

SECURITIES AND EXCHANGE COMMISSION  
 WASHINGTON, D.C. 20549

FORM S-3  
 REGISTRATION STATEMENT  
 UNDER  
 THE SECURITIES ACT OF 1933

Western Resources, Inc. (Exact name of registrant as specified in its charter)	Western Resources Capital I Western Resources Capital II (Exact name of registrants as specified in the Trust Agreements)
Kansas	Delaware
(State or other jurisdiction of incorporation or organization)	

48-0290150 (to be applied for)  
 (I.R.S. Employer Identification No.)

818 Kansas Avenue  
 Topeka, Kansas 66612  
 (913) 575-6300  
 (Address, including zip code, and telephone number, including  
 area code, of registrants' principal executive offices)

Steven L. Kitchen Executive Vice President and Chief Financial Officer Western Resources, Inc. Topeka, Kansas 66612 (913) 575-6300 (Name, address, including zip code, and telephone number, including area code, of agent for service)	John K. Rosenberg, Esq. Executive Vice President and General Counsel Western Resources, Inc. Topeka, Kansas 66612 (913) 575-6300 (Name, address, including zip code, and telephone number, including area code, of agent for service)
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Approximate date of commencement of proposed sale to the public: From time  
 to time after the Registration Statement becomes effective, as determined by  
 market conditions and other factors.

If the only securities being registered on this Form are being offered  
 pursuant to dividend or interest reinvestment plans, please check the following  
 box.

If any of the securities being registered on this Form are to be offered on  
 a delayed or continuous basis pursuant to Rule 415 under the Securities Act of  
 1933, other than securities offered only in connection with dividend or interest  
 reinvestment plans, please check the following box.

If this Form is filed to register additional securities for an offering  
 pursuant to Rule 462(b) under the Securities Act, check the following box and  
 list the Securities Act registration statement number of the earlier effective  
 registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c)  
 under the Securities Act, check the following box and list the Securities Act  
 registration statement number of the earlier effective registration statement  
 for the same offering.

If delivery of the prospectus is expected to be made pursuant to Rule 434,  
 please check the following box.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities To Be Registered	Amount To Be Registered(1)	Proposed Maximum Offering Price Per Unit(2)	Proposed Maximum Aggregate Offering Price(2)	Amount of Registration Fee
Western Resources Capital I				
Western Resources Capital II				
Cumulative Quarterly Income Preferred Securities.....				
Western Resources, Inc. Guarantees with respect to Preferred				

Securities.....

Western Resources, Inc.  
Deferrable Interest  
Subordinated  
Debentures.....

Total..... \$200,000,000 100% \$200,000,000 \$68,966

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- (1) There are being registered hereunder a presently indeterminate number of Cumulative Quarterly Income Preferred Securities of Western Resources Capital I and Western Resources Capital II with an aggregate initial public offering price not to exceed \$200,000,000, together with related Guarantees and Deferrable Interest Subordinated Debentures of Western Resources, Inc. for which no separate consideration will be received by any of the Registrants.
- (2) Pursuant to Rule 457(n) and (o), the registration fee is calculated on the basis of the proposed maximum offering price of the Cumulative Quarterly Income Preferred Securities.

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The Registrants hereby amend this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrants shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Preferred Securities  
Western Resources Capital I  
% Cumulative Quarterly Income Preferred Securities, Series A ("QUIPS"SM)\*  
(Liquidation Amount \$25 per Preferred Security)

guaranteed to the extent that the Series A Issuer has funds  
as set forth herein by

Western Resources, Inc.

The % Cumulative Quarterly Income Preferred Securities, Series A (the "Series A Preferred Securities") offered hereby represent undivided preferred beneficial interests in Western Resources Capital I, a trust formed under the laws of the State of Delaware (the "Series A Issuer" or the "Series A Trust"). The preferred interests represented by the Series A Preferred Securities will have a preference under certain circumstances with respect to cash distributions and amounts payable on liquidation, redemption or otherwise over the trust interests represented by the Series A Common Securities (as defined) issued by the Series A Issuer. See "Description of the Preferred Securities--Subordination of Common Securities" in the accompanying Prospectus.

Western Resources, Inc., a Kansas corporation ("Western Resources" or the "Company"), is the owner of the trust interests represented by the common securities (the "Series A Common Securities") issued by the Series A Issuer. The Series A Issuer exists for the sole purpose of issuing its trust interests and investing the proceeds thereof in the % Deferrable Interest Subordinated Debentures, Series A Due, (the "Series A Debentures") issued by Western Resources.

Holders of the Series A Preferred Securities will be entitled to receive cumulative cash distributions accruing from the date of original issuance and payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing , 199 , at the rate of % per annum. Western Resources has the right to defer interest payments on the Series A Debentures by extending the interest payment period thereon at any time for up to 20 consecutive quarters (each an "Extension Period"). If interest payments are so deferred, distributions on the Series A Preferred Securities will also be deferred. During an Extension Period, distributions, as well as interest thereon to the extent permitted by law, will continue to accrue, and holders of Series A Preferred Securities will be required to accrue interest income for United States Federal income tax purposes. See "Certain Terms of the Series A Debentures--Option to Extend Interest Payment Period" and "United States Taxation--Potential Extension of Interest Payment Period and Original Issue Discount."

The payment of distributions, out of moneys held by the Series A Issuer, and payments upon liquidation of the Series A Issuer or the redemption of Series A Preferred Securities, as set forth below, are guaranteed to the extent set forth herein by Western Resources (the "Series A Guarantee"). See "Certain Terms of the Series A Guarantee." If Western Resources fails to make interest payments on the Series A Debentures held by the Series A Issuer, the Series A Issuer will have insufficient funds to pay distributions on the Series A Preferred Securities. The Series A Guarantee does not cover payment of distributions when the Series A Issuer does not have sufficient funds to pay such distributions. In such event, the remedy of a holder of Series A Preferred Securities is to enforce the rights of the Series A Issuer under the Series A Debentures

\* QUIPSSM is a servicemark of Goldman, Sachs & Co.

held by the Series A Issuer. Western Resources' obligations under the Series A Guarantee are subordinate and junior in right of payment to all other liabilities of Western Resources except trade credit and any liabilities that may be made pari passu with or subordinate to the Series A Guarantee expressly by their terms ("Senior Indebtedness"). Wilmington Trust Company is the Property Trustee of the Series A Issuer and the Guarantee Trustee of the Company.

The Series A Preferred Securities are subject to mandatory redemption upon repayment of the Series A Debentures at maturity or their earlier redemption, in whole or in part. See "Description of the Preferred Securities--Redemption" in the accompanying Prospectus. Western Resources will have the option at any time on or after , to redeem, in whole or in part, the Series A Debentures, and will also have the right at any time, upon occurrence of a Special Event (as defined herein), to redeem, in whole but not in part, the Series A Debentures. See "Description of the Debentures--Optional Redemption" in the accompanying Prospectus.

The Series A Debentures are subordinate and junior in right of payment to all Senior Indebtedness of Western Resources. As of June 30, 1995, Western Resources had approximately \$1.8 billion principal amount of Senior Indebtedness outstanding. The terms of the Series A Debentures do not limit Western Resources' ability to incur additional Senior Indebtedness. See "Description of the Debentures--Subordination" in the accompanying Prospectus.

In the event of the liquidation of the Issuer, the holders of the Series A Preferred Securities will be entitled to receive for each Preferred Security a liquidation preference of \$25 (the "Liquidation Amount") plus accrued and unpaid distributions thereon to the date of payment and interest thereon to the extent permitted by law, subject to certain limitations. See "Description of the Preferred Securities--Liquidation Distribution Upon Dissolution" in the accompanying Prospectus.

Application has been made to list the Series A Preferred Securities on the New York Stock Exchange.

The Series A Preferred Securities will be represented by a global certificate registered in the name of The Depository Trust Company ("DTC") or its nominee. Beneficial interests in the Series A Preferred Securities will be shown on, and transfers thereof will be effected only through, records maintained by Participants (as defined herein) in DTC. Except as described herein, Series A Preferred Securities in certificated form will not be issued in exchange for the global certificate. See "Description of the Preferred Securities--Book-Entry-Only Issuance--The Depository Trust Company" in the accompanying Prospectus.

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See "Risk Factors" beginning on page S-6 hereof for certain information relevant to an investment in the Series A Preferred Securities, including the period and circumstances during and under which payment on the Series A Preferred Securities and the Series A Debentures may be deferred and the related Federal income tax consequences.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS ACCOMPANYING PROSPECTUS SUPPLEMENT AND THE PROSPECTUS TO WHICH IT RELATES. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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	Initial Public Offering Price	Under- writing Commission(1)	Proceeds to the Series A Issuer(2)(3)
Per Series A Preferred Security.....	\$	(2)	\$
Total.....	\$	(2)	\$

- (1) The Series A Issuer and Western Resources have agreed to indemnify the several Underwriters (as defined herein) against certain liabilities, including liabilities under the Securities Act of 1933, as amended. See "Underwriting."
- (2) In view of the fact that the proceeds of the sale of the Series A Preferred Securities will be used to purchase the Series A Debentures, the Underwriting Agreement provides that Western Resources will pay to the Underwriters, as compensation for their arranging the investment therein of such proceeds, \$ per Series A Preferred Security (or \$ in the aggregate); or, in the case of certain institutions, \$ per Series A Preferred Security. See "Underwriting."
- (3) Expenses of the offering, which are payable by Western Resources, are estimated to be \$ .

The Series A Preferred Securities offered hereby are offered severally by the Underwriters, as specified herein, and subject to receipt and acceptance by them and subject to their right to reject any order in whole or in part. It is expected that delivery of the Series A Preferred Securities will be made only in book-entry form through the facilities of DTC on or about , 1995.

Goldman, Sachs & Co.

Smith Barney Inc.

Dillon, Read & Co. Inc.  
Prudential Securities Incorporated  
Edward D. Jones & Co.

The date of this Prospectus Supplement is , 1995.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. Neither this prospectus supplement nor the prospectus to which it relates shall constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES A PREFERRED SECURITIES OFFERED HEREBY AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH TRANSACTIONS MAY BE EFFECTED ON THE NEW YORK STOCK EXCHANGE, IN THE OVER-THE-COUNTER MARKET OR OTHERWISE. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

PROSPECTUS SUMMARY

The following summary information is qualified in its entirety by the detailed information and financial statements incorporated herein by reference.

The Offering

Securities Offered.....	% Cumulative Quarterly Income Preferred Securities, Series A
Distribution Payment Dates.....	March 31, June 30, September 30 and December 31, commencing 199 , subject to deferral as described herein
Redemption.....	At the option of Western Resources at \$25 per Preferred Security, in whole or in part, on or after , or, in whole, but not in part, upon the occurrence of a Special Event (as defined herein).
Use of Proceeds.....	Proceeds from this offering will be used by Western Resources for the repayment of certain of its short-term debt and for general corporate purposes.

Western Resources

Principal Business.....	Supplying electric and natural gas service
Utility Service Area.....	Kansas (electric and gas utility service) and Oklahoma (gas utility service)
Approximate Customers during 1994.....	Electric: 594,000 Gas: 643,000



Western Resources, Inc.  
Summary Consolidated Financial Information  
(Dollars in thousands, except per share amounts)

	Years Ended December 31,					Unaudited Six Months Ended	
	1990	1991(1)	1992(2)	1993	1994(3)	June 30, 1994	June 30, 1995
<b>Income Statement Data</b>							
Revenues.....	\$1,149,755	\$1,162,178	\$1,556,248	\$1,909,359	\$1,617,943	\$879,504	\$750,926
Operating Income.....	131,990	129,621	239,169	292,063	269,546	127,681	116,546
Net Income.....	79,619	89,645	127,884	177,370	187,447	96,380	63,291
Earnings Applicable to Common Stock....	77,875	83,268	115,133	163,864	174,029	89,671	56,582
Average Common Shares Outstanding.....	34,566,170	34,566,170	52,271,932	59,294,091	61,617,873	61,617,873	61,816,659
Earnings Per Average Common Share.....	\$2.25	\$2.41	\$2.20	\$2.76	\$2.82	\$1.46	\$0.92
Ratios of Earnings to Fixed Charges...	2.74	2.98	2.02	2.36	2.65		
Ratios of Earnings to Combined Fixed Charges and Preferred and Preference Dividend Requirements.....	2.64	2.61	1.84	2.14	2.37		

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- (1) Includes a special one-time dividend of \$.18 per share paid on February 28, 1991. Includes cumulative effect to January 1, 1991 of a change in revenue recognition resulting in a \$17.36 million (\$.50 per share) increase.
  - (2) After giving effect to the acquisition of Kansas Gas and Electric Company, effective from March 31, 1992.
  - (3) After giving effect to the sales of Western Resources' Missouri gas properties, effective from January 31, 1994 and February 28, 1994.

Unaudited

As of June 30, 1995  
 Actual                      As Adjusted  
 Amount    Percentage    Amount    Percentage  
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 (Dollars in thousands)

Summary of Capitalization

Common Stock Equity.....	\$1,477,163	48.4%	\$1,477,163	46.9%
Cumulative Preferred Stock Not Subject to Mandatory Redemption.....	24,858	0.8	24,858	0.8
Preference Stock Subject to Mandatory Redemption.....	150,000	4.9	150,000	4.7
Company-obligated mandatorily redeemable preferred securities of Trust subsidiary(1).....	---		100,000	3.2
Long-term Debt:				
First Mortgage Bonds.....	841,000		841,000	
Pollution Control Bonds.....	521,817		521,817	
Revolving Credit Agreement.....	57,500		57,500	
Less:				
Unamortized Premium and Discount (Net).....	5,684		5,684	
Long-Term Debt Due Within One Year.....	16,000		16,000	
Total Long-term Debt.....	1,398,633	45.9	1,398,633	44.4
Total Capitalization.....	\$3,050,654	100.0%	\$3,150,654	100.0%
Current Liabilities:				
Long-term Debt .....	\$ 16,000		\$ 16,000	
Short-term Borrowings.....	\$ 282,800		\$ 186,615	

- (1) As described herein, the assets of the Series A Issuer will include \$100 million of \_\_% Series A Debentures of Western Resources and will constitute approximately 97% of the total assets of the Series A Issuer.

## RISK FACTORS

Prospective purchasers of Series A Preferred Securities should carefully review the information contained elsewhere in this Prospectus Supplement and the accompanying Prospectus and should particularly consider the following matters:

**Subordination of Series A Guarantee and Series A Debentures.** Western Resources' obligations under the Series A Guarantee and under the Series A Debentures are subordinate and junior in right of payment to all Senior Indebtedness other than indebtedness that may be made pari passu with or subordinate to the Series A Guarantee and the Series A Debentures expressly by their terms. As of June 30, 1995, Western Resources had approximately \$1.8 billion principal amount of indebtedness for borrowed money and capitalized lease obligations constituting Senior Indebtedness outstanding on a consolidated basis. There are no terms of the Series A Preferred Securities, the Series A Debentures or the Series A Guarantee that limit Western Resources' ability to incur additional Senior Indebtedness. See "Description of the Guarantees--Status of the Guarantees" and "Description of the Debentures--Subordination," each as set forth in the accompanying Prospectus.

The ability of the Series A Issuer to pay amounts due on the Series A Preferred Securities is solely dependent upon Western Resources making payments on the Series A Debentures as and when required.

**Option to Extend Interest Payment Period; Tax Consequences.** Western Resources has the right under the Indenture (as defined herein) to extend, from time to time, the interest payment period on the Series A Debentures for a period not exceeding 20 consecutive quarters. Upon the termination of any such extended interest payment period and the payment of all amounts then due, Western Resources may select a new extended interest payment period, subject to the requirements described herein. During any such extended interest payment period, quarterly distributions on the Series A Preferred Securities would be deferred (but would continue to accrue with interest thereon to the extent permitted by law) by the Series A Issuer. In the event that Western Resources exercises this right, during such period it may not declare or pay dividends or distributions (other than dividends or distributions payable in common stock of Western Resources or other securities, including other debentures, ranking junior in right of payment to the Series A Debentures) on, or redeem, purchase, acquire, or make a liquidation payment with respect to any of its capital stock or any security ranking pari passu with or junior in right of payment to the Series A Debentures, or make any guarantee payment with respect to the foregoing (other than pro rata payments under the Guarantees) or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Series A Debentures

(except for payments made on any series of Debentures upon the stated maturity of such Debentures); provided that Western Resources may redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, make any guarantee payment with respect to the foregoing or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Series A Debentures with securities (or the proceeds from the issuance of securities) having no higher ranking than the capital stock or the other securities which are to be redeemed, purchased, acquired, with respect to which a liquidation payment is to be made, to which a guarantee payment is to be made with respect to the foregoing or which are to be repurchased. Prior to the termination of any such extended interest payment period, Western Resources may further extend the interest payment period, provided that such extended interest payment period, together with all previous and further extensions thereof, may not exceed 20 consecutive quarters and that such extended interest payment period may not extend beyond the maturity or redemption date of the Series A Debentures. Upon the termination of any extended interest payment period and the payment of all amounts then due, Western Resources may select a new extended interest payment period, subject to the foregoing requirements. If Western Resources should determine to exercise its extension right in the future, the market price of the Series A Preferred Securities is likely to be affected. The Series A Issuer and Western Resources believe that such an extension of an interest payment period on the Series A Debentures is unlikely to occur. See "Certain Terms of the Series A Preferred Securities--Distributions" and "Certain Terms of the Series A Debentures--Option to Extend Interest Payment Period."

Should an interest payment period be extended, Series A Preferred Securities holders will continue to recognize interest income for United States Federal income tax purposes. As a result, such holders will be required to include accruing interest in gross income for United States Federal income tax purposes in advance of the actual receipt of such interest. Furthermore, such holders will not receive the related actual interest payments from the Series A Issuer if they dispose of their Series A Preferred Securities prior to the record date for payment of distributions. See "United States Taxation--Potential Extension of Interest Payment Period and Original Issue Discount."

Rights Under the Series A Guarantee. The Series A Guarantee will be qualified as an indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). Wilmington Trust Company will act as indenture trustee under the Series A Guarantee for the purposes of compliance with the Trust Indenture Act (the "Guarantee Trustee"). The Guarantee Trustee will hold the Series A Guarantee for the benefit of the holders of the Series A Preferred Securities and will also be the trustee for the Series A Debentures and the Property Trustee (as defined herein).

The Series A Guarantee is limited to a guarantee, on a subordinated basis, to the holders of the Series A Preferred Securities, of the payment (but not the collection) of (i) any accrued and unpaid distributions required to be paid on the Series A Preferred Securities, if and only to the extent that the Series A Issuer has funds sufficient to make payment therefor, (ii) the Redemption Price (as defined herein), including all accrued and unpaid distributions, with respect to Series A Preferred Securities called for redemption by the Series A Issuer, if and only to the extent that the Series A Issuer has funds sufficient to make payment therefor and (iii) upon a voluntary or involuntary dissolution, winding up or termination of the Series A Issuer (other than in connection with a redemption of all of the Series A Preferred Securities), the lesser of (a) the aggregate Liquidation Amount and all accrued and unpaid distributions on the Series A Preferred Securities to the date of payment, to the extent the Series A Issuer has funds sufficient to make such payment, and (b) the amount of assets of the Series A Issuer remaining available for distribution to holders of the Series A Preferred Securities in liquidation of the Series A Issuer. The holders of a majority in aggregate Liquidation Amount of the Series A Preferred Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee or to direct the exercise of any trust or power conferred upon the Guarantee Trustee under the Series A Guarantee. If the Guarantee Trustee fails to enforce the Series A Guarantee, any holder of Series A Preferred Securities may institute a legal proceeding directly against Western Resources to enforce such Holder's rights under the Series A Guarantee without first instituting a legal proceeding against the Series A Issuer, the Guarantee Trustee or any other person or entity. If Western Resources were to default on its obligations under the Series A Debentures, the Series A Issuer would lack available funds for the payment of distributions or amounts payable on redemption of the Series A Preferred Securities or otherwise, and in such event holders of the Series A Preferred Securities would not be able to rely upon the Series A Guarantee for payment of such amounts. In such event, if both the Debenture Trustee and the Series A Issuer, as the holder of the Series A Debentures, fail to enforce the rights of the Series A Issuer under the Series A Debentures, the holders of at least 25% in aggregate Liquidation Amount of the Series A Preferred Securities then outstanding shall have the right to enforce the rights of the Series A Issuer under the Series A Debentures. See "Description of the Guarantees--Status of the Guarantees" and "Description of the Debentures--Subordination," each set forth in the accompanying Prospectus. The Series A Trust Agreement (as defined herein) provides that each holder of Series A Preferred Securities, by acceptance thereof, agrees to the provisions of the Series A Guarantee and the Indenture (as defined in the accompanying Prospectus).

Special Event Redemption. Upon the occurrence of a Special Event (as defined herein), Western Resources has the right to redeem the Series A Debentures, in whole but not in part, in which event the Series A

Issuer will redeem the Series A Preferred Securities. See "Certain Terms of the Series A Preferred Securities--Redemption" and "--Special Event Redemption or Distribution."

**Limited Voting Rights.** Holders of Series A Preferred Securities will have limited voting rights, and, except upon the occurrence of an Event of Default (as defined herein) under the Series A Trust Agreement, will not be entitled to vote to appoint, remove or replace the Property Trustee or the Administrative Trustees (as defined herein) or to increase or decrease the number of the Administrative Trustees. Such voting rights are vested exclusively in Western Resources, as the holder of the Series A Common Securities, unless and until an Event of Default has occurred and is continuing. See "Description of the Preferred Securities--Events of Default; Notice" in the accompanying Prospectus.

**Trading Characteristics of Series A Preferred Securities.** Application has been made to list the Series A Preferred Securities on the New York Stock Exchange. If approved for listing, the Series A Preferred Securities are expected to trade at a price that takes into account the value, if any, of accrued and unpaid distributions; thus, purchasers will not pay and sellers will not receive any accrued and unpaid interest with respect to their undivided interests in Series A Debentures owned through the Series A Preferred Securities that is not included in the trading price of the Series A Preferred Securities. However, interest on the Series A Debentures will be included in the gross income of U.S. Holders (as defined herein) of Series A Preferred Securities as it accrues, rather than when it is paid. See "United States Taxation--Income from Series A Preferred Securities" and "--Disposition of Series A Preferred Securities."

Because the Series A Preferred Securities pay a dividend at a fixed rate based upon the fixed interest rate payable on the Series A Debentures, the trading price of the Series A Preferred Securities may decline if interest rates rise.

**Holding Company Structure.** A significant portion of the operations of Western Resources are conducted through its subsidiaries, principally Kansas Gas and Electric Company ("KG&E"). Except to the extent that Western Resources may itself be a creditor with recognized claims against its subsidiaries, claims of the creditors of such subsidiaries will have priority with respect to the assets and earnings of such subsidiaries over the claims of creditors of Western Resources, including claims under the Series A Debentures and the Series A Guarantee, even though such subsidiary obligations do not constitute Senior Indebtedness. The liabilities of Western Resources subsidiaries aggregated approximately \$1.3 billion, and the assets of such subsidiaries were approximately \$3.3 billion as of June 30, 1995.

In addition, in the event of a default on Western Resources debt or an insolvency, liquidation or other reorganization of Western



Resources, creditors will have no right to proceed against the assets of its subsidiaries or to cause their liquidation under Federal or state bankruptcy laws.

#### WESTERN RESOURCES CAPITAL I

Western Resources Capital I is a statutory business trust formed under the Delaware Business Trust Act pursuant to (i) a Trust Agreement executed by Western Resources, as depositor of the Series A Issuer, and the Property Trustee and (ii) the filing of a Certificate of Trust with the Delaware Secretary of State on October 12, 1995. Such Trust Agreement will be amended and restated in its entirety (as so amended and restated, the "Series A Trust Agreement") substantially in the form filed as an exhibit to the Registration Statement of which this Prospectus Supplement is a part. The Series A Trust Agreement will be qualified as an indenture under the Trust Indenture Act. The Series A Issuer exists for the exclusive purposes of (i) issuing the Series A Preferred Securities and the Series A Common Securities representing trust interests in the Series A Issuer, (ii) purchasing the Series A Debentures with the Series A Common Securities and the proceeds from the sale of the Series A Preferred Securities and (iii) engaging only in those other activities necessary or incidental thereto. All of the Series A Common Securities will be owned by Western Resources. The Series A Common Securities will rank *pari passu*, and payments will be made thereon *pro rata*, with the Series A Preferred Securities, except that upon the occurrence and continuance of an Event of Default under the Series A Trust Agreement, the rights of the holders of the Series A Common Securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinate and junior to the rights of the holders of the Series A Preferred Securities. Western Resources will acquire Series A Common Securities having an aggregate Liquidation Amount equal to 3% of the total capital of the Series A Issuer. The Series A Issuer will terminate on \_\_\_\_\_, 2025 unless earlier terminated as provided in the Series A Trust Agreement. The Series A Issuer's business and affairs will be conducted by the Property Trustee and the Administrative Trustees. The holder of the Series A Common Securities, or if an Event of Default has occurred and is continuing, the holders of at least a majority in the aggregate Liquidation Amount of the then outstanding Series A Preferred Securities, will be entitled to appoint, remove or replace the Trustees (as defined herein) of the Series A Issuer.

The duties and obligations of the Trustees shall be governed by the Series A Trust Agreement. Steven L. Kitchen, James A. Martin and John K. Rosenberg, all officers of Western Resources, will be appointed as Administrative Trustees pursuant to the terms of the Series A Trust Agreement. Under the Series A Trust Agreement, the Administrative Trustees will have certain duties and powers including, but not limited to, the delivery of certain notices to the holders of the Series A Preferred Securities, the appointment of the Paying Agent (as defined in the

accompanying Prospectus) and the Registrar (as defined in the accompanying Prospectus) and the registering of transfers of the Series A Preferred Securities. Under the Series A Trust Agreement, Wilmington Trust Company, as the Property Trustee, will have certain duties and powers including, but not limited to, holding legal title to the Series A Debentures on behalf of the Series A Trust, the collection of payments in respect of the Series A Debentures, maintenance of the Payment Account (as defined in the Series A Trust Agreement), the sending of default notices with respect to the Series A Preferred Securities and the distribution of the assets of the Series A Trust in the event of a winding up of the Series A Trust. See "Description of the Preferred Securities" in the accompanying Prospectus.

Western Resources has agreed to pay all fees and expenses related to the Series A Issuer and the offering of the Series A Preferred Securities.

#### WESTERN RESOURCES, INC.

#### General

Western Resources is a combination electric and natural gas public utility engaged in the generation, transmission, distribution and sale of electric energy in Kansas and the purchase, distribution, transportation and sale of natural gas in Kansas and Oklahoma. The Company was incorporated under the laws of the State of Kansas in 1924.

The Company conducts its non-regulated business through Astra Resources, Inc., Astra Power, Inc., Astra Services, Inc. and Mid Continent Market Center, Inc. These businesses include natural gas compression, transportation, storage, marketing, processing, gathering services and electric power marketing, and investments in energy and technology related businesses. The Company's principal executive offices are located at 818 Kansas Avenue, Topeka, Kansas 66612 and its telephone number is (913) 575-6300.

#### Recent Developments

As disclosed in the Company's 10-K for 1994 in Note 1 of the Notes to Consolidated Financial Statements included therein, the Company has acquired corporate owned life insurance policies (COLI). A portion of the net income generated by COLI policies purchased in 1992 and 1993 is used to offset the costs of post-retirement and post-employment benefits offered to certain current and former employees. A significant portion of such income relates to the tax deduction currently taken for interest incurred on contract borrowings under COLI policies. The amount of the interest deduction used to offset these benefits costs for the nine months ended September 30, 1995 and the years ended December 31, 1994 and 1993, were \$4.7 million, \$5.8 million and \$4.5 million, respectively. The U.S. Congress is considering legislation which, if enacted, may substantially

reduce or eliminate this deduction. In addition, Western Resources may be required to reflect on its books on a prospective basis the accrued costs of post-employment and post-retirement benefits. As of September 30, 1995, approximately \$32 million of post-employment and post-retirement benefits costs had been accrued and deferred. The Company's non-cash cost of providing these post-employment and post-retirement benefits on an annual basis approximates \$10 million. If the legislation is enacted, the Company currently believes that it would be allowed to recover these costs through rates.

#### COVERAGE RATIOS

The following table sets forth the ratios of earnings to fixed charges of Western Resources and its subsidiaries for each of the years 1990 through 1994 and for the twelve months ended June 30, 1995.(1)

	Years Ended December 31,				Unaudited Twelve Months Ended June 30, 1995
1990	1991(2)	1992(3)	1993	1994(4)	
2.74	2.98	2.02	2.36	2.65	2.31

(1) Earnings are deemed to consist of net income to which has been added income taxes (including net deferred investment tax credits) and fixed charges. Fixed charges consist of all interest on indebtedness, amortization of debt discount and expense, and the portion of rental expense which represents an interest factor.

(2) Includes a special one-time dividend of \$.18 per share paid on February 28, 1991. Includes cumulative effect to January 1, 1991 of a change in revenue recognition resulting in a \$17.36 million (\$.50 per share) increase.

(3) After giving effect to the acquisition of KG&E, effective from March 31, 1992.

(4) After giving effect to the sales of Western Resources' Missouri gas properties, effective from January 31, 1994 and February 28, 1994.

The following table sets forth the ratios of earnings to combined fixed charges and preferred and preference stock dividends for each of the years 1990 through 1994 and for the twelve months ended June 30, 1995.(1)

Years Ended December 31,					Unaudited Twelve Months Ended June 30, 1995
1990	1991(2)	1992(3)	1993	1994(4)	
2.64	2.61	1.84	2.14	2.37	2.07

- (1) Earnings are deemed to consist of net income to which has been added income taxes (including net deferred investment tax credits) and fixed charges. Fixed charges consist of all interest on indebtedness, amortization of debt discount and expense, and the portion of rental expense which represents an interest factor. Preferred and preference dividend requirements consist of an amount equal to the pre-tax earnings which would be required to meet dividend requirements on preferred and preference stock.
- (2) Includes a special one-time dividend of \$.18 per share paid on February 28, 1991. Includes cumulative effect to January 1, 1991 of a change in revenue recognition resulting in a \$17.36 million (\$.50 per share) increase.
- (3) After giving effect to the acquisition of KG&E, effective from March 31, 1992.
- (4) After giving effect to the sales of Western Resources' Missouri gas properties, effective from January 31, 1994 and February 28, 1994.

## USE OF PROCEEDS

The Series A Issuer will use the proceeds from this offering of \$        million, together with the Series A Common Securities, to purchase the Series A Debentures. Western Resources will use the cash proceeds from the sale of the Series A Debentures, net of the Underwriters' compensation and the other expenses of this offering, for the repayment of certain of its short-term debt and for general corporate purposes. As of September 30, 1995, such short-term indebtedness had a weighted average interest rate of approximately 6.02% per annum and maturities within six months of its date of issuance.

## CERTAIN TERMS OF THE SERIES A PREFERRED SECURITIES

### General

The following summary of certain terms and provisions of the Series A Preferred Securities does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Series A Trust Agreement. The form of the Series A Trust Agreement has been filed as an exhibit to the Registration Statement of which this Prospectus Supplement and the accompanying Prospectus are a part. See "Description of the Preferred Securities" in the accompanying Prospectus.

### Distributions

The Series A Preferred Securities represent undivided preferred beneficial interests in the assets of the Series A Issuer, and the distributions on each Series A Preferred Security are payable at the rate set forth on the cover page of this Prospectus Supplement, payable, except in the event of an extension, quarterly in arrears on March 31, June 30, September 30 and December 31 of each year. Distributions in arrears after the quarterly payment date therefor will accumulate additional distributions thereon (to the extent permitted by law) compounded quarterly at the rate per annum set forth above. The term "distributions" as used herein shall include any such additional distributions to the extent permitted by law. Distributions will accrue from the date of original issuance of the Series A Preferred Securities. The amount of distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and, for any period shorter than a full monthly period, shall be computed on the basis of the actual number of days elapsed in such period.

So long as an Event of Default under the Indenture has not occurred and is continuing, Western Resources has the right at any time and from time to time to extend the interest payment period on the Series A Debentures for not more than 20 consecutive quarters, provided that any such Extension Period shall not extend beyond the maturity date or redemption date of the Series A Debentures. During any Extension Period quarterly distributions on the Series A Preferred Securities would be deferred by the Series A Issuer, would continue to accrue, and holders of Series A Preferred Securities would be required to accrue interest income for United States Federal income tax purposes. See "Certain Terms of the Series A Debentures--Option to Extend Interest Payment Period" and "United States Taxation--Potential Extension of Interest Payment Period and Original Issue Discount." In the event that Western Resources exercises this extension right, during such period Western Resources will not declare or pay any dividends or distributions (other than dividends or distributions payable in common stock of Western Resources or other securities, including other Debentures, ranking junior in right of payment to the Series A Debentures) on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of its capital stock or any security ranking pari passu with or junior in right of payment to the Series A Debentures, or make any guarantee payment with respect to the foregoing (other than pro rata payments under the Guarantees) or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Series A Debentures (except for payments made on any series of Debentures upon the stated maturity of such Debentures); provided that Western Resources may redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, make any guarantee payment with respect to the foregoing or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Series A Debentures with securities (or the proceeds from the issuance of securities) having no higher ranking than the capital stock or the other securities which are to be redeemed, purchased, acquired, with respect to which a liquidation payment is to be made, to which a guarantee payment is to be made with respect to the foregoing or which are to be repurchased. This covenant effectively, requires that an interest payment on one series of Debentures may be extended only if the interest periods on all series of Debentures are likewise extended. Prior to the termination of any such extended interest payment period, Western Resources may further

extend the interest payment period, provided that such Extension Period together with all such previous and further extensions thereof may not exceed 20 consecutive quarters or extend beyond the maturity or redemption date of the Series A Debentures. Upon the termination of any Extension Period and the payment of all amounts then due, Western Resources may select a new extended interest payment period, subject to the above requirements. See "United States Taxation--Potential Extension of Interest Payment Period and Original Issue Discount" and "Certain Terms of the Series A Debentures--Option to Extend Interest Payment Period."

Western Resources has no current intention of exercising its right to defer payments of distributions on the Series A Preferred Securities by extending the interest payment period on the Series A Debentures.

#### Redemption

Upon the payment of the Series A Debentures, whether at maturity or upon earlier redemption as provided in the Indenture, the proceeds from such payment will be applied by the Property Trustee to redeem a Like Amount (as defined below) of the Series A Common Securities and the Series A Preferred Securities, upon not less than 30 nor more than 90 days' notice, at a Redemption Price equal to the aggregate Liquidation Amount plus accumulated and unpaid distributions plus interest thereon to the extent permitted by law to the Redemption Date. See "Certain Terms of the Series A Debentures--Redemption."

Western Resources has the right to redeem the Series A Debentures (a) on or after \_\_\_\_\_, 2000, in whole or in part, or (b) at any time, in whole but not in part, upon the occurrence of a Tax Event or an Investment Company Event (each as defined below, a "Special Event"), subject to the conditions described under "--Special Event Redemption or Distribution," below.

#### Special Event Redemption or Distribution

If a Special Event shall occur and be continuing with respect to the Series A Issuer or the Series A Preferred Securities, Western Resources has the right to (i) redeem the Series A Debentures in whole (but not in part) and thereby cause a mandatory redemption of the Series A Preferred Securities in whole (but not in part) at the Redemption Price within 90 days following the occurrence of such Special Event, or (ii) terminate the Series A Issuer and cause the Series A

Debentures to be distributed, subject to the receipt of an Opinion of Counsel experienced in such matters to the effect that the holders of the Series A Preferred Securities will not recognize gain or loss for Federal income tax purposes as a result of such distribution, to the holders of the Series A Preferred Securities in liquidation of the Series A Issuer. If at any time the Series A Issuer is not or will not be taxed as a grantor trust, but a Tax Event has not occurred, Western Resources has the right to terminate the Series A Issuer and cause the Series A Debentures to be distributed, subject to the receipt of an Opinion of Counsel experienced in such matters to the effect that the holders of the Series A Preferred Securities will not recognize gain or loss for Federal income tax purposes as a result of such distribution, to the holders of the Series A Preferred Securities in liquidation of the Series A Issuer. Under current United States Federal income tax law and interpretations, if the Series A Trust is treated as a grantor trust at the time of the distribution, such a distribution should not be a taxable event to holders of the Series A Preferred Securities. Should there be a change in law, a change in legal interpretation, a Special Event or other circumstances, however, the termination could be a taxable event to holders of the Series A Preferred Securities. See "United States Taxation--Receipt of Series A Debentures Upon Liquidation of the Series A Issuer." If Western Resources does not elect either option (i) or (ii) above, the Series A Preferred Securities will remain outstanding.

"Tax Event" means the receipt by the Series A Issuer or Western Resources, as the case may be, of an Opinion of Counsel (which may be counsel to the Series A Issuer, Western Resources or an affiliate, and which must be reasonably acceptable to the Property Trustee) experienced in such matters to the effect that a relevant tax law change has occurred. For purposes of the preceding sentence a relevant tax law change is any amendment or change of (or officially proposed amendment or change to) the laws (including regulations thereunder) of the United States or any political subdivision or taxing authority thereof, or the publication of any judicial opinion interpreting such laws (and regulations) or any written interpretation of such laws (or regulations) by any governmental authority having jurisdiction to enforce or administer such laws (or regulations) (including official and unofficial opinions purporting to apply such laws and regulations to other persons who have issued securities similar to the Series A Debentures), which amendment, change, proposed amendment or change, opinion or interpretation could, if valid and enacted or applied to the Series A Issuer or Western Resources result in (i) the Series A Issuer, either currently



or within 90 days of the date thereof, becoming subject to United States Federal income tax with respect to interest received on the Series A Debentures, (ii) interest payable by Western Resources on the Series A Debentures attributable to the Preferred Securities, either currently or within 90 days of the date thereof, becoming nondeductible for United States Federal income tax purposes or (iii) the Series A Issuer, either currently or within 90 days of the date thereof, becoming subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Investment Company Event" means the occurrence of a change in law or regulation or a change in the interpretation or application of any law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law") to the effect that the Series A Issuer is or will be considered an "investment company" that is required to be registered under the Investment Company Act of 1940, as amended, which Change in 1940 Act Law becomes effective on or after the date of original issuance of the Series A Preferred Securities.

"Like Amount" means (i) with respect to a redemption of the Series A Preferred Securities and the Series A Common Securities (together, the "Series A Trust Securities"), Series A Trust Securities having an aggregate Liquidation Amount equal to the principal amount of Series A Debentures to be contemporaneously redeemed in accordance with the Indenture and the proceeds of which will be used to pay the Redemption Price of such Series A Trust Securities and (ii) with respect to a distribution of Series A Debentures to holders of Series A Trust Securities in connection with a termination or liquidation of the Series A Issuer upon the bankruptcy, dissolution or liquidation of Western Resources or the occurrence of a Special Event, Series A Debentures having a principal amount equal to the aggregate Liquidation Amount of the Series A Trust Securities in exchange for which such Series A Debentures are distributed.

#### Liquidation Amount

The Liquidation Amount payable on the Series A Preferred Securities in the event of any liquidation of the Series A Issuer is \$25 per Series A Preferred Security, plus accumulated and unpaid distributions unless, in connection with such liquidation, the Series A Debentures are distributed to the holders of the Series A Preferred Securities.

General

The following summary Description of the Series A Guarantee sets forth certain portions of the description of the terms and provisions of the Series A Guarantee included in the accompanying Prospectus under the heading, "Description of the Guarantees," to which description reference is hereby made. This summary of certain terms and provisions of the Series A Guarantee does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Series A Guarantee. The form of Series A Guarantee has been filed as an exhibit to the Registration Statement of which this Prospectus Supplement and the accompanying Prospectus are a part.

Western Resources will fully and unconditionally guarantee, on a subordinated basis, the obligations of the Series A Issuer with respect to the Series A Preferred Securities; provided that the Series A Guarantee will not apply to any payment of distributions if and to the extent that the Series A Issuer does not have funds sufficient to make such payments. If Western Resources does not make interest payments on the Series A Debentures held by the Series A Issuer, it is expected that the Series A Issuer will not pay distributions on the Series A Preferred Securities. The Series A Guarantee will rank subordinate and junior in right of payment to all liabilities of Western Resources (except trade credit and any liabilities that may be made pari passu with or subordinate to the Series A Guarantee expressly by their terms). See "Description of the Guarantees--Status of the Guarantees" in the accompanying Prospectus.

Events of Default

An event of default under the Series A Guarantee will occur upon the failure of Western Resources to perform any of its payment obligations thereunder.

