure to comply with any of the foregoing which could not reasonably be expected to have a Material Adverse Effect.

5.13. OWNERSHIP OF PROPERTIES. On the date of this Agreement, the Borrower and its Significant Subsidiaries will have good title, free of all Liens other than those permitted by SECTION 6.12, to all of the Property and assets reflected in the Borrower's most recent consolidated financial statements provided to the Administrative Agent as owned by the Borrower and its Subsidiaries.

5.14. PLAN ASSETS; PROHIBITED TRANSACTIONS. The Borrower is not an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and neither the execution of this Agreement nor the making of Loans hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

5.15. ENVIRONMENTAL MATTERS. Except as set forth in the Borrower's '34 Act Reports, there are no known risks and liabilities accruing to the Borrower or any of its Subsidiaries due to Environmental Laws that could reasonably be expected to have a Material Adverse Effect.

5.16. INVESTMENT COMPANY ACT. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.17. PUBLIC UTILITY HOLDING COMPANY ACT. The Borrower is a "holding company" within the meaning of PUHCA.

PARI PASSU INDEBTEDNESS. The Indebtedness under the Loan Documents ranks at least PARI PASSU with all other unsecured Indebtedness of the Borrower.

5.18. SOLVENCY. As of the date hereof and after giving effect to the consummation of the transactions contemplated by the Loan Documents, the Borrower and each Significant Subsidiary is solvent. For purposes of the preceding sentence, solvent means (a) the fair saleable value (on a going concern basis) of the Borrower's assets or a Significant Subsidiary's assets, as applicable, exceed its liabilities, contingent or otherwise, fairly valued, (b) such Person will be able to pay its debts as they become due and (c) such Person will not be left with unreasonably small capital as is necessary to satisfy all of its current and reasonably anticipated obligations giving due consideration to the prevailing practice in the industry in which such Person is engaged. In computing the amount of contingent liabilities at any time, it is intended that such liabilities will be computed at the amount which, in light of all the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability. The Borrower is not entering into the Loan Documents with the actual intent to hinder, delay or defraud its current or future creditors, nor does the Borrower intend to or believe that it will incur, as a result of entering into this Agreement and the other Loan Documents, debts beyond its ability to repay.

ARTICLE VI

COVENANTS

During the term of this Agreement, unless the Required Lenders shall otherwise consent in writing:

6.1. FINANCIAL REPORTING. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to the Lenders:

- (i) Within 90 days after the close of each of its fiscal years, an unqualified audit report certified by a firm of independent certified public accountants which is a member of the "Big Five," prepared in accordance with GAAP on a consolidated basis for itself and its Consolidated Subsidiaries, including balance sheets as of the end of such period and related statements of income, retained earnings and cash flows, accompanied by any management letter prepared by said accountants.
- (ii) Within 45 days after the close of the first three quarterly periods of each of its fiscal years, for itself and its Consolidated Subsidiaries, either (a) consolidated and consolidating unaudited balance sheets as at the close of each such period and consolidated and consolidating profit and loss and reconciliation of surplus statements and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified by its chief accounting officer or chief financial officer or (b) if the Borrower is then a "registrant" within the meaning of Rule 1-01 of Regulation S-X of the SEC and required to file a report on Form 10-Q with the SEC, a copy of the Borrower's report on Form 10-Q for such quarterly period.

- (iii) Together with the financial statements required under SECTIONS 6.1(I) and (II), a compliance certificate in substantially the form of Exhibit B signed by its chief accounting officer or chief financial officer setting forth calculations of the financial covenants contained in SECTION 6 and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof.
- (iv) As soon as possible and in any event within 10 days after the Borrower or any ERISA Affiliate knows that any Reportable Event has occurred with respect to any Plan, a statement, signed by the chief accounting or financial officer of the Borrower, describing said Reportable Event and the action which the Borrower or such ERISA Affiliate proposes to take with respect thereto.
- (v) As soon as possible and in any event within two days after receipt of notice by the Borrower or any ERISA Affiliate of the PBGC's intention to terminate any Plan or to have a trustee appointed to administer any Plan, a copy of such notice.
- (vi) Promptly upon the furnishing thereof to the shareholders of the Borrower, copies of all financial statements, reports and proxy statements so furnished.
- (vii) Promptly upon the filing thereof, copies of all registration statements and annual, quarterly, monthly or other regular reports which the Borrower files with the SEC.
- (viii) As soon as possible, and in any event within three days after an Authorized Officer of the Borrower shall have knowledge thereof, notice of any change by Moody's or S&P in the senior unsecured debt rating of the Borrower.
- (ix) Such other information (including non-financial information) as the Administrative Agent or any Lender may from time to time reasonably request.

The statements and reports required to be furnished by the Borrower pursuant to CLAUSES (VI) and (VII) above shall be deemed furnished for such purpose upon becoming publicly available on the SEC's EDGAR web page.

6.2. PERMITS, ETC. The Borrower will, and will cause each Significant Subsidiary to, take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent failure to do so could not reasonably be expected to have a Material Adverse Effect; and preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

6.3. USE OF PROCEEDS. The Borrower will use the proceeds of the Advances (i) to repay its outstanding credit facility agented by Bank One, NA, and (ii) for the general corporate and working capital purposes of the Borrower and its Subsidiaries, including support for the Borrower's commercial paper. The Borrower will not use any of the proceeds of the Advances to purchase or carry any margin stock (as defined in Regulation U) or to extend credit for the purpose of purchasing or carrying margin stock. The Borrower will not permit margin

stock to constitute 25% or more of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge or other restriction hereunder.

6.4. NOTICE OF DEFAULT. The Borrower will, and will cause each Subsidiary to, give prompt notice in writing to the Lenders of the occurrence of any Default or Unmatured Default and of any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect.

6.5. CONDUCT OF BUSINESS. The Borrower will, and will cause each Significant Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

6.6. TAXES. The Borrower will, and will cause each Significant Subsidiary to, timely file United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with GAAP.

6.7. INSURANCE. The Borrower will, and will cause each Significant Subsidiary to, maintain with financially sound and reputable insurance companies that are not Affiliates of the Borrower or its Subsidiaries (other than any captive insurance company) insurance on all their Properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts as are customarily carried under similar circumstances by such other Persons, and the Borrower will furnish to any Lender upon request full information as to the insurance carried. Such insurance may be subject to co-insurance, deductibility or similar clauses which, in effect, result in self-insurance of certain losses; provided that such self-insurance is in accord with the customary industry practices for Persons in the same or similar businesses and adequate insurance reserves are maintained in connection with such self-insurance to the extent required by GAAP.

6.8. COMPLIANCE WITH LAWS. The Borrower will, and will cause each Significant Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws, the failure to comply with which could reasonably be expected to have a Material Adverse Effect.

6.9. MAINTENANCE OF PROPERTIES; BOOKS OF RECORD. The Borrower will, and will cause each Significant Subsidiary to, (i) do all things necessary to maintain, preserve, protect and keep its Property in good repair, working order and condition, and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times and (ii) keep proper books of record and account, in which full and correct entries shall be made of all material financial transactions and the assets and business

of the Borrower and each Significant Subsidiary in accordance with GAAP; PROVIDED that nothing in this Section shall prevent the Borrower or any Significant Subsidiary from discontinuing the operation or maintenance of any of its Property or equipment if such discontinuance is, in the judgment of such Person, desirable in the conduct of its business.

6.10. INSPECTION. The Borrower will, and if a Default or Event of Default exists, will cause each Subsidiary to, permit the Administrative Agent and the Lenders, by their respective representatives and agents, to inspect any of the Property, books and financial records of such Person, to examine and make copies of the books of accounts and other financial records of such Person, and to discuss the affairs, finances and accounts of such Person with, and to be advised as to the same by, such Person's officers at such reasonable times and intervals as the Administrative Agent or any Lender may designate. After the occurrence and during the continuance of a Default, any such inspection shall be at the Borrower's expense; at all other times, the Borrower shall not be liable to pay the expenses of the Administrative Agent or any Lender in connection with such inspections.

6.11. CONSOLIDATIONS, MERGERS AND SALE OF ASSETS. The Borrower will not, nor will it permit any Significant Subsidiary (other than any Project Finance Subsidiary) to, sell, lease, transfer, or otherwise dispose of all or substantially all of its assets (whether by a single transaction or a number of related transactions and whether at one time or over a period of time) or consolidate with or merge into any Person or permit any Person to merge into it, except

- (i) A Wholly-Owned Subsidiary may be merged into the Borrower.
- (ii) Any Significant Subsidiary may sell all or substantially all of its assets to, or consolidate or merge into, another Significant Subsidiary; PROVIDED that, immediately before and any Default or Unmatured Default.
- (iii) Strategic Energy, L.L.C. may sell accounts receivable and contracts that generate accounts receivable, and KCPL may sell accounts receivable, in each case pursuant to one or more securitization transactions.
- (iv) The Borrower may sell all or substantially all of its assets to, or consolidate with or merge into, any other corporation, or permit another corporation to merge into it; PROVIDED, HOWEVER, that (a) the surviving corporation, if such surviving corporation is not the Borrower, or the transferee corporation in the case of a sale of all or substantially all of the Borrower's assets (1) shall be a corporation organized and existing under the laws of the United States of America or a state thereof or the District of Columbia, and (2) shall expressly assume in writing the due and punctual payment of the Obligations and the due and punctual performance of and compliance with all of the terms of this Agreement and the other Loan Documents to be performed or complied with by the Borrower, (b) immediately before and after such merger, consolidation or sale, there shall not exist any Default or Unmatured Default and (c) the surviving corporation of such merger or consolidation, or the transferee corporation of the assets of the Borrower, as applicable, has, both immediately before and after such merger,

consolidation or sale, a Moody's Rating of Baa3 or better or an S&P Rating of BBB - or better.

Notwithstanding the foregoing, the Borrower and its Consolidated Subsidiaries (excluding Project Finance Subsidiaries) will not convey, transfer, lease or otherwise dispose of (whether in one transaction or a series of transactions, but excluding sales of inventory in the ordinary course of business and sales of assets permitted by clause (iii) above) in the aggregate within any 12-month period, more than 20% of the aggregate book value of the assets of the Borrower and its Consolidated Subsidiaries (excluding Project Finance Subsidiaries) as calculated as of the end of the most recent fiscal quarter.

6.12. LIENS. The Borrower will not, nor will it permit any Significant Subsidiary (other than any Project Finance Subsidiary) to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or any of its Significant Subsidiaries (other than any Project Finance Subsidiary), except:

- (i) Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with GAAP shall have been set aside on its books.
- (ii) Liens imposed by law, such as carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 60 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves shall have been set aside on its books.
- (iii) Liens arising out of pledges or deposits in the ordinary course of business under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation, other than any Lien imposed under ERISA.
- (iv) Utility easements, building restrictions and such other encumbrances or charges against real property as are of a nature generally existing with respect to properties of a similar character and which are not substantial in amount and do not in any material way affect the marketability of the same or interfere with the use thereof in the business of the Borrower or its Significant Subsidiaries.
- (v) The Lien of the General Mortgage Indenture and Deed of Trust Dated December 1, 1986 from KCPL to UMB, N.A.
- (vi) Liens existing on the date hereof and, in the case of any Significant Subsidiary other than KCPL, described in SCHEDULE 6.12 and any renewal or extension thereof; PROVIDED that the Property covered thereby is not increased and any renewal or extension of the obligations secured or benefited thereby is permitted by this Agreement.

- (vii) Judgment Liens which secure payment of legal obligations that would not constitute a Default under SECTION 7.9.
- (viii) Liens on Property acquired by the Borrower or a Significant Subsidiary after the date hereof, existing on such Property at the time of acquisition thereof (and not created in anticipation thereof); PROVIDED that in any such case no such Lien shall extend to or cover any other Property of the Borrower or such Significant Subsidiary, as the case may be.
- (ix) Deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business by the Borrower or any Significant Subsidiary.
- (x) Purchase money security interests on any Property acquired or held by such Person in the ordinary course of business, securing Indebtedness incurred or assumed for the purpose of financing all or any part of the cost of acquiring such Property; PROVIDED that (a) such Lien attaches to such Property concurrently with or within 90 days after the acquisition thereof, (b) such Lien attaches solely to the Property so acquired in such transaction and (c) the principal amount of the Indebtedness secured thereby does not exceed the cost or fair market value determined at the date of incurrence, whichever is lower, of the Property being acquired on the date of acquisition.
- (xi) Liens on or over gas, oil, coal, fissionable material, or other fuel or fuel products as security for any obligations incurred by such Person for the sole purpose of financing the acquisition or storage of such fuel or fuel products or, with respect to nuclear fuel, the processing, reprocessing, sorting, storage and disposal thereof.
- (xii) Liens on (including Liens arising out of the sale of) accounts receivable and/or contracts which will give rise to accounts receivable of KCPL and Strategic Energy, L.L.C.; and other Liens on (including Liens arising out of the sale of) accounts receivable and/or contracts which will give rise to accounts receivable of the Borrower or any Subsidiary in an aggregate amount not at any time exceeding \$10,000,000.
- (xiii) Liens on Property of KLT Gas Inc. and its Subsidiaries in favor of operators and non-operators under joint operating agreements, pooling orders or agreements, unitization agreements or similar contractual arrangements arising in the ordinary course of the business of such Person relating to the development or operation of oil and gas Properties to secure amounts owing, which amounts are not yet due or are being contested in good faith by appropriate proceedings if adequate reserves are maintained on the books of such Person in accordance with GAAP.
- (xiv) Liens on Property of KLT Gas Inc. and its Subsidiaries under production sales agreements, division orders, operating agreements and other agreements customary in the oil and gas business for processing, production and selling

hydrocarbons; PROVIDED that such Liens do not secure obligations to deliver hydrocarbons at some future date without receiving full payment therefor within 90 days of delivery.

- (xv) Liens on Property or assets of a Significant Subsidiary securing obligations owing to the Borrower or any Significant Subsidiary (other than a Project Finance Subsidiary).
- (xvi) Liens on the stock or other equity interests of any Project Finance Subsidiary to secure obligations of such Project Finance Subsidiary (provided that the agreement under which any such Lien is created shall expressly state that it is non-recourse to the pledgor).
- (xvii) Liens which would otherwise not be permitted by CLAUSES (I) through (XVI) securing additional Indebtedness of the Borrower or a Significant Subsidiary (other than a Project Finance Subsidiary); PROVIDED that after giving effect thereto the aggregate unpaid principal amount of Indebtedness (including, without limitation, Capitalized Lease Obligations) of the Borrower and its Significant Subsidiaries (other than any Project Finance Subsidiary) (including prepayment premiums and penalties) secured by Liens permitted by this CLAUSE (XVII) shall not exceed the greater of (a) \$50,000,000 and (b) 10% of Consolidated Tangible Net Worth.

6.13. AFFILIATES. Except to the extent required by applicable law with respect to transactions among the Borrower and its Subsidiaries (excluding any Project Finance Subsidiary), the Borrower will not, and will not permit any Subsidiary (other than any Project Finance Subsidiary) to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than the Borrower or such Subsidiary would obtain in a comparable arms-length transaction.

6.14. ERISA. The Borrower will not, nor will it permit any Significant Subsidiary to, (i) voluntarily terminate any Plan, so as to result in any material liability of the Borrower or any Significant Subsidiary to the PBGC or (ii) enter into any Prohibited Transaction (as defined in Section 4975 of the Code and in Section 406 of ERISA) involving any Plan which results in any material liability of the Borrower or any Significant Subsidiary or (iii) cause any occurrence of any Reportable Event which results in any material liability of the Borrower or any Significant Subsidiary to the PBGC or (iv) allow or suffer to exist any other event or condition known to the Borrower which results in any material liability of the Borrower or any Significant Subsidiary to the PBGC.

6.15. TOTAL INDEBTEDNESS TO TOTAL CAPITALIZATION. The Borrower shall at all times cause the ratio of (i) Total Indebtedness to (ii) Total Capitalization to be less than or equal to 0.65 to 1.0.

6.16. INTEREST COVERAGE RATIO. The Borrower shall not permit the Interest Coverage Ratio as of the end of any fiscal quarter of the Borrower to be less than 2.0 to 1.0.

6.17. RESTRICTIONS ON SUBSIDIARY DIVIDENDS. Except as described in SCHEDULE 6.17 (provided that the restrictions described therein are removed prior to June 11, 2002), the Borrower will not, nor will it permit any Significant Subsidiary (other than any Project Finance Subsidiary) to, be a party to any agreement prohibiting or restricting the ability of such Significant Subsidiary to declare or pay dividends to the Borrower.

ARTICLE VII

DEFAULTS

The occurrence of any one or more of the following events shall constitute a Default:

7.1. Any representation or warranty made or deemed made by or on behalf of the Borrower to the Lenders or the Administrative Agent under or in connection with this Agreement, any Loan, or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be materially false on the date as of which made.

7.2. Nonpayment of principal of any Loan when due or nonpayment of interest upon any Loan or of any fee or other obligation under any of the Loan Documents within five days after the same becomes due.

7.3. The breach by the Borrower of any of the terms or provisions of SECTION 6.3, 6.10 (with respect to the Borrower and its Significant Subsidiaries only), 6.11, 6.12, 6.13, 6.15, 6.16 or 6.17.

7.4. The breach by the Borrower (other than a breach which constitutes a Default under another Section of this ARTICLE VII) of any of the terms or provisions of this Agreement which is not remedied within 30 days after the earlier of (a) the Borrower becoming aware of such breach and (b) receipt by the Borrower of written notice from the Administrative Agent or any Lender; PROVIDED that if such breach is capable of cure but (i) cannot be cured by payment of money and (ii) cannot be cured by diligent efforts within such 30-day period, but such diligent efforts shall be properly commenced within such 30-day period and the Borrower is diligently pursuing, and shall continue to pursue diligently, remedy of such failure, the cure period shall be extended for an additional 90 days, but in no event beyond the Facility Termination Date.

7.5. Failure of the Borrower or any of its Significant Subsidiaries to pay when due any Indebtedness aggregating in excess of \$25,000,000 ("Material Indebtedness"); or the default by the Borrower or any of its Significant Subsidiaries in the performance of any term, provision or condition contained in any agreement under which any such Material Indebtedness was created or is governed, or any other event shall occur or condition exist, the effect of which default or event is to cause, or to permit the holder or holders of such Material Indebtedness to cause, such Material Indebtedness to become due prior to its stated maturity; or any Material Indebtedness of the Borrower or any of its Significant Subsidiaries shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the

stated maturity thereof; or the Borrower or any of its Significant Subsidiaries shall not pay, or admit in writing its inability to pay, its debts generally as they become due.

7.6. The Borrower or any of its Significant Subsidiaries shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate, partnership or limited liability company action to authorize or effect any of the foregoing actions set forth in this SECTION 7.6 or (vi) fail to contest in good faith any appointment or proceeding described in SECTION 7.7.

7.7. Without the application, approval or consent of the Borrower or any of its Subsidiaries, a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Subsidiaries or any Substantial Portion of its Property, or a proceeding described in SECTION 7.6(IV) shall be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 30 consecutive days.

7.8. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower and its Subsidiaries which, when taken together with all other Property of the Borrower and its Subsidiaries so condemned, seized, appropriated, or taken custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

7.9. The Borrower or any of its Significant Subsidiaries shall fail within 30 days to pay, bond or otherwise discharge (i) any judgment or order for the payment of money in excess of \$25,000,000 (either singly or in the aggregate with other such judgments) or (ii) any non-monetary final judgment that has, or could reasonably be expected to have, a Material Adverse Effect, in either case which is not stayed on appeal or otherwise being appropriately contested in good faith.

7.10. A Change of Control shall occur.

7.11. A Reportable Event shall have occurred with respect to a Plan which could reasonably be expected to have a Material Adverse Effect and, 30 days after notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender, such Reportable Event shall still exist.

7.12. Any authorization or approval or other action by any governmental authority or regulatory body required for the execution, delivery or performance of this Agreement or any other Loan Document by the Borrower shall fail to have been obtained or be terminated, revoked or rescinded or shall otherwise no longer be in full force and effect, and such occurrence shall (i) adversely affect the enforceability of the Loan Documents against the Borrower and (ii) to the extent that such occurrence can be cured, shall continue for five days.

7.13. The Borrower shall fail to own, directly or indirectly, all of the outstanding stock of KCPL which, in the absence of any contingency, has the right to vote in an election of directors of KCPL.

ARTICLE VIII

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

8.1. ACCELERATION. If any Default described in SECTION 7.6 or 7.7 occurs with respect to the Borrower, the obligations of the Lenders to make Loans hereunder shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Administrative Agent or any Lender. If any other Default occurs, the Required Lenders (or the Administrative Agent with the consent of the Required Lenders) may terminate or suspend the obligations of the Lenders to make Loans hereunder, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives.