If the Guarantee Trustee fails to enforce the Series A Guarantee, any holder of Series A Preferred Securities may institute a legal proceeding directly against Western Resources to enforce such holder's rights under the Series A Guarantee without first instituting a legal proceeding against the Series A Issuer, the Guarantee Trustee or any other person or entity. The Series A Guarantee is a guarantee of payment, not of collection.

## Termination of the Series A Guarantee

The Series A Guarantee will terminate and be of no further force and effect upon full payment of the Redemption Price of all Series A Preferred Securities, the distribution of Series A Debentures to holders of Series A Preferred Securities in exchange for all of the Series A Preferred Securities or upon payment in full of the amounts payable upon liquidation of the Series A Issuer.

## CERTAIN TERMS OF THE SERIES A DEBENTURES

### General

The following summary Description of the Series A Debentures sets forth certain portions of the description of the terms and provisions of the Debentures included in the accompanying Prospectus under the heading "Description of the Debentures," to which description reference is hereby made. This summary of certain terms and provisions of the Series A Debentures does not purport to be complete and is subject to, and qualified in its entirety by reference to, the Indenture, including the Series A Supplemental Indenture. The forms of Indenture and Supplemental Indenture have been filed as exhibits to the Registration Statement of which this Prospectus Supplement and the accompanying Prospectus are a part.

Concurrently with the issuance of the Series A Preferred Securities, the Series A Issuer will invest the proceeds thereof, together with the Series A Common Securities, in the Series A Debentures issued by Western Resources to the Series A Issuer. The Series A Debentures will bear interest at the annual rate of %, payable quarterly in arrears, except in the event of an extension, on March 31, June 30, September 30 and December 31 of each year. Interest which is accrued and unpaid after the quarterly payment date therefor will bear additional interest on the amount thereof (to the extent permitted by law) at the rate per annum of %, compounded quarterly. The term "Interest" as used herein shall include quarterly interest payments, interest on quarterly interest payments in arrears and Additional Interest (as defined below), as applicable.

The Series A Debentures will be issued under the Indenture and the Series A Supplemental Indenture. The Series A Debentures will mature on , 20 . The Series A Debentures will be unsecured and will rank junior and be subordinate in right of payment to all Senior Indebtedness of

Western Resources. See "Description of the Debentures--Subordination" in the accompanying Prospectus.

#### Option to Extend Interest Payment Period

Western Resources has the right at any time and from time to time, so long as an Event of Default under the Indenture has not occurred and is continuing, to extend the Interest payment period for the Series A Debentures for up to 20 consecutive quarters; provided that no Extension Period shall extend beyond the stated maturity date or date of redemption of the Series A Debentures. At the end of the Extension Period, Western Resources is obligated to pay all interest then accrued and unpaid (together with interest thereon to the extent permitted by law). During any Extension Period, Western Resources will not declare or pay any dividends or distributions (other than dividends or distributions payable in common stock of Western Resources or other securities, including other Debentures, ranking junior in right of payment to the Series A Debentures) on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of its capital stock or any security ranking pari passu with or junior in right of payment to the Series A Debentures, or make any guarantee payment (other than pro rata payments under the Guarantees) or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Series A Debentures (except for payments made on any series of Debentures upon the stated maturity of such Debentures); provided that Western Resources may redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, make any guarantee payment with respect to the foregoing or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Series A Debentures with securities (or the proceeds from the issuance of securities) having no higher ranking than the capital stock or the other securities which are to be redeemed, purchased, acquired, with respect to which a liquidation payment is to be made, to which a guarantee payment is to be made with respect to the foregoing or which are to be repurchased. This covenant requires that an interest payment on one series of Debentures may be extended only if the interest payments on all series of Debentures are likewise extended. Prior to the termination of any Extension Period, Western Resources may further extend the interest payment period, provided that such Extension Period, together with all such previous and further extensions thereof,

may not exceed 20 consecutive quarters or extend beyond the maturity or redemption date of the Series A Debentures. Upon the termination of any Extension Period and the payment of all amounts then due, Western Resources may select a new Extension Period subject to the above requirements.

So long as the Property Trustee shall be the sole holder of the Series A Debentures, Western Resources is required to give the Property Trustee and the Debenture Trustee notice of its selection of such Extension Period at least one Business Day prior to the date the Property Trustee or Western Resources is required to give notice to any national securities exchange on which any of the Series A Preferred Securities are listed or to other applicable self-regulatory organization or to holders of the Series A Preferred Securities on the record date, but in any event not less than one Business Day prior to such record date. The Debenture Trustee will be required to give notice of Western Resources' selection of such Extension Period to the holders of the Series A Preferred Securities and the Administrative Trustees.

#### Additional Interest

If at any time the Series A Issuer is required to pay any interest on distributions in arrears in respect of the Series A Preferred Securities, Western Resources will pay to the Series A Issuer as the holder of the Series A Debentures an amount of additional interest ("Additional Interest Attributable to Deferral") equal to such interest on distributions in arrears. Accordingly, in such circumstances Western Resources will, to the extent permitted by applicable law, pay interest upon interest in order to provide for quarterly compounding on the Series A Debentures. In addition, if the Series A Issuer would be required to pay taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any other taxing authority, then, in any case, Western Resources will also pay such amounts as shall be required so that the new amounts received and retained by the Series A Issuer after paying such taxes, duties, assessments or governmental charges will be not less than the amounts the Series A Issuer would have received had no such taxes, duties, assessments or governmental charges been imposed ("Additional Interest Attributable to Taxes" and, together with Additional Interest Attributable to Deferral, "Additional Interest").

## Redemption

The Series A Debentures are redeemable prior to maturity at the option of Western Resources (i) at any time on or after the date set forth on the cover page of this Prospectus Supplement, in whole or in part, and (ii) if a Special Event occurs and is continuing, in whole, but not in part, in each case at a Redemption Price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. The Series A Debentures will be subject to optional redemption in whole, but not in part, upon the termination and liquidation of the Series A Issuer pursuant to an order for the dissolution, termination or liquidation of the Series A Issuer entered by a court of competent jurisdiction. For so long as the Series A Trust is the holder of all Series A Debentures outstanding, the proceeds of any redemption described in this section shall be used by the Series A Issuer to redeem the Series A Preferred Securities and the Series A Common Securities in accordance with their terms.

Western Resources shall not redeem the Series A Debentures in part unless all accrued and unpaid interest (including any Additional Interest) has been paid in full on all Series A Debentures outstanding for all quarterly interest periods on or prior to the Redemption Date.

## Distributions of Series A Debentures

Under certain circumstances involving the termination of the Series A Issuer, Series A Debentures may be distributed to the holders of the Series A Preferred Securities in liquidation of the Series A Issuer, after satisfaction of all liabilities to creditors of the Series A Issuer as provided by applicable law. If distributed to holders of Series A Preferred Securities in liquidation, the Series A Debentures will initially be issued in the form of one or more global securities, and The Depository Trust Company ("DTC"), or any successor depository for the Series A Preferred Securities, will act as depository for the Series A Debentures. It is anticipated that the depository arrangements for the Series A Debentures, if distributed, would be substantially identical to those in effect for the Series A Preferred Securities. Neither Western Resources, the Debenture Trustee, any Paying Agent nor any other agent of Western Resources or the Debenture Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of persons holding Series A Debentures in the form of a global security for the Series A Debentures or for maintaining, supervising or reviewing any records relating to such holders.

A global security shall be exchangeable for Series A Debentures registered in the names of persons other than DTC or its nominee only if (i) DTC notifies Western Resources that it is unwilling or unable to continue as a depository for such global security and no successor depository shall have been appointed, or if at any time DTC ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, at a time when DTC is required to be so registered to act as such depository, (ii) Western Resources in its sole discretion determines that such global security shall be so exchangeable, or (iii) there shall have occurred and be continuing an Event of Default with respect to such global security. Any global security that is exchangeable pursuant to the preceding sentence shall be exchangeable for definitive certificates registered in such names as DTC shall direct. It is expected that such instructions will be based upon directions received by DTC from its Participants (as defined in the accompanying Prospectus) with respect to the ownership of beneficial interests in such global security. In the event that Series A Debentures are issued in definitive form, such Series A Debentures will be issued in denominations of \$25 and integral multiples thereof and may be transferred or exchanged at the offices described below.

Payments on Series A Debentures represented by a global security will be made to DTC, as the depository for the Series A Debentures. In the event Series A Debentures are issued in definitive form, principal and interest will be payable, the transfer of the Series A Debentures will be registrable, and Series A Debentures will be exchangeable for Series A Debentures of other denominations of a like aggregate principal amount, at the corporate office of the Debenture Trustee in Wilmington, Delaware, or at the offices of any paying or transfer agent appointed by Western Resources, provided that payment of interest may be made, at the option of Western Resources, by check mailed to the address of the persons entitled thereto or by wire transfer. In addition, if the Series A Debentures are issued in certificated form, the record dates for payment of interest will be the 15th day preceding the end of each quarter. For a description of DTC and the terms of the depository arrangements relating to payments, transfers, voting rights and other matters, see "Description of the Preferred Securities--Book-Entry-Only Issuance--The Depository Trust Company" in the accompanying Prospectus.

If the Series A Debentures are distributed to the holders of Series A Preferred Securities upon the liquidation of the Series A Issuer, Western Resources will use its best

efforts to list the Series A Debentures on such stock exchanges, if any, as the Series A Preferred Securities are then listed.

## UNITED STATES TAXATION

### General

The following is a summary of certain United States Federal income tax considerations that may be relevant to prospective purchasers of Series A Preferred Securities and represents the opinion of Cahill Gordon & Reindel, counsel to Western Resources, insofar as it relates to matters of law and legal conclusions. This section is based upon current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), existing and proposed regulations thereunder and current administrative rulings and court decisions, all of which are subject to change. Subsequent changes may cause tax consequences to investors to vary substantially from the consequences described below. Unless otherwise stated, this summary deals only with Series A Preferred Securities held as capital assets and not with special classes of holders, such as dealers in securities or currencies, life insurance companies, persons holding Series A Preferred Securities as a hedge against or which are hedged against currency risks or as a part of a straddle, or persons whose functional currency is not the United States dollar.

POTENTIAL INVESTORS ARE ADVISED TO CONSULT THEIR TAX ADVISORS AS TO THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF SERIES A PREFERRED SECURITIES IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, AS WELL AS THE EFFECT OF ANY STATE, LOCAL OR OTHER TAX LAWS.

While Western Resources believes, based upon the advice of its counsel, that the Series A Debentures will be treated as indebtedness for United States Federal income tax purposes, holders of Series A Preferred Securities should note that the Internal Revenue Service (the "IRS") may attempt to treat the Series A Debentures as equity rather than indebtedness for tax purposes. If the IRS were successful in such attempt, the Series A Debentures would be subject to redemption at the option of Western Resources as described under "Certain Terms of the Series A Preferred Securities--Redemption."



## Income from Series A Preferred Securities

In connection with the issuance of the Series A Preferred Securities, Cahill Gordon & Reindel will render its opinion generally to the effect that under then current law, and assuming full compliance with the terms of the Series A Trust Agreement and the Indenture (and certain other documents), the Series A Issuer will be classified for United States Federal income tax purposes as a grantor trust and not as an association taxable as a corporation.

As a consequence, each holder of Series A Preferred Securities will be considered the owner of a pro rata portion of the Series A Debentures held by the Series A Issuer. As a further consequence, each holder of Series A Preferred Securities will be required to include in gross income his or her pro rata share of the income accrued on the Series A Debentures held by the Series A Issuer. Such income should not exceed distributions received by the holders of Series A Preferred Securities on the Series A Preferred Securities except in the case of an extension of the interest payment period as described under "Certain Terms of the Series A Preferred Securities--Distributions." No portion of such income will be eligible for the dividends-received deduction.

## Potential Extension of Interest Payment Period and Original Issue Discount

Under the Indenture, Western Resources has the option to extend from time to time the interest payment period on the Series A Debentures to a period not exceeding 20 consecutive quarters but not beyond the maturity date or redemption date of the Series A Debentures. Western Resources' option to extend the interest payment period (even if not exercised) will cause the Series A Debentures, from the date of issuance, to be treated as issued with "original issue discount" for United States Federal income tax purposes. Accordingly, a holder of Series A Preferred Securities will accrue interest income (i.e., original issue discount) under a constant yield basis over the term of the Series A Debentures (including any Extension Period), regardless of the receipt of cash with respect to the period to which such income is attributable.

Holders of Series A Preferred Securities during an Extension Period will include interest in gross income in advance of the receipt of cash, and any holders of Series A Preferred Securities who dispose of Series A Preferred Securities prior to the record date for the payment of distributions will include such interest in gross income, but

will not receive any cash related thereto from the Series A Issuer. The tax basis of a Series A Preferred Security will be increased by the amount of any original issue discount that is included in income without the receipt of cash, and will be decreased when and if such cash is subsequently received by the holder of the Series A Preferred Security.

#### Disposition of Series A Preferred Securities

Gain or loss will be recognized on a sale, including a redemption for cash, of Series A Preferred Securities in an amount equal to the difference between the amount realized and the tax basis of a holder of the Series A Preferred Securities in his or her Series A Preferred Securities. Gain or loss recognized by a holder of Series A Preferred Securities on the sale or exchange of Series A Preferred Securities held for more than one year generally will be taxable as long-term capital gain or loss.

#### United States Alien Holders

For purposes of this discussion, a "United States Alien Holder" is any holder or beneficial owner who or which is (i) a nonresident alien individual or (ii) a foreign corporation, foreign partnership, foreign estate or foreign trust, in any such case not subject to United States Federal income tax on a net income basis in respect of the Series A Preferred Securities.

Under present United States Federal income tax law, subject to the discussion below with respect to backup withholding:

(i) Payments by the Series A Issuer or any of its Paying Agents to any United States Alien Holder will not be subject to United States withholding tax provided that (a) the beneficial owner of the Series A Preferred Securities does not actually or constructively own 10% or more of the total combined voting power of all classes of stock of Western Resources, (b) the beneficial owner of the Series A Preferred Securities is not a "controlled foreign corporation" for United States tax purposes that is related to Western Resources through stock ownership, and (c) either (1) the beneficial owner of the Series A Preferred Securities certifies to the Series A Issuer or its agent, under penalties of perjury, that it is a United States Alien Holder and provides its name and address or (2) the holder of the Series A Preferred Securities is a securities clearing organization, bank or other financial

institution that holds customers' securities in the ordinary course of its trade or business (a "financial institution"), and such statement has been received from the beneficial owner by such financial institution or by a financial institution intermediary between it and the beneficial owner, and such financial institution furnishes the Series A Issuer with a copy thereof; and

(ii) a United States Alien Holder of the Series A Preferred Securities will not be subject to United States Federal income or withholding tax on any gain realized on the sale or exchange of the Series A Preferred Securities unless (a) such person is present in the United States for 183 days or more in the taxable year of sale and (b) such person has a "tax home" in the United States or certain other requirements are met.

#### Backup Withholding and Information Reporting

In general, information requirements will apply to payments to noncorporate United States holders of the proceeds of the sale of the Series A Preferred Securities within the United States, and "backup withholding" at a rate of 31% will apply to such payments if the seller fails to provide a correct taxpayer identification number.

Payments of the proceeds from the sale by a United States Alien Holder of Series A Preferred Securities made to or through a foreign office of a broker will not be subject to information reporting or backup withholding, except that, if the broker is a United States person, a "controlled foreign corporation" for United States tax purposes or a foreign person 50% or more of whose gross income is effectively connected with a United States trade or business for a specified three-year period, information reporting may apply to such payments. Payments of the proceeds from the sale of Series A Preferred Securities to or through the United States office of a broker is subject to information reporting and backup withholding unless the holder or beneficial owner certifies as to its non-United States status or otherwise establishes an exemption from information reporting and backup withholding.

#### Receipt of Series A Debentures Upon Liquidation of the Series A Issuer

Under certain circumstances as described in "Certain Terms of the Series A Preferred Securities--Special Event Redemption or Distribution," Western Resources may cause the Series A Issuer to be terminated and the Series A Debentures to

be distributed to the holders of Series A Preferred Securities in liquidation of such holders' interests in the Series A Issuer. Under current United States Federal income tax law and interpretations, if the Series A Trust is treated as a grantor trust at the time of the distribution, such a distribution should not be treated as a taxable event to holders of the Series A Preferred Securities. Such a tax-free transaction would result in a holder of Series A Preferred Securities retaining an aggregate tax basis in the Series A Debentures equal to such holder's aggregate tax basis in the holder's pro rata share of the Series A Debentures prior to the distribution. A holder's holding period for such Series A Debentures would include the period for which the Series A Preferred Securities were held by such holder.

If the Series A Trust were not treated as a grantor trust at the time of the distribution, the distribution could be a taxable event to holders of the Series A Preferred Securities, in which case the principles discussed above under "--Disposition of the Series A Preferred Securities" would apply, and the holders would have a new tax basis and holding period in the Series A Debentures.

#### UNDERWRITING

Subject to the terms and conditions of the Underwriting Agreement, Western Resources and the Series A Issuer have agreed that the Series A Issuer will issue and sell to each of the underwriters named below (collectively, the "Underwriters"), for whom Goldman, Sachs & Co., Smith Barney Inc., Dillon, Read & Co. Inc., Prudential Securities Incorporated and Edward D. Jones & Co. are acting as representatives, (the "Representatives"), and the Underwriters have severally agreed to purchase from the Series A Issuer, the respective number of Series A Preferred Securities set forth opposite its name below:

Number of  
Series A  
Preferred  
Securities

Underwriter

Goldman, Sachs & Co.  
Smith Barney Inc.  
Dillon, Read & Co. Inc.  
Prudential Securities Incorporated  
Edward D. Jones & Co.

Total ..... \_\_\_\_\_

Subject to the terms and conditions of the Underwriting Agreement, the Underwriters are committed to take and pay for all the Series A Preferred Securities offered hereby, if any are taken.

The Underwriters propose to offer the Series A Preferred Securities in part directly to the public at the initial public offering price set forth on the cover page of this Prospectus Supplement, and in part to certain securities dealers at such price less a concession of \$ \_\_\_\_\_ per Series A Preferred Security. The Underwriters may allow, and such dealers may reallow, a concession not in excess of \$ \_\_\_\_\_ per Series A Preferred Security to certain brokers and dealers. After the Series A Preferred Securities are released for sale to the public, the offering price and other selling terms may from time to time be varied by the Representatives.

In view of the fact that the proceeds from the sale of the Series A Preferred Securities (together with the delivery by the Series A Issuer to Western Resources of the Series A Common Securities) will be used to purchase the Series A Debentures issued by Western Resources, the Underwriting Agreement provides that Western Resources will pay as

Underwriters' compensation for the Underwriters arranging the investment therein of such proceeds, an amount of \$        per Series A Preferred Security or (\$        per Series A Preferred Security sold to certain institutions) for the accounts of the several Underwriters.

Western Resources and the Series A Issuer have agreed, during the period beginning from the date of the Underwriting Agreement and continuing to and including the earlier of (i) the date on which the distribution of the Series A Preferred Securities ceases, as determined by the Underwriters, or (ii) 30 days after the issuance of the Series A Preferred Securities, not to offer, sell, contract to sell or otherwise dispose of any Series A Preferred Securities, any other interests of the Series A Issuer or any other issuer of a series of Preferred Securities or Western Resources which are substantially similar to the Series A Preferred Securities (including any Guarantee of such securities) or any securities convertible into or exchangeable for Series A Preferred Securities, preferred stock or such substantially similar securities of the Series A Issuer or Western Resources, without the prior written consent of the Representatives.

Prior to this offering, there has been no public offering or market for the Series A Preferred Securities. Application has been made to list the Series A Preferred Securities on the New York Stock Exchange, subject to official notice of issuance, under the symbol "WR PrA". In order to meet one of the requirements for listing the Series A Preferred Securities on the New York Stock Exchange, the Underwriters will undertake to sell lots of 100 or more Series A Preferred Securities to a minimum of 400 beneficial holders. If approved for listing, trading of the Series A Preferred Securities on the New York Stock Exchange is expected to commence within a fourteen-day period after the initial delivery of the Series A Preferred Securities. The Representatives have advised Western Resources that they intend to make a market in the Series A Preferred Securities prior to the commencement of trading on the New York Stock Exchange, but are not obligated to do so and may discontinue any such market-making at any time without notice.

Western Resources and the Series A Issuer have agreed to indemnify the several Underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

Certain of the Underwriters engage in transactions with, and from time to time have performed services for, Western Resources in the ordinary course of business.

SUBJECT TO COMPLETION, DATED OCTOBER 18, 1995

Western Resources Capital I  
Western Resources Capital II

Cumulative Quarterly Income Preferred Securities  
(Liquidation Amount \$25 per Preferred Security)

guaranteed to the extent that each such Issuer,  
respectively, has funds as set forth herein by

Western Resources, Inc.

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Western Resources Capital I and Western Resources Capital II, each a statutory business trust formed under the laws of the State of Delaware (each, an "Issuer" and, collectively, the "Issuers") may severally offer, from time to time, their respective cumulative quarterly income preferred securities (the "Preferred Securities") representing preferred undivided beneficial interests in the assets of each Issuer. Western Resources, Inc., a Kansas corporation ("Western Resources"), will be the sole owner of the beneficial interests represented by common securities (the "Common Securities") of each Issuer. Wilmington Trust Company is the Property Trustee of each Issuer. The payment of periodic cash distributions ("Distributions") with respect to the Preferred Securities and payments on liquidation or redemption with respect to such Preferred Securities are each guaranteed by Western Resources in the case of each Issuer (a "Guarantee"), in each case only out of funds held by such Issuer. The obligations of Western Resources under each Guarantee will be subordinate and junior in right of payment to all liabilities of Western Resources except any liabilities that may be made pari passu or subordinate to the Guarantees expressly by their terms ("Senior Indebtedness"). Concurrently with the issuance by an Issuer of its Preferred Securities, such Issuer will invest the proceeds thereof in Western Resources' deferrable interest subordinated debentures (the "Debentures") having terms corresponding to such Issuer's Preferred Securities. The Debentures will be unsecured and subordinate and junior in right of payment to the Senior Indebtedness of Western Resources. The Debentures held by each Issuer will be its sole asset, and the interest and payments of principal on such Debentures will be its only revenues. Upon the occurrence of certain events, Western Resources may redeem the Debentures or may terminate either Issuer and cause the Debentures to be distributed to the holders of the corresponding Preferred Securities in liquidation of the interest in such Issuer represented by such Preferred Securities. See "Description of the Preferred Securities--Liquidation Distribution Upon Dissolution."

The Preferred Securities may be offered in amounts, at prices and on terms to be determined at the time of offering, provided, however,



that the aggregate initial public offering price of all Preferred Securities issued pursuant to the Registration Statement of which this Prospectus forms a part shall not exceed \$200,000,000. Certain specific terms of each Issuer's Preferred Securities in respect of which this Prospectus is being delivered will be set forth in an accompanying Prospectus Supplement, including, where applicable and to the extent not set forth herein, the identity of the Issuer, the specific title, the aggregate amount, the distribution rate (or the method for determining such rate), the stated liquidation preference, redemption provisions, other rights, the initial public offering price and any other special terms, as well as any planned listing on a securities exchange, of such Preferred Securities.

The Preferred Securities may be sold in a public offering to or through underwriters or dealers designated from time to time. See "Plan of Distribution." The names of any of the underwriters or dealers involved in the sale of the Preferred Securities in respect of which this Prospectus is being delivered, the number of Preferred Securities to be purchased by any such underwriters or dealers, any applicable commissions or discounts and the net proceeds to each Issuer will be set forth in the applicable Prospectus Supplement.

Each Prospectus Supplement will also contain information concerning certain United States Federal income tax considerations applicable to the Preferred Securities offered thereby.

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THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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The date of this Prospectus is \_\_\_\_\_, 1995.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such State.

## AVAILABLE INFORMATION

Western Resources is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Securities and Exchange Commission (the "Commission"). Reports, proxy statements and other information filed by Western Resources may be inspected and copied at the public reference facilities maintained by the Commission in Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549, and at the Commission's Regional Offices located at 7 World Trade Center, Suite 1300, New York, New York 10048 and Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such materials may be obtained upon written request from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. In addition, such material may also be inspected and copied at the offices of the New York Stock Exchange, Inc. (the "New York Stock Exchange"), 20 Broad Street, New York, New York 10005, on which certain of Western Resources' securities are listed.

Western Resources and the Issuers have filed with the Commission a registration statement on Form S-3 (herein together with all amendments and exhibits thereto, referred to as the "Registration Statement") under the Securities Act of 1933, as amended (the "Securities Act"). This Prospectus does not contain all of the information set forth in the Registration Statement, certain parts of which are omitted in accordance with the rules and regulations of the Commission. For further information, reference is hereby made to the Registration Statement.

No separate financial statements of the Issuers are included herein. Western Resources considers that such financial statements would not be material to holders of the Preferred Securities because: (i) all of the Common Securities of the Issuers are owned by Western Resources, a reporting company under the Exchange Act; (ii) the Issuers have no independent operations, but exist for the sole purpose of issuing the Preferred Securities and investing the proceeds thereof (plus the Common Securities) in the Debentures; and (iii) the obligations of the Issuers under the Preferred Securities, to the extent funds are available therefor, are fully and unconditionally guaranteed to the extent set forth herein by Western Resources.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents filed with the Commission by Western Resources pursuant to the Exchange Act, are incorporated herein by reference:

1. Western Resources' Annual Report on Form 10-K for the year ended December 31, 1994. Such report includes the Annual Report on Form 10-K for Kansas Gas and Electric Company ("KG&E") for the year ended December 31, 1994.
2. Western Resources' Quarterly Report on Form 10-Q for the quarter ended March 31, 1995.
3. Western Resources' Quarterly Report on Form 10-Q for the quarter ended June 30, 1995.
4. Western Resources' Current Reports on Form 8-K dated January 31, 1995 and August 18, 1995.
5. KG&E's Current Report on Form 8-K dated August 18, 1995.

All other documents filed by Western Resources pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of this offering shall be deemed to be incorporated by reference in this Prospectus and to be a part hereof from the respective dates of the filing of such documents. Western Resources expressly excludes from such incorporation the Report of the Compensation Committee and the Performance Graph contained in any proxy statement filed by Western Resources pursuant to Section 14 of the Exchange Act subsequent to the date of this Prospectus and prior to the termination of the offering of the Preferred Securities hereby.

Any statement contained herein or in a document all or a portion of which is incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Western Resources will provide without charge to each person, including a beneficial owner, to whom a copy of this Prospectus has been delivered, upon the written or oral request of any such person, a copy of any and all of the documents incorporated herein by reference, other than exhibits to such documents (unless such exhibits are specifically incorporated by reference in such documents). Requests for such copies should be directed to Western Resources, Inc., 818 Kansas Avenue, Topeka, Kansas 66612, telephone (913) 575-6322, Attention: Richard D. Terrill, Esq., Secretary of Western Resources.

## THE ISSUERS

Each of the Issuers is a statutory business trust formed under Delaware law pursuant to (i) a trust agreement executed by Western Resources (the "Depositor"), as the depositor of each Issuer, and the Issuer Trustees (as defined herein) and (ii) the filing of a certificate of trust with the Delaware Secretary of State. Each such trust agreement will be amended and restated in its entirety (as so amended and restated, a "Trust Agreement" and, collectively, the "Trust Agreements") substantially in the form filed as an exhibit to the Registration Statement of which this Prospectus is a part. Each Trust Agreement will be qualified as an indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). The Issuers exist for the exclusive purpose of (i) issuing their respective Preferred Securities and their Common Securities, (ii) purchasing the Debentures with the Common Securities and the proceeds from the sale of the Preferred Securities and (iii) engaging only in those other activities necessary or incidental thereto. All of the Common Securities will be owned by Western Resources. The Common Securities will rank pari passu, and payments will be made thereon pro rata, with the Preferred Securities, except that upon the occurrence and continuance of an Event of Default (as defined herein) under a Trust Agreement, the rights of the holders of the corresponding Common Securities to payment in respect of distributions and payments upon liquidation, redemption or other acquisition of Common Securities will be subordinated to the rights of the holders of Preferred Securities. Western Resources will acquire Common Securities of each Issuer in an aggregate liquidation amount equal to 3% of the total capital of each Issuer. Each Issuer has a term of approximately 30 to 49 years, as specified in the applicable Prospectus Supplement, but may terminate earlier as provided in the Trust Agreement with respect to such Issuer. Each Issuer's business and affairs is conducted by its trustees, each appointed by Western Resources as holder of the Common Securities: Wilmington Trust Company (the "Property Trustee") and three individual trustees (the "Administrative Trustees") who are employees or officers of or affiliated with Western Resources (collectively, the "Trustees"). The holder of the Common Securities, or the holders of a majority in liquidation amount of the Preferred Securities, if an Event of Default has occurred and is continuing will be entitled to appoint, remove or replace the Property Trustee with respect to such Preferred Securities. In no event will the holders of the Preferred Securities have the right to vote to appoint, remove or replace the Administrative Trustees with respect to such Preferred Securities, which voting rights are vested exclusively in

Western Resources as the holder of the Common Securities. The duties and obligations of each of the Issuer Trustees are governed by the applicable Trust Agreement. Western Resources has agreed to pay all fees and expenses related to each Issuer and the offering of the Preferred Securities and has agreed to pay, directly or indirectly, all ongoing costs, expenses and liabilities of each Issuer.

WESTERN RESOURCES, INC.

Western Resources is a combination electric and natural gas public utility engaged in the generation, transmission, distribution and sale of electric energy in Kansas and the purchase, distribution, transportation and sale of natural gas in Kansas and Oklahoma. The Company was incorporated under the laws of the State of Kansas in 1924. The Company's principal executive offices (as well as its principal place of business) are located at 818 Kansas Avenue, Topeka, Kansas 66612, and its telephone number is (913) 575-6300.

## DESCRIPTION OF THE PREFERRED SECURITIES

### General

An original trust agreement between Western Resources, as Depositor, and Wilmington Trust Company, as the Property Trustee, has been used to authorize and create each Issuer. The original trust agreements are filed as exhibits to the Registration Statement of which this Prospectus is a part. The Preferred Securities and the Common Securities of each Issuer (together the "Issuer Securities") will be issued by the Administrative Trustees on behalf of each Issuer pursuant to the terms of each Issuer's Trust Agreement (as amended and restated from the original trust agreement). Each Issuer's Preferred Securities represent undivided beneficial trust interests in the assets of such Issuer and entitle the holders thereof to a preference in certain circumstances with respect to distributions and amounts payable on redemption or liquidation over the Common Securities of such Issuer, as well as to other benefits as described in the applicable Trust Agreement. The following summary of certain provisions of the Trust Agreements does not purport to be complete and is subject to, and qualified in its entirety by reference to, the provisions of such Trust Agreements and the Trust Indenture Act. Wherever particular sections or defined terms of the Trust Agreements are referred to, such sections or defined terms are incorporated herein by reference. Section references used herein are references to provisions of the Trust Agreements unless otherwise stated.

All of the Common Securities of each Issuer are owned by Western Resources. The Common Securities of each Issuer rank pari passu, and payments will be made thereon pro rata, with the Preferred Securities of each such Issuer except as described under "--Subordination of Common Securities." (Section 4.03). Legal title to the Debentures will be held in the name of the Property Trustee and held in trust for the benefit of the holders of the Issuer Securities. (Section 2.09). Each Guarantee is a full and unconditional guarantee on a subordinated basis with respect to the related Preferred Securities but does not guarantee payment of distributions or amounts payable on redemption or liquidation of the related Preferred Securities when the Issuer does not have funds sufficient to make such payments.

### Distributions

The distributions payable on each series of Preferred Securities will be fixed at the rate per annum set forth in the



applicable Prospectus Supplement. Distributions that are in arrears for more than one quarter will bear interest on the amount thereof at the same rate per annum, to the extent permitted by law. The term "distributions" as used herein includes any such interest payable, unless otherwise stated, and shall also include any Additional Amounts (as defined herein) with respect to the Preferred Securities. The amount of distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and, for any period shorter than a full month, shall be computed on the basis of the actual number of days elapsed in such period. (Section 4.01(b)). "Additional Amounts" means the amount of "Additional Interest Attributable to Deferral" (as defined herein) paid by Western Resources on the Debentures. See "Description of the Debentures--Additional Interest."

Distributions on the Preferred Securities will be cumulative, will accrue from the date of the initial issuance thereof, and will be payable quarterly in arrears, on March 31, June 30, September 30 and December 31 of each year, except in the event of an extension of the interest payment period by Western Resources on the corresponding series of Debentures. In the event that any date on which distributions are otherwise payable on Preferred Securities is not a Business Day, payment of the distributions payable on such date will be made on the next succeeding day that is a Business Day (and without any interest or other payment in respect to any such delay) except that, if such Business Day is in the next succeeding calendar year, payment of such distribution shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on such date (each date on which distributions are otherwise payable in accordance with the foregoing, a "Distribution Date"). A "Business Day" shall mean any day other than (x) a Saturday or a Sunday, (y) a day on which banks in New York are authorized or obligated by law or executive order to remain closed or (z) a day on which the Corporate Trust Office of the Property Trustee or the principal office of Western Resources is closed for business. (Sections 1.01 and 4.01(a)).

Western Resources has the right under the Deferrable Interest Subordinated Debenture Indenture (the "Indenture"), as supplemented by a Supplemental Indenture (the "Supplemental Indenture"), to extend the interest payment period from time to time on each series of Debentures issued thereunder for a period not exceeding 20 consecutive quarters, with the consequence that quarterly distributions on the corresponding Preferred Securities would be deferred (but would continue to accrue interest thereon, including interest payable on unpaid Distributions to the extent permitted by law at the rate per

annum set forth in the applicable Prospectus Supplement, compounded quarterly) by each Issuer during any such extended interest payment period. In the event Western Resources exercises this right, during such period Western Resources will not declare or pay any dividends or distributions (other than dividends or distributions payable in common stock of Western Resources or other securities, including other Debentures, ranking junior in right of payment to the Debentures) on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of its capital stock or any security ranking pari passu with or junior in right of payment to the Debentures, or make any guarantee payments with respect to the foregoing (other than pro rata payments under the Guarantees) or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Debentures (except for payments made on any series of Debentures upon the stated maturity of such Debentures); provided that Western Resources may redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, make any guarantee payment with respect to the foregoing or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Debentures with securities (or the proceeds from the issuance of securities) having no higher ranking than the capital stock or the other securities which are to be redeemed, purchased, acquired, with respect to which a liquidation payment is to be made, to which a guarantee payment is to be made with respect to the foregoing or which are to be repurchased. This covenant requires that an interest payment period on one series of Debentures may be extended only if the interest payment periods on all series of Debentures are extended. Prior to the termination of any such extended interest payment period, Western Resources may further extend the interest payment period, provided that such extended interest payment period, together with all previous and further extensions thereof, may not exceed 20 consecutive quarters or extend beyond the maturity or the redemption date of the series of the Debentures in question. Upon the termination of any extended interest payment period and the payment of all amounts then due, Western Resources may select a new extended payment period subject to the foregoing requirements. See "Description of the Debentures--Interest" and "--Western Resources' Option to Extend Interest Payment Period."

It is anticipated that the income of each Issuer available for distribution to the holders of the Preferred Securities of such Issuer will be limited to the payments under

the Debentures which the Issuer will purchase with the Common Securities and the proceeds from the issuance and sale of the Preferred Securities. See "Description of the Debentures." If Western Resources does not make interest payments on the Debentures, the Property Trustee will not have funds available to pay distributions on the Preferred Securities. The payment of distributions (if and to the extent an Issuer has funds sufficient to make such payments) is guaranteed on a subordinated basis by Western Resources to the extent set forth herein under "Description of the Guarantees."

Distributions on the Preferred Securities will be payable to the holders thereof as they appear on the register of the applicable Issuer on the relevant record dates, which, as long as the Preferred Securities remain in book-entry-only form, will be one Business Day prior to the relevant Distribution Date. Subject to any applicable laws and regulations and the provisions of the applicable Trust Agreement, each such payment will be made as described under "--Book-Entry-Only Issuance--The Depository Trust Company," below. In the event that the Preferred Securities do not remain in book-entry-only form, the relevant record date shall be the date 15 days prior to the relevant Distribution Date. (Section 4.01(d)).

#### Redemption

Upon the repayment of any series of Debentures, whether at maturity or upon earlier redemption as provided in the Indenture, the proceeds from such repayment shall be applied by the Property Trustee to redeem a Like Amount (as defined herein) of corresponding Issuer Securities, upon not less than 30 nor more than 90 days' notice, at the Liquidation Amount plus accumulated and unpaid distributions to the Redemption Date (the "Redemption Price"). See "Description of the Debentures--Optional Redemption."

Western Resources has the right to redeem the Debentures of any particular series (a) on or after five years from the date of original issuance of such Debentures, in whole or in part, or (b) at any time, in whole but not in part, on occurrence of a Tax Event or an Investment Company Event (each as defined below, a "Special Event"), subject to the conditions described under "Description of the Debentures--Optional Redemption."

#### Special Event Redemption or Distribution

If a Special Event shall occur and be continuing with respect to an Issuer or the Preferred Securities of such

Issuer, Western Resources has the right to (i) redeem the corresponding Debentures in whole, but not in part, and thereby cause a mandatory redemption of such Preferred Securities in whole, but not in part, at the Redemption Price within 90 days following the occurrence of such Special Event, or (ii) terminate the Issuer and cause the corresponding Debentures to be distributed, subject to the receipt of an Opinion of Counsel experienced in such matters to the effect that the holders of the Preferred Securities will not recognize gain or loss for Federal income tax purposes as a result of such distribution, to the holders of the Preferred Securities of such series in liquidation of such Issuer. If at any time an Issuer is not or will not be taxed as a grantor trust, but a Tax Event has not occurred, the Depositor has the right to terminate the Issuer and cause the corresponding Debentures to be distributed, subject to the receipt of an Opinion of Counsel experienced in such matters to the effect that the holders of the Preferred Securities will not recognize gain or loss for Federal income tax purposes as a result of such distribution, to the holders of the Preferred Securities of such Issuer. Under current United States Federal income tax law and interpretations, if the applicable Trust is treated as a grantor trust at the time of the distribution, such a distribution should not be a taxable event to holders of the Preferred Securities. Should there be a change in law, a change in legal interpretation, a Special Event or other circumstances, however, the termination could be a taxable event to holders of the Preferred Securities of an Issuer. See "United States Taxation--Receipt of Series A Debentures Upon Liquidation of the Series A Issuer," in the accompanying Prospectus Supplement. If Western Resources does not elect either option (i) or (ii) above, the Preferred Securities will remain outstanding.

"Tax Event" means the receipt by an Issuer or Western Resources, as the case may be, of an Opinion of Counsel (which may be counsel to the Issuer, Western Resources or an affiliate, and which must be reasonably acceptable to the Property Trustee) experienced in such matters to the effect that a relevant tax law change has occurred. For purposes of the preceding sentence, a relevant tax law change is any amendment to or change of (or officially proposed amendment or change to) the laws (including regulations thereunder) of the United States or any political subdivision or taxing authority thereof, or the publication of any judicial opinion interpreting such laws (and regulations) or any written interpretation of such laws (or regulations) by any governmental authority having jurisdiction to enforce or administer such laws (or regulations) (including official and unofficial opinions purporting to apply such laws and regulations to other persons who have issued securities similar

to the Debentures), which amendment, change, proposed amendment or change, opinion or interpretation could, if valid and enacted or applied to an Issuer or Western Resources, result in (i) such Issuer, either currently or within 90 days of the date thereof, becoming subject to United States Federal income tax with respect to interest received on a series of Debentures, (ii) interest payable by Western Resources on a series of Debentures attributable to the Preferred Securities, either currently or within 90 days of the date thereof, becoming nondeductible for United States Federal income tax purposes or (iii) an Issuer, either currently or within 90 days of the date thereof, becoming subject to more than a de minimis amount of other taxes, duties, assessments or other governmental charges.

"Investment Company Event" means the occurrence of a change in law or regulation or a change in the interpretation or application of any law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law") to the effect that an Issuer is or will be considered an "investment company" that is required to be registered under the Investment Company Act of 1940, as amended (the "1940 Act"), which Change in 1940 Act Law becomes effective on or after the date of original issuance of a particular series of Preferred Securities.

"Like Amount" means (i) with respect to a redemption of Issuer Securities, Issuer Securities having an aggregate Liquidation Amount equal to the principal amount of corresponding Debentures to be contemporaneously redeemed in accordance with the Indenture and the proceeds of which will be used to pay the Redemption Price of such Issuer Securities and (ii) with respect to a distribution of a series of Debentures to holders of the corresponding Preferred Securities in connection with the liquidation of the applicable Issuer upon the bankruptcy, dissolution or liquidation of Western Resources or the occurrence of a Special Event, Debentures having a principal amount equal to the aggregate Liquidation Amount of the Preferred Securities of the holders to whom such series of Debentures is distributed.

#### Redemption Procedures

Preferred Securities redeemed on each date fixed for redemption (the "Redemption Date") shall be redeemed at the Redemption Price with the proceeds from the contemporaneous redemption of the corresponding Debentures. Redemptions of Preferred Securities shall be made, and the Redemption Price shall be deemed payable, on each Redemption Date only to the extent that an Issuer has funds sufficient for the payment of

such Redemption Price. (Section 4.02(d)). See  
"--Subordination of Common Securities."

If the Property Trustee gives a notice of redemption in respect of Preferred Securities of a particular series (which notice will be irrevocable), then, by 12:00 noon, New York time, on the Redemption Date, the Property Trustee will, so long as such Preferred Securities are in book-entry-only form, irrevocably deposit with the Depository Trust Company ("DTC") funds sufficient to pay the applicable Redemption Price and, at the direction of the Depositor, will give DTC irrevocable instructions and authority to pay the Redemption Price to the holders of such Preferred Securities. See "--Book-Entry-Only Issuance--The Depository Trust Company." If such Preferred Securities are no longer in book-entry-only form, the Property Trustee will irrevocably deposit with the Paying Agent for such Preferred Securities funds sufficient to pay the applicable Redemption Price and will give such Paying Agent irrevocable instructions and authority to pay the Redemption Price to the holders thereof upon surrender of their certificates evidencing Preferred Securities. Notwithstanding the foregoing, if an Issuer does not make the distributions payable on or prior to the Redemption Date for any Preferred Securities called for redemption, such payments shall be payable to the holders of such Preferred Securities on the relevant record date for the related Distribution Date. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of holders of such Preferred Securities so called for redemption will cease, except the right of the holders of such Preferred Securities to receive the Redemption Price, but without interest on such Redemption Price, and such Preferred Securities will cease to be outstanding. In the event that any date fixed for redemption of Preferred Securities is not a Business Day, then payment of the Redemption Price payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day falls in the next calendar year, such payment will be made on the immediately preceding Business Day. In the event that payment of the Redemption Price in respect of Preferred Securities called for redemption is improperly withheld or refused and not paid either by the applicable Issuer or by Western Resources pursuant to the corresponding Guarantee described herein under "Description of the Guarantees," distributions on such Preferred Securities will continue to accrue at the rate set forth on the face of such securities, from the original Redemption Date to the date of payment, in which case the actual payment date will be considered the date

fixed for redemption for purposes of calculating the Redemption Price. (Section 4.02(e)).

Subject to applicable law (including, without limitation, United States Federal securities law), Western Resources or its subsidiaries may at any time and from time to time purchase outstanding Preferred Securities by tender, in the open market or by private agreement.

Payment of the Redemption Price on Preferred Securities to holders of such Preferred Securities shall be made to the record holders thereof as they appear on the register for such Preferred Securities on the relevant record date, which shall be one Business Day prior to the relevant Redemption Date, provided, however, that in the event that such Preferred Securities do not remain in book-entry-only form, the relevant record date shall be the date 15 days prior to the Redemption Date. (Section 4.02(f)).

If less than all the outstanding Issuer Securities are to be redeemed on a Redemption Date, then the aggregate amount payable shall be allocated 3% to the Common Securities and 97% to the Preferred Securities. The particular Preferred Securities to be redeemed shall be selected not more than 90 days prior to the Redemption Date by the Property Trustee from the outstanding Preferred Securities of such series not previously called for redemption, by such method as the Property Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$25 or integral multiples thereof) of the aggregate Liquidation Amount of Preferred Securities of a denomination larger than \$25. The Property Trustee shall promptly notify the Securities Registrar in writing of the Preferred Securities selected for partial redemption and, in the case of any such Preferred Securities selected for partial redemption, the aggregate Liquidation Amount thereof to be redeemed. For all purposes of each Trust Agreement, unless the context otherwise requires, all provisions relating to the redemption of a series of Preferred Securities shall relate, in the case of any Preferred Securities of such series redeemed or to be redeemed only in part, to the portion of the aggregate Liquidation Amount of the Preferred Securities of such series that has been or is to be redeemed. (Section 4.02(g)).

#### Subordination of Common Securities

Payment of distributions (including Additional Amounts, if applicable) on, and the Redemption Price of, Issuer Securities, as applicable, shall be made pro rata based on the aggregate Liquidation Amount of both the Preferred Securities

and the Common Securities; provided, however, that if on any Distribution Date or Redemption Date an Event of Default (as defined herein, see "--Events of Default; Notice," below) under the Indenture shall have occurred and be continuing, with respect to a series of Preferred Securities, no payment of or any distribution (including Additional Amounts, if applicable) on, or the Redemption Price of, any Common Security corresponding thereto, and no other payment on account of the redemption, liquidation or other acquisition of the corresponding Common Securities shall be made unless payment in full in cash of all accumulated and unpaid distributions (including Additional Amounts, if applicable) on all outstanding Preferred Securities of such series for all distribution periods terminating on or prior thereto, or in the case of payment of the Redemption Price the full amount of such Redemption Price on all such outstanding Preferred Securities called for redemption, shall have been made or provided for, and all funds available to the Property Trustee shall first be applied to the payment in full of all distributions (including Additional Amounts, if applicable) on, or the Redemption Price of such Preferred Securities then due and payable. (Section 4.03(a)).

In the case of any Event of Default under a Trust Agreement, the holder of the corresponding Common Securities will be deemed to have waived any right to act with respect to any such Event of Default under such Trust Agreement until the effect of all such Events of Default with respect to corresponding Preferred Securities have been cured, waived or otherwise eliminated. Until all such Events of Default under such Trust Agreement have been so cured, waived or otherwise eliminated, the Property Trustee shall act solely on behalf of the holders of such Preferred Securities and not the holder of the corresponding Common Securities, and only the holders of such Preferred Securities will have the right to direct the Property Trustee to act on their behalf. (Section 4.03(b)).

#### Liquidation Distribution Upon Dissolution

Pursuant to either Trust Agreement, an Issuer shall be liquidated by the Trustees on the first to occur of: (i) the expiration of the term of the relevant Trust; (ii) the bankruptcy, dissolution or liquidation of Western Resources; (iii) the occurrence of a Special Event and a related required distribution of Debentures to holders of Preferred Securities of such series or in the event that the Trust is not or will not be taxed as a grantor trust but a Tax Event has not occurred; (iv) the redemption of all of the Preferred Securities of such series; and (v) an order for dissolution of



the Trust issued by a court of competent jurisdiction.  
(Sections 9.01 and 9.02).

If an early termination occurs as described in clause (ii) or (iii) of the immediately preceding paragraph, the Issuer in question shall be liquidated by the Trustees as expeditiously as the Trustees determine to be practicable by causing the Property Trustee to distribute, subject to the receipt of an Opinion of Counsel experienced in such matters to the effect that the holders of the Preferred Securities will not recognize gain or loss for Federal income tax purposes as a result of such distribution, to each holder of Preferred Securities of such Issuer and the corresponding Common Securities a Like Amount of Debentures held by such Issuer. However, in the event that the Property Trustee determines that such distribution is impractical, the holders of such Preferred Securities will be entitled to receive, out of the assets of such Issuer available for distribution to holders after satisfaction of all liabilities of creditors, an amount equal to, in the case of holders of Preferred Securities, the aggregate of the stated Liquidation Amount of \$25 per Preferred Security plus accrued and unpaid distributions thereon to the date of payment (such amount being the "Liquidation Distribution"). If such Liquidation Distribution can be paid only in part because an Issuer has insufficient assets available to pay in full the aggregate Liquidation Distribution, then the amounts payable directly by such Issuer on the Preferred Securities of such series shall be paid on a pro rata basis. The holders of the corresponding Common Securities will be entitled to receive distributions upon any such dissolution only after the holders of the Preferred Securities of such series. If the Debentures of a particular series are distributed to the holders of the corresponding Preferred Securities, Western Resources will use reasonable efforts to have such Debentures listed on the New York Stock Exchange or such other exchange on which the corresponding Preferred Securities are then listed. (Section 9.04).

#### Events of Default; Notice

The occurrence of an "Event of Default" as defined in Section 501 of the Indenture (see "Description of the Debentures--Events of Default") constitutes an "Event of Default" under the affected Trust Agreement.

Within five Business Days after the occurrence of any Event of Default actually known to the Property Trustee, the Property Trustee shall transmit notice of such Event of Default to the holders of the affected Preferred Securities, the

Administrative Trustees and the Depositor, unless such Event of Default shall have been cured or waived. (Section 8.02).

Unless an Event of Default shall have occurred and be continuing, any Trustee with respect to a particular series of Preferred Securities may be removed at any time by act of the holder of the corresponding Common Securities. If an Event of Default has occurred and is continuing, any Trustee with respect to a particular series of Preferred Securities may be removed at such time by act of the holders of a majority in aggregate Liquidation Amount of the outstanding Preferred Securities of such series, delivered to such Trustee (in its individual capacity and on behalf of the relevant Issuer). No registration or removal of a Trustee and no appointment of a successor Trustee shall be effective until the acceptance of appointment by the successor Trustee in accordance with the provisions of the applicable Trust Agreement. (Section 8.10).

If an Event of Default has occurred and is continuing, the Preferred Securities shall have a preference over the corresponding Common Securities upon dissolution of the relevant Issuer as described above. See "--Liquidation Distribution Upon Dissolution."

#### Merger or Consolidation of a Trustee

Any corporation into which either the Property Trustee or any Administrative Trustee that is not a natural person may be merged or with which it may be consolidated or any corporation resulting from any merger, conversion or consolidation to which any such Trustee shall be a party shall be the successor to such Trustee under the Trust Agreements, provided such corporation is otherwise qualified and eligible. (Section 8.12).

#### Voting Rights

Except as provided below and under "Description of the Guarantees--Amendments and Assignments" and as otherwise required by law, the holders of the Preferred Securities will have no voting rights. (Section 6.01(a)).

So long as any Debentures of a particular series are held by an Issuer, the Property Trustee shall not (i) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee, or executing any trust or power conferred on the Debenture Trustee with respect to the Debentures of such series, (ii) waive any past default which is waivable under Section 513 of the Indenture, (iii) exercise any right to rescind or revoke any declaration

that the principal of all the Debentures of such series shall be due and payable or (iv) consent to any amendment, modification or termination of the Indenture or the Debentures of such series, where such consent shall be required, without, in each case, obtaining the prior approval of the holders of at least a majority in aggregate Liquidation Amount of the outstanding Preferred Securities of such series; provided, however, that where a consent under the Indenture would require the consent of each holder of Debentures affected thereby, no such consent shall be given by the Property Trustee without the prior consent of each holder of the Preferred Securities of such series. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the holders of the Preferred Securities of a particular series. The Property Trustee shall notify all holders of an affected series of Preferred Securities of any notice of default received from the Debenture Trustee. In addition to obtaining the foregoing approvals of the holders of the Preferred Securities of a particular series, prior to taking any of the foregoing actions the Trustees shall obtain an Opinion of Counsel experienced in such matters to the effect that the applicable Issuer will not be classified as an association taxable as a corporation for United States Federal income tax purposes on account of such action. (Section 6.01(b)).

If any proposed amendment to a Trust Agreement relating to a particular series of Preferred Securities provides for, or the Trustees otherwise propose to effect, (i) any action that would adversely affect the powers, preferences or special rights of the holders of such Preferred Securities, whether by way of amendment to the Trust Agreement relating to such Preferred Securities or otherwise, or (ii) the dissolution, winding up or termination of the Issuer of such Preferred Securities, other than pursuant to the Trust Agreement relating to such series of Preferred Securities, then the holders of the outstanding Preferred Securities of such series will be entitled to vote on such amendment or proposal, and such amendment or proposal shall not be effective except with the approval of the holders of at least a majority in aggregate Liquidation Amount of such outstanding Preferred Securities. (Section 6.01(c)).

No amendment to a Trust Agreement may be made if, as a result of such amendment the applicable Issuer would be classified as an association taxable as a corporation for United States Federal income tax purposes.

Any required approval of holders of Preferred Securities of a particular series may be given at a separate meeting of the holders of Preferred Securities of such series

convened for such purpose or pursuant to the written consent of such holders. The Administrative Trustees will cause a notice of any meeting at which holders of such Preferred Securities are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken, to be given to each holder of record of such Preferred Securities in the manner set forth in the applicable Trust Agreement. (Section 6.02).

No vote or consent of the holders of Preferred Securities of a particular series will be required for the applicable Issuer to redeem and cancel Preferred Securities of such series in accordance with the applicable Trust Agreement.

Notwithstanding that holders of Preferred Securities are entitled to vote or consent under any of the circumstances described above, any of the Preferred Securities that are owned by Western Resources, any Trustee or any affiliate of Western Resources or any Trustee, shall, for purposes of such vote or consent, be treated as if they were not outstanding.

#### Co-Property Trustees and Separate Property Trustees

Unless an Event of Default under a Trust Agreement shall have occurred and be continuing, at any time or times, for the purpose of meeting the legal requirements of the Trust Indenture Act or of any jurisdiction in which any part of the Trust Property (as defined in the applicable Trust Agreement) may at the time be located, the holder of the Common Securities and the Administrative Trustees shall have power to appoint, and upon the written request of the Administrative Trustees, Western Resources, as Depositor, shall for such purpose join with the Administrative Trustees in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint one or more persons approved by the Property Trustee either to act as co-property trustee, jointly with the Property Trustee, of all or any part of such Trust Property, or to act as separate trustee of any such Trust Property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such person or persons in such capacity, any property, title, right or power deemed necessary or desirable, subject to the provisions of the applicable Trust Agreement. If Western Resources, as Depositor, does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case an Event of Default under the Indenture has occurred and is continuing, the Administrative Trustees alone shall have power to make such appointment. (Section 8.09).

## Payment and Paying Agents

Payments in respect of the Preferred Securities shall be made to DTC, which shall credit the relevant accounts at DTC on the applicable Distribution Dates or, if the Preferred Securities are not held by DTC, such payments shall be made by check mailed to the address of the holder entitled thereto as such address shall appear on the securities register. The Paying Agent shall initially be Wilmington Trust Company. The Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Administrative Trustees, the Property Trustee and the Depositor. In the event that Wilmington Trust Company chooses no longer to be the Paying Agent, the Administrative Trustees shall appoint a successor acceptable to the Property Trustee and Western Resources to act as Paying Agent (which shall be a bank or trust company or Western Resources). (Sections 4.04 and 5.08).

## Book-Entry-Only Issuance--The Depository Trust Company

DTC will act as securities depository for the Preferred Securities. The Preferred Securities will be issued only as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). One or more fully-registered global Preferred Security certificates will be issued, representing in the aggregate the total number of Preferred Securities, and will be deposited with Wilmington Trust Company, as custodian for DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds the securities that its participants ("Participants") deposit with it. DTC facilitates the settlement of securities transactions among Participants through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers, securities dealers, banks, trust companies, clearing corporations and certain other organizations ("Direct Participants"). DTC is owned by a number of its Direct Participants, as well as by the New York Stock Exchange, the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers, securities dealers, banks and trust companies that clear through or maintain a custodial relationship with a

Direct Participant, either directly or indirectly ("Indirect Participants"). The rules applicable to DTC and its Participants are on file with the Commission.

Purchases of Preferred Securities within the DTC system must be made by or through Direct Participants, which will receive a credit for the Preferred Securities on DTC's records. The ownership interest of each actual purchaser of each Preferred Security ("Beneficial Owner") is, in turn, recorded on a Direct or Indirect Participant's records, as the case may be. Beneficial Owners will not receive written confirmation from DTC of their purchases, but Beneficial Owners are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the respective Direct or Indirect Participants through which the Beneficial Owners purchased Preferred Securities. Transfers of ownership interests in the Preferred Securities are also effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Preferred Securities, except in the event that use of the book-entry system for the Preferred Securities is discontinued.

DTC has no knowledge of the actual Beneficial Owners of the Preferred Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Preferred Securities are credited, which may or may not be the Beneficial Owners. The Participants are responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by the arrangements made among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices, if any, will be sent to DTC. If less than all of the Preferred Securities of a particular series are being redeemed, DTC's practice is to determine by lot the amount of the Preferred Securities held by each Direct Participant in such series to be redeemed.

Although voting with respect to the Preferred Securities is limited to the holders of record of the Preferred Securities, in those cases where a vote is required neither DTC nor Cede & Co. will itself consent or vote with respect to any Preferred Securities. Under its usual procedures, DTC would mail an Omnibus Proxy to the Issuer as soon as possible after

the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants (identified in a listing attached to the Omnibus Proxy) to whose accounts the Preferred Securities are credited on the record date.

Distribution payments on the Preferred Securities will be made by the Issuer to DTC. DTC's practice is to credit Direct Participants' accounts on the relevant payment date in accordance with their respective holdings as shown on DTC's records, unless DTC has reason to believe that it will not receive payments on such payment date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices and will be the responsibility of such Participants and not of DTC, the applicable Issuer or Western Resources, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of distributions to DTC is the responsibility of the Issuer in question, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of the Direct or Indirect Participants in whose accounts the Preferred Securities are held, respectively.

DTC may discontinue providing its services as securities depository with respect to the Preferred Securities at any time by giving reasonable notice to the Issuer in question. If DTC stops providing such services and a successor securities depository is not obtained, Preferred Security certificates for the affected series must be printed and delivered. Additionally, the Administrative Trustees (with the consent of Western Resources) could decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, definitive certificates for the Preferred Securities would be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Western Resources and the Issuers believe to be reliable. None of Western Resources or the Issuers have responsibility for the performance by DTC or its Participants of their respective obligations as described herein or under the rules and procedures governing their respective operations.

Registrar and Transfer Agent

Wilmington Trust Company will act as registrar and transfer agent for the Preferred Securities. (Section 5.04).

Registration of transfers of Preferred Securities will be effected without charge by or on behalf of either Issuer, but upon payment (with the giving of such indemnity as the Issuer or Western Resources may require) in respect of any tax or other governmental charges which may be imposed in connection therewith. (Section 5.04).

No Issuer will be required to register or cause to be registered any transfer of Preferred Securities of a particular series after they have been called for redemption. (Section 5.04).

#### Information Concerning the Property Trustee

The Property Trustee undertakes to perform only such duties as are specifically set forth in such Trust Agreement and, after an Event of Default under the Indenture, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Property Trustee is under no obligation to exercise any of the powers vested in it by the Indenture at the request of any holder of Preferred Securities or Debentures of a particular series unless the Property Trustee is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby. (Section 8.01).

Western Resources conducts other banking transactions with the Property Trustee in the ordinary course of their business.

The Preferred Securities will initially be offered in denominations of \$25 (based on Liquidation Amount) and integral multiples of \$25 in excess thereof.

#### Modification of the Trust Agreements

From time to time, Western Resources and the Trustees may, without the consent of any holders of the Preferred Securities, amend either Trust Agreement for specified purposes, including, among other things, (i) to cure ambiguities, correct or supplement any provision of either Trust Agreement which may be inconsistent with any other provision thereof or to make any other provisions with respect to matters or questions arising under such Trust Agreement which shall not be inconsistent with the other provisions of such Trust Agreement, or (ii) to ensure that a Trust will not be classified for United States Federal income tax purposes as an association taxable as a corporation and will not be required to register as an "investment company" under the 1940



Act; provided, however, that such amendment or action shall not adversely affect the rights of any holder of the Issuer Securities. Each Trust Agreement contains provisions permitting Western Resources and the Trustees, with the consent of the holders of not less than a majority in aggregate Liquidation Amount of the outstanding Issuer Securities related thereto, to modify such Trust Agreement in a manner affecting the rights of the holders of such Issuer Securities; provided that no such modification may, without the consent of the holder of each such outstanding Issuer Security affected by the proposed modification (i) change the amount or timing of any distribution on such Issuer Securities or otherwise adversely affect the amount of any distribution required to be made in respect of such Issuer Securities as of a specified date, or (ii) restrict the right of any holder of such Issuer Securities to institute suit for the enforcement of any payment under such Trust Agreement. (Section 10.02).

#### Governing Law

Each Trust Agreement will be governed by, and construed in accordance with, the laws of the State of Delaware.

#### Miscellaneous

The Administrative Trustees are authorized and directed to conduct the affairs of each Issuer and to operate each Issuer so that neither Issuer will be deemed to be an "investment company" required to be registered under the 1940 Act or be taxed as a corporation for United States Federal income tax purposes and so that the Debentures will be treated as indebtedness of Western Resources for United States Federal income tax purposes. In this connection, the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the certificate of trust of either Issuer or the Trust Agreements, that the Administrative Trustees determine in their discretion to be necessary or desirable for such purposes, as long as such action does not adversely affect the interest of the holders of the Preferred Securities. (Section 2.07).

Holders of the Preferred Securities have no preemptive rights.

## DESCRIPTION OF THE GUARANTEES

### General

Set forth below is certain information concerning the Guarantees that will be executed and delivered by Western Resources for the benefit of the holders from time to time of Preferred Securities of each particular series. Each Guarantee will be qualified as an indenture under the Trust Indenture Act. Wilmington Trust Company will act as indenture trustee (the "Guarantee Trustee") under each Guarantee for purposes of compliance with the Trust Indenture Act. The terms of each Guarantee will be those set forth in such Guarantee and those made part of such Guarantee by the Trust Indenture Act. This summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Guarantees, a form of which is filed as an exhibit to the Registration Statement of which this Prospectus is a part, and of the Trust Indenture Act. The Guarantee Trustee will hold each Guarantee for the benefit of the holders of the corresponding Preferred Securities. Whenever particular provisions of or defined terms in the Guarantees are referred to, such sections or defined terms are incorporated herein by reference. Section references used herein are references to provisions of the Guarantees unless otherwise stated.

Western Resources will fully and unconditionally agree, on a subordinated basis, to the extent set forth below, to make the Guarantee Payments (as defined below) in full to the holders of the Preferred Securities of a particular series (without duplication of amounts theretofore paid by the applicable Issuer with respect thereto), as and when due, regardless of any defense, right of set-off or counterclaim that such Issuer may have or assert other than the defense of payment. (Section 5.1). The following payments with respect to the Preferred Securities of a particular series, to the extent not paid by or on behalf of the applicable Issuer (the "Guarantee Payments"), will be subject to the related Guarantee (without duplication): (i) any accrued and unpaid distributions required to be paid on the Preferred Securities of such series, if and only to the extent that the applicable Issuer has funds sufficient to make such payment; (ii) the Redemption Price with respect to any such Preferred Securities called for redemption by the applicable Issuer, if and only to the extent that the applicable Issuer has funds sufficient to make such payment; and (iii) upon a voluntary or involuntary dissolution, winding-up or termination of such Issuer (other than in connection with a redemption of all of the corresponding Preferred Securities), the lesser of (a) the aggregate Liquidation Amount and all accrued and unpaid

distributions on such Preferred Securities to the date of payment, to the extent the Issuer has funds sufficient to make such payment, and (b) such amount of assets of such Issuer remaining available for distribution to holders of such Preferred Securities in liquidation of such Issuer. (Section 1.1). Western Resources' obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by Western Resources to the holders of such Preferred Securities or by causing the applicable Issuer to pay such amounts to such holders. (Section 5.1).

Each Guarantee will be a full and unconditional guarantee on a subordinated basis with respect to the Preferred Securities of the corresponding series from the time of the issuance of such Preferred Securities, but will not apply (i) to any payment of distributions if and to the extent that the Issuer with respect thereto does not have funds sufficient to make such payments or (ii) to the collection of payment. If Western Resources does not make interest payments on a series of Debentures held by an Issuer, it is expected that such Issuer will not pay distributions on such Preferred Securities. The Guarantees will rank subordinate and junior in right of payment to all liabilities of Western Resources (except those made pari passu with, or subordinate to the Guarantees by their terms, i.e., another Guarantee). See "--Status of the Guarantees."

#### Amendments and Assignments

Except with respect to any changes that do not adversely affect the rights of the holders of Preferred Securities of a particular series (in which case no consent of such holders will be required), the terms of a Guarantee may be changed only with the prior approval of the holders of not less than a majority in aggregate Liquidation Amount of such outstanding Preferred Securities. All guarantees and agreements contained in any Guarantee will be binding upon the successors, assigns, receivers, trustees and representatives of Western Resources, and shall inure to the benefit of the holders of the corresponding Preferred Securities then outstanding. (Sections 8.1 and 8.2).

#### Events of Default

An event of default under a Guarantee will occur upon the failure of Western Resources to perform any of its payment obligations thereunder. (Section 1.1). The holders of a majority in aggregate Liquidation Amount of the Preferred Securities of the affected series have the right to direct the time, method and place of conducting any proceeding for any

remedy available to the Guarantee Trustee in respect of such Guarantee or to direct the exercise of any trust or power conferred upon the Guarantee Trustee under such Guarantee. (Section 5.4).

If the Guarantee Trustee fails to enforce a Guarantee, any holder of the corresponding series of Preferred Securities may institute a legal proceeding directly against Western Resources to enforce such Holder's rights under such Guarantee without first instituting a legal proceeding against the applicable Issuer, the Guarantee Trustee or any other person or entity. (Section 5.4). The Guarantees are guarantees of payment, not of collection. (Section 5.5).

#### Information Concerning the Guarantee Trustee

The Guarantee Trustee, other than during the occurrence and continuance of a default by Western Resources in the performance of a Guarantee, undertakes to perform only such duties as are specifically set forth in the Guarantees and, after default with respect to any Guarantee, must exercise the same degree of care and skill as a prudent person would exercise or use in the conduct of his or her own affairs. Subject to this provision, the Guarantee Trustee is under no obligation to exercise any of the powers vested in it by a Guarantee at the request of any holder of Preferred Securities of a particular series unless the Guarantee Trustee is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby. (Sections 3.1 and 3.2).

#### Termination of the Guarantees

A Guarantee will terminate and be of no further force and effect upon full payment of the Redemption Price of all Preferred Securities of the corresponding series, the distribution of Debentures of the applicable series to the holders of such Preferred Securities in exchange for all of such Preferred Securities or upon payment in full of the amounts payable upon liquidation of the related Issuer. Notwithstanding the foregoing, each Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of Preferred Securities must restore payment of any sums paid under such Preferred Securities or the related Guarantee. (Section 7.1).

#### Status of the Guarantees

Each Guarantee will constitute an unsecured obligation of Western Resources and will rank subordinate and

junior in right of payment to all Senior Indebtedness (as defined above) of Western Resources. (Section 6.1). Each Trust Agreement provides that each holder of Preferred Securities of a particular series by acceptance thereof agrees to the subordination provisions and other terms of the related Guarantee.

Each Guarantee will rank pari passu with each other Guarantee and with any similar guarantees issued by the Guarantor on behalf of the holders of preferred securities issued by any other issuer holding debentures issued under the Indenture. (Section 6.2).

Each Guarantee will constitute a guarantee of payment and not of collection (i.e., the guaranteed party may institute a legal proceeding directly against the Guarantor to enforce its rights under the applicable Guarantee without first instituting a legal proceeding against any other person or entity). (Section 5.5).

#### Governing Law

Each Guarantee will be governed by and construed in accordance with the laws of the State of New York. (Section 8.5).

#### DESCRIPTION OF THE DEBENTURES

##### General

Set forth below is a description of certain terms of the Debentures which each Issuer will purchase with its Common Securities and the proceeds of the issuance and sale of such Issuer's Preferred Securities. The following summary does not purport to be complete and is subject in all respects to, and is qualified in its entirety by reference to, the Indenture, as supplemented by the Supplemental Indenture creating each series of Debentures, from Western Resources to Wilmington Trust Company, as trustee with respect to the Debentures (the "Debenture Trustee"), the forms of which are filed as exhibits to the Registration Statement of which this Prospectus is a part, and the Trust Indenture Act. Whenever particular provisions of or defined terms in the Indenture or the Supplemental Indenture are referred to, such sections or defined terms are incorporated herein by reference. Section references used herein are references to provisions of the Indenture unless otherwise stated.

Concurrently with the issuance of each Issuer's Preferred Securities, the Issuer will invest the proceeds

thereof in a corresponding series of Debentures newly issued by Western Resources. The Debentures will be unsecured subordinated obligations of Western Resources issued under the Indenture. Each series of Debentures will be in a principal amount equal to the aggregate stated Liquidation Amount of the corresponding Preferred Securities plus Western Resources' concurrent investment in the Common Securities and will rank pari passu with all other series of Debentures. The Indenture does not limit the aggregate principal amount of Debentures which may be issued thereunder.

#### Optional Redemption

Western Resources will have the right, at any time and from time to time, as set forth in an applicable Supplemental Indenture, to redeem any series of Debentures, in whole or in part, at a redemption price as set forth in such Supplemental Indenture, together with any accrued but unpaid interest thereon, including any Additional Interest (as defined above) to the redemption date.

If a Special Event shall occur and be continuing, Western Resources shall have the right to redeem any series of Debentures in whole but not in part, at the Redemption Price plus any accrued and unpaid interest on such series of Debentures, including any Additional Interest, if any, to the redemption date. (Section 102 of the Supplemental Indenture).

For so long as an Issuer is the holder of all the outstanding Debentures of a particular series, the proceeds of any such redemption will be used by such Issuer to redeem Preferred Securities of such series and the corresponding Common Securities in accordance with their terms. Western Resources may not redeem any series of Debentures in part unless all accrued and unpaid interest thereon (including any Additional Interest) has been paid in full on all outstanding Debentures of such series for all quarterly interest periods terminating on or prior to the date of redemption. (Section 102 of the Supplemental Indenture).

Any optional redemption of any series of Debentures shall be made upon not less than 30 nor more than 90 days' notice to the holders thereof. If at the time of mailing of any notice of redemption Western Resources shall not have deposited with the Trustee (and/or irrevocably directed the Trustee to apply, from money held by it available to be used for the redemption of Debentures) an amount in cash sufficient to redeem all of the Debentures to be redeemed, including accrued interest to such Redemption Date, such notice shall state that the proposed redemption to which such notice relates

is subject to the deposit of such amount with the Trustee on or before the Redemption Date. (Section 1204).

After notice of redemption is given and Western Resources having on or before the Redemption Date deposited with the Trustee (and/or having irrevocably directed the Trustee to apply, from money held by it available to be used for the redemption of Debentures) an amount in cash sufficient to redeem all of the Debentures to be redeemed, the Debentures so to be redeemed will, on the Redemption Date, become due and payable and from and after such date, such Debentures will cease to bear interest. (Section 1206).

#### Interest

The Debentures of a particular series shall bear interest at the rate per annum set forth in the applicable Supplemental Indenture and from the date of the initial issuance thereof. Such interest is payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year (each, an "Interest Payment Date"), to the person in whose name such Debentures are registered, subject to certain exceptions, at the close of business on the Business Day next preceding such Interest Payment Date. (Section 307 of the Indenture and Section 101 of the Supplemental Indenture). It is anticipated that the Debentures will be held in the name of the Property Trustee in trust for the benefit of the holders of the corresponding Issuer Securities.

The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months and, for any period shorter than a full monthly period, shall be computed on the basis of the actual number of days elapsed in such period. (Section 310). In the event that any date on which interest is payable on the Debentures is not a Business Day, then payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date the payment was originally payable. (Section 101 of the Supplemental Indenture).

#### Western Resources' Option to Extend Interest Payment Periods

Western Resources shall have the right, at any time while the Debentures of any particular series are outstanding, to extend the interest payment period on such Debentures from

time to time to a period for up to 20 consecutive quarters (the "Extension Period") during which period interest will compound quarterly. At the end of any such Extension Period, Western Resources must pay all interest then accrued and unpaid (together with interest thereon at the rate specified for such Debentures to the extent permitted by applicable law). During any such Extension Period, Western Resources may not declare or pay any dividends or distributions (other than dividends or distributions payable in common stock of Western Resources or other securities, including other Debentures, ranking junior in right of payment to the Debentures of such series) on, or redeem, purchase, acquire, or make a liquidation payment with respect to, any of its capital stock or any security ranking pari passu with or junior in right of payment to the Debentures of such series, or make any guarantee payment with respect to the foregoing (other than pro rata payments under the Guarantees) or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Debentures of such series (except for payments made on any series of Debentures upon the stated maturity of such Debentures); provided that Western Resources may redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, make any guarantee payment with respect to the foregoing or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Debentures of such series with securities (or the proceeds from the issuance of securities) having no higher ranking than the capital stock or the other securities which are to be redeemed, purchased, acquired, with respect to which a liquidation payment is to be made, to which a guarantee payment is to be made with respect to the foregoing or which are to be repurchased. Such Extension Period together with all such previous and further extensions thereof may not exceed 20 consecutive quarters or extend beyond the maturity date of such Debentures. Upon the termination of any such Extension Period and the payment of all amounts then due, Western Resources may select a new Extension Period, subject to the foregoing requirements. No interest shall be due and payable during an Extension Period, except at the end thereof. So long as the Property Trustee shall be the sole holder of the Debentures, Western Resources must give the Property Trustee, the Administrative Trustees and the Debenture Trustee notice of its selection of such Extension Period at least one Business Day prior to the earlier of (i) the date that the distribution on the corresponding Preferred Securities is payable or (ii) the date the Administrative Trustees are required to give notice to the New York Stock Exchange or other



applicable self-regulatory organization or to holders of the Preferred Securities of such series of the record date for the payment of such distribution or the date such distribution is payable, but in any event not less than one Business Day prior to such record date. The Debenture Trustee will be required to give prompt notice of Western Resources' selection of such Extension Period to the holders of the Preferred Securities and the Administrative Trustees. (Section 101 of the Supplemental Indenture).

#### Additional Interest

If at any time an Issuer shall be required to pay any interest on distributions in arrears in respect of the Preferred Securities of a particular series pursuant to the terms thereof, Western Resources will pay as interest to such Issuer, as the holder of the Debentures of the corresponding series, an amount of additional interest ("Additional Interest Attributable to Deferral") equal to such interest on distributions in arrears. Accordingly, in such circumstances Western Resources will, to the fullest extent permitted by applicable law, pay interest upon interest in order to provide for quarterly compounding on such Debentures. In addition, if an Issuer is required to pay any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any other taxing authority, then, in each case, Western Resources will also pay such amounts as shall be required so that the new amounts received and retained by such Issuer after paying such taxes, duties, assessments or governmental charges will be not less than the amounts such Issuer would have received had no such taxes, duties, assessments or governmental charges been imposed ("Additional Interest Attributable to Taxes," and, together with Additional Interest Attributable to Deferral, "Additional Interest"). (Section 101 of the Indenture and Section 101 of the Supplemental Indenture).

#### Right of Set-Off

Notwithstanding anything to the contrary in the Indenture, Western Resources shall have the right to set-off any payment it is otherwise required to make thereunder to the extent Western Resources has theretofore made, or is concurrently on the date of such payment, making a payment under the related Guarantee. (Section 311).

#### Subordination

The Debentures will be subordinate and junior in right of payment to the prior payment, in full in cash or cash

equivalents, of all Senior Indebtedness (as defined herein). (Sections 101 and 1101) In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relating to Western Resources or to its creditors, as such, or to its assets, or (b) any liquidation, dissolution or other winding up of Western Resources, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of Western Resources (except a distribution in connection with a consolidation of Western Resources with, or the merger of Western Resources into, another corporation or the liquidation or dissolution of Western Resources following conveyance, transfer or lease of its properties and assets substantially as an entirety to another corporation upon the terms and conditions described below under "--Consolidation, Merger and Sale"), the holders of all Senior Indebtedness will be entitled to receive payment in full in cash or cash equivalents of all amounts due or to become due thereon, before the holders of Debentures are entitled to receive any payment on account of the principal of or interest on the Debentures; and any payment or distribution of assets of Western Resources of any kind or character, whether in cash, property or securities, by set-off or otherwise, to which the holders of the Debentures or the Debenture Trustee would be entitled but for the provisions of the Indenture relating to subordination shall be paid by the liquidating trustee or agent or other person making such payment or distribution directly to the holders of Senior Indebtedness ratably according to the aggregate amounts remaining unpaid on account of the Senior Indebtedness to the extent necessary to make payment in full in cash or cash equivalents of all Senior Indebtedness remaining unpaid. In the event that, notwithstanding the foregoing, the Debenture Trustee or any holder of the Debentures shall have received payment or distribution of assets of Western Resources of any kind or character (excluding certain permitted subordinated securities) before all Senior Indebtedness is paid in full or payment thereof provided for, then such payment or distribution will be paid over or delivered to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other person making payment or distribution of the assets of Western Resources for application to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all Senior Indebtedness in full in cash or cash equivalents. (Section 1102).

Western Resources is prohibited from making payments on account of the principal of or interest on the Debentures or on account of the purchase or redemption or other acquisition

of the Debentures if there shall have occurred and be continuing: (a) a default in any payment with respect to any Senior Indebtedness (as defined herein) or (b) any other event of default with respect to any Senior Indebtedness resulting in the acceleration of the maturity thereof. (Section 1103). In the event that Western Resources makes any payment to the Debenture Trustee or any holder of any series of Debentures, which payment is prohibited by the foregoing, then such payment is required to be paid over to the representative of the holders of the Senior Indebtedness then outstanding to the extent necessary to pay in full, in cash or cash equivalents, all Senior Indebtedness. (Section 1103).

Subject to the payment in full of all Senior Indebtedness, the holders of the Debentures shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments and distributions of assets of Western Resources applicable to the Senior Indebtedness until the Debentures are paid in full. (Section 1105).

If Western Resources fails to make any payment on a series of Debentures when due or within any applicable grace period, such failure will constitute an Event of Default under the related Indenture. See "Events of Default."

As of June 30, 1995, the Senior Indebtedness of Western Resources was approximately \$1.8 billion. As a holding company, certain of Western Resources' assets consist of the stock of its subsidiaries. Except to the extent that Western Resources may itself be a creditor with recognized claims against Western Resources' subsidiaries, the claims of the holders of the Debentures to the assets of operating subsidiaries of Western Resources effectively are subordinated to the claims of direct creditors of such subsidiaries. See "Risk Factors--Holding Company Structure" in the accompanying Prospectus Supplement.

The term "Senior Indebtedness" shall mean the principal of, interest on and any other payment due pursuant to any of the following, whether outstanding at the date of execution of any Supplemental Indenture or thereafter incurred, created or assumed:

- (a) all indebtedness of Western Resources on a consolidated basis (other than any obligations to trade creditors) evidenced by notes, debentures, bonds or other securities sold by Western Resources for money borrowed and capitalized lease obligations;

(b) all indebtedness of others of the kinds described in the preceding clause (a) assumed by or guaranteed in any manner by Western Resources or in effect guaranteed by Western Resources;

(c) all obligations of Western Resources issued or assumed as the deferred purchase price of property, all conditional sale obligations of Western Resources and all obligations of Western Resources under any title retention agreement (but excluding trade accounts payable);

(d) certain obligations of Western Resources for the reimbursement of any obligor on any letter of credit, banker's acceptance, security purchase facility, surety bond or similar credit transaction entered into in the ordinary course of business of Western Resources; and

(e) all renewals, extensions or refundings of indebtedness of the kinds described in either of the preceding clauses (a) through (d);

unless, in the case of any particular indebtedness, renewal, extension or refunding, the instrument creating or evidencing the same or the assumption or guarantee of the same expressly provides that such indebtedness, renewal, extension or refunding is made *pari passu* with or subordinate to the Debentures. (Section 101).

Notwithstanding the foregoing, each series of Debentures will rank *pari passu* with each other series of Debentures.

The Indenture does not limit the aggregate amount of Senior Indebtedness that may be issued.

#### Certain Covenants of Western Resources

In the Indenture, Western Resources covenants that it will not declare or pay any dividends or distributions (other than dividends or distributions payable in common stock of Western Resources or other securities, including other Debentures, ranking junior in right of payment to the Debentures of such series) on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock or any security ranking *pari passu* with or junior in right of payment to the Debentures of such series, or make any guarantee payments with respect to the foregoing (other than *pro rata* payments under the Guarantees) or repurchase, or cause

any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Debentures of such series (except for payments made on any series of Debentures upon the stated maturity of such Debentures); provided that Western Resources may redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, make any guarantee payment with respect to the foregoing or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Debentures of such series with securities (or the proceeds from the issuance of securities) having no higher ranking than the capital stock or the other securities which are to be redeemed, purchased, acquired, with respect to which a liquidation payment is to be made, to which a guarantee payment is to be made with respect to the foregoing or which are to be repurchased; if at such time (i) there shall have occurred any event of which Western Resources has actual knowledge that (a) with the giving of notice or the lapse of time, or both, would constitute an Event of Default with respect to such particular series of securities under the Indenture and (b) which Western Resources shall not have taken reasonable steps to cure, (ii) Western Resources shall be in default with respect to its payment of any obligations under the Guarantee or (iii) Western Resources shall have given notice of its selection of an Extension Period as provided in the Indenture, and such Extension Period, or any extension thereof, shall have commenced and be continuing. (Section 1005). Western Resources also covenants (i) to maintain 100% ownership of the Common Securities of the Issuer to which Debentures have been issued, (ii) not to voluntarily dissolve, wind up or terminate each Issuer, except in connection with the distribution of the corresponding Debentures to the holders of the Preferred Securities of such Issuer in liquidation of such Issuer or in connection with certain mergers, consolidations or amalgamations permitted by the corresponding Trust Agreement and (iii) to use its reasonable efforts, consistent with the terms and provisions of the corresponding Trust Agreement, to cause such Issuer to remain a business trust and otherwise not to be classified as an association taxable as a corporation for United States Federal income tax purposes. (Section 1005).