If (a) within 30 days after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans hereunder as a result of any Default (other than any Default as described in SECTION 7.6 or 7.7 with respect to the Borrower) and (b) before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Administrative Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

8.2. AMENDMENTS. Subject to the provisions of this ARTICLE VIII, the Required Lenders (or the Administrative Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or waiving any Default hereunder; PROVIDED, HOWEVER, that no such supplemental agreement shall, without the consent of all of the Lenders:

- (i) Extend the final maturity of any Loan to a date after the Facility Termination Date, or forgive all or any portion of the principal amount thereof, or reduce the rate or extend the time of payment of interest or fees thereon.
- (ii) Reduce the percentage specified in the definition of Required Lenders.

(iii) Extend the Facility Termination Date, or reduce the amount or extend the payment date for, the mandatory payments required under SECTION 2.2, or increase the amount of the Commitment of any Lender hereunder, or permit the Borrower to assign its rights under this Agreement.

(iv) Amend this SECTION 8.2.

No amendment of any provision of this Agreement relating to the Administrative Agent shall be effective without the written consent of the Administrative Agent. The Administrative Agent may waive payment of the fee required under SECTION 12.3.2 without obtaining the consent of any other party to this Agreement.

8.3. PRESERVATION OF RIGHTS. No delay or omission of the Lenders or the Administrative Agent to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Loan notwithstanding the existence of a Default or the inability of the Borrower to satisfy the conditions precedent to such Loan shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by the Lenders required pursuant to SECTION 8.2, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Administrative Agent and the Lenders until the Obligations have been paid in full.

ARTICLE IX

GENERAL PROVISIONS

9.1. SURVIVAL OF REPRESENTATIONS. All representations and warranties of the Borrower contained in this Agreement shall survive the making of the Loans herein contemplated.

9.2. GOVERNMENTAL REGULATION. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.3. HEADINGS. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.4. ENTIRE AGREEMENT. The Loan Documents embody the entire agreement and understanding among the Borrower, the Administrative Agent and the Lenders and supersede all prior agreements and understandings among the Borrower, the Administrative Agent and the Lenders relating to the subject matter thereof other than the fee letter described in SECTION 10.13.

9.5. SEVERAL OBLIGATIONS; BENEFITS OF THIS AGREEMENT. The respective obligations of the Lenders hereunder are several and not joint and no Lender shall be the partner or agent of any other (except to the extent to which the Administrative Agent is authorized to act as such). The failure of any Lender to perform any of its obligations hereunder shall not relieve any other Lender from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns; PROVIDED, HOWEVER, that the parties hereto expressly agree that the Arranger shall enjoy the benefits of the provisions of SECTIONS 9.6, 9.10 and 10.11 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same extent as if it were a party to this Agreement.

9.6. EXPENSES; INDEMNIFICATION.

- (i) The Borrower shall reimburse the Administrative Agent and the Arranger for any reasonable costs and expenses (including fees and charges of outside counsel for the Administrative Agent) paid or incurred by the Administrative Agent or the Arranger in connection with the preparation, negotiation, execution, delivery, syndication, distribution (including, without limitation, via the internet), review, amendment, modification, and administration of the Loan Documents. The Borrower also agrees to reimburse the Administrative Agent, the Arranger and the Lenders for any reasonable costs, internal charges and expenses (including fees and charges of attorneys for the Administrative Agent, the Arranger and the Lenders, which attorneys may be employees of the Administrative Agent, the Arranger or the Lenders) paid or incurred by the Administrative Agent, the Arranger or any Lender in connection with the collection and enforcement, attempted enforcement, and preservation of rights and remedies under, of the Loan Documents (including all such costs and expenses incurred during any "workout" or restructuring in respect of the Obligations and during any legal proceeding).
- (ii) The Borrower hereby further agrees to indemnify the Administrative Agent, the Arranger, each Lender, their respective affiliates and the directors, officers and employees of the foregoing against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not the Administrative Agent, the Arranger or any Lender is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Loan hereunder except to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the party seeking indemnification. The obligations of the Borrower under this SECTION 9.6 shall survive the payment of the Obligations and termination of this Agreement.

9.7. NUMBERS OF DOCUMENTS. All statements, notices, closing documents, and requests hereunder shall be furnished to the Administrative Agent with sufficient counterparts so that the Administrative Agent may furnish one to each of the Lenders.

9.8. ACCOUNTING. Except as provided to the contrary herein, all accounting terms used herein shall be interpreted and all accounting determinations hereunder shall be made in accordance with GAAP.

9.9. SEVERABILITY OF PROVISIONS. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.10. NONLIABILITY OF LENDERS. The relationship between the Borrower on the one hand and the Lenders and the Administrative Agent on the other shall be solely that of borrower and lender. Neither the Administrative Agent, the Arranger nor any Lender shall have any fiduciary responsibilities to the Borrower. Neither the Administrative Agent, the Arranger nor any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations. The Borrower agrees that neither the Administrative Agent, the Arranger nor any Lender shall have liability to the Borrower (whether sounding in tort, contract or otherwise) for losses suffered by the Borrower in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought. Neither the Administrative Agent, the Arranger nor any Lender shall have any liability with respect to, and the Borrower hereby waives, releases and agrees not to sue for, any special, indirect or consequential damages suffered by the Borrower in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

9.11. CONFIDENTIALITY. Each Lender agrees to hold any confidential information which it may receive from the Borrower, any Subsidiary or any DTI Company pursuant to this Agreement in confidence, except for disclosure (i) to its Affiliates and to other Lenders and their respective Affiliates, (ii) to legal counsel, accountants, and other professional advisors to that Lender or to a Transferee, (iii) to regulatory officials, (iv) to any Person as requested pursuant to or as required by law, regulation, or legal process, (v) to any Person in connection with any legal proceeding to which that Lender is a party, (vi) permitted by SECTION 12.4, and (vii) to the extent such information (a) becomes publicly available other than as a result of a breach of this Section or (b) becomes available to the Administrative Agent or any Lender on a nonconfidential basis from a source other than the Borrower, any Subsidiary or any DTI Company.

9.12. NONRELIANCE. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System) for the repayment of the Loans provided for herein.

ARTICLE X

THE ADMINISTRATIVE AGENT

10.1. APPOINTMENT; NATURE OF RELATIONSHIP. Bank One is hereby appointed by each of the Lenders as its contractual representative (herein referred to as the "Administrative Agent") hereunder and under each other Loan Document, and each of the Lenders irrevocably authorizes the Administrative Agent to act as the contractual representative of such Lender with the rights and duties expressly set forth herein and in the other Loan Documents. The Administrative Agent agrees to act as such contractual representative upon the express conditions contained in this ARTICLE X. Notwithstanding the use of the defined term "Administrative Agent," it is expressly understood and agreed that the Administrative Agent shall not have any fiduciary responsibilities to any Lender by reason of this Agreement or any other Loan Document and that the Administrative Agent is merely acting as the contractual representative of the Lenders with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' contractual representative, the Administrative Agent (i) does not hereby assume any fiduciary duties to any of the Lenders and (ii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders hereby agrees to assert no claim against the Administrative Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby waives.

10.2. POWERS. The Administrative Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Administrative Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Administrative Agent shall have no implied duties to the Lenders, or any obligation to the Lenders to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Administrative Agent.

10.3. GENERAL IMMUNITY. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower or any Lender for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

10.4. NO RESPONSIBILITY FOR LOANS, RECITALS, ETC. Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (i) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (ii) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including, without limitation, any agreement by an obligor to furnish information directly to each Lender; (iii) the satisfaction of any condition specified in ARTICLE IV, except receipt of items required to be delivered solely to the Administrative Agent; (iv) the existence or possible existence of any Default or Unmatured Default; (v) the validity, enforceability, effectiveness,

sufficiency or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith; (vi) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (vii) the financial condition of the Borrower or any guarantor of any of the Obligations or of any of the Borrower's or any such guarantor's respective Subsidiaries. The Administrative Agent shall have no duty to disclose to the Lenders information that is not required to be furnished by the Borrower to the Administrative Agent at such time, but is voluntarily furnished by the Borrower to the Administrative Agent (either in its capacity as Administrative Agent or in its individual capacity).

10.5. ACTION ON INSTRUCTIONS OF LENDERS. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders, and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that the Administrative Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Required Lenders. The Administrative Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

10.6. EMPLOYMENT OF AGENTS AND COUNSEL. The Administrative Agent may execute any of its duties as Administrative Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Administrative Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Administrative Agent and the Lenders and all matters pertaining to the Administrative Agent's duties hereunder and under any other Loan Document.

10.7. RELIANCE ON DOCUMENTS; COUNSEL. The Administrative Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Administrative Agent, which counsel may be employees of the Administrative Agent.

10.8. ADMINISTRATIVE AGENT'S REIMBURSEMENT AND INDEMNIFICATION. The Lenders agree to reimburse and indemnify the Administrative Agent ratably in proportion to their respective Commitments (or, if the Commitments have been terminated, in proportion to their Commitments immediately prior to such termination) (i) for any amounts not reimbursed by the Borrower for which the Administrative Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) for any other expenses incurred by the Administrative Agent on behalf of the Lenders, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including, without limitation, for any expenses incurred by the Administrative Agent in connection with any dispute between the Administrative Agent and any Lender or between two or more of the Lenders) and (iii) for any liabilities, obligations,

losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including, without limitation, for any such amounts incurred by or asserted against the Administrative Agent in connection with any dispute between the Administrative Agent and any Lender or between two or more of the Lenders), or the enforcement of any of the terms of the Loan Documents or of any such other documents; PROVIDED that no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Administrative Agent. The obligations of the Lenders under this SECTION 10.8 shall survive payment of the Obligations and termination of this Agreement.

10.9. NOTICE OF DEFAULT. The Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Unmatured Default hereunder unless the Administrative Agent has received written notice from a Lender or the Borrower referring to this Agreement describing such Default or Unmatured Default and stating that such notice is a "notice of default". In the event that the Administrative Agent receives such a notice, the Administrative Agent shall give prompt notice thereof to the Lenders.

10.10. RIGHTS AS A LENDER. In the event the Administrative Agent is a Lender, the Administrative Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Commitment and its Loans as any Lender and may exercise the same as though it were not the Administrative Agent, and the term "Lender" or "Lenders" shall, at any time when the Administrative Agent is a Lender, unless the context otherwise indicates, include the Administrative Agent in its individual capacity. The Administrative Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person.