#### Events of Default

The Indenture will provide that any one or more of the following described events with respect to a series of Debentures that has occurred and is continuing constitutes an Issuer "Event of Default" with respect to such series of Debentures:

(a) failure for 30 days to pay any interest on such series of Debentures, including any Additional Interest in respect thereof, when due (subject to the deferral of any due date in the case of an Extension Period);

(b) failure to pay any principal on such series of Debentures when due whether at maturity, upon redemption by declaration of acceleration or otherwise;

(c) failure to observe or perform in any material respect any other covenant relating to such series of Debentures contained in the Indenture for 90 days after written notice to Western Resources from the Debenture Trustee or the holders of at least 25% in principal amount of the outstanding Debentures of such series; or

(d) certain events in bankruptcy, insolvency or reorganization of Western Resources. (Section 501).

If an Event of Default has occurred and is continuing, the holders of a majority in outstanding principal amount of each affected series of Debentures have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee. (Section 512). The Debenture Trustee or the holders of not less than 25% in aggregate outstanding principal amount of such series of Debentures may declare the principal due and payable immediately upon an Event of Default, and should the Debenture Trustee or such holders of such Debentures fail to make such declaration the holders of at least 25% in aggregate Liquidation Amount of Preferred Securities of such series shall have such right. The holders of a majority in aggregate outstanding principal amount of such series of Debentures may annul such declaration and waive the default if the default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration and any Additional Interest has been deposited with the Debenture Trustee. (Section 502).

The holders of a majority in outstanding principal amount of each series of Debentures may, on behalf of the holders of all the Debentures of such series, waive any past default, except a default in the payment of principal or interest (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration has been deposited with the Debenture Trustee) or a default in respect of a covenant or provision which under the Indenture cannot be modified or amended without the consent of the holder of each outstanding Debenture of such series. (Section 513). Western

Resources is required to file annually with the Debenture Trustee a certificate as to whether or not Western Resources is in compliance with all the conditions and covenants applicable to it under the Indenture. (Section 1004).

A voluntary or involuntary dissolution of any Issuer prior to the redemption or maturity of the Debentures held by such Issuer will not constitute an Event of Default with respect to such Debentures. If any Issuer is dissolved, an event the possibility of which Western Resources and the Issuers consider to be remote, any of the following, among other things, could occur: (i) a distribution of the Debentures held by such Issuer to the holders of the corresponding Preferred Securities, (ii) a cash distribution to the holders of such Preferred Securities out of the sale of assets of such Issuer, after satisfaction of all liabilities to creditors, (iii) a permitted redemption at par of the Debentures, and a consequent redemption of a Like Amount of such Preferred Securities, at the option of Western Resources under the circumstances described under "--Optional Redemption" or (iv) the rollover of the Trust Property (as defined in the Trust Agreement) into another entity with similar characteristics.

#### Form, Exchange and Transfer

The Debentures, if issued in certificated form, will be issuable only in registered form, without coupons and only in denominations of \$25 and integral multiples thereof. (Section 302).

Subject to the terms of the Indenture, Debentures may be presented for registration of transfer or exchange (duly endorsed or accompanied by satisfactory instruments of transfer) at the office of the Securities Registrar or at the office of any transfer agent designated by Western Resources for such purpose. No service charge will be made for any registration of transfer or exchange of Debentures, but Western Resources may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Such transfer or exchange will be effected upon the Securities Registrar or such transfer agent, as the case may be, being satisfied with the documents of transfer, title and identity of the person making the request. Western Resources has appointed the Debenture Trustee as the initial Securities Registrar. (Section 305). Western Resources may at any time designate additional transfer agents, rescind the designation of any transfer agent or approve a change in the office through which any transfer agent acts. (Section 1002).

If a series of Debentures is to be redeemed in part, Western Resources will not be required to issue, register the transfer of or exchange any Debentures of such series during a period beginning at the opening of business 15 days before the day of mailing of the notice of redemption for such Debentures that may be selected for redemption and ending at the close of business on the day of such mailing. (Section 305).

#### Payment and Paying Agents

Payment of interest on a Debenture on any Interest Payment Date will be made to the Person in whose name such Debenture (or one or more predecessor Debentures) is registered at the close of business on the Regular Record Date (as defined in the Indenture) for such interest. (Section 307).

Principal of and any interest on the Debentures will be payable at the office of such Paying Agent or Paying Agents as Western Resources may designate for such purpose from time to time, except that at the option of Western Resources, payment of any interest may be made by check mailed to the address of the person entitled thereto as such address appears in the Securities Register or by wire transfer. (Section 101 of the Supplemental Indenture). The corporate trust office of the Debenture Trustee in the City of Wilmington, Delaware is designated as Western Resources' initial sole Paying Agent for payments with respect to the Debentures. Western Resources may at any time designate additional Paying Agents or rescind the designation of any Paying Agent or approve a change in the office through which any Paying Agent acts. (Section 1002).

#### Supplemental Indentures, Modification of the Indenture

From time to time Western Resources and the Debenture Trustee may, without the consent of the holders of any series of Debentures, amend, waive or supplement the Indenture for specified purposes, including, among other things, curing ambiguities, defects or inconsistencies, qualifying, or maintaining the qualification of, the Indenture under the Trust Indenture Act, or making any other change that does not adversely affect the rights of any holder of Debentures. (Section 901). The Indenture will contain provisions permitting Western Resources and the Debenture Trustee, with the consent of the holders of not less than a majority in principal amount of any outstanding series of Debentures affected, to modify the Indenture in a manner affecting the rights of the holders of such series of Debentures; provided that no such modification may, without the consent of the holder of each outstanding Debenture so affected, (i) change the fixed maturity of any series of Debentures, reduce the



principal amount thereof, or reduce the rate or extend the time for payment of interest thereon (otherwise than permitted under the Indenture), (ii) reduce the percentage of the principal amount of Debentures of any series, the holders of which are required to consent to any such modification of the Indenture or (iii) modify certain provisions of the Indenture relating to the waiver of past defaults or compliance by Western Resources with certain covenants set forth therein. The Indenture also requires the consent of the holders of the affected Preferred Securities in respect of certain amendments to or termination of the Indenture and in respect to compliance by Western Resources with certain covenants in the Indenture. (Section 902). In addition, Western Resources and the Debenture Trustee may execute, without the consent of any holders of Debentures, Supplemental Indentures for the purpose of creating new series of Debentures. (Section 901).

#### Consolidation, Merger and Sale

Western Resources may not consolidate with, merge into, or convey, transfer or lease its properties and assets substantially as an entirety to, any Person (a "Successor Person"), and may not permit any Person to merge into, or convey, transfer or lease its properties and assets substantially as an entirety to Western Resources, unless: (i) the Successor Person (if any), is a corporation, partnership, trust or other entity organized and validly existing under the laws of any United States jurisdiction and assumes Western Resources' obligations on the Debentures, the Indenture, the Guarantees and the Expense Agreements (as defined below); (ii) immediately after giving effect to the transaction and treating any indebtedness which becomes an obligation of Western Resources or any subsidiary as a result of the transaction as having been incurred by it at the time of the transaction, no Event of Default, and no event which, after notice or lapse of time, would become an Event of Default, shall have occurred and be continuing; (iii) such transaction does not give rise to any breach or violation of the Trust Agreement or the Guarantee; and (iv) Western Resources has delivered to the Debenture Trustee an Officers' Certificate and an Opinion of Counsel as to certain matters. (Section 801).

#### Satisfaction and Discharge

Under the terms of the Indenture, Western Resources will be discharged from any and all obligations in respect of a particular series of Debentures (except, in each case, for certain obligations to register the transfer or exchange of such Debentures, replace stolen, lost or mutilated Debentures and hold moneys or U.S. Government Obligations (as defined in

the Indenture) for payment in trust) if Western Resources deposits with the Debenture Trustee, in trust, moneys or U.S. Government Obligations in an amount sufficient to pay all the principal of, and interest on, such series of Debentures on the dates such payments are due in accordance with the terms of such Debentures. (Section 401).

#### Governing Law

The Indenture, the Supplemental Indentures and the Debentures will be governed by, and construed in accordance with, the laws of the State of New York. (Section 112).

#### Miscellaneous

Western Resources will have the right at all times to assign any of its rights or obligations under the Indenture to a direct or indirect wholly-owned subsidiary of Western Resources, provided that, in the event of any such assignment, Western Resources will remain liable for such obligations. Subject to the foregoing, the Indenture will be binding upon and inure to the benefit of the parties thereto and their respective successors and assigns. (Section 109).

#### RELATIONSHIP AMONG THE PREFERRED SECURITIES, THE DEBENTURES AND THE GUARANTEES

As long as payments of interest and other payments are made when due on each series of Debentures, such payments will be sufficient to cover distributions and other payments due on the Preferred Securities of the corresponding series, because: (i) the aggregate principal amount of each series of Debentures will be equal to the sum of the aggregate stated Liquidation Amount of the corresponding Issuer Securities; (ii) the interest rate and interest and other payment dates on each series of Debentures will correspond to the distribution rate and distribution and other payment dates on the Preferred Securities of such series; (iii) the Expense Agreements entered into by Western Resources pursuant to the Trust Agreements (each an "Expense Agreement" and, collectively, the "Expense Agreements") provide that Western Resources shall pay for all, and an Issuer shall not be obligated to pay, directly or indirectly, for any, costs, expenses or liabilities of such Issuer, including any income taxes, duties and other governmental charges, and all costs and expenses with respect thereto, to which such Issuer may become subject, except for United States withholding taxes and such Issuer's payment obligations to holders of the Preferred Securities of a particular series under such Preferred Securities; and (iv) each Trust Agreement further provides that the Trustees

shall not cause or permit an Issuer to, among other things, engage in any activity that is not consistent with the limited purposes of each Issuer.

Payments of distributions and other amounts due on Preferred Securities of each series (to the extent an Issuer has funds sufficient for the payment of such distributions) are guaranteed by Western Resources as and to the extent set forth under "Description of the Guarantees." If and to the extent that Western Resources does not make payments on any series of Debentures, such Issuer will not pay distributions or other amounts due on the Preferred Securities of the corresponding series.

If the Guarantee Trustee fails to enforce any Guarantee, a holder of a Preferred Security to which such Guarantee applies may institute a legal proceeding directly against Western Resources to enforce such holder's rights under such Guarantee without first instituting a legal proceeding against the Issuer of such Preferred Security or any other person or entity.

Each Issuer's Preferred Securities will evidence the rights of the holders thereof to the benefits of such Issuer, a trust that exists for the sole purpose of issuing its Issuer Securities and investing the proceeds of its Preferred Securities in a corresponding series of Debentures of Western Resources, while each series of Debentures represents indebtedness of Western Resources. A principal difference between the rights of a holder of a Preferred Security and a holder of a Debenture is that a holder of a Debenture will accrue, and (subject to the permissible extensions of the interest payment period) is entitled to receive, interest on the principal amount of Debentures held, while a holder of Preferred Securities is only entitled to receive distributions if and to the extent the Issuer has funds sufficient for the payment of such distributions.

Upon any voluntary or involuntary dissolution, winding up or termination of any Issuer involving the distribution of a series of Debentures, the holders of Preferred Securities of the corresponding series will be entitled to receive, out of assets legally available for distribution to such holders, the Liquidation Distribution. See "Description of the Preferred Securities--Liquidation Distribution Upon Dissolution." Upon any voluntary or involuntary liquidation or bankruptcy of Western Resources, each Issuer, as a holder of Debentures, would be a subordinated creditor of Western Resources, subordinated in right of payment to all Senior Indebtedness, but entitled to receive payment in

full of principal and interest before any stockholders of Western Resources receive any payments or distributions. Since Western Resources has agreed to pay for all costs, expenses and liabilities of the Issuers (other than United States withholding taxes and other than the Issuers' obligations to the holders of Preferred Securities under the Preferred Securities, which obligations are independently covered by the Guarantees), the positions of a holder of Preferred Securities and a holder of Debentures relative to other creditors and to stockholders of Western Resources in the event of a liquidation or bankruptcy of Western Resources would be substantially the same.

A default or event of default under any Senior Indebtedness will not constitute a default or Event of Default under the Debentures. However, in the event of payment defaults under, or acceleration of, Senior Indebtedness, the subordination provisions of the Debentures provide that no payments may be made in respect of the Debentures until such Senior Indebtedness has been paid in full or any payment default thereunder has been cured or waived.

Failure to make required payments on any series of Debentures would constitute an Event of Default under the Indenture.

#### PLAN OF DISTRIBUTION

The Preferred Securities may be sold in a public offering to or through underwriters or dealers designated from time to time. An Issuer may sell its Preferred Securities as soon as practicable after the effectiveness of the Registration Statement of which this Prospectus is a part. The names of any underwriters or dealers involved in the sale of the Preferred Securities of a particular series in respect of which this Prospectus is delivered, the number of Preferred Securities to be purchased by any such underwriters or dealers and the applicable commissions or discounts will be set forth in the applicable Prospectus Supplement.

Underwriters may offer and sell Preferred Securities at a fixed price or prices, which may be changed, or from time to time at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. In connection with the sale of Preferred Securities, underwriters will be deemed to have received compensation from Western Resources and/or an Issuer in the form of underwriting discounts or commissions. Underwriters may sell Preferred Securities to or through dealers, and such

dealers may receive compensation in the form of discounts, concessions or commissions from the underwriters.

Any underwriting compensation paid by Western Resources to underwriters in connection with the offering of the Preferred Securities, and any discounts, concessions or commissions allowed by such underwriters to participating dealers, will be set forth in the applicable Prospectus Supplement. Underwriters and dealers participating in the distribution of Preferred Securities may be deemed to be underwriters, and any discounts and commissions received by them, and any profit realized by them on resale of such Preferred Securities, may be deemed to constitute underwriting discounts and commissions under the Act. Underwriters and dealers may be entitled, pursuant to their agreement with Western Resources and an Issuer, to indemnification against and contribution toward certain civil liabilities, including liabilities under the Securities Act, and to reimbursement by Western Resources for certain expenses.

In connection with the offering of the Preferred Securities of a particular series, the Issuer thereof may grant to the underwriters an option to purchase additional Preferred Securities to cover over-allotments, if any, at the initial public offering price (with an additional underwriting commission), as set forth in the applicable Prospectus Supplement.

Underwriters and dealers may engage in transactions with, or perform services for, Western Resources, an Issuer and any of their respective affiliates.

An Issuer's Preferred Securities will be a new issue of securities and will have no established trading market. Any underwriters to whom an Issuer's Preferred Securities are sold by such Issuer for public offering and sale may make a market in such Preferred Securities, but such underwriters will not be obligated to do so and may discontinue any market-making at any time without notice. Such Preferred Securities may or may not be listed on a national securities exchange. No assurance can be given as to the liquidity of or the existence of meaningful trading markets for any Preferred Securities.

#### EXPERTS

The consolidated financial statements and schedules included in or incorporated by reference in Western Resources' 1994 Annual Report on Form 10-K have been audited by Arthur Andersen LLP, independent public accountants, as set forth in its report. In that report, that firm states that with respect

to Kansas Gas and Electric Company (a wholly-owned subsidiary of Western Resources), its opinion is based on the report of other public accountants for the year ended December 31, 1992, namely Deloitte & Touche LLP. Since 1993, Arthur Andersen LLP has audited both Western Resources and Kansas Gas and Electric Company. The consolidated financial statements and supporting schedules referred to above have been incorporated herein in reliance upon the authority of Arthur Andersen LLP as experts in giving said reports.

The financial statements and the related financial statement schedules incorporated in this Prospectus by reference from Kansas Gas and Electric Company's Annual Report on Form 10-K for the year ended December 31, 1992 have been audited by Deloitte & Touche LLP, independent auditors, as stated in their report, which is incorporated herein by reference, and have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

#### LEGAL MATTERS

Certain legal matters will be passed upon for Western Resources by John K. Rosenberg, Esq., Executive Vice President and General Counsel of Western Resources, by Cahill Gordon & Reindel, a partnership including a professional corporation, counsel for Western Resources, and by Richards, Layton & Finger, special Delaware counsel to Western Resources and the Issuers. The validity of the Preferred Securities will be passed upon for the underwriters by Sidley & Austin. Cahill Gordon & Reindel and Sidley & Austin will not pass upon the incorporation of Western Resources and will rely upon the opinion of John K. Rosenberg, Esq. as to matters of Kansas law and the Public Utility Holding Company Act of 1935. At September 30, 1995, Mr. Rosenberg owned directly and/or beneficially 2,631 shares of Common Stock and had been granted, pursuant to and subject to the terms of Western Resources' Long-Term Incentive Program, 1,466 performance shares.

No person has been authorized to give any information or to make any representations other than those contained in this Prospectus Supplement or the Prospectus and, if given or made, such information or representations must not be relied upon as having been authorized. This Prospectus Supplement and the Prospectus do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this Prospectus Supplement and the Prospectus or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus Supplement or the Prospectus nor any sale made hereunder shall, under any circumstances, create an implication that the information contained herein or therein is correct as of any time subsequent to the date of such information.

Preferred Securities

WESTERN RESOURCES  
CAPITAL I

(Liquidation Amount \$25  
per Preferred Security)

\_\_\_% Cumulative Quarterly  
Income Preferred  
Securities, Series A

guaranteed to the extent  
that the Issuer has funds  
as set forth herein by

WESTERN RESOURCES, INC.

PROSPECTUS SUPPLEMENT

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Smith Barney Inc.

Dillon, Read & Co. Inc.

Prudential Securities Incorporated

Edward D. Jones & Co.

Prospectus

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

An estimate of expenses, other than underwriting commission, follows:

Securities and Exchange Commission registration fee.....	\$ 68,966*
New York Stock Exchange listing fee.....	67,000
Trustee's fees and expenses.....	25,000
Printing.....	150,000
Legal fees and expenses.....	220,000
Accountants' fees and expenses.....	15,000
Rating agencies fees.....	100,000
Blue Sky expenses.....	5,000
Miscellaneous expenses.....	14,034
	-----
Total.....	\$665,000
	-----

\*Fees marked with an asterisk are actual, not estimated.

Item 15. Indemnification of Directors and Officers.

Article XVIII of Western Resources' Restated Articles of Incorporation, as amended, provides that a director of Western Resources shall not be personally liable to Western Resources or its stockholders for monetary damages for breach of fiduciary duty as a director except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for paying a dividend or approving a stock repurchase in violation of the Kansas General Corporation Law, or (iv) for any transaction from which the director derived an improper personal benefit. This provision is specifically authorized by Section 17-6002(b)(8) of the Kansas General Corporation Law.

Section 17-6305 of the Kansas General Corporation Law (the "Indemnification Statute") provides for indemnification by a corporation of its corporate officers, directors, employees and agents. The Indemnification Statute provides that a corporation may indemnify such persons who have been, are, or



may become parties to an action, suit or proceeding due to their status as directors, officers, employees or agents of the corporation. Further, the Indemnification Statute grants authority to a corporation to implement its own broader indemnification policy. Article XVIII of Western Resources' Restated Articles of Incorporation, as amended, requires Western Resources to indemnify its directors and officers to the fullest extent provided by Kansas law. Further, as is provided for in Article XVIII, Western Resources has entered into indemnification agreements with its directors, which provide indemnification broader than that available under Article XVIII and the Indemnification Statute.

The form of Underwriting Agreement filed as Exhibit 1 to the Registration Statement includes provisions requiring underwriters to indemnify Western Resources and its directors and officers who signed this Registration Statement, and its controlling persons, against certain civil liabilities, including liabilities under the Securities Act of 1933, in certain circumstances.

Item 16. Exhibits.

The Exhibits to this Registration Statement are listed in the Exhibit Index on Page E-1 of this Registration Statement, which Index is incorporated herein by reference.

Item 17. Undertakings.

The undersigned Registrants hereby undertake:

1. To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

- a. To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;
- b. To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement. Notwithstanding the foregoing, any increase or decrease in

volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective Registration Statement;

- c. To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

2. That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new Registration Statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

The undersigned Registrants hereby undertake that, for purposes of determining any liability under the Securities Act of 1933, each filing of Western Resources' annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the Securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrants pursuant to the provisions described under Item 15 above, or otherwise, the

Registrants have been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrants of expenses incurred or paid by a director, officer or controlling person of the Registrants in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrants will, unless in the opinion of their counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by them is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, Western Resources, Inc., on behalf of the Registrants, certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Topeka, State of Kansas on the 18th day of October, 1995.

WESTERN RESOURCES, INC.

By:

John E. Hayes, Jr.  
Chairman of the Board,  
President and Chief  
Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
_____ John E. Hayes, Jr.	Chairman of the Board, President, and Chief Executive Officer (Principal Executive Officer)	October 18, 1995
_____ Steven L. Kitchen	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	October 18, 1995
_____ Frank J. Becker	Director	October 18, 1995
_____ Gene A. Budig	Director	October 18, 1995
_____ C.Q. Chandler	Director	October 18, 1995
_____ Thomas R. Clevenger	Director	October 18, 1995
_____ John C. Dicus	Director	October 18, 1995
_____ David H. Hughes	Director	October 18, 1995
_____ Russell W. Meyer, Jr.	Director	October 18, 1995
_____ John H. Robinson	Director	October 18, 1995

\_\_\_\_\_  
Susan M. Stanton

Director

October 18, 1995

\_\_\_\_\_  
Louis W. Smith

Director

October 18, 1995

\_\_\_\_\_  
Kenneth J. Wagon

Director

October 18, 1995

Pursuant to the requirements of the Securities Act of 1933, Western Resources, Capital I and Western Resources Capital II, the Registrants, certify that they have reasonable grounds to believe that they meet all of the requirements for filing on Form S-3 and have duly caused this Registration Statement to be signed on their behalf by the undersigned, thereto duly authorized, in the City of Topeka, State of Kansas on the 18th day of October, 1995.

WESTERN RESOURCES CAPITAL I  
(Registrant)

By: Western Resources, Inc., as

Depositor

By: \_\_\_\_\_

WESTERN RESOURCES CAPITAL II  
(Registrant)

By: Western Resources, Inc., as  
Depositor

By: \_\_\_\_\_

INDEX TO EXHIBITS

Sequentially Exhibit Number_	Exhibit	Numbered Page
1	- Form of Underwriting Agreement	
4(a)	- Form of Preferred Security Certificate (included as Exhibit E to Exhibit 4(j))	
4(b)	- Form of Debenture (included in Exhibit 4(d))	
4(c)	- Form of Indenture	
4(d)	- Form of Supplemental Indenture	
4(e)	- Form of Guarantee Agreement (Agreements are substantially identical except for names and dates)	
4(f)	- Certificate of Trust for Western Resources Capital I	
4(g)	- Certificate of Trust for Western Resources Capital II	
4(h)	- Trust Agreement for Western Resources Capital I	
4(i)	- Trust Agreement for Western Resources Capital II	
4(j)	- Form of Amended and Restated Trust Agree- ment (Agreements are substantially identical except for names and dates)	
5(a)	- Opinion of John K. Rosenberg, Esq. relating to the legality of the Debentures and the Guarantees, including consent	
5(b)	- Opinion of Richards, Layton & Finger, special Delaware counsel, relating to the legality of the Preferred Securities of Western Resources Capital I, including consent	
5(c)	- Opinion of Richards, Layton & Finger, special Delaware counsel, relating to the legality of the Preferred Securities of Western Resources Capital II, including consent	
8	- Opinion of Cahill Gordon & Reindel, as to tax matters, including consent	
10	- Form of Expense Agreement (Agreements are substantially identical except for names and dates) (included as Exhibit D in Exhibit 4(j))	



- 12 - Computation of Ratio of Consolidated Earnings to Fixed Charges and Computation of Ratio of Consolidated Earnings to Combined Fixed Charges and Preferred and Preference Dividend Requirements
- 23(a) - Consent of John K. Rosenberg, Esq. (contained in Exhibit 5)
- 23(b) - Consent of Richards, Layton & Finger (contained in Exhibits 5(b) and 5(c))
- 23(c) - Consent of Cahill Gordon & Reindel (contained in Exhibit 8)
- 23(d) - Consent of Independent Public Accountants, Arthur Andersen LLP
- 23(e) - Consent of Independent Auditors, Deloitte & Touche LLP
- 25(a) - Form T-1 Statement of Eligibility under the Trust Indenture Act of Wilmington Trust Company, as Indenture Trustee under the Indenture
- 25(b) - Form T-1 Statement of Eligibility under the Trust Indenture Act of Wilmington Trust Company, as Property Trustee under the Trust Agreements for Western Resources Capital I and Western Resources Capital II
- 25(c) - Form T-1 Statement of Eligibility under the Trust Indenture Act of Wilmington Trust Company, as Guarantee Trustee under the Guarantee Agreements for Western Resources Capital I and Western Resources Capital II

Preferred Securities

Western Resources Capital \_\_\_  
\_\_\_% Cumulative Quarterly Income Preferred Securities ("QUIPS"), Series \_\_\_  
(liquidation amount \$25 per preferred security)  
guaranteed on a subordinated basis by  
Western Resources, Inc.

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Underwriting Agreement

\_\_\_\_\_, 1995

As representatives of the several Underwriters  
named in Schedule I hereto,

Ladies and Gentlemen:

Western Resources Capital \_\_\_, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), and Western Resources, Inc., a Kansas corporation, as depositor of the Trust and as guarantor (the "Guarantor"), propose, subject to the terms and conditions stated herein, that the Trust issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters"), an aggregate of \$\_\_\_\_\_ (the "Securities") \_\_\_% Cumulative Quarterly Income Preferred Securities (liquidation amount \$25 per preferred security) representing beneficial interests in the Trust, guaranteed on a subordinated basis by the Guarantor as to the payment of distributions, and as to payments on liquidation or redemption, to the extent set forth in a guarantee agreement (the "Guarantee") between the Guarantor and Wilmington Trust Company, as trustee (the "Guarantee Trustee"). The Trust is to purchase, with the proceeds of the Securities and with of its Common Securities (liquidation amount \$25 per common security) (the "Common Securities"), an aggregate of \$\_\_\_\_\_ \_\_\_% Junior Subordinated Debentures, Due \_\_\_ (the "Subordinated Debentures") of the Guarantor, to be issued pursuant to an Indenture (the "Indenture") between the Guarantor and Wilmington Trust Company, as trustee (the "Debenture Trustee"). The payments made by the Guarantor on the Subordinated Debentures are established at a level sufficient to permit the Trust, upon receipt of such payments, to make payments on the Securities in accordance with their tenor.

1. Each of the Trust and the Guarantor jointly and severally represents and warrants to, and agrees with, each of the Underwriters that:

(a) A registration statement on Form S-3 (File No. 33-\_\_\_\_\_) in respect of the Securities, the Subordinated Debentures and the Guarantee (collectively, the "Registered Securities") has been filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"); such registration statement, in the form heretofore delivered to you and, excluding exhibits thereto but including all documents incorporated by reference in the prospectus contained therein, to you for each of the other

Underwriters, have been declared effective by the Commission in such form; no other document with respect to such registration statement or document incorporated by reference therein has heretofore been filed, or transmitted for filing, with the Commission; and no stop order suspending the effectiveness of such registration statement has been issued and no proceeding for that purpose has been initiated or threatened by the Commission (any preliminary prospectus included in such registration statement or thereafter filed with the Commission pursuant to Rule 424(a) of the rules and regulations of the Commission under the Act, being hereinafter called a "Preliminary Prospectus"; the various parts of such registration statement, including all exhibits thereto and including at the time it was declared effective the documents incorporated by reference in the prospectus contained in the registration statement at the time such part of the registration statement became effective, each as amended at the time such part of the registration statement became effective, are hereinafter collectively called the "Registration Statement"; such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus"; any reference herein to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein pursuant to Item 12 of Form S-3 under the Act, as of the date of such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment or supplement to any Preliminary Prospectus or the Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Guarantor filed pursuant to Section 13(a) or 15(d) of the Exchange Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement);

(b) No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Trust or the Guarantor by an Underwriter through \_\_\_\_\_ expressly for use therein;

(c) The documents incorporated by reference in the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder, and none of such documents contained an untrue statement of a material fact or omitted to state a material fact required



to be stated therein or necessary to make the statements therein not misleading; and any further documents so filed and incorporated by reference in the Prospectus or any further amendment or supplement thereto, when such documents are filed with the Commission, will conform in all material respects to the requirements of the Exchange Act, and the rules and regulations of the Commission thereunder, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Trust or the Guarantor by an Underwriter through expressly for use therein;

(d) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement or the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, (i) as of the applicable effective date as to the Registration Statement and any amendment thereto and (ii) as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, 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; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing to the Trust or the Guarantor by an Underwriter through expressly for use therein;

(e) The Guarantor and its subsidiaries considered as a whole have not sustained, since the date of the latest audited financial statements incorporated by reference in the Prospectus, any material loss or interference with their business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus; and, since the respective dates as of which information is given in the Registration Statement and Preliminary Prospectus, there has not been (i) any material change in the capital stock, long-term debt or consolidated capitalization of the Guarantor, or (ii) any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, of the Guarantor and its subsidiaries considered as a whole (other than as referred to in or contemplated by the Registration Statement);

(f) The Trust has been duly created and is validly existing as a statutory business trust in good standing under the Business Trust Act of the State of Delaware (the "Delaware Business Trust Act") with the power and authority to own property and conduct its business as described in the Prospectus, and has conducted and will conduct no business other than the transactions contemplated by this Agreement and as described in the Prospectus; the Trust is not a party to or bound by any agreement or instrument other than this Agreement, the Amended and Restated Trust



Agreement (the "Trust Agreement") between the Guarantor and the trustees named therein (the "Trustees") and the agreements and instruments contemplated by the Trust Agreement and the Prospectus; the Trust has no liabilities or obligations other than those arising out of the transactions contemplated by this Agreement and the Trust Agreement and described in the Prospectus; and the Trust is not a party to or subject to any action, suit or proceeding of any nature;

(g) Each of the Guarantor and its wholly owned subsidiary, Kansas Gas and Electric Company ("KG&E"), has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Kansas, with corporate power (including power in any relevant joint venture, partnership or other enterprise in which the Guarantor or KG&E are participants) and authority (corporate and other) to own its properties and conduct its business as described in the Prospectus, and each of the Guarantor and KG&E holds valid and subsisting franchises, certificates of convenience and authority, licenses and permits authorizing it to carry on the utility business in which it is engaged as described in the Prospectus;

(h) The Guarantor has an authorized capitalization as set forth in the Prospectus, and all of the issued shares of capital stock of the Guarantor have been duly and validly authorized and issued and are fully paid and non-assessable; all of the issued shares of capital stock of each subsidiary of the Guarantor have been duly and validly authorized and issued, are fully paid and non-assessable and are owned directly by the Guarantor, free and clear of all liens, encumbrances, equities and claims, other than the pledge of the KG&E common stock held by the Guarantor under the Credit Agreement by and between the Guarantor and Chemical Bank, N.A. as disclosed in the Registration Statement and Prospectus; and all of the outstanding beneficial interests in the Trust have been duly authorized and issued, are fully paid and non-assessable and conform to the descriptions thereof contained in the Prospectus;

(i) The Common Securities have been duly authorized by the Depositor of the Trust and upon delivery by the Trust to the Guarantor against payment therefor as described in the Prospectus, will be duly and validly issued and non-assessable beneficial interests in the Trust and will conform to the description thereof contained in the Prospectus; the issuance of the Common Securities is not subject to preemptive or other similar rights; and at the Time of Delivery, all of the issued and outstanding Common Securities of the Trust will be directly owned by the Guarantor free and clear of any security interest, mortgage, pledge, lien, encumbrance, claim or equity;

(j) The Securities have been duly authorized by the Depositor of the Trust, and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and non-assessable beneficial interests in the Trust and will conform in all material respects to the description thereof contained in the Prospectus; and the holders of the Securities (the "Securityholders") will be entitled to the same limitation of personal liability extended to stockholders of private





corporations for profit organized under the General Corporation Law of the State of Delaware (subject to the obligations of the Securityholders under the Trust Agreement to make certain payments to the Trust to defray expenses such as any applicable transfer and stamp taxes);

(k) The Guarantee, the Subordinated Debentures, the Trust Agreement and the Indenture (the Guarantee, the Subordinated Debentures, the Trust Agreement and the Indenture being collectively referred to as the "Guarantor Agreements") have each been duly authorized and when validly executed and delivered by the Guarantor and, in the case of the Guarantee, by the Guarantee Trustee, in the case of the Trust Agreement, by the Trustees (as defined in the Trust Agreement) and, in the case of the Indenture, by the Debenture Trustee, and, in the case of the Subordinated Debentures, when validly issued by the Guarantor and validly authenticated and delivered by the Debenture Trustee, will constitute valid and legally binding obligations of the Guarantor, enforceable in accordance with their respective terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing; the Trust Agreement, the Indenture and the Guarantee have been duly qualified under the Trust Indenture Act of 1939, as amended (the "TIA"); the Subordinated Debentures are entitled to the benefits of the Indenture; and the Guarantee Agreement will conform to the descriptions thereof in the Prospectus;

(l) The issue and sale of the Securities and the Common Securities by the Trust, the compliance by the Trust with all of the provisions of this Agreement, the purchase of the Subordinated Debentures by the Trust, and the consummation of the transactions herein contemplated will not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Trust is a party or by which the Trust is bound or to which any of the property or assets of the Trust is subject (in each case except for such conflicts, breaches, violations or defaults that would not have a material adverse effect on the business, business prospects, financial condition or results of operations of the Guarantor and its subsidiaries considered as a whole), nor will such action result in any violation of the provisions of the Trust Agreement or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Trust or any of its properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body, other than the authorization of the Kansas Corporation Commission which has been duly obtained, is required for the issue and sale of the Securities and the Common Securities by the Trust, the purchase of the Subordinated Debentures by the Trust or the consummation by the Trust of the transactions contemplated by this Agreement, except the registration under the Act and the Exchange Act of the Securities, the Subordinated Debentures and the Guarantee, the qualification of the Trust Agreement, the Indenture and the Guarantee



under the TIA, and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase of the Securities and the distribution of the Securities by the Underwriters; and

(m) The issuance by the Guarantor of the Guarantee, the compliance by the Guarantor with all of the provisions of this Agreement, the execution, delivery and performance by the Guarantor of the Guarantor Agreements, and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Guarantor is a party or by which the Guarantor is bound or to which any of the property or assets of the Guarantor is subject (in each case, except for such conflicts, breaches, violations or defaults that would not have a material adverse effect on the business, business prospects, financial condition or results of operations of the Guarantor and its subsidiaries considered as a whole), nor will such action result in any violation of the provisions of the Certificate of Incorporation or by-laws of the Guarantor or any statute or any order, rule or regulation of any court or governmental agency or body (including, without limitation, any insurance regulatory agency or body) having jurisdiction over the Guarantor or any of its properties; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body, other than the authorization of the Kansas Corporation Commission which has been duly obtained, is required for the issue of the Guarantee or the consummation by the Guarantor of the other transactions contemplated by this Agreement, except the registration under the Act of the Securities, the Subordinated Debentures and the Guarantee, the qualification of the Trust Agreement, the Indenture and the Guarantee under the TIA and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase of the Securities and distribution of the Securities by the Underwriters.

2. Subject to the terms and conditions herein set forth, the Trust and the Guarantor agree that the Trust shall issue and sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Trust, at a purchase price of \$25 per preferred security, the number of Securities set forth opposite the name of such Underwriter in Schedule I hereto.

As compensation to the Underwriters for their commitments hereunder, and in view of the fact that the proceeds of the sale of the Securities will be used by the Trust to purchase the Subordinated Debentures of the Guarantor, the Guarantor hereby agrees to pay at the Time of Delivery (as defined in Section 4 hereof) to \_\_\_\_\_, for the accounts of the several Underwriters, an amount equal to \$0.\_\_\_\_\_ per Security sold to [noninstitutional purchasers] and \$0.\_\_\_\_\_ per Security sold to [institutional purchasers] for the Securities to be delivered at the Time of Delivery.



3. Upon the authorization by you of the release of the Securities, the several Underwriters propose to offer the Securities for sale upon the terms and conditions set forth in the Prospectus.

4. (a) The Securities to be purchased by each Underwriter hereunder, in definitive form, and in such authorized denominations and registered in such names as \_\_\_\_\_ may request upon at least forty-eight hours' prior notice to the Guarantor, shall be delivered by or on behalf of the Trust to \_\_\_\_\_, through the facilities of The Depository Trust Company ("DTC"), for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor, by certified or official bank check or checks, payable to the order of the Trust, in Federal (same day) funds. The Trust will cause the certificates representing the Securities to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian (the "Designated Office"). The Guarantor shall reimburse the Underwriters upon being invoiced therefor for the costs incurred by them, as determined in their sole discretion, of providing Federal (same day) as opposed to New York Clearing House (next day) funds. The time and date of such delivery and payment shall be, with respect to Securities, 9:30 a.m., New York time, on \_\_\_\_\_, 1995 or such other time and date as \_\_\_\_\_ and the Guarantor may agree upon in writing. Such time and date for delivery of the Securities is herein called the "Time of Delivery."

At the Time of Delivery, the Guarantor will pay, or cause to be paid, the commission payable at such Time of Delivery to the Underwriters under Section 2 hereof by certified or official bank check or checks, payable to the order of \_\_\_\_\_, in New York Clearing House (next day) funds.

(b) The documents to be delivered at the Time of Delivery by or on behalf of the parties hereto pursuant to Section 7 hereof, including the cross-receipt for the Securities and the check specified in subsection (a) above, will be delivered at the offices of Cahill Gordon & Reindel, 80 Pine Street, New York, NY 10005 (the "Closing Location"), and the Securities will be delivered at the Designated Office, all at the Time of Delivery. A meeting will be held at the Closing Location at 2:00 p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Trust and the Guarantor jointly and severally agree with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by you and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement; to make no further amendment or



any supplement to the Registration Statement or the Prospectus prior to the Time of Delivery which shall be disapproved by you (your approval not to be unreasonably withheld) promptly after reasonable notice thereof; so long as the delivery of a prospectus is required in connection with the offering or sale of the Securities, to advise you promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any supplement to the Prospectus or any amended prospectus has been filed and to furnish you with copies thereof; to advise you, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or prospectus, of the suspension of the qualification of the Registered Securities for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any prospectus relating to the Registered Securities or suspending any such qualification, promptly to use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as you may reasonably request to qualify the Registered Securities for offering and sale under the securities laws of such jurisdictions as you may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Securities, provided that in connection therewith neither the Trust nor the Guarantor shall be required to qualify as a foreign corporation or to file a general consent to service of process in any jurisdiction;

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement and from time to time, to furnish the Underwriters with copies of the Prospectus, in New York City in such quantities as you may reasonably request, and, if the delivery of a prospectus is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Securities and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus is delivered, not misleading, or, if for any other reason it shall be necessary during such period to amend or supplement the Prospectus or to file under the Exchange Act any document incorporated by reference in the Prospectus in order to comply with the Act or the Exchange Act, to notify you and upon your request to file such document and to prepare and furnish without charge to each Underwriter and to any dealer in securities as many copies as you may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance, and in case any Underwriter is required to deliver a





prospectus in connection with sales of any of the Securities at any time nine months or more after the date of the Prospectus, upon your request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many copies as you may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) In the case of the Guarantor, to make generally available to its securityholders as soon as practicable, but in any event not later than eighteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Guarantor and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations thereunder (including at the option of the Guarantor, Rule 158 under the Act);

(e) During the period beginning from the date hereof and continuing to and including the earlier of (i) the date, after the Time of Delivery, on which the distribution of the Securities ceases, as determined by you, and (ii) 30 days after the Time of Delivery, not to offer, sell, contract to sell or otherwise dispose of any securities, any other beneficial interests of the Trust, or any preferred securities or any other securities of the Trust or the Guarantor, as the case may be, that are substantially similar to the Securities (including any guarantee of such securities) or any securities that are convertible into or exchangeable for, or that represent the right to receive securities, preferred securities or any such substantially similar securities of either the Trust or the Guarantor; and

(f) To use its best efforts to list, subject to notice of issuance, the Securities on the New York Stock Exchange.

6. The Guarantor covenants and agrees with the several Underwriters that it will pay the following: (i) the fees, disbursements and expenses of the Trust's and the Guarantor's counsel and their accountants in connection with the registration of the Securities under the Act and all other expenses in connection with the preparation, printing and filing of the Registration Statement, any Preliminary Prospectus and the Prospectus and any amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing this Agreement, the Indenture, the Trust Agreement, the Guarantee, the Blue Sky Memorandum, closing documents (including compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Registered Securities; (iii) all expenses in connection with the qualification of the Securities, the Subordinated Debentures and the Guarantee for offering and sale under state securities laws as provided in Section 5(b) hereof, including the reasonable fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky Memorandum; (iv) any fees charged by securities rating services for rating the Securities; (v) the cost and charges of the transfer agent or registrar; (vi) the cost of qualifying the Securities with The Depository Trust Company; (vii) all fees and expenses of the Trustees, the Debenture Trustee and the Guarantee Trustee and their counsel; (viii) all fees and expenses in connection with the listing of the Securities on the New York



Stock Exchange and the cost of registering the Securities under Section 12 of the Exchange Act; (ix) the cost of preparing certificates for the Securities and the Subordinated Debentures; and (x) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section. It is understood, however, that, except as provided in this Section, Section 8 and Section 11 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, stamp, documentary, transfer and similar taxes on resale of any of the Securities by them, and any advertising expenses connected with any offers they may make.

7. The obligations of the Underwriters hereunder, as to the Securities to be delivered at the Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Trust and the Guarantor herein are, at and as of the Time of Delivery, true and correct, the condition that the Trust and the Guarantor shall have performed all of their obligations hereunder theretofore to be performed, and the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to your reasonable satisfaction;

(b) That you shall receive: (i), at the Time of Delivery, the signed opinions of: John K. Rosenberg, Esq., Executive Vice President and General Counsel of the Guarantor; Cahill Gordon & Reindel, counsel for the Guarantor; Richards, Layton & Finger, special Delaware counsel to the Trust and the Guarantor; and Sidley & Austin, counsel for the Underwriters; and (ii), on the date hereof and at the Time of Delivery, the signed letters of Arthur Andersen LLP, independent public accountants of the Guarantor -- each substantially in the forms heretofore furnished, and satisfactory in form and substance, to you and addressed to the Underwriters (with reproduced or conformed copies thereof for each of the other Underwriters);

(c) That all orders, approvals or consents of state or federal regulatory commissions necessary to permit the issue, sale and delivery of the Securities shall have been issued and the time for the appeal thereof shall have expired; at the time of purchase such orders shall be in full force and effect; and prior to such time of purchase no stop order with respect to the effectiveness of the Registration Statement shall have been issued under the Act by the Commission and at such time of purchase no proceedings therefor or for the revocation of such state or federal commission approvals shall be pending or threatened;



(d) That, at the time the Registration Statement became effective, the Registration Statement did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, and that the Prospectus at its issue date and at the time of purchase did not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, other than any statement contained in, or any matter omitted from, the Registration Statement or the Prospectus in reliance upon, and in conformity with, information furnished in writing by or on behalf of any Underwriter through you to the Trust or the Guarantor expressly for use with reference to such Underwriter in the Registration Statement or Prospectus;

(e) That, (i) since the date of the latest audited financial statements incorporated by reference in the Prospectus, the Guarantor and its subsidiaries considered as a whole shall not have sustained any material loss or interference with their business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Prospectus, or (ii) since the respective dates as of which information is given in the Registration Statement and Preliminary Prospectus, there has not been (a) any change in the capital stock, long-term debt or consolidated capitalization of the Guarantor, or (b) any change, or any development involving a prospective change, in the condition, financial or otherwise, of the Guarantor and its subsidiaries considered as a whole (other than as referred to in or contemplated by the Registration Statement and Prospectus), which in the case of either (i) or (ii), in the reasonable judgment of the Underwriters, is sufficiently material and adverse so as to render it impractical or inadvisable to offer or deliver the Securities on the terms and in the manner contemplated in the Prospectus;

(f) That the Trust and the Guarantor shall have performed all of their respective obligations under this Agreement which are to be performed by the terms hereof at or before the time of purchase;

(g) That the Guarantor shall, at the time of purchase, deliver to you (with reproduced or conformed copies thereof for each of the other Underwriters) a signed certificate of two of its executive officers stating that, subsequent to the respective dates as of which information is given in the Registration Statement and in the Prospectus, the Prospectus was first filed, or mailed for filing, pursuant to Rule 424 under the Act, and prior to the time of purchase, no material adverse change in the condition of the Guarantor, financial or otherwise, shall have taken place (other than as referred to in or contemplated by the Registration Statement and Prospectus as of such time) and also covering the matters set forth in (d) and (f) of this Section 7;

(h) Subsequent to the date of this Agreement: (i) no downgrading shall have occurred in the rating accorded the Guarantor's debt



securities, preferred or preference stock by a "nationally recognized securities rating organization," as that term is defined by the Commission for purposes of its Rule 436(g)(2); and (ii) no such rating organization shall have announced publicly that it has placed, or informed the Guarantor or the Underwriters that it intends to place, any of the Guarantor's securities on what is commonly referred to as a "watchlist" for possible downgrading, in a manner or to an extent indicating a materially greater likelihood of a downgrading in rating as described in clause (i) above occurring than was the case as of the date hereof;

(i) On or after the date hereof there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the New York Stock Exchange; (ii) a suspension or material limitation in trading in the Guarantor's securities on the New York Stock Exchange; (iii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities; or (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this Clause (iv) in the judgment of \_\_\_\_\_ makes it impracticable or inadvisable to proceed with the public offering of the Securities or the delivery of the Securities at the Time of Delivery on the terms and in the manner contemplated in the Prospectus; and

(j) The Securities to be sold by the Trust at the Time of Delivery shall have been duly listed, subject to notice of issuance, on the New York Stock Exchange.

8. (a) The Trust and the Guarantor will jointly and severally indemnify and hold harmless each Underwriter against any losses, claims, damages or liabilities, joint or several, to which such Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any amendment or supplement thereto, 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 will reimburse each Underwriter for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that neither the Trust nor the Guarantor shall be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in any Preliminary Prospectus, the Registration Statement or the Prospectus, or any such amendment or supplement, in reliance upon and in conformity with written information furnished to the Trust or the Guarantor by any Underwriter through \_\_\_\_\_ expressly for use therein; and provided, further, that neither the Trust nor the Guarantor shall be liable to any Underwriter under the indemnity agreement in this subsection (a) with respect to any Preliminary Prospectus to the extent that





any such loss, claim, damage or liability of such Underwriter results from the fact that such Underwriter sold Securities to a person as to whom it shall be established that there was not sent or given, at or prior to written confirmation of such sale, a copy of the Prospectus or of the Prospectus as then amended or supplemented in any case where such delivery is required by the Act if the Trust or the Guarantor previously furnished copies thereof in the quantity requested in accordance with Section 5(c) hereof to such Underwriter and the loss, claim, damage or liability of such Underwriter results from an untrue statement or omission of a material fact contained in the Preliminary Prospectus and corrected in the Prospectus or the Prospectus as then amended or supplemented.

(b) Each Underwriter will indemnify and hold harmless the Trust and the Guarantor against any losses, claims, damages or liabilities to which the Trust or the Guarantor may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any Preliminary Prospectus, the Registration Statement, or the Prospectus, or any amendment or supplement thereto, 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, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in any Preliminary Prospectus, the Registration Statement or the Prospectus or any such amendment or supplement in reliance upon and in conformity with written information furnished to the Trust or the Guarantor by such Underwriter through \_\_\_\_\_ expressly for use therein; and will reimburse the Trust and the Guarantor for any legal or other expenses reasonably incurred by the Trust or the Guarantor in connection with investigating or defending any such action or claim as such expenses are incurred.

(c) Promptly after receipt by an indemnified party under subsection (a) or (b) above of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof, but the omission so to notify the indemnifying party shall not relieve it from any liability which it may have to any indemnified party otherwise than under such subsection. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, including the employment of counsel, reasonably satisfactory to the indemnified party, and payment of expenses. Such indemnified party shall have the right to employ its or their own counsel in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless the employment of such counsel shall have been authorized in writing by the indemnifying party in connection with the defense of such action or the indemnifying party shall not have employed counsel to have charge of the defense of such action or such indemnified party or parties shall have reasonably concluded that there may be defenses



available to it or them which are different from or additional to those available to the indemnifying party (in which case the indemnifying party shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such fees and expenses of one counsel (plus local counsel, as needed) for all indemnified parties selected by such indemnified party shall be borne by the indemnifying party. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim 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 8 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a) or (b) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Trust and the Guarantor on the one hand and the Underwriters on the other from the offering of the Securities. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required under subsection (c) above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Trust and the Guarantor on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Trust and the Guarantor on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as (i) the total proceeds from the offering (before deducting expenses) received by the Trust less the total underwriting compensation paid by the Guarantor bear to (ii) the total underwriting compensation received by the Underwriters, in each case as set forth in, or in footnotes to, the table on the cover page of the Prospectus. The relative fault 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 Trust and the Guarantor on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Trust, the Guarantor and the Underwriters agree that it would not be just and equitable if contributions pursuant to this subsection (d) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable



considerations referred to above in this subsection (d). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in 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 such action or claim. Notwithstanding the provisions of this subsection (d), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Securities underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (d) to contribute are several in proportion to their respective underwriting obligations and not joint.

(e) The obligations of the Trust and the Guarantor under this Section 8 shall be in addition to any liability which the Trust and the Guarantor may otherwise have and shall extend, upon the same terms and conditions, to each person, if any, who controls any Underwriter within the meaning of the Act; and the obligations of the Underwriters under this Section 8 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Guarantor, each administrative trustee of the Trust and to each person, if any, who controls the Trust or the Guarantor within the meaning of the Act.

9. (a) If any Underwriter shall default in its obligation to purchase the Securities which it has agreed to purchase hereunder at a Time of Delivery, you may in your discretion arrange for you or another party or other parties to purchase such Securities on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Securities, then the Trust and the Guarantor shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Securities on such terms. In the event that, within the respective prescribed periods, you notify the Trust and the Guarantor that you have so arranged for the purchase of such Securities, or the Trust or the Guarantor notifies you that it has so arranged for the purchase of such Securities, you or the Trust and the Guarantor shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Trust and the Guarantor agree to file promptly any amendments to the Registration Statement or the Prospectus which in your opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Securities.



(b) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by you and the Trust and the Guarantor as provided in subsection (a) above, the aggregate number of such Securities which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Securities to be purchased at such Time of Delivery, then the Trust and the Guarantor shall have the right to require each non-defaulting Underwriter to purchase the number of Securities which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Securities which such Underwriter agreed to purchase hereunder) of the Securities of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Securities of a defaulting Underwriter or Underwriters by you and the Trust and the Guarantor as provided in subsection (a) above, the aggregate number of such Securities which remains unpurchased exceeds one-eleventh of the aggregate number of all the Securities to be purchased at such Time of Delivery, or if the Trust and the Guarantor shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Securities of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter, the Trust or the Guarantor, except for the expenses to be borne by the Trust, the Guarantor and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 8 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

10. The respective indemnities, agreements, representations, warranties and other statements of the Trust, the Guarantor and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any controlling person of any Underwriter, or the Trust, the Guarantor or any officer or director or controlling person of the Trust or the Guarantor, and shall survive delivery of and payment for the Securities.

11. If this Agreement shall be terminated pursuant to Section 9 hereof, neither the Trust nor the Guarantor shall then be under any liability to any Underwriter except as provided in Section 6 and Section 8 hereof; but if, for any other reason, any Securities are not delivered by or on behalf of the Trust as provided herein, the Trust and the Guarantor will reimburse the Underwriters through you for all out-of-pocket expenses approved in writing by you, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Securities not so delivered, but the Trust and the Guarantor shall then be under no further liability to any Underwriter in respect of the Securities not so delivered except as provided in Section 6 and Section 8 hereof.





12. In all dealings hereunder, you shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by you.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to you as the representatives in care of \_\_\_\_\_, Attention: Registration Department; and if to the Trust or the Guarantor by mail to it at the address of the Trust or the Guarantor set forth in the Registration Statement, Attention: Secretary; provided, however that any notice to an Underwriter pursuant to Section 8(c) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address as supplied to the Trust and the Guarantor by you upon request. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

13. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Trust, the Guarantor and, to the extent provided in Sections 8 and 10 hereof, the officers and directors of the Guarantor or the Trust and each person who controls the Trust, the Guarantor or any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Securities from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

14. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of New York.

16. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.



If the foregoing is in accordance with your understanding, please sign and return to us five counterparts hereof, and upon the acceptance hereof by you, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement between each of the Underwriters, on the one hand, and the Trust and the Guarantor, on the other. It is understood that your acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Trust and the Guarantor for examination upon request, but without warranty on your part as to the authority of the signers thereof.

Very truly yours,

Western Resources Capital

By: Western Resources, Inc., as Depositor

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Western Resources, Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Accepted as of the date hereof:

By: \_\_\_\_\_



SCHEDULE I

Underwriters	Total Number of Securities to be purchased
Total.....	_____

WESTERN RESOURCES, INC.

TO

TRUSTEE

INDENTURE

DATED AS OF \_\_\_\_\_, 1995

DEFERRABLE INTEREST SUBORDINATED DEBENTURES

Certain Sections of this Indenture relating to  
Sections 310 through 318 of the  
Trust Indenture Act of 1939:

Trust Indenture _Act Section_	Indenture _Section_
Section 310(a)(1).....	609
(a)(2).....	609
(a)(3).....	Not Applicable
(a)(4).....	Not Applicable
(b).....	608, 610
Section 311(a).....	613
(b).....	613
Section 312(a).....	701, 702(a)
(b).....	702(b)
(c).....	702(c)
Section 313(a).....	703(a)
(b).....	703(a)
(c).....	703(a)
(d).....	703(b)
Section 314(a).....	704
(b).....	Not Applicable
(c)(1).....	102
(c)(2).....	102
(c)(3).....	Not Applicable
(d).....	Not Applicable
(e).....	101, 102
Section 315(a).....	601
(b).....	602
(c).....	601
(d).....	601
(e).....	514
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INDENTURE, dated as of \_\_\_\_\_, 1995, between Western Resources, Inc., a corporation duly organized and existing under the laws of the State of Kansas (herein called the "Company") having its principal office at 818 Kansas Avenue, Topeka, Kansas 66612, and \_\_\_\_\_, as Trustee (herein called the "Trustee"). Unless otherwise defined herein, with respect to a given series of debentures, all capitalized terms used herein shall have the meanings ascribed to them in the Amended and Restated Trust Agreement of the business trust to which the securities of such series have been issued, the form of which is attached as Annex A hereto.

#### RECITALS OF THE COMPANY

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its debentures (herein called the "Securities"), to be issued in one or more series to evidence the loans to be made to the Company of the proceeds from the issuance from time to time by one or more business trusts (each a "Trust" and, collectively, the "Trusts") of preferred beneficial interests in such Trusts (the "Preferred Securities") and common beneficial interests in such Trusts (the "Common Securities").

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

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Securities of each series thereof, as follows:

#### ARTICLE ONE

##### DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

###### SECTION 101. Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(1) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(2) all other terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(3) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; and

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

"Act", when used with respect to any Holder, has the meaning specified in Section 104.

"Additional Interest" means the sum of Additional Interest Attributable to Deferral and Additional Interest Attributable to Taxes.

"Additional Interest Attributable to Deferral" means interest that shall accrue on any interest on the Securities that is in arrears for more than one quarter or not paid during an Extension Period.

"Additional Interest Attributable to Taxes" means, if a Trust is required to pay any taxes, duties, assessments or governmental charges of whatever nature (other than withholding taxes) imposed by the United States or any other taxing authority, such amounts as shall be required so that the net amounts received by such Trust and available for distribution to holders of Trust Securities by such Trust after paying such taxes, duties, assessments or governmental charges shall not be less than the amounts such Trust would have received had no such taxes, duties, assessments or governmental charges been imposed.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or

indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Board of Directors" means either the board of directors of the Company or any duly authorized committee of that board.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors, and delivered to the Trustee.

"Business Day" means a day other than (w) a Saturday or a Sunday, (x) a day on which banks in New York are authorized or obligated by law or executive order to remain closed, (y) a day on which the Corporate Trust Office of the Trustee, or the principal office of the Property Trustee, under the Trust Agreement, is closed for business or (z) a day on which the principal office of the Company is closed for business.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Company" means the Person named as the "Company" in the first paragraph of this instrument until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Company" shall mean such successor Person.

"Company Request" or "Company Order" means a written request or order signed in the name of the Company by its Chairman, a Vice Chairman, its President or a Vice President and delivered to the Trustee.

"Corporate Trust Office" means the principal office of the Trustee in \_\_\_\_\_ at which at any particular time its corporate trust business shall be administered and which at the date of this Indenture is \_\_\_\_\_

"Defaulted Interest" has the meaning specified in Section 307.

"Depository" means, with respect to Securities of any series issuable in whole or in part in the form of one or more Global Securities, a clearing agency registered under the Exchange Act that is designated to act as Depository for such Securities as contemplated by Section 301.

"Event of Default" has the meaning specified in Section 501.

"Exchange Act" means the Securities Exchange Act of 1934 and any statute successor thereto, as amended from time to time.

"Extension Period" has the meaning specified in Section 301.

"Federal Bankruptcy Code" means the Bankruptcy Act of Title 11 of the United States Code, as amended from time to time.

"Global Security" means a Security that evidences all or part of the Securities of any series and bears the legend set forth in Section 202 (or such other legend as contemplated by Section 301).

"Holder" means a Person in whose name a Security is registered in the Securities Register.

"Indenture" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, including, for all purposes of this instrument and any such supplemental indenture, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this instrument and any such supplemental indenture, respectively. The term "Indenture" shall also include the terms of particular series of Securities established as contemplated by Section 301.

"Interest Payment Date", when used with respect to any installment of interest on any Security, means the date specified in such Security as the fixed date on which an installment of interest with respect to such Security is due and payable.

"Investment Company Event" means the occurrence of a change in law or regulation or a change in interpretation or



application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law") to the effect that a Trust is or will be considered an "investment company" that is required to be registered under the Investment Company Act of 1940, as amended, which Change in 1940 Act Law becomes effective on or after the date of original issuance of the Preferred Securities issued by such Trust.

"Maturity", when used with respect to any Security, means the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, call for redemption or otherwise.

"Officers' Certificate" means a certificate signed by (i) the Chairman, a Vice Chairman, the President, a Vice President, or the Treasurer of the Company and (ii) the Secretary or an Assistant Secretary of the Company and delivered to the Trustee; provided, however, that such certificate may be signed by two of the officers or directors listed in clause (i) above in lieu of being signed by one of such officers or directors listed in such clause (i) and one of the officers listed in clause (ii) above. One of the officers signing an Officers' Certificate given pursuant to Section 1004 shall be the principal executive, financial or accounting officer of the Company. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

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

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

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

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Company, and who shall be reasonably acceptable to the Trustee.

"Outstanding", when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except: (i) Securities theretofor cancelled by the Trustee or delivered to the Trustee for cancellation; (ii) Securities for whose payment or redemption money or U.S. Government Obligations in the necessary amount have been theretofor deposited with the Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; provided that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and (iii) Securities which have been paid pursuant to Section 1001, or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company.

"Parent Guarantee" means any guarantee that the Company may enter into with a Trust for the benefit of the holders of the Preferred Securities of such Trust.

"Paying Agent" means any Person authorized by the Company to pay the principal of or interest on any Securities on behalf of the Company. The Paying Agent shall initially be

"Person" means any individual, corporation, partnership, joint venture, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

"Predecessor Security" of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall

be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

"Preferred Securities" has the meaning specified in the Recitals to this Indenture.

"Redemption Date", when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

"Redemption Price", when used with respect to any Security to be redeemed, means the price at which it is to be redeemed by or pursuant to this Indenture.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

"Representative" means an indenture trustee or other trustee, agent or representative for an issue of Senior Indebtedness.

"Responsible Officer", when used with respect to the Trustee, means the chairman or any vice-chairman of the board of directors, the chairman or any vice-chairman of the executive committee of the board of directors, the chairman of the trust committee, the president, any vice president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller or any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Securities" has the meaning specified in the Recitals to this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

"Securities Register" and "Securities Registrar" have the respective meanings specified in Section 305.

"Senior Indebtedness" means the principal of, premium, if any, interest on and any other payment due pursuant to any of the following, whether outstanding at the date hereof or

hereafter incurred, created or assumed: (i) all indebtedness of the Company on a consolidated basis (other than any obligations to trade creditors) evidenced by notes, debentures, bonds or other securities sold by the Company for money borrowed and capitalized lease obligations; (ii) all indebtedness of others of the kinds described in the preceding clause (i) assumed or guaranteed in any manner by the Company or in effect guaranteed by the Company; (iii) all obligations of the Company issued or assumed as the deferred purchase price of property, all conditional sale obligations of the Company and all obligations of the Company under any title retention agreement (but excluding trade accounts payable); (iv) certain obligations of the Company for the reimbursement of any obligor on any letter of credit, banker's acceptance, security purchase facility, surety bond or similar credit transaction entered into in the ordinary course of business of the Company; and (v) all renewals, extensions or refundings of indebtedness of the kinds described in any of the preceding clauses (i), (ii), (iii) or (iv), unless, in the case of any particular indebtedness, capitalized lease obligation, guarantee, renewal, extension or refunding, the instrument creating or evidencing the same or the assumption or guarantee of the same expressly provides that such indebtedness, renewal, extension or refunding is subordinated to or is pari passu with the Securities.

"Special Record Date" for the payment of any Defaulted Interest means a date fixed by the Trustee pursuant to Section 307.

"Stated Maturity", when used with respect to any Security or any installment of interest thereon, means the date specified in such Security as the fixed date on which the principal, together with any accrued and unpaid interest (including Additional Interest), of such Security or such installment of interest is due and payable.

"Subsidiary" means any Person a majority of the equity ownership or the Voting Stock of which is at the time owned, directly or indirectly, by the Company or by one or more other Subsidiaries, or by the Company and one or more other Subsidiaries. For the purposes of this definition, "voting stock" means stock which ordinarily has voting power for the election of directors, whether at all times or only so long as no senior class of stock has such voting power by reason of any contingency.

"Tax Event" means the receipt by a Trust or the Company, as the case may be, of an Opinion of Counsel experienced in such matters to the effect that a relevant tax law change has occurred. For purposes of the preceding sentence a relevant tax law change is any amendment or change to (or officially proposed amendment or change to) the laws (including regulations thereunder) of the United States or any political subdivision or taxing authority thereof, or the publication of any judicial opinion interpreting such laws (and regulations) or any written interpretation of such laws (or regulations) by any governmental authority having jurisdiction to enforce or administer such laws (or regulations) (including official and unofficial opinions purporting to apply such laws and regulations to other Persons who have issued securities similar to the Securities), which amendment, change, proposed amendment or change, opinion or interpretation could if valid and enacted or applied to such Trust or the Company result in (i) such Trust, either currently or within 90 days of the date thereof, becoming subject to United States federal income tax with respect to interest received on the Securities, (ii) interest payable by the Company on the Securities attributable to the Preferred Securities, either currently or within 90 days of the date thereof, becoming nondeductible for United States federal income tax purposes or (iii) such Trust, either currently or within 90 days of the date thereof, becoming subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Trust Agreement" means any agreement establishing a Trust, as the same may be amended, modified, supplemented or restated.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this Indenture was executed; 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.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this Indenture until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean such successor Trustee, and if at any time there is more than one such person, "Trustee" as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of that series.

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

"Vice President", when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word or words added before or after the title "vice president".

#### SECTION 102. Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee such certificates and opinions as may be required under the Trust Indenture Act. Each such certificate or opinion shall be given in the form of an Officers' Certificate, if to be given by an officer of the Company, or an Opinion of Counsel, if to be given by counsel, and shall comply with the requirements of the Trust Indenture Act and any other requirement set forth in this Indenture.

#### SECTION 103. Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one

such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such officer's certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 104. Acts of Holders; Record Dates.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing; and, except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Holders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 601) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustee deems sufficient.

(c) The Company may, in the circumstances permitted by the Trust Indenture Act, fix any day as the record date for the purpose of determining the Holders entitled to give or take any request, demand, authorization, direction, notice, consent, waiver or other action, or to vote on any action, authorized or permitted to be given or taken by Holders. If not set by the Company prior to the first solicitation of a Holder made by any Person in respect of any such action, or, in the case of any such vote, prior to such vote, the record date for any such action or vote shall be the 30th day (or, if later, the date of the most recent list of Holders required to be provided pursuant to Section 701) prior to such first solicitation or vote, as the case may be. With regard to any record date, only the Holders on such date (or their duly designated proxies) shall be entitled to give or take, or vote on, the relevant action.

(d) The ownership of Securities shall be proved by the Securities Register.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

SECTION 105. Notices, Etc. to Trustee and the Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act or other document provided or



permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its Corporate Trust Office, Attention: Corporate Trust Administration, or

(2) the Company by the Trustee or by any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to the Company addressed to it at the address of its principal office specified in the first paragraph of this Indenture, Attention: Vice President, Finance, or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at such Holder's address as it appears in the Securities Register, not later than the latest date (if any), and not earlier than the earliest date (if any), prescribed for the giving of such notice. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in a notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders. Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with a provision of the Trust Indenture Act that is required under such Act to be a part of and govern this Indenture, the latter provision shall control. If any provision of this Indenture modifies or excludes any provision of the Trust Indenture Act that may be so modified or excluded, the latter provision shall be deemed to apply to this Indenture as so modified or to be excluded, as the case may be.

SECTION 108. Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 109. Successors and Assigns.

The Company will have the right at all times to assign any of its rights or obligations under this Indenture to (a) a direct or indirect wholly owned Subsidiary, provided that, in the event of any such assignment, the Company will remain liable for all such obligations and (b) to any other Person in accordance with the provisions of Article Eight of this Indenture. This Indenture may not otherwise be assigned by the parties hereto. Subject to the foregoing, this Indenture is binding upon and inures to the benefit of the parties hereto and their respective successors and assigns.

SECTION 110. Separability Clause.

In case any provision in this Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 111. Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, the holders of Senior Indebtedness, the holders of Preferred Securities (to the extent provided herein) and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 112. GOVERNING LAW.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

SECTION 113. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest on or principal of the Securities shall be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, such payment of interest on or principal of the Securities, as the case may be, shall be made on the immediately preceding Business Day, in each case, with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity.

ARTICLE TWO

FORM OF SECURITIES

SECTION 201. Forms Generally.

The Securities of each series shall be in substantially the forms established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, 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 and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or Depository or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of such Securities. If the form of Securities of any series is established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Secretary or an Assistant Secretary of the Company and delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 303 for the authentication and delivery of such Securities.

The definitive Securities shall be printed, lithographed, engraved or produced by any combination of these or other methods, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Form of Legend for Global Securities.

Unless otherwise specified as contemplated by Section 301 for the Securities evidenced thereby, every Global Security authenticated and delivered hereunder shall bear a legend in substantially the following form:

THIS SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

SECTION 203. Form of Trustee's Certificate of Authentication.

The Trustee's certificates of authentication shall be in substantially the following form:

This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

\_\_\_\_\_  
as Trustee

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

ARTICLE THREE

THE SECURITIES

SECTION 301. Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. There shall be established in or pursuant to a Board Resolution and, subject to Section 303, set forth, or determined in the manner provided, in an Officers' Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series,

(1) the title of the Securities of the series (which shall distinguish the Securities of such series from Securities of any other series);

(2) any limit upon the aggregate principal amount of the Securities of the series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 304, 305, 306, 906 or 1207 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(3) the Person to whom any interest on a Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest;

(4) the date or dates on which the principal of any Securities of the series is payable;

(5) the rate or rates at which any Securities of the series shall bear interest, if any, the extent to which additional interest attributable to deferral amounts ("Additional Interest Attributable to Deferral"), if any, shall be

payable in respect of any Securities of such series, the date or dates from which any such interest shall accrue, the Interest Payment Dates on which any such interest shall be payable, the Regular Record Date for any such interest payable on any Interest Payment Date and the right, if any, of the Company to extend the interest payment periods and the duration of such extension (an "Extension Period");

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

(7) the period or periods within which, the price or prices at which and the terms and conditions upon which any Securities of the series may be redeemed, in whole or in part, at the option of the Company and, if other than by a Board Resolution, the manner in which any election by the Company to redeem the Securities shall be evidenced;

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

(9) if other than denominations of \$25 and any integral multiple thereof, the denominations in which any Securities of the series shall be issuable;

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

(11) if other than the currency of the United States of America, the currency, currencies or currency units in which the principal of or any premium or interest on any Securities of the

series shall be payable and the manner of determining the equivalent thereof in the currency of the United States of America for any purpose, including for purposes of the definition of "Outstanding" in Section 101;

(12) if the principal of or any premium or interest on any Securities of the series is to be payable, at the election of the Company or the Holder thereof, in one or more currencies or currency units other than that or those in which such Securities are stated to be payable, the currency, currencies or currency units in which the principal of or any premium or interest on such Securities as to which such election is made shall be payable, the periods within which and the terms and conditions upon which such election is to be made and the amount so payable (or the manner in which such amount shall be determined);

(13) if other than the entire principal amount thereof, the portion of the principal amount of any Securities of the series which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 502;

(14) if applicable, that any Securities of the series shall be issuable in whole or in part in the form of one or more Global Securities and, in such case, the respective Depositaries designated for such Global Securities, the form of any legend or legends which shall be borne by any such Global Security in addition to or in lieu of that set forth in Section 202 and any circumstances in addition to or in lieu of those set forth in Clause (2) of the last paragraph of Section 305, in which any such Global Security may be exchanged in whole or in part for Securities registered, and any transfer of such Global Security in whole or in part may be registered, in the name or names of Persons other than the Depositary for such Global Security or a nominee thereof;

(15) any addition to or change in the Events of Default which apply to any Securities of the series and any change in the right of the Trustee or the requisite Holders of such Securities to

declare the principal amount thereof due and payable pursuant to Section 502;

(16) any addition to or change in the covenants set forth in Article Ten which applies to Securities of the series; and

(17) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture, except as permitted by Section 901(5)).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to the Board Resolution referred to above and (subject to Section 303) set forth, or determined in the manner provided, in the Officers' Certificate referred to above or in any such indenture supplemental hereto.

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

The Securities shall be subordinated in right of payment to Senior Indebtedness as provided in Article Eleven.

#### SECTION 302. Denominations.

The Securities of each series shall be issuable only in registered form, without coupons, and only in denominations as shall be specified as contemplated by Section 301. In the absence of any such specified denomination with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$25 and any integral multiple thereof.

#### SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by its Chairman, one of its Vice Chairman, its President or one of its Vice Presidents, under its corporate seal reproduced thereon attested by its Secretary or one of its Assistant Secretaries. The signature of any of these officers on the Securities may be manual or facsimile.



Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series executed by the Company to the Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities; and the Trustee in accordance with such Company Order shall authenticate and deliver such Securities. If the form or terms of the Securities of the series have been established by or pursuant to one or more Board Resolutions as permitted by Sections 201 and 301, 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 601) shall be fully protected in relying upon, an Opinion of Counsel stating,

(1) if the form of such Securities has been established by or pursuant to Board Resolutions as permitted by Section 201, that such form has been established in conformity with the provisions of this Indenture;

(2) if the terms of such Securities have been established by or pursuant to Board Resolutions as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture; 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 to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

If such form or terms have been so established, the Trustee shall not be required to authenticate such Securities if the

issue of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities or this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee.

Notwithstanding the provisions of Section 301 and of the preceding paragraph, 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 301 or the Company Order and Opinion of Counsel otherwise required pursuant to such preceding paragraph at or prior to the 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.

Each Security shall be dated the date of its authentication.

No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder.

#### SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may determine, as evidenced by their execution of such Securities.

If temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of

such series at any office or agency of the Company designated pursuant to Section 1002, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of the same series of any authorized denominations. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept at the Corporate Trust Office of the Trustee a register (the register maintained in such office and in any other office or agency designated pursuant Section 1002 being herein sometimes collectively referred to as the "Securities Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of transfers of Securities. The Trustee is hereby appointed "Securities Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security of a series at an office or agency of the Company designated pursuant to Section 1002 for such purpose for that series, 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 of any authorized denominations and of a like aggregate principal amount.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series of any authorized denominations and of a like aggregate principal amount, upon surrender of the Securities to be exchanged at such office or agency. 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.

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 of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Company and the Securities Registrar duly executed, by the Holder thereof or such Holder's 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 connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 906 or 1207 not involving any transfer.

If the Securities of any series (or of any series and specified tenor) are to be redeemed in part, the Company will not be required to issue, register the transfer of or exchange any Securities of that series (or of that series and specified tenor, as the case may be) during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of any such Securities that may be selected for redemption and ending at the close of business on the day of such mailing, except the unredeemed portion of any such Securities being redeemed in part.

The provisions of clauses (1), (2), (3) and (4) below shall apply only to Global Securities:

(1) Each Global Security authenticated under this Indenture shall be registered in the name of the Depositary designated for such Global Security or a nominee thereof and delivered to such Depositary or a nominee thereof or custodian therefor, and each such Global Security shall constitute a single Security for all purposes of this Indenture.

(2) Notwithstanding any other provision in this Indenture, no Global Security may be exchanged in whole or in part for Securities registered, and no transfer of a Global Security in whole or in part may be registered, in the name of any Person other than the Depositary for such Global Security or a nominee thereof unless (A) such

Depository (i) has notified the Company that it is unwilling or unable to continue as Depository for such Global Security or (ii) has ceased to be a clearing agency registered under the Exchange Act at a time when the Depository is required to be so registered to act as such Depository, (B) there shall have occurred and be continuing an Event of Default with respect to such Global Security, (C) the Company in its sole discretion determines that such Global Security shall be so exchangeable, or (D) there shall exist such circumstances, if any, in addition to or in lieu of the foregoing as have been specified for this purpose as contemplated by Section 301.

(3) Subject to clause (2) above, any exchange of a Global Security for other Securities may be made in whole or in part, and all Securities issued in exchange for a Global Security or any portion thereof shall be registered in such names as the Depository for such Global Security shall direct.

(4) Every Security authenticated and delivered upon registration of transfer of, or in exchange for or in lieu of, a Global Security or any portion thereof, whether pursuant to this Section, Section 304, 306, 906 or 1207 or otherwise, shall be authenticated and delivered in the form of, and shall be, a Global Security, unless such Security is registered in the name of a Person other than the Depository for such Global Security or a nominee thereof.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company shall execute, and the Trustee shall authenticate and deliver in exchange therefor, a new Security of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (i) evidence to their satisfaction of the destruction, loss or theft of any security and (ii) such security or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security has been acquired by a bona fide purchaser, the Company shall execute, and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security

of the same series and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of that series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Except as otherwise provided as contemplated by Section 301 with respect to any series of Securities, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (1) or (2) below:

(1) the Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at such Holder's address as it appears in the Securities Register, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

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

clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue (including in each such case Additional Interest), which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee shall treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of and (subject to Section 307) interest (including Additional Interest) on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and none of the Company, the Trustee or any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Trustee, be delivered to the Trustee and shall be promptly cancelled by it. The Company may at any time deliver to the Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Trustee. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Securities held by the Trustee shall be disposed of as directed by a Company Order.

SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, interest on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months and, for any period shorter than a full monthly period, shall be computed on the basis of the actual number of days elapsed in such period.



SECTION 311. Right of Set-Off.

Notwithstanding anything to the contrary in this Indenture, the Company shall have the right to set-off any payment it is otherwise required to make hereunder to the extent the Company has theretofore made, or is concurrently on the date of such payment making, a payment under a Parent Guarantee.

SECTION 312. CUSIP Numbers.

The Company in issuing the Securities of any series may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Holders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Securities or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Securities, and any such redemption shall not be affected by any defect in or omission of such numbers.

ARTICLE FOUR

SATISFACTION AND DISCHARGE

SECTION 401. Satisfaction and Discharge of Indenture.

This Indenture shall cease to be of further effect (except as to any surviving rights of registration of transfer or exchange of Securities herein expressly provided for), and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

(A) all Securities theretofore authenticated and delivered (other than (i) Securities which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 306 and (ii) Securities for whose payment money or U.S. Government Obligations have theretofore been deposited in trust or segregated and held in trust by the Company and thereafter repaid to the Company or discharged from

such trust, as provided in Section 1003) have been delivered to the Trustee for cancellation; or

(B) all such Securities not theretofore delivered to the Trustee for cancellation;

(i) have become due and payable; or

(ii) will become due and payable at their Stated Maturity within one year; or

(iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company

and the Company, in the case of (i), (ii) or (iii) above, has deposited or caused to be deposited with the Trustee as trust funds (a) money in the necessary amount or (b) U.S. Government Obligations, the principal of and the interest on which when due, and without any regard to reinvestment thereof, in the opinion of an independent accountant, and, in the opinion of the officers of the Company executing an Officers' Certificate to that effect, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee, shall be sufficient to pay when due the principal of, premium, if any, and interest due and to become due on said Securities or portions thereof on the Redemption Date or the Stated Maturity thereof, as the case may be, in trust to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal and interest (including Additional Interest to the date of deposit) to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(3) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for

relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 607 and, if money or U.S. Government Obligations shall have been deposited with the Trustee pursuant to subclause (B) of clause (1) of this Section, the obligations of the Trustee under Section 402 and the last paragraph of Section 1003 shall survive.

SECTION 402. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1003, all money and U.S. Government Obligations deposited with the Trustee pursuant to Section 401 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustee may determine, to the Persons entitled thereto, of the principal and interest for whose payment such deposited money and the money from U.S. Government Obligations have been deposited with the Trustee.

ARTICLE FIVE

REMEDIES

SECTION 501. Events of Default.

"Event of Default," wherever used herein with respect to Securities of any series, means any one of the following events that has occurred and is continuing (whatever the reason for such Event of Default and whether it shall be occasioned by the provisions of Article Eleven or be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) failure for 30 days to pay any interest on the Securities of that series, including any Additional Interest in respect thereof, when due (subject to the deferral of any due date in the case of an Extension Period); or

(2) failure to pay any principal on the Securities of that series when due whether at Stated Maturity, upon redemption by declaration of acceleration or otherwise; or

(3) failure to observe or perform in any material respect any other covenant relating to a particular series contained in this Indenture for 90 days after written notice to the Company from the Trustee or the holders of at least 25% in principal amount of the Outstanding Securities of that series; or

(4) a decree or order is entered by a court having jurisdiction in the premises (i) for relief in respect of the Company in an involuntary case or proceeding under the Federal Bankruptcy Code or any other federal or state bankruptcy, insolvency, reorganization or similar law or (ii) adjudging the Company a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of any of its properties, or ordering the winding up or liquidation of any of its affairs, and any such decree or order remains unstayed and in effect for a period of 60 consecutive days; or

(5) the Company institutes a voluntary case or proceeding under the Federal Bankruptcy Code or any other applicable federal or state law or any other case or proceedings to be adjudicated a bankrupt or insolvent, or the Company consents to the entry of a decree or order for relief in respect of the Company in any involuntary case or proceeding under the Federal Bankruptcy Code or any other applicable federal or state law or to the institution of bankruptcy or insolvency proceedings against the Company, or the Company files a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable federal or state law, or consents to the filing of any such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Company or of any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due or takes corporate action in furtherance of any such action.

SECTION 502. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default with respect to the Securities of any series at the time Outstanding occurs and is continuing, then and in every such case, the Trustee or the Holders of not less than 25% in aggregate principal amount of the Outstanding Securities of that series shall have the right to declare the principal of and the interest (including any Additional Interest) on all the Securities of that series and any other amounts payable hereunder to be due and payable immediately, provided, however, that if upon an Event of Default, the Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series fail to declare the payment of all amounts on the Securities of that series to be immediately due and payable, the holders of at least 25% in aggregate liquidation amount of the Preferred Securities then outstanding of the Trust to which such series of securities have been issued shall have such right, by a notice in writing to the Company (and to the Trustee if given by Holders or the holders of such Preferred Securities) and shall have the right to enforce any and all other rights of Holders of Securities of that series as creditors with respect to the Securities of that series. Upon any such declaration, such principal and all accrued interest shall become immediately due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the money due has been obtained by the Trustee as hereinafter provided in this Article, the Holders of a majority in principal amount of the Outstanding Securities of that series, by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences if:

(1) the Company has paid or deposited with the Trustee a sum sufficient to pay,

(A) all overdue interest (including any Additional Interest) on all Securities of that series,

(B) the principal of any Securities which have become due otherwise than by such declaration of acceleration and interest thereon at the rate borne by such Securities, and

(C) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses,

disbursements and advances of the Trustee, its agents and counsel;

and

(2) all Events of Default with respect to Securities of that series, other than the non-payment of the principal of Securities of that series which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 513.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 503. Collection of Indebtedness and Suits for Enforcement by Trustee.