10.11. LENDER CREDIT DECISION. Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent, the Arranger or any other Lender and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent, the Arranger or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

10.12. SUCCESSOR ADMINISTRATIVE AGENT. The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower, such resignation to be effective upon the appointment of a successor Administrative Agent or, if no successor Administrative Agent has been appointed, 45 days after the retiring Administrative Agent gives notice of its intention to resign. The Administrative Agent may be removed at any time with or without cause by written notice received by the Administrative Agent from the Required

Lenders, such removal to be effective on the date specified by the Required Lenders. Upon any such resignation or removal, the Required Lenders shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders within 30 days after the resigning Administrative Agent's giving notice of its intention to resign, then the resigning Administrative Agent may appoint, on behalf of the Borrower and the Lenders, a successor Administrative Agent. Notwithstanding the previous sentence, the Administrative Agent may at any time without the consent of the Borrower or any Lender, appoint any of its Affiliates which is a commercial bank as a successor Administrative Agent hereunder. If the Administrative Agent has resigned or been removed and no successor Administrative Agent has been appointed within the applicable time period, the Lenders may perform all the duties of the Administrative Agent hereunder and the Borrower shall make all payments in respect of the Obligations to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Administrative Agent shall be deemed to be appointed hereunder until such successor Administrative Agent has accepted the appointment. Any such successor Administrative Agent shall be a commercial bank having capital and retained earnings of at least \$100,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Administrative Agent. Upon the effectiveness of the resignation or removal of the Administrative Agent, the resigning or removed Administrative Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation or removal of an Administrative Agent, the provisions of this ARTICLE X shall continue in effect for the benefit of such Administrative Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Administrative Agent hereunder and under the other Loan Documents. In the event that there is a successor to the Administrative Agent by merger, or the Administrative Agent assigns its duties and obligations to an Affiliate pursuant to this SECTION 10.12, then the term "Prime Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Administrative Agent.

10.13. ADMINISTRATIVE AGENT'S FEE. The Borrower agrees to pay to the Administrative Agent, for its own account, the fees agreed to by the Borrower and the Administrative Agent pursuant to that certain letter agreement dated October 2, 2001 or as otherwise agreed from time to time.

10.14. DELEGATION TO AFFILIATES. The Borrower and the Lenders agree that the Administrative Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Administrative Agent is entitled under ARTICLES IX and X.

ARTICLE XI

SETOFF; RATABLE PAYMENTS

11.1. SETOFF. In addition to, and without limitation of, any rights of the Lenders under applicable law, if the Borrower becomes insolvent, however evidenced, or any Default occurs, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender or any Affiliate of any Lender to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to such Lender, whether or not the Obligations, or any part hereof, shall then be due.

11.2. RATABLE PAYMENTS. If any Lender, whether by setoff or otherwise, has payment made to it upon its Loans (other than payments received pursuant to SECTION 3.1, 3.2, 3.4 or 3.5) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a portion of the Loans held by the other Lenders so that after such purchase each Lender will hold its ratable proportion of the Loans. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to their Loans. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

ARTICLE XII

BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1. SUCCESSORS AND ASSIGNS. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower and the Lenders and their respective successors and assigns, except that (i) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents and (ii) any assignment by any Lender must be made in compliance with SECTION 12.3. Notwithstanding clause (ii) of this Section, any Lender may at any time, without the consent of the Borrower or the Administrative Agent, assign all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank; PROVIDED, HOWEVER, that no such assignment to a Federal Reserve Bank shall release the transferor Lender from its obligations hereunder. The Administrative Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with SECTION 12.3 in the case of an assignment thereof or, in the case of any other transfer, a written notice of the transfer is filed with the Administrative Agent. Any assignee or transferee of the rights to any Loan or any Note agrees by acceptance of such transfer or assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note

has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder, transferee or assignee of the rights to such Loan.

12.2. PARTICIPATIONS.

12.2.1. PERMITTED PARTICIPANTS; EFFECT. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time sell to one or more banks or other Persons ("Participants") participating interests in any Loan owing to such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest, right and/or obligation of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Loans and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Administrative Agent shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

12.2.2. VOTING RIGHTS. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Loan or Commitment in which such Participant has an interest which forgives principal, interest or fees or reduces the interest rate or fees payable with respect to any such Loan or Commitment, extends the Facility Termination Date or postpones any date fixed for any regularly-scheduled payment of principal of, or interest or fees on, any such Loan or Commitment.

12.2.3. BENEFIT OF SETOFF. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in SECTION 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents; PROVIDED that each Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in SECTION 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with SECTION 11.2 as if each Participant were a Lender.

12.3. ASSIGNMENTS.

12.3.1. PERMITTED ASSIGNMENTS. Any Lender may, in the ordinary course of its business and in accordance with applicable law, at any time assign to one or more banks or other entities ("Purchasers") all or any part of its rights and obligations under the Loan Documents. Such assignment shall be substantially in the form of Exhibit C or in such other form as may be agreed to by the parties thereto. The consent of the Borrower and

the Administrative Agent shall be required prior to an assignment becoming effective with respect to a Purchaser which is not a Lender or an Affiliate thereof; PROVIDED, HOWEVER, that if a Default has occurred and is continuing, the consent of the Borrower shall not be required. Such consent shall not be unreasonably withheld or delayed. Each such assignment shall (unless each of the Borrower and the Administrative Agent otherwise consents or such assignment is to an Affiliate of a Lender) be in an amount not less than the lesser of (i) \$5,000,000 or (ii) the remaining amount of the assigning Lender's Commitment (calculated as at the date of such assignment) or outstanding Loans (if such Lender's Commitment has been terminated).

12.3.2. EFFECT OF ASSIGNMENT; EFFECTIVE DATE. Upon (i) delivery to the Administrative Agent of a notice of assignment, substantially in the form attached as SCHEDULE I to EXHIBIT C (a "Notice of Assignment"), together with each consent required by SECTION 12.3.1, and (ii) payment of a \$4,000 fee to the Administrative Agent for processing such assignment, (A) such assignment shall become effective on the effective date specified in such Notice of Assignment and (B) the transferor Lender shall, to the extent provided in such Notice of Assignment, be released from its obligations under this Agreement (and in the case of a Notice of Assignment covering all of the transferor Lender's rights and obligations under this Agreement, such transferor Lender shall cease to be a party hereto). The Notice of Assignment shall contain a representation by the Purchaser to the effect that none of the consideration used to make the purchase of the Commitment and the Loans under the applicable assignment agreement are "plan assets" as defined under ERISA and that the rights and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party hereto, and no further consent or action by the Borrower, the Lenders or the Administrative Agent shall be required to release the transferor Lender with respect to the percentage of the Aggregate Commitment and the Loans assigned to such Purchaser. Upon the consummation of any assignment to a Purchaser pursuant to this SECTION 12.3.2, the transferor Lender, the Administrative Agent and the Borrower shall, if the transferor Lender or the Purchaser desires that its Loans be evidenced by Notes, make appropriate arrangements so that new Notes or, as appropriate, replacement Notes are issued to such transferor Lender and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments, as adjusted pursuant to such assignment.

12.4. DISSEMINATION OF INFORMATION. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries; PROVIDED that each Transferee and prospective Transferee agrees to be bound by SECTION 9.11.

12.5. TAX TREATMENT. If any interest in any Loan Document is transferred to any Transferee which is organized under the laws of any jurisdiction other than the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of SECTION 3.5(IV).

ARTICLE XIII

NOTICES

13.1. NOTICES. Except as otherwise permitted by SECTION 2.14 with respect to borrowing notices, all notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, facsimile transmission or similar writing) and shall be given to such party: (i) in the case of the Borrower or the Administrative Agent, at its address or facsimile number set forth on the signature pages hereof, (ii) in the case of any Lender, at its address or facsimile number set forth below its signature hereto or (iii) in the case of any party, at such other address or facsimile number as such party may hereafter specify for the purpose by notice to the Administrative Agent and the Borrower in accordance with the provisions of this SECTION 13.1. Each such notice, request or other communication shall be effective (a) if given by facsimile transmission, when transmitted to the facsimile number specified in this Section and confirmation of receipt is received, (b) if given by mail, 72 hours after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid, or (c) if given by any other means, when delivered (or, in the case of electronic transmission, received) at the address specified in this Section; PROVIDED that notices to the Administrative Agent under ARTICLE II shall not be effective until received.

13.2. CHANGE OF ADDRESS. The Borrower, the Administrative Agent and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XIV

COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower, the Administrative Agent and the Lenders and each party has notified the Administrative Agent by facsimile transmission or telephone that it has taken such action.

ARTICLE XV

OTHER AGENTS

No Lender identified on the cover page, the signature pages or otherwise in this Agreement, or in any document related hereto, as being the "Syndication Agent" or a "Co-Documentation Agent" shall have any right, power, obligation, liability, responsibility or duty under this Agreement in such capacity other than those applicable to all Lenders. Each Lender acknowledges that it has not relied, and will not rely, on the Syndication Agent or any Co-Documentation Agent in deciding to enter into this Agreement or in taking or refraining from taking any action hereunder or pursuant hereto.

ARTICLE XVI

CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

16.1. CHOICE OF LAW. THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS (AND NOT THE LAW OF CONFLICTS) OF THE STATE OF ILLINOIS, BUT GIVING EFFECT TO FEDERAL LAWS APPLICABLE TO NATIONAL BANKS.

16.2. CONSENT TO JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE ADMINISTRATIVE AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE ADMINISTRATIVE AGENT OR ANY LENDER OR ANY AFFILIATE OF THE ADMINISTRATIVE AGENT OR ANY LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AGREEMENT SHALL BE BROUGHT ONLY IN A COURT IN CHICAGO, ILLINOIS.

16.3. WAIVER OF JURY TRIAL. THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

IN WITNESS WHEREOF, the Borrower, the Lenders and the Administrative Agent have executed this Agreement as of the date first above written.