The Company covenants that if

(1) default is made in the payment of any interest (including any Additional Interest) on any Security when such interest becomes due and payable and such default continues for a period of 30 days (subject to the deferral of any due and payable interest in the case of an Extension Period), or

(2) default is made in the payment of the principal of any Security at the Maturity thereof,

the Company will, upon demand of the Trustee, pay to it, for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal and interest (including any Additional Interest), at the rate borne by the Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If an Event of Default with respect to Securities of any series occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series by such appropriate judicial proceedings as the Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this

Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 504. Trustee May File Proofs of Claim.

In case of any judicial proceeding relating to the Company (or any other obligor upon the Securities), its property or its creditors, the Trustee shall be entitled and empowered, by intervention in such proceeding or otherwise, to take any and all actions authorized under the Trust Indenture Act in order to have claims of the Holders and the Trustee allowed in any such proceeding. In particular, the Trustee shall be authorized to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder 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 Holders, to pay to the Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 607.

No provision of this Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 505. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities 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, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 506. Application of Money Collected.

Subject to Article Eleven, any money or U.S. Government Obligations collected by the Trustee pursuant to this Article shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or interest (including any Additional Interest), upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due the Trustee under Section 607;

SECOND: To the payment of the amounts then due and unpaid for principal of and interest (including any Additional Interest) on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal and interest (including any Additional Interest), respectively; and

THIRD: The balance, if any, to the Company.

SECTION 507. Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) such Holder has previously given written notice to the Trustee of a Continuing Event of Default with respect to Securities of that series;

(2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;



(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the Holders of a majority in principal amount of the Outstanding Securities of that series;

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all the Holders.

SECTION 508. Unconditional Right of Holders to Receive Principal and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and (subject to Section 307) interest (including any Additional Interest) on such Security on the Stated Maturity (subject to the deferral of any due date in the case of an Extension Period) expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 509. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture, and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustee and the Holder shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holder shall continue as though no such proceeding had been instituted.

SECTION 510. Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 511. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 512. Control by Holders.

The Holders of a majority in principal amount of the Outstanding Securities of any series 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, provided that

(1) such direction shall not be in conflict with any rule of law or with this Indenture; and

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 513. Waiver of Past Defaults.

Subject to Sections 902 and 1005 hereof, the Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders

of all the Securities of such series waive any past default hereunder and its consequences, except a default

(1) in the payment of the principal of or interest (including any Additional Interest) on any Security of such series (unless such default has been cured and a sum sufficient to pay all matured installments of interest and principal due otherwise than by acceleration have been deposited with the Trustee); or

(2) in respect of a covenant or provision hereof which under Article Nine cannot be modified or amended without the consent of the Holder of each Outstanding Security of such series affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

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, suffered or omitted by it as Trustee, a court may require any party litigant in such court to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in the Trust Indenture Act; provided, that neither this Section nor the Trust Indenture Act shall be deemed to authorize any court to require such an undertaking or to make such an assessment in any suit instituted by the Company or the Trustee or in any suit for the enforcement of the right to receive the principal of and interest (including any Additional Interest) on any Security.

SECTION 515. Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it

will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

ARTICLE SIX

THE TRUSTEE

SECTION 601. Certain Duties and Responsibilities.

Except during the continuance of an Event of Default,

(1) the Trustee 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; and

(2) in the absence of bad faith on its part, the Trustee may inclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon 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 provisions 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.

In case an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person 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

(1) this Subsection shall not be construed to limit the effect of Subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible

Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of Holders pursuant to Section 512 relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture with respect to the Securities of such series.

Notwithstanding the foregoing, no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

#### SECTION 602. Notice of Defaults.

If any default occurs hereunder with respect to Securities of any series, the Trustee shall give the Holders of Securities of such series notice of such default as and to the extent provided by the Trust Indenture Act; provided, however, that in the case of any default of the character specified in Section 501(3) with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof.

The Trustee shall not be deemed to have knowledge of any Event of Default unless the Trustee shall have received written notice, or a Responsible Officer charged with the administration of the Trust Agreement shall have obtained written notice, of such Event of Default.

For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default with respect to Securities of such series.

SECTION 603. Certain Rights of the Trustee.

Subject to the provisions of Section 601:

(a) the Trustee may 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, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(d) the Trustee may consult with counsel of its choice, which may be counsel to the Company, and the written 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;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(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, bond, debenture, note, other evidence of indebtedness or other

paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

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

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

SECTION 604. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. 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 Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Paying Agent, any Securities Registrar, or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 608 and 613, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Paying Agent, Security Registrar, or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by

law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed in writing with the Company.

SECTION 607. Compensation and Reimbursement.

The Company agrees

(1) to pay to the Trustee from time to time such compensation as the Company and the Trustee shall from time to time agree in writing for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee and any predecessor Trustee for, and to hold it harmless against, any and all loss, damage, claim, liability or expense, including taxes (other than taxes based on the income of the Trustee) incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

To secure the Trustee's rights under this Section, the Trustee shall have a lien against any money or other property collected hereunder. The provisions of this Section shall survive the termination of this Indenture.

SECTION 608. Disqualification; Conflicting Interests.

If the Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by and subject to the provisions of, 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 under this Indenture with respect to Securities of more than one series.

SECTION 609. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder with respect to the Securities of each series, which may be a Trustee hereunder for Securities of one or more other series. Each Trustee shall be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000 and has its Corporate Trust Office in . If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee with respect to the Securities of any series shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 610. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 611.

(b) The Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 60 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(c) The Trustee may be removed at any time with respect to the Securities of any series by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series, delivered to the Trustee and to the Company.

(d) If at any time:

(1) the Trustee shall fail to comply with Section 608 after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or

(2) the Trustee shall cease to be eligible under Section 609 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(3) the Trustee shall become incapable of acting or shall be adjudged a 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, or

(4) an Event of Default has not occurred and is not continuing,

then, in any such case, (i) the Company by a Board Resolution may remove the Trustee with respect to all Securities, or (ii) subject to Section 514, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of such Holder and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee with respect to all Securities and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series and that at any time there shall be only one Trustee with respect to the Securities of any particular series). If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment,

become the successor Trustee with respect to Securities of such series and supersede the successor Trustee with respect to the Securities of any series appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.

(f) The Company shall give notice of each resignation and each removal of the Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to all Holders of Securities of such series in the manner provided in Section 106. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of such successor Trustee's Corporate Trust Office.

SECTION 611. Acceptance of Appointment by Successor.

Every successor Trustee with respect to all Securities appointed hereunder shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; provided that, on request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its reasonable charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

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 retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and

to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust 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; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates.

Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and trusts referred to in the first or second preceding paragraph, as the case may be.

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

SECTION 612. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any

corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, shall be the successor of the Trustee hereunder, provided that such corporation 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. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

SECTION 613. Preferential Collection of Claims Against Company.

If and when the Trustee shall be or become a creditor of the Company (or any other obligor upon the Securities), the Trustee shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Company (or any such other obligor).

ARTICLE SEVEN

HOLDERS LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 701. Company to Furnish Trustee Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustee

(a) semiannually, not later than February 15 and August 15 in each year, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of Securities of each series as of a date not more than 15 days prior to the delivery thereof, and

(b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished;

excluding from any such list names and addresses received by the Trustee in its capacity as Securities Registrar.

SECTION 702. Preservation of Information; Communications to Holders.

(a) The Trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of Holders contained in the most recent list furnished to the Trustee as provided in Section 701 and the names and addresses of Holders received by the Trustee in its capacity as Securities Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

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

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that none of the Company, the Trustee or any agent of either of them shall be held accountable by reason of any disclosure of information as to names and addresses of Holders made pursuant to the Trust Indenture Act.

SECTION 703. Reports by Trustee.

(a) The Trustee shall transmit to Holders 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.

(b) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed, with the Commission and with the Company. The Company will notify the Trustee when any Securities are listed on any stock exchange.

SECTION 704. Reports by Company.

The Company shall file with the Trustee and the Commission, and transmit to Holders, 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 the Commission pursuant to Section 13 or 15(d) of the

Exchange Act shall be filed with the Trustee within 15 days after the same is so required to be filed with the Commission. Delivery of such reports, information and documents to the Trustee is for informational purposes only, and the Trustee's receipt of such 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).

#### ARTICLE EIGHT

##### CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE

###### SECTION 801. Company May Consolidate, Etc. Only on Certain Terms.

The Company shall not consolidate with or merge into any other Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, and the Company shall not permit any Person to consolidate with or merge into the Company or convey, transfer or lease its properties and assets substantially as an entirety to the Company, unless:

(1) in case the Company shall consolidate with or merge into another Person or convey, transfer or lease its properties and assets substantially as an entirety to any Person, the Person formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or transfer, or which leases, the properties and assets of the Company substantially as an entirety shall be a corporation, partnership or trust, shall be organized and validly existing under the laws of the United States of America, any State thereof or the District of Columbia and shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form reasonably satisfactory to the Trustee, the due and punctual payment of the principal of and interest (including any Additional Interest) on all the Securities and the performance or observance of every covenant of this Indenture, any Trust Agreement, any Parent Guarantee and any Expense Agreement on the part of the Company to be performed or observed;

(2) immediately after giving effect to such transaction and treating any indebtedness which becomes an obligation of the Company or a Subsidiary as a result of such transaction as having been incurred by the Company or such Subsidiary at the time of such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing;

(3) such consolidation or merger or conveyance, transfer or lease of properties or assets of the Company does not give rise to any breach or violation of, any Trust Agreement or any Parent Guarantee; and

(4) the Company has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such consolidation, merger, conveyance, transfer or lease and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

SECTION 802. Successor Substituted.

Upon any consolidation of the Company with, or merger of the Company into, any other Person or any conveyance, transfer or lease of the properties and assets of the Company substantially as an entirety in accordance with Section 801, the successor Person formed by such consolidation or into which the Company is merged or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Securities.



ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities;

(2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are expressly being included solely for the benefit of such series) or to surrender any right or power herein or in the Securities conferred upon the Company;

(3) to cure any ambiguity or to correct any provision herein which may be defective or inconsistent with any other provision herein;

(4) to comply with the requirements of the Commission in order to effect or maintain the qualification of this Indenture under the Trust Indenture Act, as contemplated by Section 905 or otherwise;

(5) to evidence and provide for the acceptance of the appointment of a successor Trustee with respect to the Securities of one or more series hereunder 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 611;

(6) to establish the form or terms of Securities of any series as permitted by Sections 201 and 301; or

(7) to make any other change that does not adversely affect the rights of any Holder.

SECTION 902. Supplemental Indentures with Consent of Holders.

With the consent of the Holders of not less than a majority in principal amount of the Outstanding Securities of each series affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security affected thereby,

(1) change the Stated Maturity of the principal of, or any installment of interest (including any Additional Interest) on, any Security, or reduce the principal amount thereof or the rate of interest thereon, or change the place of payment where, or the coin or currency in which, any Security or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date), or modify the provisions of this Indenture with respect to the subordination of the Securities in a manner adverse to the Holders,

(2) reduce the percentage in principal amount of the Outstanding Securities of any series, the consent of whose Holders is required for any such supplemental indenture, or the consent of whose Holders if required for any waiver (of compliance with certain provisions of this Indenture or certain defaults hereunder and their consequences) provided for in this Indenture, or

(3) modify any of the provisions of this Section, Section 513 or Section 1005, except to increase any such percentage (referred to in clause (2), above) or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Outstanding Security affected thereby;

provided, that, so long as any of the Preferred Securities remain outstanding, no such amendment shall be made that adversely affects the holders of the Preferred Securities and

no waiver of any Event of Default or compliance with any covenant under this Indenture shall be effective, without the prior consent of the holders of at least a majority of the aggregate liquidation amount of the outstanding Preferred Securities unless and until the Securities and all accrued and unpaid interest (including any Additional Interest) thereon have been paid in full.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other 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 any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 903. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 601) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but 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.

SECTION 904. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 905. Conformity with Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

SECTION 906. Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustee and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series.

ARTICLE TEN

COVENANTS; REPRESENTATIONS AND WARRANTIES

SECTION 1001. Payment of Principal and Interest.

The Company will duly and punctually pay the principal of and interest on the Securities of each series in accordance with the terms of the Securities and this Indenture.

SECTION 1002. Maintenance of Office or Agency.

The Company will maintain in the United States an office or agency for each series of Securities where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange, where Securities of that series may be surrendered for conversion and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of

the Trustee, and the Company hereby appoints the Trustee as its agent to receive all such presentations, surrenders, notices and demands.

The Company may also from time to time designate one or more other offices or agencies (in the United States) where the securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; provided, however, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the United States for each series of Securities for such purposes. The Company will give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

SECTION 1003. Money for Payments on Securities to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or at the option of the Company before each due date of the principal of or interest on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to 12:00 noon, New York time, on each due date of the principal of or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay such amount, such sum to be held as provided by the Trust Indenture Act, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure so to act.

The Company will cause each Paying Agent for any series of Securities other than the Trustee or the Company to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 1003, that such Paying Agent will (i) comply with the provisions of the Trust Indenture Act applicable to it as a Paying Agent and (ii) during the continuance of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment in

respect of the Securities of that series, upon the written request of the Trustee, forthwith pay to the Trustee all sums held in trust by such Paying Agent as such.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of or interest on any Security of any series and remaining unclaimed for two years after such principal or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease.

The Trustee and the Paying Agent shall promptly pay to the Company upon request any excess money or securities held by them at any time.

SECTION 1004. Statement by Officers as to Default.

The Company will deliver to the Trustee, within 120 days after the end of each fiscal year of the Company ending after the date hereof, an Officers' Certificate, stating whether or not to the best knowledge of the signers thereof the Company is in default in the performance and observance of any of the material terms, provisions and conditions of this Indenture (without regard to any period of grace or requirement of notice provided hereunder) and, if the Company shall be in default, specifying all such defaults and the nature and status thereof of which they may have knowledge.

SECTION 1005. Additional Covenants.

The Company covenants and agrees for the benefit of the Holders of Securities of each series that it will not declare or pay any dividends or distributions (other than dividends or distributions in common stock of the Company or other securities, including other securities ranking junior in right of payment to the Securities of such series), on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock or any security ranking pari passu with or junior in right of payment to the Securities of such series, or make any guarantee payments with respect to the foregoing (other than pro rata payments under the Parent Guarantee and any similar Parent Guarantees issued by the Company on behalf of the holders of Preferred Securities issued by any issuer holding Securities) or repurchase, or cause any of the Subsidiaries to repurchase, any securities of the Company ranking pari passu with or junior in right of payment to the Securities of such series (except for payments made on any series of Securities upon the stated maturity of such Securities); provided that Western Resources may redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, make any guarantee payment with respect to the foregoing or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Securities of such series with securities (or the proceeds from the issuance of securities) having no higher ranking than the capital stock or the other securities which are to be redeemed, purchased, acquired, with respect to which a liquidation payment is to be made, to which a guarantee payment is to be made with respect to the foregoing or which are to be repurchased; if at such time (i) there shall have occurred any event of which the Company has actual knowledge that (a) with the giving of notice or the lapse of time or both, would constitute an Event of Default hereunder with respect to Securities of such series and (b) which the Company shall not have taken reasonable steps to cure, (ii) the Company shall be in default with respect to its payment of any obligations under a Parent Guarantee relating to the Preferred Securities of the Trust corresponding to which the Securities of such series have been issued or (iii) the Company shall have given notice of its selection of an Extension Period as provided herein with respect to Securities of such series and such period, or any extension thereof, shall have commenced and be continuing.

The Company also covenants, for the benefit of the Holders of Securities of each series, (i) to maintain 100% ownership of the Common Securities of the Trust to which the Securities of such series have been issued; provided, however, that any permitted successor of the Company hereunder may succeed to the Company's ownership of such Common Securities, (ii) not to voluntarily dissolve, wind up or terminate such Trust, except in connection with a distribution of the Securities of such series to the holders of the corresponding Preferred Securities in liquidation of such Trust or in connection with certain mergers, consolidations or amalgamations permitted by the Trust Agreement relating to such Trust and (iii) to use its reasonable efforts, consistent with the terms and provisions of such Trust Agreement, to cause such Trust to remain a business trust and not to be classified as an association taxable as a corporation for United States Federal income tax purposes.

#### ARTICLE ELEVEN

##### SUBORDINATION OF SECURITIES

SECTION 1101. Securities Subordinate to Senior Indebtedness.

The Company covenants and agrees, and each Holder of a Security, by such Holder's acceptance thereof, likewise covenants and agrees that, notwithstanding anything to the contrary contained herein, to the extent and in the manner hereinafter set forth in this Article, the indebtedness represented by the Securities and the payment of the principal of and premium, if any, and interest on each and all of the Securities are hereby expressly made subordinate and subject in right of payment to the prior payment in full in cash or cash equivalents of all Senior Indebtedness (including any interest accruing after the occurrence of an Event of Default under Section 501(4) or (5)).

SECTION 1102. Payment Over of Proceeds upon Dissolution, etc.

In the event of (a) any insolvency or bankruptcy case or proceeding, or any receivership, liquidation, reorganization or other similar case or proceeding in connection therewith, relative to the Company or to its creditors, as such, or to its assets, or (b) any liquidation, dissolution or other winding up of the Company, whether voluntary or involuntary and whether or not involving insolvency or bankruptcy, or (c) any assignment for the benefit of creditors or any other marshalling of assets and liabilities of the Company, then and in any such event:



(1) the holders of Senior Indebtedness shall be entitled to receive payment in full in cash or cash equivalents of all amounts due or to become due on or in respect of all Senior Indebtedness, or provision shall be made for such payment in cash or cash equivalents, before the Holders of the Securities are entitled to receive any payment on account of principal of (or premium, if any) or interest on the Securities; and

(2) any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, by set-off or otherwise, to which the Holders of the Trustee would be entitled but for the provisions of this Article Eleven, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Securities (except, so long as the effect of this parenthetical clause is not to cause the Securities to be treated in any case or proceeding or similar event described in Subsection (a), (b) or (c) of this Section 1102 as part of the same class of claims as the Senior Indebtedness or any class of claims on a parity with or senior to the Senior Indebtedness, for any such payment or distribution of securities which (i) are unsecured, (ii) have an average life and final maturity no shorter than the average life and final maturity of the Securities and (iii) are subordinated, to at least the same extent as the Securities, to the payment of all Senior Indebtedness then outstanding), shall be paid by the liquidating trustee or agent or other person making such payment or distribution, whether a trustee in bankruptcy, a receiver or liquidating trustee or otherwise, directly to the holders of 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 the principal of, and premium, if any, and interest on, and other amounts due on or in connection with, the Senior Indebtedness to the extent necessary to make payment in full in cash or cash equivalents of all Senior Indebtedness remaining unpaid, after giving effect to any concurrent payment or distribution to the holders of such Senior Indebtedness; and

(3) in the event that, notwithstanding the foregoing provisions of this Section, the Trustee or the Holder of any Security shall have received any such payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, including any such payment or distribution which may be payable or deliverable by reason of the payment of any other indebtedness of the Company being subordinated to the payment of the Securities, before all Senior Indebtedness is paid in full or payment thereof provided for, then and in such event such payment or distribution shall be paid over or delivered forthwith to the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee, agent or other Person making payment or distribution of assets of the Company for application to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all Senior Indebtedness in full in cash or cash equivalents, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness.

The consolidation of the Company with, or the merger of the Company into, another corporation or the liquidation or dissolution of the Company following the conveyance, transfer or lease of its properties and assets substantially as an entirety to another corporation upon the terms and conditions set forth in Article Eight shall not be deemed a dissolution, winding up, liquidation, reorganization, assignment for the benefit of creditors or marshalling of assets and liabilities of the Company for the purposes of this Section 1102 if the corporation formed by such consolidation or into which the Company is merged or the corporation which acquires by conveyance, transfer or lease such properties and assets substantially as an entirety, as the case may be, shall, as a part of such consolidation, merger, conveyance, transfer or lease, comply with the conditions set forth in Article Eight.

SECTION 1103. No Payment When Senior Indebtedness in Default.

(i) In the event of and during the continuation of any default in the payment of principal of (or premium, if any) or interest on any Senior Indebtedness or (ii) in the event that any other event of default with respect to any Senior Indebtedness shall have occurred and be continuing and shall have resulted in such Senior Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, then no payment shall be

made by the Company on account of the principal of (or premium, if any) or interest on the Securities or on account of the purchase or redemption or other acquisition of Securities unless and until such payment default shall have been cured or waived or shall have ceased to exist or such acceleration shall have been rescinded or annulled or the holders of such Senior Indebtedness or their agents have waived the benefits of this Section.

In the event that, notwithstanding the foregoing, the Company shall make any payment to the Trustee or the Holder of any Security prohibited by the foregoing provisions of this Section, then and in such event such payment shall be received and held in trust for the holders of Senior Indebtedness and shall be paid over or delivered to the Representative of Senior Indebtedness then outstanding to the extent necessary to pay in full in cash or cash equivalents all Senior Indebtedness.

The provisions of this Section shall not apply to any payment with respect to which Section 1102 would be applicable.

SECTION 1104. Payment Permitted if No Default.

Nothing contained in this Article or elsewhere in this Indenture or in any of the Securities shall prevent the Company, at any time except during the pendency of any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshalling of assets and liabilities of the Company referred to in Section 1102 or under the conditions described in Section 1103, from making payments at any time of principal of (and premium, if any) or interest on the Securities.

SECTION 1105. Subrogation to Rights of Holders of Senior Indebtedness.

Subject to the payment in full of all Senior Indebtedness, the Holders of the Securities shall be subrogated (equally and ratably with the holders of all indebtedness of the Company which by its express terms is subordinated to Senior Indebtedness of the Company to the same extent as the Securities are subordinated and which is entitled to like rights of subrogation) to the rights of the holders of such Senior Indebtedness to receive payments and distributions of cash, property and securities applicable to the Senior Indebtedness until the principal of (and premium, if any) and interest on the Securities shall be paid in full. For purposes of

such subrogation, no payments or distributions to the holders of Senior Indebtedness of any cash, property or securities to which the Holders of the Securities or the Trustee would be entitled except for the provisions of this Article, and no payments over pursuant to the provisions of this Article to the holders of Senior Indebtedness by Holders of the Securities or the Trustee, shall, as among the Company, its creditors other than holders of Senior Indebtedness, and the Holders of the Securities, be deemed to be a payment or distribution by the Company to or on account of the Senior Indebtedness.

SECTION 1106. Provisions Solely to Define Relative Rights.

The provisions of this Article are and are intended solely for the purpose of defining the relative rights of the Holders of the Securities on the one hand and the holders of Senior Indebtedness on the other hand. Nothing contained in this Article or elsewhere in this Indenture or in the Securities is intended to or shall (a) impair, as among the Company, its creditors other than holders of Senior Indebtedness and the Holders of the Securities, the obligation of the Company, which is absolute and unconditional, to pay to the Holders of the Securities the principal of (and premium, if any) and interest on the Securities as and when the same shall become due and payable in accordance with their terms; or (b) affect the relative rights against the Company of the Holders of the Securities and creditors of the Company other than the holders of Senior Indebtedness; or (c) prevent the Trustee or the Holder of any Security from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the express limitations set forth in Article Five and to the rights, if any, under this Article of the holders of Senior Indebtedness (1) in any case, proceeding, dissolution, liquidation or other winding up, assignment for the benefit of creditors or other marshalling of assets and liabilities of the Company referred to in Section 1102, to receive, pursuant to and in accordance with such Section, cash, property and securities otherwise payable or deliverable to the Trustee or such Holder, or (2) under the conditions specified in Section 1103, to prevent any payment prohibited by such Section.

SECTION 1107. Trustee to Effectuate Subordination.

Each Holder of a Security by such Holder's acceptance thereof authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article and

appoints the Trustee his attorney-in-fact for any and all such purposes.

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 Eleven, 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, subject to the provisions of Section 601, the Trustee shall not be liable to any holder of Senior Indebtedness if it shall pay over or deliver to holders of Securities, the Company or any other Person money or assets to which any holder of Senior Indebtedness shall be entitled by virtue of this Article Eleven or otherwise.

SECTION 1108. No Waiver of Subordination Provisions.

No right of any present or future holder of any Senior Indebtedness to enforce subordination as herein provided shall at any time in any way be prejudiced or impaired by any act or failure to act on the part of the Company or by any act or failure to act, in good faith, by any such holder, or any non-compliance 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.

Without in any way limiting the generality of the foregoing paragraph, the holders of Senior Indebtedness may, at any time and from time to time, without the consent of or notice to the Trustee or the Holders of the Securities, without incurring responsibility to the Holders of the Securities and without impairing or releasing the subordination provided in this Article or the obligations hereunder of the Holders of the Securities to the holders of Senior Indebtedness, do any one or more of the following: (a) change the manner, place or terms of payment or extend the time of payment of, or renew or alter, Senior Indebtedness or any instrument evidencing the same or any agreement under which Senior Indebtedness is outstanding; (b) sell, exchange, release or otherwise deal with any property pledged, mortgaged or otherwise securing Senior Indebtedness; (c) release any Person liable in any manner for the collection of Senior Indebtedness; and (d) exercise or refrain from exercising any rights against the Company and any other Person.

SECTION 1109. Notice to Trustee.

The Company shall give prompt written notice to the Trustee of any fact known to the Company which would prohibit the making of any payment to or by the Trustee in respect of the Securities. Notwithstanding the provisions of this Article or any other provision of this Indenture, the Trustee shall not be charged with knowledge of the existence of any facts which would prohibit the making of any payments to or by the Trustee in respect of the Securities, unless and until the Trustee shall have received written notice thereof at the Corporate Trust Office of the Trustee from the Company or a holder of Senior Indebtedness or from any trustee, fiduciary or agent therefore; and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Section 602, shall be entitled in all respects to assume that no such facts exist; provided, however, that if the Trustee shall not have received the notice provided for in this Section 1109 at least three Business Days prior to the date upon which by the terms hereof any money may become payable for any purpose (including, without limitation, the payment of the principal of (and premium, if any) or interest on any Security), then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such money and to apply the same to the purpose for which such money was received and shall not be affected by any notice to the contrary which may be received by it within three Business Days prior to such date. Nothing in this Section 1109 shall limit the right of the holders of Senior Indebtedness to recover payments as contemplated by Sections 1102 and 1103.

Subject to the provisions of Section 602, the Trustee shall be entitled to rely on the delivery to it of a written notice by a Person representing such Person to be a holder of Senior Indebtedness (or a trustee, fiduciary or agent therefor) to establish that such notice has been given by a holder of Senior Indebtedness (or a trustee, fiduciary or agent therefor). 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 Article, 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, the extent to which such Person is entitled to participate in such payment or distribution and any other facts pertinent to the rights of such Person under this Article, 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 1110. Reliance on Judicial Order or Certificate of Liquidating Agent.

Upon any payment or distribution of assets of the Company referred to in this Article, the Trustee, subject to the provisions of Section 602, and the Holders of the Securities shall be entitled to rely upon any order or decree entered by any court of competent jurisdiction in which such insolvency, bankruptcy, receivership, liquidation, reorganization, dissolution, winding up or similar case or proceeding is pending, or a certificate of the trustee in bankruptcy, receiver, liquidating trustee, custodian, assignee for the benefit of creditors, agent or other Person making such payment or distribution, delivered to the Trustee or to the Holders of Securities, for the purpose of ascertaining the Persons entitled to participate in such payment or distribution, the holders of Senior Indebtedness and other indebtedness of the Company, the amount thereof or payable thereon, the amount or amounts paid or distributed thereon and all other facts pertinent thereto or to this Article.

SECTION 1111. Rights of Trustee as a Holder of Senior Indebtedness; Preservation of Trustee's Rights.

The Trustee in its individual capacity shall be entitled to all the rights set forth in this Article with respect to any Senior Indebtedness which may at any time be held by it, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture shall deprive the Trustee of any of its rights as such holder.

Nothing in this Article shall apply to claims of, or payments to, the Trustee under or pursuant to Section 607.

SECTION 1112. Article Applicable to Paying Agents.

In case at any time any Paying Agent other than the Trustee shall have been appointed by the Company and be then acting hereunder, the term "Trustee" as used in this Article shall in such case (unless the context otherwise requires) be construed as extending to and including such Paying Agent within its meaning as fully for all intents and purposes as if such Paying Agent were named in this Article in addition to or

in place of the Trustee; provided, however, that (i) Section 1111 shall not apply to the Company or any Affiliate of the Company if it or such Affiliate acts as Paying Agent and (ii) any notice required by this Article Eleven to be given by the holders of, or a Representative for, Senior Indebtedness need only be given to the Trustee and not to any Paying Agent.

## ARTICLE TWELVE

### REDEMPTION OF SECURITIES

#### SECTION 1201. Applicability of Article.

Securities of any series which are redeemable before their stated maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for such Securities) in accordance with this Article.

#### SECTION 1202. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities pursuant to Section 1201 shall be evidenced by a Board Resolution or in another manner specified as contemplated by Section 301 for such Securities. In case of any redemption at the election of the Company, the Company shall, at least 30 days and no more than 90 days prior to the Redemption Date fixed by the Company, notify the Trustee of such Redemption Date and of the principal amount of Securities to be redeemed and provide a copy of the notice of redemption given to Holders of Securities to be redeemed pursuant to Section 1204.

#### SECTION 1203. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed (unless such redemption affects only a single Security), the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption, by such method (including pro rata or by lot) as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$25 or any integral multiple thereof) of the principal amount of the Securities of such series.



The Trustee shall promptly notify the Company in writing of the Securities selected for redemption as aforesaid and, in case of any Securities selected for partial redemption as aforesaid, the principal amount thereof to be redeemed.

The provisions of the two preceding paragraphs shall not apply with respect to any redemption affecting only a single Security, whether such Security is to be redeemed in whole or in part. In the case of any such redemption in part, the unredeemed portion of the principal amount of the Security shall be in an authorized denomination (which shall not be less than the minimum authorized denomination) for such Security.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 1204. Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 90 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Securities Register. If at the time of mailing of any notice of redemption the Company shall not have deposited with the Trustee (and/or irrevocably directed the Trustee to apply, from money held by it available to be used for the redemption of Securities) an amount in cash sufficient to redeem all of the Securities to be redeemed, including accrued interest to such Redemption Date, such notice shall state that the proposed redemption to which such notice relates is subject to the deposit of such amount with the Trustee on or before the Redemption Date.

All notices of redemption shall identify the Securities to be redeemed (including CUSIP number) and shall state:

- (1) the Redemption Date,
- (2) the Redemption Price,
- (3) if less than all the Outstanding Securities of any series consisting of more than a single Security are to be redeemed, the identification (and, in the case of the partial redemption of any such Securities, the

principal amounts) of the particular Securities to be redeemed and, if less than all the Outstanding Securities of any series consisting of a single Security are to be redeemed, the principal amount of the particular Security to be redeemed,

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Security to be redeemed and that interest thereon will cease to accrue on and after said date, and

(5) the place or placement where such Securities are to be surrendered for payment of the Redemption Price.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustee in the name and at the expense of the Company.

SECTION 1205. Deposit of Redemption Price.

Prior to 12:00 noon, New York time, on any Redemption Date, the Company shall deposit with the Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 1003) an amount of money sufficient to pay the Redemption Price of, and (except if the Redemption Date shall be an Interest Payment Date) accrued interest on, all the Securities which are to be redeemed on that date.

SECTION 1206. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid and the Company having on or before the Redemption Date deposited with the Trustee (and/or having irrevocably directed the Trustee to apply, from money held by it available to be used for the redemption of Securities) an amount in cash sufficient to redeem all of the Securities to be redeemed, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date, such Securities shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest to the Redemption Date; provided, however, that installments of interest whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one

or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 307.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, such Security shall remain outstanding and shall, until paid, bear interest from the Redemption Date at the rate borne by the Security.

SECTION 1207. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at a place of payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

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This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, all as of the day and year first above written.

WESTERN RESOURCES, INC.

By: \_\_\_\_\_  
Name:  
Title:

Attest:

\_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

Attest:

\_\_\_\_\_

STATE OF \_\_\_\_\_ )  
 ) ss.:  
COUNTY OF \_\_\_\_\_ )

On the \_\_\_\_ day of \_\_\_\_\_, 1995, before me personally came \_\_\_\_\_, to me known, who, being by me duly sworn, did depose and say that he/she is the \_\_\_\_\_ of Western Resources, Inc., one of the corporations described in and which executed the foregoing instrument; and that he/she signed his/her name thereto by authority of the Board of Directors of such corporation.

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WESTERN RESOURCES, INC.

TO

TRUSTEE

\_\_\_\_\_ SUPPLEMENTAL INDENTURE

Dated as of \_\_\_\_\_, 199\_

TO

INDENTURE

Dated as of \_\_\_\_\_, 199\_

\_\_\_\_\_% Deferrable Interest Subordinated  
Debentures, Series \_\_\_\_\_, Due \_\_\_\_\_

\_\_\_\_\_ SUPPLEMENTAL INDENTURE, dated as of \_\_\_\_\_, 199 (the "\_\_\_\_\_ Supplemental Indenture"), between Western Resources, Inc., a Kansas corporation (the "Company"), and \_\_\_\_\_, as trustee (the "Trustee") under the Indenture, dated as of \_\_\_\_\_, 199, from the Company to the Trustee (the "Indenture").

WHEREAS, the Company has executed and delivered the Indenture to the Trustee in order to provide for the future issuance of its subordinated debentures (the "Securities"), such Securities to be issued from time to time in one or more series as may be determined by the Company under the Indenture, in an unlimited aggregate principal amount that may be authenticated and delivered thereunder as provided in the Indenture;

WHEREAS, Western Resources Capital [ ] (the "Series [ ] Trust") may pursuant to the Underwriting Agreement dated \_\_\_\_\_, 199 among the Company, the Series [ ] Trust and the Underwriters named therein issue \$ \_\_\_\_\_ aggregate liquidation preference of its \_\_\_\_\_ % Cumulative Quarterly Income Preferred Securities, Series [ ] (the "Series [ ] Preferred Securities") with a liquidation amount of \$25 per Series [ ] Preferred Security;

WHEREAS, the Company is guaranteeing (the "Parent Guarantee") the payment of distributions on the Series [ ] Preferred Securities, the payment of the Redemption Price and the payment on liquidation with respect to the Series [ ] Preferred Securities, to the extent provided in the Guarantee Agreement, of even date herewith between the Company and \_\_\_\_\_, as guarantee trustee for the benefit of the holders of the Series [ ] Preferred Securities;

WHEREAS, the Company wishes to sell to the Series [ ] Trust, and the Series [ ] Trust wishes to purchase from the Company, Series [ ] Securities (as defined below) in an aggregate principal amount equal to \$ \_\_\_\_\_, and in satisfaction of the purchase price for such Series [ ] Securities, the administrative trustees of the Series [ ] Trust, on behalf of the Series [ ] Trust, wish to (i) execute and deliver to the Company Common Securities certificates evidencing an ownership interest in the Series [ ] Trust, registered in the name of the Company, having an aggregate liquidation amount of \$ \_\_\_\_\_ and (ii) deliver to the Company the sum of \$ \_\_\_\_\_;

WHEREAS, the Company has duly authorized the creation of an issue of its \_\_\_\_\_ % Deferrable Interest Subordinated Debentures, Series [ ], Due \_\_\_\_\_ (the "Series [ ] Securities"), of the tenor and amount hereinafter set forth, and to provide



therefor the Company has duly authorized the execution and delivery of this \_\_\_\_\_ Supplemental Indenture; and

WHEREAS, all things necessary to make the Securities, when executed by the Company and authenticated and delivered hereunder and duly issued by the Company, the valid obligations of the Company, and to make this \_\_\_\_\_ Supplemental Indenture a valid agreement of the Company, each in accordance with their terms, have been done.

NOW, THEREFORE, THIS \_\_\_\_\_ SUPPLEMENTAL INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Series [ ] Securities by the Holders thereof, it is mutually agreed, for the equal and proportionate benefit of all Holders of the Series [ ] Securities as follows:

ARTICLE ONE

GENERAL TERMS OF THE SERIES [ ] SECURITIES

SECTION 101. Title; Stated Maturity; Interest.

The aggregate principal amount of Securities which may be authenticated and delivered under this \_\_\_\_\_ Supplemental Indenture is limited to \$ \_\_\_\_\_ except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities pursuant to Section 303, 304, 305, 306, 906 or 1207 of the Indenture.

The Securities shall be known and designated as the " \_\_\_\_\_ % Deferrable Interest Subordinated Debentures, Series [ ] due \_\_\_\_\_ " of the Company. Their Stated Maturity shall be \_\_\_\_\_, and they shall bear interest at the rate of \_\_\_\_\_ % per annum, from \_\_\_\_\_, 199\_ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, as the case may be, payable quarterly (subject to deferral as set forth herein), in arrears, on March 31, June 30, September 30 and December 31 of each year, commencing \_\_\_\_\_, 199\_ until the principal thereof is paid or made available for payment. Additional Interest Attributable to Deferral will compound quarterly and will accrue at the rate of \_\_\_\_\_ % per annum on any interest installment in arrears for more than one quarter or during an extension of an interest payment period as set forth below. In the event that any date on which



interest is payable on the Securities is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day except that, if such Business Day is in the next succeeding calendar year, such Interest Payment Date shall be the immediately preceding Business Day (and without any interest or other payment in respect of any such delay).

The Company shall have the right, at any time while any Series [ ] Securities are outstanding, from time to time to extend the interest payment period thereon for up to 20 consecutive quarters (the "Extension Period") during which period interest will compound quarterly and the Company shall have the right to make partial payments of interest on any Interest Payment Date, and at the end of which Extension Period the Company shall pay all interest then accrued and unpaid thereon (together with Additional Interest Attributable to Deferral at the rate specified for the Series [ ] Securities to the extent permitted by applicable law); provided that the Company shall not defer the interest payment period with respect to Additional Interest Attributable to Taxes and shall make payment thereof on the relevant Interest Payment Date; provided further that during any such Extension Period, the Company shall not declare or pay any dividends or distributions (other than dividends or distributions in common stock of the Company or other securities, including other securities ranking junior in right of payment to the Series [ ] Securities) on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock or any security ranking pari passu with or junior in right of payment to the Series [ ] Securities, or make any guarantee payment with respect to the foregoing (other than pro rata payments under the Parent Guarantee and any similar Parent Guarantees issued by the Company on behalf of the holders of Preferred Securities issued by any issuer holding Securities) or repurchase, or cause any of its Subsidiaries to repurchase, any security of the Company ranking pari passu with or junior in right of payment to the Series [ ] Securities (except for payments made on any series of Securities upon the stated maturity of such Securities); provided that Western Resources may redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, make any guarantee payment with respect to the foregoing or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to the Series [ ] Securities with

securities (or the proceeds from the issuance of securities) having no higher ranking than the capital stock or the other securities which are to be redeemed, purchased, acquired, with respect to which a liquidation payment is to be made, to which a guarantee payment is to be made with respect to the foregoing or which are to be repurchased. Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that such Extension Period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarters or extend beyond the Maturity of the Securities or the Redemption Date. Upon the termination of any Extension Period and upon the payment of all accrued and unpaid interest and any Additional Interest then due, the Company may select a new Extension Period, subject to the foregoing requirements. Except for Additional Interest Attributable to Taxes, no interest shall be due and payable during an Extension Period, except at the end thereof. The Company shall give the Series [ ] Trust, the Administrative Trustees of the Series [ ] Trust and the Trustee notice of its selection of such Extension Period, subject to the above requirements, at least one Business Day prior to the earlier of (i) the related Interest Payment Date or (ii) the date the Series [ ] Trust is required to give notice to the New York Stock Exchange or other applicable self-regulatory organization or to Holders of the Series [ ] Preferred Securities of the record date or the date such distributions are payable, but in any event not less than one Business Day prior to such record date. The Trustee shall promptly notify the Holders of the Series [ ] Preferred Securities and the Administrative Trustees of the Series [ ] Trust of the Company's selection of such an Extension Period.

The principal of and interest on the Series [ ] Securities shall be payable at the office or agency of the Company in the United States maintained for such purpose and at any other office or agency maintained by the Company for such purpose in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that, at the option of the Company, payment of interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Securities Register or (ii) by wire transfer in immediately available funds at such place and to such account as may be designated by the Person entitled thereto as specified in the Securities Register; provided further, that for so long as any Series [ ] Security is registered in the name of the Property Trustee, payment of principal

(including Redemption Price and interest) shall be made by wire transfer in immediately available funds at such place and to such account as may be designated by the Property Trustee.