GREAT PLAINS ENERGY INCORPORATED
By: /s/Andrea F. Bielsker
Title: Vice President-Finance, Chief
Financial Officer and Treasurer

Address:
1200 Walnut
Kansas City, Missouri 64141
Attention: Andrea F. Bielsker, Treasurer
Telephone: 816-556-2595
Fax: 816-556-2992
Email: ANDREA.BIELSKER@KCPL.COM

Signature Page 1

BANK ONE, NA (Main Office Chicago),
as Administrative Agent and as a Lender

By: /s/Mary Lu D.Cramer
Title: Director

Address:
1 Bank One Plaza
Chicago, Illinois 60670
Attention: MaryLu Cramer
Telephone: 312-732-7579
Fax: 312-732-3055
Email: MARY_LU_CRAMER@BANKONE.COM

Operations Contact:

Attention: Claudia Kech
Telephone: 312-732-1031
Fax: 312-732-4840
Email: CLAUDIA_KECH@BANKONE.COM

Signature Page 2

BNP PARIBAS, as Syndication Agent and as
a Lender

By: /s/Gina Clemente
Title: Director

By: /s/Francis Ballard
Title: Director

Address:
787 Seventh Avenue
New York, NY 10019
Attention: Frank DeLaney
Telephone: 212-841-2845
Fax: 212-841-2052
Email:
frank.delaney@americas.bnpparibas.com

Operations Contact:

Attention: Tecla Hurley
Telephone: 212-471-6651
Fax: 212-471-6697
Email:
tecla.hurley@americas.bnpparibas.com

Signature Page 3

BANK OF AMERICA, N.A., as Co-
Documentation Agent and as a Lender
By: /s/Michelle Schoenfeld
Title: Principal

Address:
100 N. Tryon Street
NC1-007-16-13
Charlotte, NC 28255
Attention: Michelle Schoenfeld
Telephone: 704-386-1432
Fax: 704-386-1319
Email:
michelle.a.schoenfeld@bankofamerica.com

Operations Contact:

Attention: Hari Kalyandurg
Telephone: 214-209-2354
Fax: 214-290-9413
Email:
HARI.S.KALYANDURG@BANKOFAMERICA.COM

Signature Page 4

THE BANK OF NEW YORK, as Co-
Documentation Agent and as a Lender
By: /s/Nathan S. Howard
Title: Vice President

Address:
One Wall Street
New York, NY 10286
Attention: Nathan S. Howard
Telephone: 212-635-7916
Fax: 212-635-7923
Email: nhoward@bankofny.com

Operations Contact:

Attention: Kareen Sinclair
Telephone: 212-635-7532
Fax: 212-635-7923

Signature Page 5

BAYERISCHE LANDESBANK GIROZENTRALE,
CAYMAN ISLANDS BRANCH

By: /s/Hereward Drummond
Title: Senior Vice President

By: /s/James H. Boyle
Title: Vice President

Address:
560 Lexington Avenue
New York, NY 10022
Attention: James P. Monaghan
Telephone: 212-310-3962
Fax: 212-310-9868

Operations Contact:

Attention: Patricia Sanchez
Telephone: 212-310-9810
Fax: 212-310-9930

Signature Page 6

PNC BANK, NATIONAL ASSOCIATION

By: /s/Thomas A. Majeski

Title: Vice President

Address:

One PNC Plaza

3rd Floor

249 Fifth Avenue

Pittsburgh, PA 15222

Attention: R. Kane Kiester

Telephone: 412-762-4221

Fax: 412-705-3231

Email: rkane.kiester@pncbank.com

Operations Contact:

Attention: Tina Lanuka

Telephone: 412-768-5876

Fax: 412-768-4586

Email: TINA.LANUKA@PNCBANK.COM

Signature Page 7

GUARANTY

This Guaranty, dated as of April 1, 2002, is made by Great Plains Energy Incorporated (herein called "Guarantor"), a Missouri corporation with its principal place of business located at 1201 Walnut, Kansas City, Missouri 64106, in favor of Williams Energy Marketing & Trading Company (herein called "Creditor") with its principal place of business located at One Williams Center, Tulsa, Oklahoma 74172.

In order to induce Creditor to enter into, from time to time, agreements or contracts (herein collectively called the "Agreements") with Strategic Energy, L.L.C. (herein called "Debtor"), a Delaware limited liability company and a related company of Guarantor (Guarantor has an indirect ownership interest in Debtor), with its principal place of business located at Two Gateway Center, Pittsburgh, PA 15222, Guarantor acknowledges adequate consideration and hereby agrees as follows:

Section 1. Guaranty. Guarantor hereby unconditionally guarantees the punctual and complete payment when due (whether at stated maturity, by acceleration or otherwise), of any and all indebtedness, liabilities, and obligations under the Agreements of Debtor to Creditor now or hereafter existing, whether absolute or contingent, joint and/or several, secured or unsecured, direct or indirect (all such indebtedness, liabilities and obligations are being herein collectively called the "Obligations"). This Guaranty is a guarantee of payment and not of collection. Guarantor acknowledges that it is jointly and severally liable for payment of the Obligations.

Section 2. Demands. If Debtor fails or refuses to pay any Obligations when due, and Creditor elects to exercise its rights under this Guaranty, Creditor shall make a demand upon Guarantor (hereinafter referred to as a "Payment Demand"). A Payment Demand shall be in writing and shall reasonably and briefly specify in what manner and what amount Debtor has failed to pay and an explanation of why such payment is due, with a specific statement that Creditor is calling upon Guarantor to pay under this Guaranty. A Payment Demand satisfying the foregoing requirements when delivered to Guarantor pursuant to Section 7 of this Guaranty shall be required with respect to Obligations before Guarantor is required to pay such Obligations hereunder and shall be deemed sufficient notice to Guarantor that it must pay the Obligations within thirty (30) days after its receipt of the Payment Demand. A single written Payment Demand that complies with the terms of this Section 2 shall be effective as to any specific failure to pay during the continuance of such failure to pay, until Debtor or Guarantor has cured such failure to pay, and additional written demands concerning such failure to pay shall not be required until such failure to pay is cured.

Section 3. Waiver. Except as otherwise provided in Sections 2, 5 or 8 hereof, Guarantor hereby waives:

(a) notice of acceptance of this Guaranty, of the creation and/or existence of any of the Obligations and of any action by Creditor in reliance hereon or in connection herewith;

(b) promptness, diligence, presentment, demand for payment, notice of

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dishonor or nonpayment, protest and notice of protest with respect to the Obligations; and

(c) any requirement that suit be brought against, or any other action by Creditor be taken against, or any notice of default or other notice be given to, or any demand be made on, the Debtor or any other person, or that any other action be taken or not taken as a condition to Guarantor's obligations under this Guaranty or as a condition to enforcement of this Guaranty against Guarantor.

Except as to applicable statutes of limitation or repose, no delay of Creditor in the exercise of, or failure to exercise, any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from any obligations hereunder.

Guarantor consents to the renewal, compromise, extension, acceleration or other changes in the time of payment of or other changes in the terms of the Obligations, or any part thereof or any changes or modifications to the terms of the Agreements (collectively, "Changes"); however, such consent shall not be deemed to add to, delete from, or modify any of the terms and conditions of this Guaranty. Creditor shall take reasonable efforts to seasonably notify Guarantor of any Changes; provided that Creditor's failure to provide such notice shall not affect the validity or effectiveness of such Changes or Guarantor's obligations hereunder.

Section 4. Representations and Warranties. Guarantor hereby represents and warrants to Creditor as follows:

(a) Guarantor is a corporation, duly organized, validly existing and in good standing under the laws of the state of its organization, and is duly qualified and in good standing in each jurisdiction where the nature of its business or the character of the assets and properties owned or held under lease by it requires such qualification, except where the failure to so qualify could not reasonably be expected to have a material adverse effect on Guarantor. Guarantor has all requisite power and authority, organizational or otherwise, to conduct in all material respects its business and to own, or hold under lease, its material assets or properties and to execute and deliver, and perform all of its obligations under this Guaranty;

(b) The execution, delivery and performance by Guarantor of this Guaranty are within the Guarantor's organizational powers, have been duly authorized by all necessary corporate action and do not contravene the organizing documents of Guarantor or any law or material contractual restriction binding on or affecting Guarantor; and

(c) This Guaranty is the legal, valid and binding obligation of Guarantor enforceable against the Guarantor in accordance with its terms except as the enforceability of this Guaranty may be limited by the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors rights generally and by general principles of equity.

Section 5. Setoffs and Counterclaims. Without limiting Guarantor's own defenses and rights hereunder, Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses

to which Debtor or any other affiliate of Guarantor is or may be entitled to, relating to or arising from or out of the Agreements or otherwise, except for defenses relating to, arising from or out of the bankruptcy, insolvency, dissolution or liquidation of Debtor.

Section 6. Amendments, etc. No amendment or waiver of any provision of this Guaranty nor consent to any departure by Guarantor therefrom shall in any event be effective unless the same shall be in writing and signed by Creditor, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 7. Addresses for Notices. All notices and other communications provided for hereunder (collectively called "Notice") shall be in writing and delivered personally or mailed by certified mail, postage prepaid and return receipt requested, or by telegram or telecopier, as follows:

To Guarantor: Great Plains Energy Incorporated
1201 Walnut
Kansas City, MO 64106
Fax No.: (816) 556-2992
Attn: Treasurer

To Creditor: Williams Energy Marketing &
Trading Company
One Williams Center
Tulsa, OK 74172
Fax No.: (918) 573-1935
Attn: Contract Management

Notice given by personal delivery or mail shall be effective upon actual receipt. Notice given by telegram or telecopier shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours. All Notices by telegram or telecopier shall be confirmed promptly after transmission in writing by certified mail or personal delivery. Any party may change any address to which Notice is to be given to it by giving notice as provided above of such change of address.

Section 8. No Waiver; Remedies. Except as to applicable statutes of limitation or repose, no failure on the part of Creditor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 9. Continuing Guaranty; Termination. This Guaranty is an absolute and continuing guaranty, except as specifically set forth herein. This Guaranty shall terminate on the first to occur of (a) ten (10) days after Creditor receives written notice from Guarantor of such termination, (b) the full payment of all Obligations, and (c) March 31, 2003 (the "Termination Date"). Except as set forth in the next sentence, from and after the Termination Date, Guarantor shall have no liability whatsoever for any Obligations created or incurred either before, on or

after the Termination Date. Notwithstanding the preceding sentence, (i) no termination of this Guaranty pursuant to clause (a) of this Section 9 shall affect Guarantor's obligations hereunder for any Obligations created or incurred on or before the Termination Date, and (ii) this Guaranty shall continue to be effective or reinstated, as the case may be, if at any time payment of the Obligations created or incurred on or before the Termination Date, or any part thereof, is rescinded or must otherwise be returned by Creditor upon the insolvency, bankruptcy or reorganization of Debtor or otherwise, all as though such payment had not been made. Guarantor's obligations hereunder may not be assigned without Creditor's written consent. This Guaranty shall be binding upon Guarantor, its successors and assigns, and shall inure to the benefit of and be enforceable by Creditor and its successors and assigns.

Section 10. Governing Law. This Guaranty and the rights and obligations of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Missouri, without reference to conflict of laws principles of said state.

Section 11. Limitation on Guarantor's Liability. Notwithstanding anything herein to the contrary, the liability of Guarantor under this Guaranty shall be limited to the following:

(a) Guarantor's liability hereunder shall be and is specifically limited to payments expressly required to be made by Debtor under the Agreements, but in no event shall Guarantor be liable or otherwise subject hereunder to any indirect, special, incidental, consequential, exemplary, punitive or tort damages, costs, attorney's fees and expenses or loss of profits; and

(b) Guarantor's aggregate liability to Creditor under this Guaranty is limited to and shall not exceed Sixteen Million Dollars (\$16,000,000.00).

Section 12. Entire Agreement. This Guaranty embodies the entire agreement and understanding between Guarantor and Creditor and supersedes all prior and contemporaneous agreements and understandings relating to the subject matter hereof. The headings in this Guaranty are for purposes of reference only, and shall not affect the meaning hereof.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer as of the date first above written.