The Series [ ] Securities shall be subordinated in right of payment to Senior Indebtedness as provided in Article Eleven of the Indenture. The Series [ ] Securities shall be pari passu with the Parent Guarantee.

The Series [ ] Securities shall be redeemable as provided in Article Twelve of the Indenture.

SECTION 102. Redemption.

At any time on or after \_\_\_\_\_, \_\_\_\_\_, the Company shall have the right to redeem the Series [ ] Securities, in whole or in part, from time to time, at a Redemption Price equal to the principal amount of Series [ ] Securities to be redeemed plus accrued but unpaid interest, including any Additional Interest, if any, to the Redemption Date.

If a Tax Event or an Investment Company Act Event shall occur and be continuing, the Company shall have the right, subject to the last sentence of the following paragraph, to redeem the Series [ ] Securities in whole but not in part, at a Redemption Price equal to \_\_\_\_\_ % of the principal amount thereof plus accrued but unpaid interest, including Additional Interest, if any, to the Redemption Date.

For so long as the Series [ ] Trust is the Holder of all Series [ ] Securities Outstanding, the proceeds of any redemption described in this Section 102 shall be used by the Series [ ] Trust to redeem Series [ ] Preferred Securities in accordance with their terms. The Company shall not redeem the Series [ ] Securities in part unless all accrued and unpaid interest (including any Additional Interest) has been paid in full on all Series [ ] Securities Outstanding for all quarterly interest periods terminating on or prior to the Redemption Date.

SECTION 103. Global Security.

If the Series [ ] Trust is not the sole Holder of the Series [ ] Securities, in order to utilize a book-entry-only system for all or any portion of the Series [ ] Securities, all or a portion of the Series [ ] Securities may be issued in the form of one or more fully-registered Global

Securities for the aggregate principal amount of such Series [ ] Securities (the "Series [ ] Global Securities"), which Series [ ] Global Securities shall be registered in the name of the Depositary selected by the Company or in the name of such Depositary's nominee. Each Series [ ] Global Security shall be delivered by the Trustee to the Depositary or pursuant to the Depositary's instruction.

If an event described under Clause (2) of Section 305 of the Indenture shall occur, then this Section 103 shall no longer be applicable to the Series [ ] Global Securities, and the Company will execute, and the Trustee will authenticate and deliver (subject to receipt of an Officer's Certificate evidencing the Company's determination if the Company has exercised its rights under Clause (2)(C) of Section 305), Series [ ] Securities in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Series [ ] Global Securities in exchange for such Series [ ] Global Securities. Upon the exchange of Series [ ] Global Securities for such Series [ ] Securities in definitive registered form, the Series [ ] Global Securities shall be cancelled by the Trustee. Such Series [ ] Securities in definitive registered form issued in exchange for Series [ ] Global Securities pursuant to this Section 103 shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its Direct or Indirect Participants or otherwise, shall direct. The Trustee shall deliver such Series [ ] Securities to the Persons in whose names such Series [ ] Securities are so registered.

Except as provided below, owners solely of beneficial interests in a Series [ ] Global Security shall not be entitled to receive physical delivery of Series [ ] Securities in definitive form and will not be considered the Holders thereof for any purpose under the Indenture.

Members of or participants in the Depositary shall have no rights under this Supplemental Indenture or the Indenture with respect to any Series [ ] Global Security held on their behalf by the Depositary, and such Depositary or its nominee, as the case may be, may be treated by the Company, the Trustee, and any agent of the Company or the Trustee as the Holder of such Series [ ] Global Security for all purposes whatsoever. Notwithstanding the foregoing, nothing herein shall prevent the Company, the Trustee, or any agent of the Company or the Trustee, from giving effect to any written

certification, proxy or other authorization furnished by the Depository or impair, as between the Depository and its members or participants, the operation of customary practices governing the exercise of the rights of a Holder of any Series [ ] Security, including without limitation the granting of proxies or other authorization of participants to give or take any request, demand, authorization, direction, notice, consent, waiver or other action which a Holder is entitled to give or take under the Indenture.

ARTICLE TWO

FORM OF SERIES [ ] SECURITY

The Series [ ] Securities are to be in substantially the following form:

[FORM OF FACE OF SERIES [ ] SECURITY]

WESTERN RESOURCES, INC.

% Deferrable Interest Subordinated  
Debenture, Series \_\_\_\_, Due

No. \_\_\_\_\_

\$ \_\_\_\_\_

CUSIP No. \_\_\_\_\_

WESTERN RESOURCES, INC., a corporation duly organized and existing under the laws of the State of Kansas (herein called the "Company," which term includes any successor corporation under the Indenture hereinafter referred to), for value received, hereby promises to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) on \_\_\_\_\_, \_\_\_\_\_ and to pay interest on said principal sum from \_\_\_\_\_, 199\_ or from the most recent interest payment date (each such date, an "Interest Payment Date") to which interest has been paid or duly provided for, quarterly (subject to deferral as set forth herein) in arrears on March 31, June 30, September 30 and December 31 of each year, commencing \_\_\_\_\_, 199\_, at the rate of \_\_\_\_\_ % per annum plus Additional Interest, if any, until the principal hereof shall have become due and payable, and on any overdue principal. The amount of interest payable for any period will be computed on the basis of twelve 30-day months and a 360-day year and, for any period shorter than a full monthly period, shall be computed on the basis of the actual number of days

elapsed in such period. In the event that any date on which interest is payable on this Security is not a Business Day, then a payment of the interest payable on such date will be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay), except that, if such Business Day is in the next succeeding calendar year, such payment shall be made on the immediately preceding Business Day, in each case with the same force and effect as if made on the date the payment was originally payable. A "Business Day" shall mean any day other than a Saturday or a Sunday or a day on which banking institutions in the City of New York are authorized or required by law or executive order to remain closed or a day on which the Corporate Trust Office of the Trustee, the principal office of the property trustee under the Trust Agreement or the principal office of the Company is closed for business. The interest installment so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security (or one or more Predecessor Securities, as defined in the Indenture) is registered at the close of business on the Regular Record Date for such interest installment, which shall be the close of business on the Business Day next preceding such Interest Payment Date. Any such interest installment not so punctually paid or duly provided for shall forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Security (or one or more Predecessor Securities) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Trustee, notice whereof shall be given to Holders of Securities not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Securities may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture.

The Company shall have the right at any time during the term of this Security, from time to time, to extend the interest payment period of such Security for up to 20 consecutive quarters (an "Extension Period"), during which period interest will compound quarterly and the Company shall have the right to make partial payments of interest on any Interest Payment Date, and at the end of which Extension Period the Company shall pay all interest then accrued and unpaid (together with Additional Interest thereon to the extent that payment of such interest is permitted by applicable law); provided that the

Company shall not defer the interest payment period with respect to Additional Interest Attributable to Taxes; provided further that during any such Extension Period, the Company shall not declare or pay any dividends or distributions (other than dividends or distributions in common stock of the Company or other securities, including other securities ranking junior in right of payment to the Securities) on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock or any security ranking pari passu with or junior in right of payment to this Security, or make any guarantee payment with respect to the foregoing (other than pro rata payments under the Parent Guarantee and any similar Parent Guarantees issued by the Company on behalf of the holders of Preferred Securities issued by any issuer holding Securities) or repurchase, or cause any of its Subsidiaries to repurchase, any security of the Company ranking pari passu with or junior in right of payment to this Security (except for payments made on any series of securities upon the stated maturity of such securities); provided that Western Resources may redeem, purchase, acquire or make a liquidation payment with respect to any of its capital stock, make any guarantee payment with respect to the foregoing or repurchase, or cause any of its subsidiaries to repurchase, any security of Western Resources ranking pari passu with or junior in right of payment to this Security with securities (or the proceeds from the issuance of securities) having no higher ranking than the capital stock or the other securities which are to be redeemed, purchased, acquired, with respect to which a liquidation payment is to be made, to which a guarantee payment is to be made with respect to the foregoing or which are to be repurchased. Prior to the termination of any such Extension Period, the Company may further extend the interest payment period, provided that such Extension Period together with all such previous and further extensions thereof shall not exceed 20 consecutive quarters or extend beyond the maturity of this Security. Upon the termination of any such Extension Period and upon the payment of all accrued and unpaid interest and any Additional Interest then due, the Company may select a new Extension Period, subject to the foregoing requirements. No interest shall be due and payable during an Extension Period except at the end thereof. The Company shall give the Holder of this Security and the Trustee notice of its selection of an Extension Period at least one Business Day prior to the earlier of (i) the Interest Payment Date or (ii) the date the Series [ ] Trust is required to give notice to the New York Stock Exchange or other applicable

self-regulatory organization or to holders of the Series [ ] Preferred Securities of the record date or the date such distributions are payable, but in any event not less than one Business Day prior to such record date.

Payment of the principal of and interest on this Security will be made at the office or agency of the Company maintained for that purpose in [ ], in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts; provided, however, that at the option of the Company payment of interest may be made (i) by check mailed to the address of the Person entitled thereto as such address shall appear in the Securities Register or (ii) by wire transfer in immediately available funds at such place and to such account as may be designated by the Person entitled thereto as specified in the Securities Register.

The indebtedness evidenced by this Security is, to the extent provided in the Indenture, subordinate and subject in right of payment to the prior payment in full of all Senior Indebtedness, and this Security is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Security, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on such Holder's behalf to take such action as may be necessary or appropriate to effectuate the subordination so provided and (c) appoints the Trustee such Holder's attorney-in-fact for any and all such purposes. Each Holder hereof, by such Holder's acceptance hereof, waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture of each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such Holder upon said provisions.

Reference is hereby made to the further provisions of the Indenture summarized on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof by manual signature, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.



IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed under its corporate seal.

Dated: \_\_\_\_\_, 199

WESTERN RESOURCES, INC.

By:  
Name:  
Title:

Attest:

\_\_\_\_\_

FORM OF REVERSE OF SERIES [ ] SECURITY

This Security is one of a duly authorized issue of Securities of the Company, designated as its % Deferrable Interest Subordinated Debentures due (therein called the "Securities"), limited in aggregate principal amount to \$ issued under an Indenture, dated as of , 199 supplemented by a [ ] Supplemental Indenture, dated as of , 199 (herein called the "Indenture"), between the Company and , as Trustee (herein called the "Trustee", which term includes any successor trustee under the Indenture), to which Indenture and such supplemental indentures reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Trustee, the Company and the Holders of the Securities, and of the terms upon which the Securities are, and are to be, authenticated and delivered.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

At any time on or after , the Company shall have the right, subject to the terms and conditions of Article Twelve of the Indenture, to redeem this Security at the option of the Company, without premium or penalty, in whole or in part, at a Redemption Price equal to % of the principal amount to be redeemed plus accrued but unpaid interest, including Additional Interest, if any, to the Redemption Date.

If a Tax Event or an Investment Company Event (as defined in the Indenture) shall occur and be continuing, the Company shall have the right, subject to the terms and conditions of Article Twelve of the Indenture, to redeem this Security at the option of the Company, without premium or penalty, in whole but not in part, at a Redemption Price equal to % of the principal amount thereof plus accrued but unpaid interest, including Additional Interest, if any, to the Redemption Date. Any redemption pursuant to this paragraph will be made upon not less than 30 nor more than 90 days' notice, at the Redemption Price. If the Securities are only partially redeemed by the Company, the Securities will be redeemed pro rata, by lot or in such other manner as the Trustee shall deem appropriate and fair in its discretion and that may provide for the selection of a portion or portions (equal to U.S. dollars (\$ ) or any integral multiple thereof) of the principal amount of any Security.

In the event of the redemption of this Security in part only, a new Security or Securities for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

If an Event of Default with respect to the Securities of this series shall occur and be continuing, the principal of the Securities of this series may be declared due and payable in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions for satisfaction and discharge at any time of the entire indebtedness of this Security upon compliance by the Company with certain conditions set forth in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of Holders of the Securities of each series to be affected of not less than a majority in principal amount of the Outstanding Securities of such series, to modify the Indenture in a manner affecting the rights of the Holders of the Securities of such series; provided that no such modification may, without the consent of the Holder of each Outstanding Security affected thereby, (i) extend the fixed maturity of the Securities, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable upon the redemption thereof, or (ii) reduce the percentage of principal amount of the Securities, the Holders of which are

required to consent to any such modification of the Indenture. The Indenture also contains provisions permitting Holders of specified percentages in principal amount of the Securities of each series at the time Outstanding, on behalf of the Holders of all Securities of such series, to waive compliance by the Company with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this Security.

No reference herein to the Indenture and no provision of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Security at the times, place and rate, and in the coin or currency, herein prescribed.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Securities Register, upon surrender of this Security for registration of transfer at the office or agency of the Company [ ] duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Securities Registrar duly executed by, the Holder hereof or the Holder's attorney thereunto duly authorized in writing, and thereupon one or more new Securities, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. No service charge shall be made for any such registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner hereof for all purposes, whether or not this Security shall be overdue, and none of the Company, the Trustee or any such agent shall be affected by notice to the contrary.

The Securities are issuable only in registered form without coupons in denominations of \$25 and any integral

multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities are exchangeable for a like aggregate principal amount of Securities of a different authorized denomination, as requested by the Holder surrendering the same.

THIS INDENTURE AND THE SECURITIES SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

### ARTICLE THREE

#### MISCELLANEOUS PROVISIONS

##### SECTION 301. Definitions of Terms.

Except as otherwise expressly provided in this \_\_\_\_\_ Supplemental Indenture or in the form of Series [ ] Security otherwise clearly required by the context hereof or thereof, all terms used herein that are defined in the Indenture shall have the meanings assigned to them therein.

##### SECTION 302. Ratification of Indenture.

The Indenture, as supplemented by this \_\_\_\_\_ Supplemental Indenture, is in all respects ratified and confirmed, and this \_\_\_\_\_ Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

##### SECTION 303. Recitals.

The recitals herein contained are made by the Company and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this \_\_\_\_\_ Supplemental Indenture.

##### SECTION 304. Counterparts.

This \_\_\_\_\_ Supplemental Indenture may be executed in any number of counterparts each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this \_\_\_\_\_ Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed and attested, on the date or dates indicated in the acknowledgments and as of the day and year first above written.

WESTERN RESOURCES, INC.

By

Attest:

\_\_\_\_\_  
Secretary

as Trustee

By

Attest:

\_\_\_\_\_

GUARANTEE AGREEMENT

Between

Western Resources, Inc.  
(as Guarantor)

and

\_\_\_\_\_  
(as Trustee)

dated as of

\_\_\_\_\_, 199

CROSS-REFERENCE TABLE 1

Section of Trust Indenture Act of 1939, as amended	Section of Guarantee Agreement
310(a) .....	4.1(a)
310(b) .....	4.1(c), 2.8
310(c) .....	Inapplicable
311(a) .....	2.2(b)
311(b) .....	2.2(b)
311(c) .....	Inapplicable
312(a) .....	2.2(a)
312(b) .....	2.2(b)
313 .....	2.3
314(a) .....	2.4
314(b) .....	Inapplicable
314(c) .....	2.5
314(d) .....	Inapplicable
314(e) .....	1.1, 2.5, 3.2
314(f) .....	2.1, 3.2
315(a) .....	3.1(d)
315(b) .....	2.7
315(c) .....	3.1
315(d) .....	3.1(d)
316(a) .....	5.4(a), 2.6
316(b) .....	5.3
316(c) .....	2.2
317(a) .....	Inapplicable
317(b) .....	Inapplicable
318(a) .....	2.1(b)
318(b) .....	2.1
318(c) .....	2.1(a)

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1 This Cross-Reference Table does not constitute part of this Guarantee Agreement and shall not affect the interpretation of any of its terms or provisions.

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GUARANTEE AGREEMENT

This GUARANTEE AGREEMENT ("Guarantee Agreement"), dated as of \_\_\_\_\_, 199 , is executed and delivered by Western Resources, Inc., a Kansas corporation (the "Guarantor"), and \_\_\_\_\_, as trustee (the "Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Preferred Securities (as defined herein) of Western Resources Capital [ ], a Delaware statutory business trust (the "Issuer").

WHEREAS, pursuant to a Trust Agreement (the "Trust Agreement"), dated as of \_\_\_\_\_, 199 among the Trustees of the Issuer named therein, Western Resources, Inc., as Depositor, and the Holders from time to time of ownership interests in the Issuer, the Issuer is issuing as of the date hereof \$ \_\_\_\_\_ aggregate liquidation amount of its \_\_\_% Cumulative Quarterly Income Preferred Securities, Series [ ] (the "Preferred Securities") representing ownership interests in the Issuer and having the terms set forth in the Trust Agreement.

WHEREAS, the Preferred Securities will be issued by the Issuer and the proceeds thereof will be used, together with the Common Securities of the Issuer, to purchase the Debentures (as defined in the Trust Agreement) of the Guarantor and deposit the same with the Issuer as trust assets; and

WHEREAS, as incentive for the Holders to purchase the Preferred Securities the Guarantor desires to irrevocably and unconditionally agree, to the extent set forth herein, to pay to the Holders of the Preferred Securities the Guarantee Payments (as defined herein) and to make certain other payments on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the payment for Preferred Securities by each Holder thereof, which payment the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Guarantee Agreement for the benefit of the Holders from time to time of the Preferred Securities.

ARTICLE 1.

DEFINITIONS

SECTION 1.1. Definitions. As used in this Guarantee Agreement, the terms set forth below shall, unless the context otherwise requires, have the following meanings. Capitalized or otherwise defined terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement as in effect on the date hereof.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Common Securities" means the securities representing common ownership interests in the assets of the Issuer.

"Corporate Trust Office" means the principal office of the Trustee in \_\_\_\_\_, at which at any particular time its corporate trust business shall be and which at the date of this Guarantee Agreement is \_\_\_\_\_.

"Event of Default" means a default by the Guarantor on any of its payment obligations under this Guarantee Agreement.

"Guarantee Payments" shall mean the following payments or distributions, without duplication, with respect to the Preferred Securities, to the extent not paid or made by or on behalf of the Issuer: (i) any accrued and unpaid Distributions (as defined in the Trust Agreement) that are required to be paid on such Preferred Securities, but if and only to the extent that the Trustee of the Issuer has available in the Payment Account funds sufficient to make such payment, (ii) the redemption price, including all accrued and unpaid Distributions to the date of redemption (the "Redemption Price"), with respect to the Preferred Securities called for redemption by the Issuer, but if and only to the extent that the Trustee of

the Issuer has available in the Payment Account funds sufficient to make such payment, and (iii) upon a voluntary or involuntary dissolution, winding-up or termination of the Issuer (other than in connection with a redemption of all of the Preferred Securities), the lesser of (a) the aggregate of the liquidation amount and all accrued and unpaid Distributions on the Preferred Securities to the date of payment, but if and only to the extent that the Issuer has funds sufficient to make such payment, and (b) the amount of assets of the Issuer remaining available for distribution to Holders in liquidation of the Issuer (in either case, the "Liquidation Distribution").

"Holder" shall mean any holder, as registered on the books and records of the Issuer, of any Preferred Securities; provided, however, that in determining whether the holders of the requisite percentage of Preferred Securities have given any request, notice, consent or waiver hereunder. "Holder" shall not include the Guarantor or any Affiliate of the Guarantor.

"Indenture" means the Indenture dated as of \_\_\_\_\_, 199 , as supplemented by the \_\_\_\_\_ Supplemental Indenture thereto dated as of \_\_\_\_\_, \_\_\_\_\_, among the Guarantor (the "Debenture Issuer") and \_\_\_\_\_, as trustee (the "Indenture Trustee"), as the same may be supplemented or amended.

"Majority in Liquidation Amount of the Preferred Securities" means a vote by Holder(s) of Preferred Securities, voting separately as a class, of at least a majority in liquidation amount of all Preferred Securities.

"Officers' Certificate" means a certificate signed by the Chairman, a Vice Chairman, the President, a Vice President or the Treasurer of the Guarantor and (ii) the Secretary or an Assistant Secretary of the Guarantor, and delivered to the Trustee; provided, however, that such certificate may be signed by two of the officers or directors listed in clause (i) above in lieu of being signed by one of such officers or directors listed in such clause (i) and one of the officers listed in clause (ii) above. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Guarantee Agreement shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

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

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

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

"Person" means any individual, corporation, partnership, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Responsible Officer" means, with respect to the Trustee, any vice-president, any assistant vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, any trust officer or assistant trust officer or any other officer of the Corporate Trust Department of the Trustee customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of that officer's knowledge of and familiarity with the particular subject.

"Senior Indebtedness" means Senior Indebtedness as defined in the Indenture.

"Successor Trustee" means a successor Trustee possessing the qualifications to act as Trustee under Section 4.1.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended.

"Trustee" means \_\_\_\_\_ until a Successor Trustee has been appointed and has accepted such appointment pursuant to the terms of this Guarantee Agreement, and thereafter means each such Successor Trustee.

ARTICLE 2.

TRUST INDENTURE ACT

SECTION 2.1. Trust Indenture Act; Application.

(a) This Guarantee Agreement is subject to the provisions of the Trust Indenture Act that are required to be part of this Guarantee Agreement and shall, to the extent applicable, be governed by such provisions; and

(b) if and to the extent that any provision of this Guarantee Agreement limits, qualifies or conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

SECTION 2.2. Lists of Holders of Securities.

(a) The Guarantor shall furnish or cause to be furnished to the Trustee (a) semiannually, not later than February 15, and August 15 in each year, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders of the Preferred Securities ("List of Holders") as of a date not more than 15 days prior to the delivery thereof, and (b) at such other times as the Trustee may request in writing, within 30 days after the receipt by the Guarantor of any such request, a List of Holders as of a date not more than 15 days prior to the time such list is furnished; provided that, the Guarantor shall not be obligated to provide such List of Holders at any time the List of Holders does not differ from the most recent List of Holders given to the Trustee by the Guarantor. The Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

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

SECTION 2.3. Reports by the Trustee. Within 60 days after July 1 of each year, the Trustee shall provide to the Holders of the Preferred Securities such reports as are required by Section 313 of the Trust Indenture Act, if any, in the form and in the manner provided by Section 313 of the Trust Indenture Act. The Trustee shall also comply with the requirements of Section 313(d) of the Trust Indenture Act.

SECTION 2.4. Periodic Reports to Trustee. The Guarantor shall provide to the Trustee, the Securities and Exchange Commission and the Holders of the Preferred Securities such documents, reports and information (if any) as may be required by Section 314, as well as the compliance certificate required by Section 314 of the Trust Indenture Act in the form, in the manner and at the times required by such Section 314.

SECTION 2.5. Evidence of Compliance with Conditions Precedent. The Guarantor shall provide to the Trustee such evidence of compliance with any conditions precedent provided for in this Guarantee Agreement that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) may be given in the form of an Officers' Certificate.

SECTION 2.6. Events of Default; Waiver. The Holders of a Majority in Liquidation Amount of Preferred Securities may, by vote, on behalf of the Holders of all of the Preferred Securities, waive any past Event of Default and its consequences. Upon such waiver, any such Event of Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Guarantee Agreement, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon.

SECTION 2.7. Event of Default; Notice.

(a) The Trustee shall, within 90 days after the occurrence of an Event of Default, transmit by mail, first class postage prepaid, to the Holders of the Preferred Securities, notices of all Events of Default known to the Trustee, unless such defaults have been cured before the giving of such notice, provided that 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 determines that the withholding of such notice is in the interests of the Holders of the Preferred Securities.

(b) The Trustee shall not be deemed to have knowledge of any Event of Default unless the Trustee shall have received written notice, or a Responsible Officer charged with the administration of the Trust Agreement shall have obtained written notice, of such Event of Default.

SECTION 2.8. Conflicting Interests. The Trust Agreement shall be deemed to be specifically described in this Guarantee Agreement for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

ARTICLE 3.

POWERS, DUTIES AND RIGHTS OF TRUSTEE

SECTION 3.1. Powers and Duties of the Trustee.

(a) This Guarantee Agreement shall be held by the Trustee for the benefit of the Holders of the Preferred Securities, and the Trustee shall not transfer this Guarantee Agreement to any Person except a Holder of Preferred Securities exercising his or her rights pursuant to Section 5.4 or to a Successor Trustee on acceptance by such Successor Trustee of its appointment to act as Successor Trustee. The right, title and interest of the Trustee shall automatically vest in any Successor Trustee, and such vesting and cessation of title shall be effective whether or not conveyancing documents have been executed and delivered pursuant to the appointment of such Successor Trustee.

(b) If an Event of Default has occurred and is continuing, the Trustee shall enforce this Guarantee Agreement for the benefit of the Holders of the Preferred Securities.

(c) The Trustee, before the occurrence of any Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Guarantee Agreement, and no implied covenants shall be read into this Guarantee Agreement against the Trustee. In case an Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6), the Trustee shall exercise such of the rights and powers vested in it by this Guarantee Agreement, and use the same degree of care and skill in its exercise thereof, as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs.

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



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

(A) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Guarantee Agreement, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Guarantee Agreement; and

(B) 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 Guarantee Agreement; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Guarantee Agreement;

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

(iii) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a Majority in Liquidation Amount of the Preferred Securities 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 Guarantee Agreement; and

(iv) no provision of this Guarantee Agreement 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 the Trustee shall have reasonable grounds for believing that the repayment of such funds or liability is not reasonably assured to it under the terms of this Guarantee Agreement or adequate indemnity against such risk or liability is not reasonably assured to it.

SECTION 3.2. Certain Rights of Trustee.

(a) Subject to the provisions of Section 3.1:

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

(ii) any direction or act of the Guarantor contemplated by this Guarantee Agreement shall be sufficiently evidenced by an Officers' Certificate;

(iii) whenever, in the administration of this Guarantee Agreement, the Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Guarantor;

(iv) the Trustee may consult with counsel of its choice, and the written advice or opinion of such counsel with respect to legal matters shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or opinion; such counsel may be counsel to the Guarantor or any of its Affiliates and may include any of its employees; the Trustee shall have the right at any time to seek instructions concerning the administration of this Guarantee Agreement from any court of competent jurisdiction;

(v) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Guarantee Agreement at the request or direction of any Holder, unless such Holder shall have provided to the Trustee such adequate security and indemnity as would satisfy a reasonable person in the position of the Trustee, against the costs, expenses (including attorneys' fees and expenses) and liabilities that might be incurred by the Trustee in complying with such request or direction, including such reasonable advances as may be requested by

the Trustee; provided that, nothing contained in this Section 3.2(a)(v) shall be interpreted so as to relieve the Trustee, upon the occurrence of an Event of Default, of its obligation to exercise the rights and powers vested in it by this Guarantee Agreement;

(vi) 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, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;

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

(viii) whenever in the administration of this Guarantee Agreement the Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Trustee (i) may request instructions from the Holders of the Preferred Securities, (ii) may refrain from enforcing such remedy or right or taking such other action until such instructions are received, and (iii) shall be protected in acting in accordance with such instructions.

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

(c) The Guarantor agrees to indemnify the Trustee for, and to hold it harmless against, any and all loss, damage, claim, liability or expense, including taxes (other than taxes based on the income of the Trustee) incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this Guaranty Agreement,

including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The Trustee's right to indemnification hereunder shall survive the termination of this Guaranty Agreement.

ARTICLE 4.

TRUSTEE

SECTION 4.1. Trustee; Eligibility.

(a) There shall at all times be a Trustee which

shall:

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

(ii) be a Person that is eligible pursuant to the Trust Indenture Act to act as such and has a combined capital and surplus of at least \$50,000,000 and has its Corporate Trust office in \_\_\_\_\_. If such Person publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then, for the purposes of this Section 4.1(a)(ii), the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Trustee shall cease to be eligible to so act under Section 4.1(a), the Trustee shall immediately resign in the manner and with the effect set out in Section 4.2(c).

(c) If the Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Trustee and Guarantor shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

SECTION 4.2. Appointment, Removal and Resignation of Trustee.

(a) Subject to Section 4.2(b), the Trustee may be appointed or removed without cause at any time by the Guarantor except following the occurrence and during the continuation of an Event of Default.

(b) The Trustee shall not be removed until a Successor Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Trustee and delivered to the Guarantor.

(c) The Trustee appointed to office shall hold office until a Successor Trustee shall have been appointed or until its removal or registration. The Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Trustee has been appointed and has accepted such appointment by instrument in writing executed by such Successor Trustee and delivered to the Guarantor and the resigning Trustee.

(d) If no Successor Trustee shall have been appointed and accepted appointment as provided in this Section 4.2 within 60 days after delivery to the Guarantor of an instrument of resignation, the resigning Trustee may petition any court of competent jurisdiction for appointment of a Successor Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Trustee.

## ARTICLE 5.

### GUARANTEE

SECTION 5.1. Guarantee. The Guarantor irrevocably and unconditionally agrees to pay in full to the Holders the Guarantee Payments (without duplication of amounts theretofore paid by the Issuer), as and when due, regardless of any defense, right of set-off or counterclaim which the Issuer may have or assert, other than the defense of payment. The Guarantor's obligation to make a Guarantee Payment may be satisfied by direct payment of the required amounts by the Guarantor to the Holders or by causing the Issuer to pay such amounts to the Holders.

SECTION 5.2. Waiver of Notice and Demand. The Guarantor hereby waives notice of acceptance of this Guarantee Agreement and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Issuer or any other Person before proceeding against the Guarantor, protest, notice of

nonpayment, notice of dishonor, notice of redemption and all other notices and demands.

SECTION 5.3. Obligations Not Affected. The obligation of the Guarantor to make the Guarantee Payments under this Guarantee Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the release or waiver, by operation of law or otherwise, of the performance or observance by the Issuer of any express or implied agreement, covenant, term or condition relating to the Preferred Securities to be performed or observed by the Issuer;

(b) the extension of time for the payment by the Issuer of all or any portion of the Distributions, Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Preferred Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the Preferred Securities (other than an extension of time for payment of Distributions, Redemption Price, Liquidation Distribution or other sum payable that results from the extension of any interest payment period on the Debentures permitted by the Indenture);

(c) any failure, omission, delay or lack of diligence on the part of the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Holders pursuant to the terms of the Preferred Securities, or any action on the part of the Issuer granting indulgence or extension of any kind;

(d) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of the debt of, or other similar proceedings affecting, the Issuer or any of the assets of the Issuer;

(e) any invalidity of, or defect or deficiency in, the Preferred Securities;

(f) the settlement or compromise of any obligation guaranteed hereby or hereby incurred; or

(g) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor other than the defense of payment, it being the intent of this Section 5.3 that the obligations of the Guarantor hereunder -- to the limited extent set forth herein -- shall be absolute and unconditional under any and all circumstances.

There shall be no obligation of the Holders to give notice to, or obtain consent of, the Guarantor with respect to the happening of any of the foregoing.

SECTION 5.4. Rights of Holders. The Guarantor expressly acknowledges that: (i) this Guarantee Agreement will be deposited with the Trustee to be held for the benefit of the Holders of the Preferred Securities; (ii) the Trustee has the right to enforce this Guarantee Agreement on behalf of the Holders of the Preferred Securities; (iii) the Holders of a Majority in Liquidation Amount of the Preferred Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee in respect of this Guarantee Agreement or exercising any trust or power conferred upon the Trustee under this Guarantee Agreement; and (iv) if the Trustee fails to enforce this Guarantee Agreement as above provided, any Holder of the Preferred Securities may institute a legal proceeding directly against the Guarantor to enforce its rights under this Guarantee Agreement, without first instituting a legal proceeding against the Issuer or any other person or entity.

SECTION 5.5. Guarantee of Payment. This Guarantee Agreement creates a guarantee of payment and not of collection. This Guarantee Agreement will not be discharged except by payment of the Guarantee Payments in full (without duplication).

SECTION 5.6. Subrogation. The Guarantor shall be subrogated to all (if any) rights of the Holders of Preferred Securities against the Issuer in respect of any amounts paid to the Holders by the Guarantor under this Guarantee Agreement; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any rights which it may acquire by way of subrogation or any indemnity, reimbursement or other agreement, in all cases as a result of payment under this Guarantee Agreement, if, at the time of any such payment, any amounts of Guarantee Payments are due and unpaid under this Guarantee Agreement. If any amount shall be paid to the Guarantor in violation of the preceding sentence, the Guarantor agrees to hold

such amount in trust for the Holders and to pay over such amount to the Holders.

SECTION 5.7. Independent Obligations. The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Issuer with respect to the Preferred Securities and that the Guarantor shall be liable as principal and as debtor hereunder to make Guarantee Payments pursuant to the terms of this Guarantee Agreement notwithstanding the occurrence of any event referred to in subsections (a) through (g), inclusive, of Section 5.3 hereof.

ARTICLE 6.

SUBORDINATION

SECTION 6.1. Subordination. This Guarantee Agreement will constitute an unsecured obligation of the Guarantor and will rank subordinate and junior in right of payment to all Senior Indebtedness of the Guarantor. This Guarantee Agreement will be pari passu with the Debentures.

SECTION 6.2. Pari Passu. This Guarantee Agreement shall rank pari passu with any similar Guarantee Agreements issued by the Guarantor on behalf of the Holders of Preferred Securities issued by Western Resources Capital II or any other issuer holding debentures issued under the Indenture, dated as of \_\_\_\_\_, 199 .

ARTICLE 7.

TERMINATION

SECTION 7.1. Termination. This Guarantee Agreement shall terminate and be of no further force and effect upon: (i) full payment of the Redemption Price of all Preferred Securities, (ii) the distribution of Debentures to Holders of Preferred Securities in exchange for all of the Preferred Securities or (iii) upon full payment of the amounts payable in accordance with the Trust Agreement upon liquidation of the Issuer. Notwithstanding the foregoing, this Guarantee Agreement will continue to be effective or will be reinstated, as the case may be, if at any time any Holder must restore payment of any sums paid with respect to the Preferred Securities or under this Guarantee Agreement.



ARTICLE 8.

MISCELLANEOUS

SECTION 8.1. Successors and Assigns. All guarantees and agreements contained in this Guarantee Agreement shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders of the Preferred Securities then outstanding. Except in connection with a consolidation, merger or sale involving the Guarantor that is permitted under Article Eight of the Indenture, the Guarantor shall not assign its obligations hereunder.

SECTION 8.2. Amendments. Except with respect to any changes which do not adversely affect the rights of Holders (in which case no consent of Holders will be required), this Guarantee Agreement may only be amended with the prior approval of the Holders of not less than a Majority in liquidation amount of all the outstanding Preferred Securities. The provisions of Article Six of the Trust Agreement concerning meetings of Holders shall apply to the giving of such approval.

SECTION 8.3. Notices. Any notice, request or other communication required or permitted to be given hereunder shall be in writing, duly signed by the party giving such notice, and delivered, telecopied or mailed by first class mail as follows:

(a) if given to the Guarantor, to the address set forth below or such other address as the Guarantor may give notice of to the Holders of the Preferred Securities:

Western Resources, Inc.  
818 Kansas Avenue  
Topeka, Kansas 66612  
Attention: Vice President, Finance;

(b) if given to the Issuer, in care of the Trustee, at the Issuer's (and the Trustee's) address set forth below or such other address as the Trustee on behalf of the Issuer may give notice to the Holders of the Preferred Securities:

Western Resources Capital [ ]  
c/o Western Resources, Inc.  
818 Kansas Avenue  
Topeka, Kansas 66612  
Attention: Vice President, Finance

with copy to:

[Trustee] \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Facsimile No:

Attention: \_\_\_\_\_; and

(c) if given to any Holder of Preferred Securities, at the address set forth on the books and records of the Issuer.

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

SECTION 8.4. Benefit. This Guarantee Agreement is solely for the benefit of the Holders of the Preferred Securities and, subject to Section 3.1(a), is not separately transferable from the Preferred Securities.

SECTION 8.5. Governing Law. THIS GUARANTEE AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

THIS GUARANTEE AGREEMENT is executed as of the day  
and year first above written.

WESTERN RESOURCES, INC., as Guarantor

By:

Name:  
Title:

\_\_\_\_\_, as Trustee

By:

Name:  
Title:

CERTIFICATE OF TRUST  
OF  
WESTERN RESOURCES CAPITAL I

THIS CERTIFICATE OF TRUST of Western Resources Capital I (the "Trust"), dated October 12, 1995, is being duly executed and filed by the undersigned, as trustee, to form a business trust under the Delaware Business Trust Act (12 Del. Code Section 3801 et seq.).

1. Name. The name of the business trust being formed hereby is WESTERN RESOURCES CAPITAL I.

2. Delaware Trustee. The name and business address of the trustee of the Trust with a principal place of business in the State of Delaware is Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, Attention: Corporate Trust Administration.

3. Effective Date. This Certificate of Trust shall be effective as of its filing.

IN WITNESS WHEREOF, the undersigned, being the trustees of the Trust, have executed this Certificate of Trust as of the date first above written.

WILMINGTON TRUST COMPANY  
as Trustee

By: /s/ Patricia A. Evans

-----  
Name: Patricia A. Evans  
Title: Financial Services Officer

CERTIFICATE OF TRUST  
OF  
WESTERN RESOURCES CAPITAL II

THIS CERTIFICATE OF TRUST of Western Resources Capital II (the "Trust"), dated October 12, 1995, is being duly executed and filed by the undersigned, as trustee, to form a business trust under the Delaware Business Trust Act (12 Del. Code Section 3801 et seq.).

1. Name. The name of the business trust being formed hereby is WESTERN RESOURCES CAPITAL II.

2. Delaware Trustee. The name and business address of the trustee of the Trust with a principal place of business in the State of Delaware is Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, Attention: Corporate Trust Administration.

3. Effective Date. This Certificate of Trust shall be effective as of its filing.

IN WITNESS WHEREOF, the undersigned, being the trustees of the Trust, have executed this Certificate of Trust as of the date first above written.

WILMINGTON TRUST COMPANY  
as Trustee

By: /s/ Patricia A. Evans

-----  
Name: Patricia A. Evans  
Title: Financial Services Officer

## TRUST AGREEMENT

This TRUST AGREEMENT, dated as of October 12, 1995, among Western Resources, Inc., a Kansas corporation, as "Depositor", Wilmington Trust, a Delaware banking corporation, not in its individual capacity but solely as Trustee. The Depositor and the Trustee hereby agree as follows:

1. The trust created hereby shall be known as "Western Resources Capital I," in which name the Trustee, or the Depositor to the extent provided herein, may conduct the business of the Trust, make and execute contracts, and sue and be sued.

2. The Depositor hereby assigns, transfers, conveys and sets over to the Trustee the sum of \$10. The Trustee hereby acknowledges receipt of such amount in trust from the Depositor, which amount shall constitute the initial trust estate. The Trustee hereby declares that it will hold the trust estate in trust for the Depositor. It is the intention of the parties hereto that the Trust created hereby constitute a business trust under Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. Section 3801 et seq. (the "Business Trust Act"), and that this document constitutes the governing instrument of the Trust. The Trustee is hereby authorized and directed to execute and file a certificate of trust with the Delaware Secretary of State in accordance with the provisions of the Business Trust Act.

3. The Depositor and the Trustee will enter into an Amended and Restated Trust Agreement, satisfactory to each such party and substantially in the form included as an Exhibit to the 1933 Act Registration Statement referred to below, to provide for the contemplated operation of the Trust created hereby and the issuance of the Preferred Securities and Common Securities referred to therein. Prior to the execution and delivery of such Amended and Restated Trust Agreement, the Trustee shall not have any duty or obligation hereunder or with respect to the trust estate, except as otherwise required by applicable law or as may be necessary to obtain prior to such execution and delivery any licenses, consents or approvals required by applicable law or otherwise.

4. The Depositor and the Trustee hereby authorize and direct the Depositor, as the sponsor of the Trust, (i) to file with the Securities and Exchange Commission (the "Commission") and execute, in each case on behalf of the Trust, (a) the Registration Statement on Form S-3 (the "1933 Act Registration Statement"), including any pre-effective or post-effective amendments to such 1933 Act Registration Statement, relating to the registration under the Securities Act of 1933, as amended, of the Preferred Securities of the Trust and certain other securities and (b) a Registration Statement on Form 8-A (the "1934 Act Registration Statement") (including all pre-effective and post-effective amendments thereto) relating to the registration of the Preferred Securities of the Trust under Section 12(b) of

the Securities Exchange Act of 1934, as amended; (ii) to file with the New York Stock Exchange (the "Exchange") and execute on behalf of the Trust a listing application and all other applications, statements, certificates, agreements and other instruments as shall be necessary or desirable to cause the Preferred Securities to be listed on the Exchange; (iii) to file and execute on behalf of the Trust such applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents as shall be necessary or desirable to register the Preferred Securities under the securities or "Blue Sky" laws of such jurisdictions as the Depositor, on behalf of the Trust, may deem necessary or desirable and (iv) to execute on behalf of the Trust that certain Underwriting Agreement relating to the Preferred Securities, among the Trust, the Depositor and the several Underwriters named therein, substantially in the form included as an Exhibit to the 1933 Act Registration Statement. In connection with all of the foregoing, the Depositor hereby constitutes and appoints Richard D. Terrill and James A. Martin, and each of them, as its true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for the Depositor or in the Depositor's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to the 1933 Act Registration Statement and the 1934 Act Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the Depositor might or could do in person, thereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their respective substitute or substitutes, shall do or cause to be done by virtue hereof.