GREAT PLAINS ENERGY INCORPORATED

By: /s/ Andrea F. Bielsker
Name: Andrea F. Bielsker
Title: vice President - Finance,
Chief Financial Officer
and Treasurer

KANSAS CITY POWER & LIGHT COMPANY

AND

THE BANK OF NEW YORK,
TRUSTEE

INDENTURE

DATED AS OF MARCH 1, 2002

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

SECTION OF ACT

SECTION OF INDENTURE

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 March 1, 2002, 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;

(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 by both such resolution or resolutions and such supplemental indenture, 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, 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 or 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, 2002), 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 to the contrary 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 in its most recent report filed on Form 10-K or 10-Q.

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,
Chief Financial Officer and
Treasurer

[CORPORATE SEAL]

ATTEST:

/s/Jeanie Sell Latz
Name: Jeanie Sell Latz
Title: Secretary

THE BANK OF NEW YORK,
Trustee

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

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On the day of February, 2002 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 - Notary Seal
STATE OF MISSOURI
RAY COUNTY
MY COMMISSION EXP APR 8, 2004

STATE OF MISSOURI)
) ss.
COUNTY OF JACKSON)

On the day of February, 2002 before me personally came Jeanie Sell Latz, to me known, who, being by me duly sworn, did depose and say that she is a Secretary 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 - Notary Seal
STATE OF MISSOURI
RAY COUNTY
MY COMMISSION EXP APR 8, 2004

\$225,000,000

KANSAS CITY POWER & LIGHT COMPANY

6.00% SENIOR NOTES DUE 2007, SERIES A

REGISTRATION RIGHTS AGREEMENT

March 13, 2002

Banc of America Securities LLC
Bank of America Corporate Center,
100 North Tyron Street,
Charlotte, NC 28255

BNP Paribas Securities Corp.
787 Seventh Avenue
New York, NY 10019

As Representatives of the Several Initial Purchasers

Ladies and Gentlemen:

Kansas City Power & Light Company, a Missouri corporation (the "Company"), proposes to issue and sell to Banc of America Securities LLC and BNP Paribas Securities Corp., as joint book-running managers (the "Representatives") on behalf of Banc One Capital Markets, Inc., BNY Capital Markets, Inc. and Scotia Capital (USA) Inc. (collectively, including the Representatives, the "Initial Purchasers"), upon the terms set forth in a purchase agreement, dated March 8, 2002 (the "Purchase Agreement"), \$225,000,000 aggregate principal amount of its 6.00% Senior Notes due 2007, Series A (the "Initial Securities"). The Initial Securities will be issued pursuant to an Indenture, dated as March 1, 2002 (the "Indenture"), between the Company and The Bank of New York, as trustee (the "Trustee"). As an inducement to the Initial Purchasers to enter into the Purchase Agreement, the Company agrees with the Initial Purchasers, for the benefit of the Initial Purchasers and the holders of the Securities (as defined below) (collectively the "Holders"), as follows:

1. REGISTERED EXCHANGE OFFER Unless not permitted by applicable law (after the Company has complied with the ultimate paragraph of this Section 1), the Company shall prepare and, not later than 90 days (such 90th day being a "Filing Deadline") after the date on which the Initial Purchasers purchase the Initial Securities pursuant to the Purchase Agreement (the "Closing Date"), file with the Securities and Exchange Commission (the "Commission") a registration statement (the "Exchange Offer Registration Statement") on an appropriate form under the Securities Act of 1933, as amended (the "Securities Act"), with respect to a proposed offer (the "Registered Exchange Offer") to the Holders of Transfer Restricted Securities (as defined in Section 6 hereof), who are not prohibited by any law or policy of the Commission from

participating in the Registered Exchange Offer, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of debt securities of the Company issued under the Indenture, identical in all material respects to the Initial Securities and registered under the Securities Act (the "Exchange Securities"). The Company shall use its best efforts to (i) cause such Exchange Offer Registration Statement to become effective under the Securities Act within 180 days after the Closing Date (such 180th day being an "Effectiveness Deadline") and (ii) keep the Exchange Offer Registration Statement effective for not less than 20 business days (or longer, if required by applicable law) after the date notice of the Registered

Exchange Offer is mailed to the Holders (such period being called the "Exchange Offer Registration Period").

If the Company commences the Registered Exchange Offer, the Company (i) will be entitled to consummate the Registered Exchange Offer 30 days after such commencement (provided that the Company has accepted all the Initial Securities theretofore validly tendered in accordance with the terms of the Registered Exchange Offer), (ii) will keep the Registered Exchange Offer open for not less than 20 business days (or longer if required by applicable law) after the date on which notice of the Registered Exchange Offer is mailed, and (iii) will be required to consummate the Registered Exchange Offer no later than 30 days after the date on which the Exchange Offer Registration Statement is declared effective (such 30th day being the "Consummation Deadline").

Following the declaration of the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder of Transfer Restricted Securities electing to exchange the Initial Securities for Exchange Securities (assuming that such Holder is not an affiliate of the Company within the meaning of the Securities Act, acquires the Exchange Securities in the ordinary course of such Holder's business and has no arrangements with any person to participate in the distribution of the Exchange Securities and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States.

The Company acknowledges that, pursuant to current interpretations by the Commission's staff of Section 5 of the Securities Act, in the absence of an applicable exemption therefrom, (i) each Holder which is a broker-dealer electing to exchange Initial Securities, acquired for its own account as a result of market making activities or other trading activities, for Exchange Securities (an "Exchanging Dealer"), is required to deliver a prospectus containing the information set forth in (a) Annex A hereto on the cover, (b) Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section, and (c) Annex C hereto in the "Plan of Distribution" section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer and (ii) an Initial Purchaser that elects to sell Securities (as defined below) acquired in exchange

for Initial Securities constituting any portion of an unsold allotment, is required to deliver a prospectus containing the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in connection with such sale.

The Company shall use its best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein, in order to permit such prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities; PROVIDED, HOWEVER, that (i) in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer or an Initial Purchaser, such period shall be the lesser of 180 days and the date on which all Exchanging Dealers and the Initial Purchasers have sold all Exchange Securities held by them (unless such period is extended pursuant to Section 3(j) below) and (ii) the Company shall make such prospectus and any amendment or supplement thereto available to any broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 180 days after the consummation of the Registered Exchange Offer.

If, upon consummation of the Registered Exchange Offer, any Initial Purchaser holds Initial Securities acquired by it as part of its initial distribution, the Company, simultaneously with the delivery of the Exchange Securities pursuant to the Registered Exchange Offer, shall issue and deliver to such Initial Purchaser upon the written request of such Initial Purchaser, in exchange (the "Private Exchange") for the Initial Securities held by such Initial Purchaser, a like principal amount of debt securities of the Company issued under the Indenture and identical in all material respects to the Initial Securities (the "Private Exchange Securities"). The Initial Securities, the Exchange Securities and the Private Exchange Securities are herein collectively called the "Securities".

In connection with the Registered Exchange Offer, the Company shall:

- (a) mail to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;
- (b) keep the Registered Exchange Offer open for not less than 20 business days (or longer, if required by applicable law) after the date notice thereof is mailed to the Holders;
- (c) utilize the services of a depository for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York, which may be the Trustee or an affiliate of the Trustee;
- (d) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last business day on which the Registered Exchange Offer shall remain open; and

(e) otherwise comply with all applicable laws.

As soon as practicable after the close of the Registered Exchange Offer or the Private Exchange, as the case may be, the Company shall:

(x) accept for exchange all the Securities validly tendered and not withdrawn pursuant to the Registered Exchange Offer and the Private Exchange;

(y) deliver to the Trustee for cancellation all the Initial Securities so accepted for exchange; and

(z) cause the Trustee to authenticate and deliver promptly to each Holder of the Initial Securities, Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Initial Securities of such Holder so accepted for exchange.

The Indenture will provide that the Exchange Securities will not be subject to the transfer restrictions set forth in the Indenture and that all the Securities will vote and consent together on all matters as one class and that none of the Securities will have the right to vote or consent as a class separate from one another on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Initial Securities surrendered in exchange therefor or, if no interest has been paid on the Initial Securities, from the date of original issue of the Initial Securities.

Each Holder participating in the Registered Exchange Offer shall be required to represent to the Company that at the time of the consummation of the Registered Exchange Offer (i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Securities Act, (iii) such Holder is not an "affiliate," as defined in Rule 405 of the Securities Act, of the Company or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if such Holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the Exchange Securities and (v) if such Holder is a broker-dealer, that it will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities and that it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities.

Notwithstanding any other provisions hereof, the Company will ensure that (i) any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) any Exchange Offer Registration Statement and any amendment thereto does not, when it

becomes effective, 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 (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If following the date hereof there has been announced a change in Commission policy with respect to exchange offers that in the reasonable opinion of counsel to the Company raises a substantial question as to whether the Registered Exchange Offer is permitted by applicable federal law, the Company will seek a no-action letter or other favorable decision from the Commission allowing the Company to consummate the Registered Exchange Offer. The Company will pursue the issuance of such a decision to the Commission staff level. In connection with the foregoing, the Company will take all such other actions as may be requested by the Commission or otherwise required in connection with the issuance of such decision, including without limitation (i) participating in telephonic conferences with the Commission, (ii) delivering to the Commission staff an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that the Registered Exchange Offer should be permitted and (iii) diligently pursuing a resolution (which need not be favorable) by the Commission staff.

2. SHELF REGISTRATION. If, (i) because of any change in law or in applicable interpretations thereof by the staff of the Commission, the Company is not permitted to effect a Registered Exchange Offer, as contemplated by Section 1 hereof, (ii) the Registered Exchange Offer is not consummated by the 210th day after the Closing Date, (iii) any Initial Purchaser so requests with respect to the Initial Securities (or the Private Exchange Securities) not eligible to be exchanged for Exchange Securities in the Registered Exchange Offer and held by it following consummation of the Registered Exchange Offer or (iv) any Holder (other than an Exchanging Dealer) is not eligible to participate in the Registered Exchange Offer or, in the case of any Holder (other than an Exchanging Dealer) that participates in the Registered Exchange Offer, such Holder does not receive freely tradeable Exchange Securities on the date of the exchange and any such Holder so requests, the Company shall take the following actions (the date on which any of the conditions described in the foregoing clauses (i) through (iv) occur, including in the case of clauses (iii) or (iv) the receipt of the required notice, being a "Trigger Date"):

(a) The Company shall promptly (but in no event more than 90 days after the Trigger Date (such 90th day being a "Filing Deadline")) file with the Commission and thereafter use its best efforts to cause to be declared effective no later than 180 days after the Trigger Date (such 180th day being an "Effectiveness Deadline") a registration statement (the "Shelf Registration Statement" and, together with the Exchange Offer Registration Statement, a "Registration Statement") on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the

Securities Act (hereinafter, the "Shelf Registration"); PROVIDED, HOWEVER, that no Holder (other than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all the provisions of this Agreement applicable to such Holder.

(b) The Company shall use its best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be lawfully delivered by the Holders of the relevant Securities, for a period of two years (or for such longer period if extended pursuant to Section 3(j) below) from the date of its effectiveness or such shorter period that will terminate when all the Securities covered by the Shelf Registration Statement (i) have been sold pursuant thereto or (ii) are no longer restricted securities (as defined in Rule 144 under the Securities Act, or any successor rule thereof). The Company shall be deemed not to have used its best efforts to keep the Shelf Registration Statement effective during the requisite period if it voluntarily takes any action that would result in Holders of Securities covered thereby not being able to offer and sell such Securities during that period, unless such action is required by applicable law.

(c) Notwithstanding any other provisions of this Agreement to the contrary, the Company shall cause the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. REGISTRATION PROCEDURES. In connection with any Shelf Registration contemplated by Section 2 hereof and, to the extent applicable, any Registered Exchange Offer contemplated by Section 1 hereof, the following provisions shall apply:

(a) The Company shall (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein and, in the event that an Initial Purchaser (with respect to any portion of an unsold allotment from the original offering) is participating in the Registered Exchange Offer or the Shelf Registration Statement, the Company shall use its best efforts to reflect in each such document, when so filed with the Commission, such comments as such Initial Purchaser reasonably may propose; (ii) include the information set forth in Annex A hereto on the cover, in Annex B hereto in the "Exchange Offer Procedures" section and the "Purpose of the Exchange Offer" section and in Annex C hereto in the "Plan of Distribution" section of the prospectus forming a part of the Exchange Offer Registration Statement and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; (iii) if requested by an Initial Purchaser, include the information required by Items 507 or 508 of Regulation S-K under the

Securities Act, as applicable, in the prospectus forming a part of the Exchange Offer Registration Statement; (iv) include within the prospectus contained in the Exchange Offer Registration Statement a section entitled "Plan of Distribution," reasonably acceptable to the Initial Purchasers, which shall contain a summary statement of the positions taken or policies made by the staff of the Commission with respect to the potential "underwriter" status of any broker-dealer that is the beneficial owner (as defined in Rule 13d-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) of Exchange Securities received by such broker-dealer in the Registered Exchange Offer (a "Participating Broker-Dealer"), whether such positions or policies have been publicly disseminated by the staff of the Commission or such positions or policies, in the reasonable judgment of the Initial Purchasers based upon advice of counsel (which may be in-house counsel), represent the prevailing views of the staff of the Commission; and (v) in the case of a Shelf Registration Statement, include the names of the Holders who propose to sell Securities pursuant to the Shelf Registration Statement as selling securityholders.

(b) The Company shall give written notice to the Initial Purchasers, the Holders of the Securities and any Participating Broker-Dealer from whom the Company has received prior written notice that it will be a Participating Broker-Dealer in the Registered Exchange Offer (which notice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when the Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to the Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the Company to make changes in the Registration Statement or the prospectus in order that the Registration Statement or the prospectus do not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading.

(c) The Company shall make every reasonable effort to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of the Registration Statement.

(d) The Company shall furnish to each Holder of Securities included within the coverage of the Shelf Registration, without charge, at least one copy of the Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Holder so requests in writing, all exhibits thereto (including those, if any, incorporated by reference); provided that documents incorporated by reference that are available on Commission's web site need not be provided by the Company.

(e) The Company shall deliver to each Exchanging Dealer and each Initial Purchaser, and to any other Holder who so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if any Initial Purchaser or any such Holder requests, all exhibits thereto (including those incorporated by reference); provided that documents incorporated by reference that are available on Commission's web site need not be provided by the Company.

(f) The Company shall, during the Shelf Registration Period, deliver to each Holder of Securities included within the coverage of the Shelf Registration, without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such person may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by each of the selling Holders of the Securities in connection with the offering and sale of the Securities covered by the prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Company shall deliver to each Initial Purchaser, any Exchanging Dealer, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement and any amendment or supplement thereto as such persons may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by any Initial Purchaser, if necessary, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by the prospectus, or any amendment or supplement thereto, included in such Exchange Offer Registration Statement.

(h) Prior to any public offering of the Securities pursuant to any Registration Statement the Company shall register or qualify or cooperate with the Holders of the Securities included therein and their respective counsel in connection with the registration or qualification of the Securities for offer and sale under the securities or "blue sky" laws of such states of the United States as any Holder of the Securities

reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by such Registration Statement; PROVIDED, HOWEVER, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action which would subject it to general service of process or to taxation in any jurisdiction where it is not then so subject.

(i) The Company shall cooperate with the Holders of the Securities to facilitate the timely preparation and delivery of certificates representing the Securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders may request a reasonable period of time prior to sales of the Securities pursuant to such Registration Statement.

(j) Upon the occurrence of any event contemplated by paragraphs (ii) through (v) of Section 3(b) above during the period for which the Company is required to maintain an effective Registration Statement, the Company shall promptly prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required document so that, as thereafter delivered to Holders of the Securities or purchasers of Securities, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer in accordance with paragraphs (ii) through (v) of Section 3(b) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Initial Purchasers, the Holders of the Securities and any such Participating Broker-Dealers shall suspend use of such prospectus, and the period of effectiveness of the Shelf Registration Statement provided for in Section 2(b) above and the Exchange Offer Registration Statement provided for in Section 1 above shall each be extended by the number of days from and including the date of the giving of such notice to and including the date when the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer shall have received such amended or supplemented prospectus pursuant to this Section 3(j).

(k) Not later than the effective date of the applicable Registration Statement, the Company will provide a CUSIP number for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, and provide the applicable trustee with printed certificates for the Initial Securities, the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) The Company will comply with all rules and regulations of the Commission to the extent and so long as they are applicable to the Registered Exchange Offer or the Shelf Registration and will make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than 45 days after the end of a 12-month period (or 90 days, if such period is a fiscal year)

beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement, which statement shall cover such 12-month period.

(m) The Company shall cause the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, in a timely manner and containing such changes, if any, as shall be necessary for such qualification. In the event that such qualification would require the appointment of a new trustee under the Indenture, the Company shall appoint a new trustee thereunder pursuant to the applicable provisions of the Indenture.

(n) The Company may require each Holder of Securities to be sold pursuant to the Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of the Securities as the Company may from time to time reasonably require for inclusion in the Shelf Registration Statement, and the Company may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request.

(o) The Company shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as any Holder of the Securities shall reasonably request in order to facilitate the disposition of the Securities pursuant to any Shelf Registration.

(p) In the case of any Shelf Registration, the Company shall (i) make reasonably available for inspection by the Holders of the Securities, any underwriter participating in any disposition pursuant to the Shelf Registration Statement and any attorney, accountant or other agent retained by the Holders of the Securities or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company and (ii) cause the Company's officers, employees, accountants and auditors to supply all relevant information reasonably requested by the Holders of the Securities or any such underwriter, attorney, accountant or agent in connection with the Shelf Registration Statement, in each case, as shall be reasonably necessary to enable such persons, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; PROVIDED, HOWEVER, that the foregoing inspection and information gathering shall be coordinated on behalf of the Initial Purchasers by you and on behalf of the other parties, by one counsel designated by and on behalf of such other parties as described in Section 4 hereof.

(q) In the case of any Shelf Registration, the Company, if requested by any Holder of Securities covered thereby, shall cause (i) its counsel to deliver an opinion and updates thereof relating to the Securities in customary form addressed to such Holders and the managing underwriters, if any, thereof and dated, in the case of the initial opinion, the effective date of such Shelf Registration Statement (it being agreed that the matters to be covered by such opinion shall include, without limitation, the due incorporation and good standing of the Company and its subsidiaries; the qualification of the Company and its subsidiaries to transact business as foreign corporations; the due

authorization, execution and delivery of the relevant agreement of the type referred to in Section 3(o) hereof; the due authorization, execution, authentication and issuance, and the validity and enforceability, of the applicable Securities; the absence of material legal or governmental proceedings involving the Company and its subsidiaries; the absence of governmental approvals required to be obtained in connection with the Shelf Registration Statement, the offering and sale of the applicable Securities, or any agreement of the type referred to in Section 3(o) hereof; the compliance as to form of such Shelf Registration Statement and any documents incorporated by reference therein and of the Indenture with the requirements of the Securities Act and the Trust Indenture Act, respectively; and, as of the date of the opinion and as of the effective date of the Shelf Registration Statement or most recent post-effective amendment thereto, as the case may be, the absence from such Shelf Registration Statement and the prospectus included therein, as then amended or supplemented, and from any documents incorporated by reference therein of an untrue statement of a material fact or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any such documents, in the light of the circumstances existing at the time that such documents were filed with the Commission under the Exchange Act); (ii) its officers to execute and deliver all customary documents and certificates and updates thereof requested by any underwriters of the applicable Securities and (iii) its independent public accountants and the independent public accountants with respect to any other entity for which financial information is provided in the Shelf Registration Statement to provide to the selling Holders of the applicable Securities and any underwriter therefor a comfort letter in customary form and covering matters of the type customarily covered in comfort letters in connection with primary underwritten offerings, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

(r) In the case of the Registered Exchange Offer, if requested by any Initial Purchaser or any known Participating Broker-Dealer, the Company shall cause (i) its counsel to deliver to such Initial Purchaser or such Participating Broker-Dealer a signed opinion in the form set forth in Section 6 of the Purchase Agreement with such changes as are customary in connection with the preparation of a Registration Statement and (ii) its independent public accountants and the independent public accountants with respect to any other entity for which financial information is provided in the Registration Statement to deliver to such Initial Purchaser or such Participating Broker-Dealer a comfort letter, in customary form, meeting the requirements as to the substance thereof as set forth in Section 6 of the Purchase Agreement, with appropriate date changes.

(s) If a Registered Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Initial Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be, the Company shall mark, or caused to be marked, on the Initial Securities so exchanged that such Initial Securities are being canceled in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be; in no event shall the Initial Securities be marked as paid or otherwise satisfied.

(t) The Company will use its best efforts to (a) if the Initial Securities have been rated prior to the initial sale of such Initial Securities, confirm such ratings will apply to the Securities covered by a Registration Statement, or (b) if the Initial Securities were not previously rated, cause the Securities covered by a Registration Statement to be rated with the appropriate rating agencies, if so requested by Holders of a majority in aggregate principal amount of Securities covered by such Registration Statement, or by the managing underwriters, if any.

(u) In the event that any broker-dealer registered under the Exchange Act shall underwrite any Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules (the "Rules") of the National Association of Securities Dealers, Inc. ("NASD")) thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company will assist such broker-dealer in complying with the requirements of such Rules, including, without limitation, by (i) if such Rules, including Rule 2720, shall so require, engaging a "qualified independent underwriter" (as defined in Rule 2720) to participate in the preparation of the Registration Statement relating to such Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities, (ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 hereof and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules.

(v) The Company shall use its best efforts to take all other steps necessary to effect the registration of the Securities covered by a Registration Statement contemplated hereby.

4. REGISTRATION EXPENSES.

(A) All expenses incident to the Company's performance of and compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement is ever filed or becomes effective, including without limitation;

(i) all registration and filing fees and expenses;

(ii) all fees and expenses of compliance with federal securities and state "blue sky" or securities laws;

(iii) all expenses of printing (including printing certificates for the Securities to be issued in the Registered Exchange Offer and the Private Exchange and printing of Prospectuses), messenger and delivery services and telephone;

(iv) all fees and disbursements of counsel for the Company;

(v) all application and filing fees in connection with listing the Exchange Securities on a national securities exchange or automated quotation system pursuant to the requirements hereof; and

(vi) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company will bear its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expenses of any annual audit and the fees and expenses of any person, including special experts, retained by the Company.

(b) In connection with any Registration Statement required by this Agreement, the Company will reimburse the Initial Purchasers and the Holders of Transfer Restricted Securities who are tendering Initial Securities in the Registered Exchange Offer and/or selling or reselling Securities pursuant to the "Plan of Distribution" contained in the Exchange Offer Registration Statement or the Shelf Registration Statement, as applicable, for the reasonable fees and disbursements of not more than one counsel who shall be chosen by the Representatives.

5. INDEMNIFICATION.

(A) The Company agrees to indemnify and hold harmless each Holder of the Securities, any Participating Broker-Dealer and each person, if any, who controls such Holder or such Participating Broker-Dealer within the meaning of the Securities Act or the Exchange Act (each Holder, any Participating Broker-Dealer and such controlling persons are referred to collectively as the "Indemnified Parties") from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof (including, but not limited to, any losses, claims, damages, liabilities or actions relating to purchases and sales of the Securities) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; provided, however, that (i) the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein and (ii) with

respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus relating to a Shelf Registration Statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Holder or Participating Broker-Dealer from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that a prospectus relating to such Securities was required to be delivered by such Holder or Participating Broker-Dealer under the Securities Act in connection with such purchase and any such loss, claim, damage or liability of such Holder or Participating Broker-Dealer results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the final prospectus if the Company had previously furnished copies thereof to such Holder or Participating Broker-Dealer; PROVIDED FURTHER, HOWEVER, that this indemnity agreement will be in addition to any liability which the Company may otherwise have to such Indemnified Party. The Company shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Holders of the Securities if requested by such Holders.

(b) Each Holder of the Securities, severally and not jointly, will indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Company or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company for any legal or other expenses reasonably incurred by the Company or any such controlling person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of its controlling persons.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action or proceeding (including a governmental investigation), such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 5, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. In case any such action is brought against any indemnified party, the indemnifying party will be

entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof the indemnifying party will not be liable to such indemnified party under this Section 5 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 5 is unavailable or insufficient to hold harmless an indemnified party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above in such proportion as is appropriate to reflect the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Holder or such other indemnified party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (d), each person, if any, who controls such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company.

(e) The agreements contained in this Section 5 shall survive the sale of the Securities pursuant to a Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

6. ADDITIONAL INTEREST UNDER CERTAIN CIRCUMSTANCES.

(A) Additional interest (the "Additional Interest") with respect to the Securities shall be assessed as follows if any of the following events occur (each such event in clauses (i) through (iv) below being herein called a "Registration Default"):

(i) any Registration Statement required by this Agreement is not filed with the Commission on or prior to the applicable Filing Deadline;

(ii) any Registration Statement required by this Agreement is not declared effective by the Commission on or prior to the applicable Effectiveness Deadline;

(iii) the Registered Exchange Offer has not been consummated on or prior to the Consummation Deadline; or

(iv) any Registration Statement required by this Agreement has been declared effective by the Commission but (A) such Registration Statement thereafter ceases to be effective or (B) such Registration Statement or the related prospectus ceases to be usable in connection with resales of Transfer Restricted Securities during the periods specified herein because either (1) any event occurs as a result of which the related prospectus forming part of such Registration Statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or (2) it shall be necessary to amend such Registration Statement or supplement the related prospectus, to comply with the Securities Act or the Exchange Act or the respective rules thereunder.

Each of the foregoing will constitute a Registration Default whatever the reason for any such event and whether it is voluntary or involuntary or is beyond the control of the Company or pursuant to operation of law or as a result of any action or inaction by the Commission .

Additional Interest shall accrue on the Transfer Restricted Securities over and above the interest set forth in the title of the Transfer Restricted Securities from and including the date on which any such Registration Default shall occur to but excluding the date on which all such Registration Defaults have been cured, at a rate of 0.25% per annum (the "Additional Interest Rate") for the first 90-day period immediately following the occurrence of such Registration Default. The Additional Interest Rate shall increase by an additional 0.25% per annum with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum Additional Interest Rate of 1.0% per annum.

(b) A Registration Default referred to in Section 6(a)(iv) hereof shall be deemed not to have occurred and be continuing in relation to a Shelf Registration Statement or the related prospectus if (i) such Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Shelf Registration

Statement to incorporate annual audited financial information with respect to the Company where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related prospectus or (y) other material events, with respect to the Company that would need to be described in such Shelf Registration Statement or the related prospectus and (ii) in the case of clause (y), the Company is proceeding promptly and in good faith to amend or supplement such Shelf Registration Statement and related prospectus to describe such events; PROVIDED, HOWEVER, that in any case if such Registration Default occurs for a continuous period in excess of 30 days, Additional Interest shall be payable in accordance with the above paragraph from the day such Registration Default occurs until such Registration Default is cured.

(c) Any amounts of Additional Interest due pursuant to Section 6(a) will be payable on the regular interest payment dates and in the same manner as regular interest payments on the Securities. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest Rate by the principal amount of the Securities and further multiplied by a fraction, the numerator of which is the number of days such Additional Interest Rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360.

(d) "Transfer Restricted Securities" means each Security until (i) the date on which such Security has been exchanged by a person other than a broker-dealer for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) following the exchange by a broker-dealer in the Registered Exchange Offer of an Initial Security for an Exchange Note, the date on which such Exchange Note is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Security is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

7. RULES 144 AND 144A. The Company shall use its best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Securities, make publicly available other information so long as necessary to permit sales of their securities pursuant to Rules 144 and 144A. The Company covenants that it will take such further action as any Holder of Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including the requirements of Rule 144A(d)(4)). The Company will provide a copy of this Agreement to prospective purchasers of Initial Securities identified to the Company by the Initial Purchasers upon request. Upon the request of any Holder of Initial Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements.

Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

8. UNDERWRITTEN REGISTRATIONS. If any of the Transfer Restricted Securities covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering ("Managing Underwriters") will be selected by the Holders of a majority in aggregate principal amount of such Transfer Restricted Securities to be included in such offering.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. MISCELLANEOUS.

(A) REMEDIES. The Company acknowledges and agrees that any failure by the Company to comply with its obligations under Section 1 and 2 hereof may result in material irreparable injury to the Initial Purchasers or the Holders for which there is no adequate remedy at law, that it will not be possible to measure damages for such injuries precisely and that, in the event of any such failure, the Initial Purchasers or any Holder may obtain such relief as may be required to specifically enforce the Company's obligations under Sections 1 and 2 hereof. The Company further agrees to waive the defense in any action for specific performance that a remedy at law would be adequate.

(B) NO INCONSISTENT AGREEMENTS. The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date hereof.

(C) AMENDMENTS AND WAIVERS. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by the Company and the written consent of the Holders of a majority in principal amount of the Securities affected by such amendment, modification, supplement, waiver or consents. Without the consent of the Holder of each Security, however, no modification may change the provisions relating to the payment of Additional Interest.

(D) NOTICES. All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first-class mail, facsimile transmission, or air courier which guarantees overnight delivery:

(1) if to a Holder of the Securities, at the most current address given by such Holder to the Company.

(2) if to the Initial Purchasers;

Banc of America Securities LLC,
Bank of America Corporate Center,
100 North Tryon Street,
Charlotte, NC 29255
Attention: Investment Banking Department -
Transactions Advisory Group,
Facsimile: 704-388-9939; and

BNP Paribas Securities Corp.,
787 Seventh Avenue,
New York, NY 10019
Attention: Corporate Bond Syndicate Desk,
Facsimile: 212-841-3930,

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 9.

(3) if to the Company, at its address as follows:

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

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by recipient's facsimile machine operator, if sent by facsimile transmission; and on the day delivered, if sent by overnight air courier guaranteeing next day delivery.

(E) THIRD PARTY BENEFICIARIES. The Holders shall be third party beneficiaries to the agreements made hereunder between the Company, on the one hand, and the Initial Purchasers, on the other hand, and shall have the right to enforce such agreements directly to the extent they may deem such enforcement necessary or advisable to protect their rights or the rights of Holders hereunder.

(F) SUCCESSORS AND ASSIGNS. This Agreement shall be binding upon the Company and its successors and assigns.

(G) COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(H) HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(I) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

(J) SEVERABILITY. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(K) SECURITIES HELD BY THE COMPANY. Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities is required hereunder, Securities held by the Company or its affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

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 among the several Initial Purchasers 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, Chief
Financial Officer and Treasurer

The foregoing Registration
Rights Agreement is hereby confirmed
and accepted as of the date first
above written.

BANC OF AMERICA SECURITIES LLC
BNP PARIBAS SECURITIES CORP.

BANC ONE CAPITAL MARKETS, INC.
BNY CAPITAL MARKETS, INC.
SCOTIA CAPITAL (USA) INC.

By: BANC OF AMERICA SECURITIES LLC

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

By: BNP PARIBAS SECURITIES CORP.

By: /s/ Christine M. Smith Howard
Name: Christine M. Smith Howard
Title: Authorized Signatory

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Each broker-dealer that receives Exchange Securities for its own account in exchange for Initial Securities, where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See "Plan of Distribution."

PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until _____, 200____, all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.(1)

The Company will not receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an "underwriter" within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the Holders of the

(1) In addition, the legend required by Item 502(e) of Regulation S-K will appear on the inside front cover page of the Exchange Offer prospectus below the Table of Contents.

Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

[] CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: _____
Address: _____

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act.