5. This Trust Agreement may be executed in one or more counterparts.

6. The number of Trustees initially shall be one (1) and thereafter the number of Trustees shall be such number as shall be fixed from time to time by a written instrument signed by the Depositor which may increase or decrease the number of Trustees; provided, however, that to the extent required by the Business Trust Act, one Trustee shall either be a natural person who is a resident of the State of Delaware or, if not a natural person, an entity which has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable Delaware law.

Subject to the foregoing, the Depositor is entitled to appoint or remove without cause any Trustee at any time. Any Trustee may resign upon thirty days prior notice to the Depositor.

7. This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (without regard to conflict of laws principles).

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

WESTERN RESOURCES, INC., as

Depositor

By: /s/ James A. Martin

-----  
Name: James A. Martin  
Title: Vice President, Finance

WILMINGTON TRUST COMPANY,  
not in its individual capacity but solely as Trustee

By: /s/ Patricia A. Evans

-----  
Name: Patricia A. Evans  
Title: Financial Services Officer



## TRUST AGREEMENT

This TRUST AGREEMENT, dated as of October 12, 1995, among Western Resources, Inc., a Kansas corporation, as "Depositor", Wilmington Trust, a Delaware banking corporation, not in its individual capacity but solely as Trustee. The Depositor and the Trustee hereby agree as follows:

1. The trust created hereby shall be known as "Western Resources Capital II," in which name the Trustee, or the Depositor to the extent provided herein, may conduct the business of the Trust, make and execute contracts, and sue and be sued.

2. The Depositor hereby assigns, transfers, conveys and sets over to the Trustee the sum of \$10. The Trustee hereby acknowledges receipt of such amount in trust from the Depositor, which amount shall constitute the initial trust estate. The Trustee hereby declares that it will hold the trust estate in trust for the Depositor. It is the intention of the parties hereto that the Trust created hereby constitute a business trust under Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. Section 3801 et seq. (the "Business Trust Act"), and that this document constitutes the governing instrument of the Trust. The Trustee is hereby authorized and directed to execute and file a certificate of trust with the Delaware Secretary of State in accordance with the provisions of the Business Trust Act.

3. The Depositor and the Trustee will enter into an Amended and Restated Trust Agreement, satisfactory to each such party and substantially in the form included as an Exhibit to the 1933 Act Registration Statement referred to below, to provide for the contemplated operation of the Trust created hereby and the issuance of the Preferred Securities and Common Securities referred to therein. Prior to the execution and delivery of such Amended and Restated Trust Agreement, the Trustee shall not have any duty or obligation hereunder or with respect to the trust estate, except as otherwise required by applicable law or as may be necessary to obtain prior to such execution and delivery any licenses, consents or approvals required by applicable law or otherwise.

4. The Depositor and the Trustee hereby authorize and direct the Depositor, as the sponsor of the Trust, (i) to file with the Securities and Exchange Commission (the "Commission") and execute, in each case on behalf of the Trust, (a) the Registration Statement on Form S-3 (the "1933 Act Registration Statement"), including any pre-effective or post-effective amendments to such 1933 Act Registration Statement, relating to the registration under the Securities Act of 1933, as amended, of the Preferred Securities of the Trust and certain other securities and (b) a Registration Statement on Form 8-A (the "1934 Act Registration Statement") (including all pre-effective and post-effective amendments thereto) relating to the registration of the Preferred Securities of the Trust under Section 12(b) of

the Securities Exchange Act of 1934, as amended; (ii) to file with the New York Stock Exchange (the "Exchange") and execute on behalf of the Trust a listing application and all other applications, statements, certificates, agreements and other instruments as shall be necessary or desirable to cause the Preferred Securities to be listed on the Exchange; (iii) to file and execute on behalf of the Trust such applications, reports, surety bonds, irrevocable consents, appointments of attorney for service of process and other papers and documents as shall be necessary or desirable to register the Preferred Securities under the securities or "Blue Sky" laws of such jurisdictions as the Depositor, on behalf of the Trust, may deem necessary or desirable and (iv) to execute on behalf of the Trust that certain Underwriting Agreement relating to the Preferred Securities, among the Trust, the Depositor and the several Underwriters named therein, substantially in the form included as an Exhibit to the 1933 Act Registration Statement. In connection with all of the foregoing, the Depositor hereby constitutes and appoints Richard D. Terrill and James A. Martin, and each of them, as its true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for the Depositor or in the Depositor's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to the 1933 Act Registration Statement and the 1934 Act Registration Statement and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as the Depositor might or could do in person, thereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their respective substitute or substitutes, shall do or cause to be done by virtue hereof.

5. This Trust Agreement may be executed in one or more counterparts.

6. The number of Trustees initially shall be one (1) and thereafter the number of Trustees shall be such number as shall be fixed from time to time by a written instrument signed by the Depositor which may increase or decrease the number of Trustees; provided, however, that to the extent required by the Business Trust Act, one Trustee shall either be a natural person who is a resident of the State of Delaware or, if not a natural person, an entity which has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable Delaware law.

Subject to the foregoing, the Depositor is entitled to appoint or remove without cause any Trustee at any time. Any Trustee may resign upon thirty days prior notice to the Depositor.

7. This Trust Agreement shall be governed by, and construed in accordance with, the laws of the State of Delaware (without regard to conflict of laws principles).

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

WESTERN RESOURCES, INC., as

Depositor

By: /s/ James A. Martin

-----  
Name: James A. Martin  
Title: Vice President, Finance

WILMINGTON TRUST COMPANY,  
not in its individual capacity but solely as Trustee

By: /s/ Patricia A. Evans

-----  
Name: Patricia A. Evans  
Title: Financial Services Officer

AMENDED AND RESTATED

TRUST AGREEMENT

between

WESTERN RESOURCES, INC., as Depositor

and

WILMINGTON TRUST COMPANY, as Property and Delaware Trustee,

and

THE ADMINISTRATIVE TRUSTEES NAMED HEREIN

Dated as of \_\_\_\_\_, \_\_\_\_\_

WESTERN RESOURCES CAPITAL I

WESTERN RESOURCES CAPITAL I

Certain Sections of this Trust Agreement relating to Sections 310 through 318 of the Trust Indenture Act of 1939:

Restated Trust Indenture	Amended and Trust Agreement
Act Section -----	Section -----
Section 310(a)(1) . . . . .	8.07
(a)(2) . . . . .	8.07
(a)(3) . . . . .	8.09
(a)(4) . . . . .	Not Applicable
(b) . . . . .	8.08
Section 311(a) . . . . .	8.13
(b) . . . . .	8.13
Section 312(a) . . . . .	5.07
(b) . . . . .	5.07
(c) . . . . .	5.07
Section 313(a) . . . . .	8.14(a)
(a)(4) . . . . .	8.14(b)
(b) . . . . .	8.14(b)
(c) . . . . .	8.14(a)
(d) . . . . .	8.14(a), 8.14(b), 8.14(c)
Section 314(a) . . . . .	8.15
(b) . . . . .	Not Applicable
(c)(1) . . . . .	8.16
(c)(2) . . . . .	8.16
(c)(3) . . . . .	8.16
(d) . . . . .	Not Applicable
(e) . . . . .	Not Applicable
Section 315(a) . . . . .	8.01
(b) . . . . .	8.02, 8.14(b)
(c) . . . . .	8.01(a)
(d) . . . . .	8.01, 8.03
(e) . . . . .	Not Applicable
Section 316(a) . . . . .	Not Applicable
(a)(1)(A) . . . . .	Not Applicable
(a)(1)(B) . . . . .	Not Applicable
(a)(2) . . . . .	Not Applicable
(b) . . . . .	Not Applicable
(c) . . . . .	Not Applicable
Section 317(a)(1) . . . . .	Not Applicable
(a)(2) . . . . .	Not Applicable
(b) . . . . .	5.08
Section 318(a) . . . . .	10.09

NOTE: This reconciliation and tie shall not, for any purpose, be deemed to be a part of the Trust Agreement.

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- 
- Exhibit A Certificate of Trust
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  - Exhibit C Form of Common Securities Certificate
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WESTERN RESOURCES CAPITAL I

AMENDED AND RESTATED TRUST AGREEMENT, dated as of \_\_\_\_\_, \_\_\_\_\_, among (i) Western Resources, Inc., a Kansas corporation (the "Depositor" or "Western Resources"), (ii) Wilmington Trust Company, a banking corporation duly organized and existing under the laws of the State of Delaware, as trustee (the "Property Trustee" and, in its separate corporate capacity and not in its capacity as Property Trustee, the "Bank") and as Delaware trustee (the "Delaware Trustee" and, in its separate corporate capacity and not in its capacity as Delaware Trustee, the "Bank"), and (iii) Steven L. Kitchen, an individual, James A. Martin, an individual, and John K. Rosenberg, an individual, each of whose address is c/o Western Resources, 818 Kansas Avenue, Topeka, Kansas 66612 (each an "Administrative Trustee" and referred to collectively as the "Administrative Trustees") (the Property Trustee, the Delaware Trustee and the Administrative Trustees referred to collectively as the "Trustees") and (v) the several Holders, as hereinafter defined.

W I T N E S S E T H:

WHEREAS, the Depositor and the Bank have heretofore duly declared and established Western Resources Capital I (the "Trust") as a business trust pursuant to the Delaware Business Trust Act by the entering into of that certain Trust Agreement, dated as of October 12, 1995 (the "Original Trust Agreement"), and by the execution and filing by the Property Trustee and the Delaware Trustee with the Secretary of State of the State of Delaware of the Certificate of Trust, filed on October 12, 1995, attached hereto as Exhibit A; and

WHEREAS, the Depositor and the Bank desire to amend and restate the Original Trust Agreement in its entirety as set forth herein to provide for, among other things, (i) the acquisition by the Trust from the Depositor of all of the right, title and interest in the Debentures (as defined herein), (ii) the issuance of the Common Securities (as defined herein) by the Trust to the Depositor, (iii) the issuance and sale of the Preferred Securities (as defined herein) by the Trust pursuant to the Underwriting Agreement (as defined herein) and (iv) the appointment of the Administrative Trustees;

NOW THEREFORE, in consideration of the agreements and obligations set forth herein and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, each party, for the benefit of the other parties and for the benefit of the Securityholders (as defined herein), hereby amends and restates the Original Trust Agreement in its entirety and agrees as follows:



ARTICLE I

DEFINED TERMS

Section 1.01. Definitions. For all purposes of this Trust Agreement, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all other terms used herein that are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) unless the context otherwise requires, any reference to an "Article" or a "Section" refers to an Article or a Section, as the case may be, of this Trust Agreement; and

(d) the words "herein", "hereof" and "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or other subdivision.

"Act" has the meaning specified in Section 6.08.

"Additional Amount" means, with respect to Trust Securities of a given Liquidation Amount and/or a given period, the amount of Additional Interest Attributable to Deferral (as defined in the Subordinated Indenture) paid by the Depositor on a Like Amount of Debentures for such period.

"Administrative Trustee" means each of the individuals identified as an "Administrative Trustee" in the preamble to this Trust Agreement solely in his or her capacity as Administrative Trustee of the Trust heretofore formed and continued hereunder and not in his or her individual capacity, or such Administrative Trustee's successor in interest in such capacity, or any successor administrative trustee appointed as herein provided.

"Affiliate" of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, "control" when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms "controlling" and "controlled" have meanings correlative to the foregoing.

"Bank" has the meaning specified in the preamble to this Trust Agreement.

"Bankruptcy Event" means, with respect to any Person:

(i) a decree or order is entered by a court having jurisdiction in the premises (a) for relief in respect of such Person in an involuntary case or proceeding under the Federal Bankruptcy Code or any other federal or state bankruptcy, insolvency, reorganization or similar law or (b) adjudging such Person a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment or composition of or in respect of such Person under the Federal Bankruptcy Code or any other applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of such Person or of any substantial part of any of its properties, or ordering the winding up or liquidation of any of its affairs, and any such decree or order remains unstayed and in effect for a period of 60 consecutive days; or

(ii) such Person institutes a voluntary case or proceeding under the Federal Bankruptcy Code or any other applicable federal or state law or any other case or proceeding to be adjudicated a bankrupt or insolvent, or such Person consents to the entry of a decree or order for relief in respect of such Person in any involuntary case or proceeding under the Federal Bankruptcy Code or any other applicable federal or state law or to the institution of bankruptcy or insolvency proceedings against such Person, or such Person files a petition or answer or consent seeking reorganization or relief under the Federal Bankruptcy Code or any other applicable federal or state law, or consents to the filing of any such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of any such Person or of any substantial part of its property, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts generally as they become due or takes corporate action in furtherance of any such action.

"Bankruptcy Laws" has the meaning specified in Section 10.08.

"Board Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Depositor to have been duly adopted by the Depositor's Board of Directors or a duly authorized committee thereof and delivered to the Trustee.

"Book-Entry Preferred Securities Certificates" means a beneficial interest in the Preferred Securities Certificates, ownership and transfers of which shall be made through book entries by a Clearing Agency as described in Section 5.10.

"Business Day" means a day other than (x) a Saturday or a Sunday, (y) a day on which banks in New York, New York are authorized or obligated by law or executive order to remain closed or (z) a day on which the Property Trustee's Corporate Trust Office, the Debenture Trustee's principal corporate trust office or, if Western Resources acts as Paying Agent, Western Resources' principal office is closed for business.

"Certificate Depository Agreement" means the agreement among the Trust, the Depositor and The Depository Trust Company, as the initial Clearing Agency, dated as of the Closing Date, relating to the Trust Certificates, substantially in the form attached hereto as Exhibit B, as the same may be amended and supplemented from time to time.

"Clearing Agency" means an organization registered as a "clearing agency" pursuant to Section 17A of the Securities Exchange Act of 1934, as amended. The Depository Trust Company will be the initial Clearing Agency.

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

"Closing Date" means the "First Time of Delivery" as defined in the Underwriting Agreement, which date is also the date of execution and delivery of this Trust Agreement.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commission" means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, as amended, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

"Common Security" means a beneficial interest in the Trust, having a Liquidation Amount of \$25 and having the rights provided therefor in this Trust Agreement, including the right to receive Distributions and a Liquidation Distribution as provided herein.

"Common Securities Certificate" means a certificate evidencing ownership of Common Securities, substantially in the form attached hereto as Exhibit C.

"Corporate Trust Office" means the principal office of the Property Trustee located in Wilmington, Delaware.

"Debenture Event of Default" means an "Event of Default" as defined in the Subordinated Indenture.

"Debenture Redemption Date" means "Redemption Date" as defined in the Subordinated Indenture.

"Debenture Trustee" means Wilmington Trust Company, a banking corporation duly organized and existing under the laws of the State of Delaware.

"Debentures" means the \$\_\_\_\_\_ aggregate principal amount of Western Resources \_\_\_% Deferrable Interest Subordinated Debentures Series A, Due 20\_\_, issued pursuant to the Subordinated Indenture.

"Definitive Preferred Securities Certificates" means either or both (as the context requires) of (i) Preferred Securities Certificates issued in typewritten, certificated, fully registered form as provided in Section 5.10(a) and (ii) Preferred Securities Certificates issued in certificated, fully registered form as provided in Section 5.12.

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

"Delaware Trustee" means the banking corporation identified as the "Delaware Trustee" in the preamble to this Trust Agreement solely in its capacity as Delaware Trustee of the Trust formed and continued hereunder and not in its individual capacity, or its successor in interest in such capacity, or any successor trustee appointed as herein provided.

"Depositor" has the meaning specified in the preamble to this Trust Agreement and includes Western Resources, Inc. in its capacity as Holder of the Common Securities.

"Distribution Date" has the meaning specified in Section 4.01(a).

"Distributions" means amounts payable in respect of the Trust Securities as provided in Section 4.01.

"Event of Default" means the occurrence of a Debenture Event of Default (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body).

"Expense Agreement" means the Agreement as to Expenses and Liabilities between Western Resources and the Trust, substantially in the form attached as Exhibit D, as amended from time to time.

"Federal Bankruptcy Code" means the Bankruptcy Act of Title 11 of the United States Code, as amended from time to time.

"Global Certificate" shall mean the Preferred Securities Certificate or Certificates issued as specified in Section 5.10.

"Guarantee" means the Guarantee Agreement executed and delivered by Western Resources and Wilmington Trust Company, a Delaware banking corporation, as trustee, contemporaneously with the execution and delivery of this Trust Agreement, for the benefit of the Preferred Securityholders, as amended from time to time.

"Holder" or "Securityholder" means a Person in whose name a Trust Security or Securities is registered in the Securities Register; any such Person shall be deemed to be a beneficial owner within the meaning of the Delaware Business Trust Act.

"Investment Company Event" means the occurrence of a change in law or regulation or a change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority (a "Change in 1940 Act Law") to the effect that the Trust is or will be considered an "investment company" that is required to be registered under

the Investment Company Act of 1940, as amended, which Change in 1940 Act Law becomes effective on or after the date of original issuance of the Preferred Securities.

"Lien" means any lien, pledge, charge, encumbrance, mortgage, deed of trust, adverse ownership interest, hypothecation, assignment, security interest or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever.

"Like Amount" means (i) Trust Securities having an aggregate Liquidation Amount equal to the principal amount of Debentures to be contemporaneously redeemed in accordance with the Subordinated Indenture and the proceeds of which will be used to pay the Redemption Price of such Trust Securities, or (ii) Debentures having a principal amount equal to the aggregate Liquidation Amount of the Trust Securities of the Holder to whom such Debentures are distributed, as the case may be.

"Liquidation Amount" means the stated amount of U.S. \$25 per Trust Security.

"Liquidation Date" means the Date on which Debentures are to be distributed to Holders of Trust Securities in connection with a dissolution and liquidation of the Trust pursuant to Section 9.04(a).

"Liquidation Distribution" has the meaning specified in Section 9.04(d).

"Officers' Certificate" means a certificate signed by (i) the Chairman, a Vice Chairman, the President, a Vice President, or the Treasurer of the Depositor and (ii) the Secretary or an Assistant Secretary of the Depositor, and delivered to the appropriate Trustee; provided, however, that such certificate may be signed by two of the officers or directors listed in clause (i) above in lieu of being signed by one of such officers or directors listed in such clause (i) and one of the officers listed in clause (ii) above. One of the officers signing an Officers' Certificate given pursuant to Section 8.16 shall be the principal executive, financial or accounting officer of the Depositor. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Trust Agreement shall include:

(a) a statement that each officer signing the Officers' Certificate has read the covenant or condition and the definitions relating thereto;

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

(c) a statement that each such officer has made such examination or investigation as, in such officer's opinion, is necessary to enable such officer to express an informed opinion as

to whether or not such covenant or condition has been complied with;  
and

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

"Opinion of Counsel" means a written opinion of counsel, who may be counsel for the Trust, the Property Trustee or the Depositor, but not an employee of the Trust, the Property Trustee or the Depositor, and who shall be reasonably acceptable to the Property Trustee.

"Original Trust Agreement" has the meaning specified in the recitals to this Trust Agreement.

"Outstanding", when used with respect to Preferred Securities, means, as of the date of determination, all Preferred Securities theretofore authenticated and delivered under this Trust Agreement, except:

(i) Preferred Securities theretofore canceled by the Administrative Trustees or delivered to the Administrative Trustees for cancellation;

(ii) Preferred Securities for whose payment or redemption money in the necessary amount has been theretofore deposited with the Property Trustee or any Paying Agent for the Holders of such Preferred Securities; provided that, if such Preferred Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Trust Agreement; and

(iii) Preferred Securities which have been paid pursuant to Section 5.05 or in exchange for or in lieu of which other Preferred Securities have been authenticated and delivered pursuant to this Trust Agreement;

provided, however, that in determining whether the Holders of the requisite aggregate Liquidation Amount of the Outstanding Preferred Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Preferred Securities owned by the Depositor, any Trustee or any Affiliate of the Depositor or any Trustee shall be disregarded and deemed not to be Outstanding, except that (a) in determining whether any Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Preferred Securities which such Trustee knows to be so owned shall be so disregarded and (b) the foregoing shall not apply at any time when all of the outstanding Preferred Securities are owned by the Depositor, one or more of the Trustees and/or any such Affiliate. Preferred Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Administrative Trustees the pledgee's right so to act with respect to such Preferred Securities and that the pledgee is not the Depositor or any Affiliate of the Depositor.

"Owner" means each Person who is the beneficial owner of a Book-Entry Preferred Securities Certificate as reflected in the records of the Clearing Agency or, if a Clearing Agency Participant is not the Owner, then as

reflected in the records of a Person maintaining an account with such Clearing Agency (directly or indirectly, in accordance with the rules of such Clearing Agency).

"Paying Agent" means any paying agent or co-paying agent appointed pursuant to Section 5.08 and shall initially be the Bank.

"Payment Account" means a segregated non-interest-bearing corporate trust account maintained by the Property Trustee with the Bank in its trust department for the benefit of the Securityholders in which all amounts paid in respect of the Debentures will be held and from which the Property Trustee shall make payments to the Securityholders in accordance with Section 4.01.

"Person" means any individual, corporation, partnership, joint venture, trust, limited liability company or corporation, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Security" means a beneficial interest in the Trust, having a Liquidation Amount of \$25 and having the rights provided therefor in this Trust Agreement, including the right to receive Distributions and a Liquidation Distribution as provided herein.

"Preferred Securities Certificate" means a certificate evidencing ownership of Preferred Securities, substantially in the form attached as Exhibit E.

"Property Trustee" means the commercial bank or trust company identified as the "Property Trustee" in the preamble to this Trust Agreement solely in its capacity as Property Trustee of the Trust heretofore formed and continued hereunder and not in its individual capacity, or its successor in interest in such capacity, or any successor trustee appointed as herein provided.

"Redemption Date" means, with respect to any Trust Security to be redeemed, the date fixed for such redemption by or pursuant to this Trust Agreement; provided that each Debenture Redemption Date shall be a Redemption Date for a Like Amount of Trust Securities.

"Redemption Price" means, with respect to any date fixed for redemption of any Trust Security, the Liquidation Amount of such Trust Security, plus accumulated and unpaid Distributions to such date.

"Relevant Trustee" shall have the meaning specified in Section 8.10.

"Securities Register" and "Securities Registrar" shall be as described in Section 5.04.

"Securityholder" or "Holder" means a Person in whose name a Trust Security or Securities is registered in the Securities Register; any such Person shall be deemed to be a beneficial owner within the meaning of the Delaware Business Trust Act.

"Special Event" means either a Tax Event or an Investment Company Event.

"Subordinated Indenture" means the Indenture, dated as of \_\_\_\_\_, \_\_\_\_\_, between Western Resources and the Debenture Trustee, as trustee, as amended or supplemented from time to time.

"Tax Event" means the receipt by the Trust or the Depositor, as the case may be, of an Opinion of Counsel experienced in such matters to the effect that a relevant tax law change has occurred. For purposes of the preceding sentence a relevant tax law change is any amendment or change to (or officially proposed amendment or change to) the laws (including regulations thereunder) of the United States or any political subdivision or taxing authority thereof, or the publication of any judicial opinion interpreting such laws (or regulations) or any written interpretation of such laws (or regulations) by any governmental authority having jurisdiction to enforce or administer such laws (or regulations) (including official and unofficial opinions purporting to apply such laws and regulations to other Persons who have issued securities similar to the Debentures), which amendment, change, proposed amendment or change, opinion or interpretation could if valid and enacted or applied to the Trust or the Depositor result in (i) the Trust, either currently or within 90 days of the date thereof, becoming subject to United States federal income tax with respect to interest received on the Debentures, (ii) interest payable by the Depositor on the Debentures attributable to the Preferred Securities, either currently or within 90 days of the date thereof, becoming nondeductible for United States federal income tax purposes or (iii) the Trust, either currently or within 90 days of the date thereof, becoming subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Trust" means the Delaware business trust created and continued hereby and identified on the cover page to this Trust Agreement.

"Trust Agreement" means this Trust Agreement, as the same may be modified, amended or supplemented in accordance with the applicable provisions hereof, including all exhibits hereto, including, for all purposes of this Trust Agreement and any such modification, amendment or supplement, the provisions of the Trust Indenture Act that are deemed to be a part of and govern this Trust Agreement and any such modification, amendment or supplement, respectively.

"Trust Indenture Act" means the Trust Indenture Act of 1939 as in force at the date as of which this instrument was executed; 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.

"Trust Property" means (i) the Debentures, (ii) any cash on deposit in, or owing to, the Payment Account and (iii) all proceeds and rights in respect of the foregoing and any other property and assets for the time being



held or deemed to be held by the Property Trustee pursuant to the trusts of this Trust Agreement.

"Trust Security" means any one of the Common Securities or the Preferred Securities.

"Trust Securities Certificate" means any one of the Common Securities Certificates or the Preferred Securities Certificates.

"Underwriting Agreement" means the Underwriting Agreement, dated as of \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, among the Trust, Western Resources and the several underwriters named therein.

## ARTICLE II

### ESTABLISHMENT OF THE TRUST

Section 2.01. Name. The Trust created and continued hereby shall be known as "Western Resources Capital I," as such name may be modified from time to time by the Administrative Trustees following written notice to the Holders and the other Trustees, in which name the Trustees may conduct the business of the Trust, make and execute contracts and other instruments on behalf of the Trust and sue and be sued.

Section 2.02. Office of the Delaware Trustee; Principal Place of Business. The office of the Delaware Trustee in the State of Delaware is Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, Attention: Corporate Trust Administration, or such other address in Delaware as the Delaware Trustee may designate by written notice to the Securityholders and the Depositor. The principal place of business of the Trust is c/o Western Resources, Inc., 818 Kansas Avenue, Topeka, Kansas 66612.

Section 2.03. Initial Contribution of Trust Property; Organizational Expenses. The Property Trustee acknowledges receipt in trust from the Depositor in connection with the Original Trust Agreement of the sum of \$10, which constituted the initial Trust Property. The Depositor shall pay the organizational expenses of the Trust as they arise or shall, upon request of any Trustee, promptly reimburse such Trustee for any such expenses paid by such Trustee. The Depositor shall make no claim upon the Trust Property for the payment of such expenses.

Section 2.04. Issuance of the Preferred Securities. On \_\_\_\_\_ the Depositor, on behalf of the Trust and pursuant to the Original Trust Agreement, executed and delivered the Underwriting Agreement. Contemporaneously with the execution and delivery of this Trust Agreement, the Administrative Trustees, on behalf of the Trust, shall execute and deliver to the underwriters named therein Preferred Securities Certificates, registered in the name of the nominee of the initial Clearing Agency, in an aggregate amount of \_\_\_\_\_ Preferred Securities having an aggregate Liquidation

Amount of \$\_\_\_\_\_ against receipt of the aggregate purchase price of such Preferred Securities of \$\_\_\_\_\_, which amount the Administrative Trustees shall promptly deliver to the Property Trustee.

Section 2.05. Subscription and Purchase of Debentures; Issuance of the Common Securities. Contemporaneously with the execution and delivery of this Trust Agreement, the Administrative Trustees, on behalf of the Trust, shall subscribe to and purchase from the Depositor Debentures, registered in the name of the Trust and having an aggregate principal amount equal to \$\_\_\_\_\_, and, in satisfaction of the purchase price for such Debentures, (x) the Property Trustee, on behalf of the Trust, shall deliver to the Depositor the sum of \$\_\_\_\_\_, and (y) contemporaneously therewith the Administrative Trustees, on behalf of the Trust, shall execute and deliver to the Depositor Common Securities Certificates, registered in the name of the Depositor, in an aggregate amount of \_\_\_\_\_ Common Securities having an aggregate Liquidation Amount of \$\_\_\_\_\_.

Section 2.06. Declaration of Trust. The exclusive purposes of the Trust are (a) to issue Trust Securities, (b) to purchase the Debentures with the Common Securities and the proceeds from the sale of the Preferred Securities, and (c) to engage in those activities necessary or incidental thereto. The Depositor hereby appoints the Trustees as trustees of the Trust, to have all the rights, powers and duties to the extent set forth herein, and the Trustees hereby accept such appointment. The Property Trustee hereby declares that it will hold the Trust Property in trust upon and subject to the conditions set forth herein for the benefit of the Securityholders. The Trustees shall have all rights, powers and duties set forth herein and in accordance with applicable law with respect to accomplishing the purposes of the Trust.

Section 2.07. Authorization to Enter into Certain Transactions. (a) The Trustees shall conduct the affairs of the Trust in accordance with the terms of this Trust Agreement. Subject to the limitations set forth in paragraph (c) of this Section, and in accordance with the following provisions (A) and (B), the Trustees shall have the authority to enter into all transactions and agreements determined by the Trustees to be appropriate in exercising the authority, express or implied, otherwise granted to the Trustees under this Trust Agreement, and to perform all acts in furtherance thereof, including without limitation, the following:

(A) As among the Trustees, the Administrative Trustees shall have the power, duty and authority to act on behalf of the Trust with respect to the following matters:

(i) the issuance and sale of the Trust Securities;

(ii) to cause the Trust to enter into, and to execute, deliver and perform on behalf of the Trust, the Expense Agreement and the Certificate Depository Agreement and such other agreements as may be necessary or desirable in connection with the purposes and function of the Trust;

(iii) assisting in the registration of the Preferred Securities under the Securities Act of 1933, as amended, and under state securities or blue sky laws, and the qualification of this Trust Agreement as a trust indenture under the Trust Indenture Act;

(iv) assisting in the listing of the Preferred Securities upon such securities exchange or exchanges as shall be determined by the Depositor and the registration of the Preferred Securities under the Securities Exchange Act of 1934, as amended, and the preparation and filing of all periodic and other reports and other documents pursuant to the foregoing;

(v) the sending of notices (other than notices of default) and other information regarding the Trust Securities and the Debentures to the Securityholders in accordance with this Trust Agreement;

(vi) the appointment of a Paying Agent, authenticating agent and Securities Registrar in accordance with this Trust Agreement;

(vii) registering transfers of the Trust Securities in accordance with this Trust Agreement;

(viii) to the extent provided in this Trust Agreement, the winding up of the affairs of and liquidation of the Trust and the preparation, execution and filing of the certificate of cancellation with the Secretary of State of the State of Delaware;

(ix) unless otherwise determined by the Depositor, the Property Trustee or the Administrative Trustees, or as otherwise required by the Delaware Business Trust Act or the Trust Indenture Act, to execute on behalf of the Trust (either acting alone or together with any or all of the Administrative Trustees) any documents that the Administrative Trustees have the power to execute pursuant to this Trust Agreement; and

(x) the taking of any action incidental to the foregoing as the Trustees may from time to time determine is necessary or advisable to give effect to the terms of this Trust Agreement for the benefit of the Securityholders (without consideration of the effect of any such action on any particular Securityholder).

(B) As among the Trustees, the Property Trustee shall have the power, duty and authority to act on behalf of the Trust with respect to the following matters:

(i) the establishment and maintenance of the Payment Account;

(ii) assisting in the registration of the Preferred Securities under the Securities Act of 1933, as amended, and under state securities or blue sky laws, and the qualification of the Trust Agreement as a trust indenture under the Trust Indenture Act;

(iii) the receipt of the Debentures;

(iv) the collection of interest, principal and any other payments made in respect of the Debentures into the Payment Account;

(v) the distribution of amounts owed to the Securityholders in respect of the Trust Securities;

(vi) the sending of notices of default and other information regarding the Trust Securities and the Debentures to the Securityholders in accordance with this Trust Agreement;

(vii) the distribution of the Trust Property in accordance with the terms of this Trust Agreement;

(viii) to the extent provided in this Trust Agreement, the winding up of the affairs of and liquidation of the Trust and the preparation, execution and filing of the certificate of cancellation with the Secretary of State of the State of Delaware;

(ix) to cause the Trust to enter into, and to execute deliver and perform on behalf of the Trust, the Expense Agreement and the Certificate Depositary Agreement and such other agreements as may be necessary or desirable in connection with the consummation hereof; and

(x) the taking of any action incidental to the foregoing as the Property Trustee may from time to time determine is necessary or advisable to give effect to the terms of this Trust Agreement and protect and conserve the Trust Property for the benefit of the Securityholders (without consideration of the effect of any such action on any particular Securityholder).

(b) So long as this Trust Agreement remains in effect, the Trust (or the Trustees acting on behalf of the Trust) shall not undertake any business, activities or transaction except as expressly provided herein or contemplated hereby. In particular, the Trustees shall not (i) acquire any investments or engage in any activities not authorized by this Trust Agreement, (ii) sell, assign, transfer, exchange, pledge, set-off or otherwise

dispose of any of the Trust Property or interests therein, including to Securityholders, except as expressly provided herein, (iii) take any action that would cause the Trust to be treated as an association taxable as a corporation for United States federal income tax purposes, (iv) incur any indebtedness for borrowed money or (v) take or consent to any action that would result in the placement of a Lien on any of the Trust Property. The Trustees shall defend all claims and demands of all Persons at any time claiming any Lien on any of the Trust Property adverse to the interest of the Trust or the Securityholders in their capacity as Securityholders.

(c) In connection with the issue and sale of the Preferred Securities, the Depositor shall have the right and responsibility to assist the Trust with respect to, or effect on behalf of the Trust, the following (and any actions taken by the Depositor in furtherance of the following prior to the date of this Trust Agreement are hereby ratified and confirmed in all respects):

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

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

(iii) to prepare for filing by the Trust an application to the New York Stock Exchange for listing upon notice of issuance of the Preferred Securities;

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

(v) to negotiate the terms of, and execute and deliver, the Underwriting Agreement providing for the sale of the Preferred Securities; and

(vi) any other actions necessary or desirable to carry out any of the foregoing activities.

(d) Notwithstanding anything herein to the contrary, the Administrative Trustees are authorized and directed to conduct the affairs of the Trust and to operate the Trust so that the Trust will not be deemed to be an "investment company" required to be registered under the Investment Company Act of 1940, as amended, or taxed as a corporation for United States federal

income tax purposes and so that the Debentures will be treated as indebtedness of the Depositor for United States federal income tax purposes. In this connection, the Depositor and the Administrative Trustees are authorized to take any action, not inconsistent with applicable law, the Certificate of Trust or this Trust Agreement, that the Depositor or any the Administrative Trustee determines in its discretion to be necessary or desirable for such purposes, as long as such action does not adversely affect the interests of the holders of the Preferred Securities. Any action not specifically assigned herein that the Trustees may be permitted or required to do under this Trust Agreement may be taken by majority vote of the Trustees.

Section 2.08. Assets of Trust. The assets of the Trust shall consist of the Trust Property.

Section 2.09. Title to Trust Property. Legal title to all Trust Property shall be vested at all times in the Property Trustee (in its capacity as such) and shall be held and administered by the Property Trustee for the benefit of the Securityholders in accordance with this Trust Agreement.

### ARTICLE III

#### PAYMENT ACCOUNT

Section 3.01. Payment Account. (a) On or prior to the Closing Date, the Property Trustee shall establish the Payment Account. The Property Trustee and any agent of the Property Trustee shall have exclusive control and sole right of withdrawal with respect to the Payment Account for the purpose of making deposits in and withdrawals from the Payment Account in accordance with this Trust Agreement. All monies and other property deposited or held from time to time in the Payment Account shall be held by the Property Trustee in the Payment Account for the exclusive benefit of the Securityholders and for distribution as herein provided, including (and subject to) any priority of payments provided for herein.

(b) The Property Trustee shall deposit in the Payment Account, promptly upon receipt, all payments of principal or interest on, and any other payments or proceeds with respect to, the Debentures. Amounts held in the Payment Account shall not be invested by the Property Trustee pending distribution thereof.

### ARTICLE IV

#### DISTRIBUTIONS; REDEMPTIONS

Section 4.01. Distributions. (a) Distributions on the Trust Securities shall be cumulative, and will accumulate whether or not there are funds of the Trust available for the payment of Distributions. Distributions shall accrue from \_\_\_\_\_, \_\_\_\_\_, and, except in the event that Western Resources exercises its right to extend the interest payment period for the

Debentures pursuant to Section 101 of the form of supplement to the Subordinated Indenture, shall be payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, commencing on \_\_\_\_\_. If any date on which Distributions are otherwise payable on the Trust Securities is not a Business Day, then the payment of such Distribution shall be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, payment of such distribution shall be made on the immediately preceding Business Day, in each case, with the same force and effect as if made on such date (each date on which distributions are payable in accordance with this Section 4.01(a) a "Distribution Date").

(b) The Trust Securities represent beneficial interests in the Trust, and, subject to Section 4.03 hereof, all Distributions will be made pro rata on each of the Trust Securities; distributions payable as a preference on the Preferred Securities shall be fixed at a rate of \_\_\_% per annum of the Liquidation Amount of the Preferred Securities. The amount of Distributions payable for any full quarterly period shall be computed on the basis of twelve 30-day months and a 360-day year and, for any period shorter than a full monthly period, shall be computed on the basis of the actual number of days elapsed in such period. If the interest payment period for the Debentures is extended pursuant to Section 101 of the form of supplement to the Subordinated Indenture, then the rate per annum at which Distributions on the Trust Securities accumulate shall be increased by an amount such that the aggregate amount of Distributions that accumulate on all Trust Securities during any such extended interest payment period is equal to the aggregate amount of interest (including interest payable on unpaid interest at the percentage rate per annum set forth above, compounded quarterly) that accrues during any such extended interest payment period on the Debentures. The amount of Distributions payable for any period shall include the Additional Amounts, if any.

(c) Distributions on the Trust Securities shall be made and shall be deemed payable on each Distribution Date only to the extent that the Trust has funds legally and immediately available in the Payment Account for the payment of such Distributions.

(d) Distributions on the Trust Securities with respect to a Distribution Date shall be payable to the Holders thereof as they appear on the Securities Register for the Trust Securities on the relevant record date, which shall be one Business Day prior to such Distribution Date; provided, however, that in the event that the Preferred Securities do not remain in book-entry-only form, the relevant record date shall be the date 15 days prior to the relevant Distribution Date.

Section 4.02. Redemptions. (a) On each Debenture Redemption Date, the Trust will be required to redeem a Like Amount of Trust Securities at the Redemption Price.

(b) If (i) a Special Event shall occur and be continuing and (ii) within 45 days following the occurrence of such Special Event the Trustees shall not have received from the Debenture Trustee a notice of redemption of

all of the Debentures on a Debenture Redemption Date (as specified in such notice) which is to occur not later than 90 days following the occurrence of such Special Event, the Depositor may in its sole discretion direct the Trustees to, and the Trustees shall if so directed by the Depositor, dissolve the Trust and cause the Trust to distribute in accordance with Section 9.04 to each Holder of Trust Securities, on a Liquidation Date which shall occur not later than 90 days following the occurrence of such Special Event, a Like Amount of Debentures in liquidation of the Trust; provided, however, that the Trustees shall be required to follow the direction of the Depositor to dissolve the Trust and distribute the Debentures to Holders of Trust Securities in accordance with this Section 4.02(b) and Section 9.04 only if the Trust shall have received an Opinion of Counsel experienced in such matters to the effect that the Holders of Preferred Securities will not recognize any gain or loss for United States federal income tax purposes as a result of such distribution. The election of the Depositor to cause the Trust to be dissolved shall be evidenced by a Board Resolution. If the Trust is not dissolved pursuant to the preceding sentence and the Trust Securities remain Outstanding, then Additional Interest Attributable to Taxes (as defined in the Subordinated Indenture) will be payable on the Debentures.

(c) Notice of redemption shall be given by the Property Trustee by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the Redemption Date to each Holder of Trust Securities to be redeemed, at such Holder's address appearing in the Securities Register. All notices of redemption shall identify the Trust Securities to be redeemed (including CUSIP number) and shall state:

(i) the Redemption Date;

(ii) the Redemption Price;

(iii) the place or payment where such Trust Securities are to be surrendered for payment of the Redemption Price; and

(iv) that on the Redemption Date the Redemption Price will become due and payable upon each such Trust Security to be redeemed and that interest thereon will cease to accrue on and after said date.

(d) The Trust Securities redeemed on each Redemption Date shall be redeemed at the Redemption Price with the proceeds from the contemporaneous redemption of Debentures. Redemptions of the Trust Securities shall be made and the Redemption Price shall be deemed payable on each Redemption Date only to the extent that the Trust has funds immediately available in the Payment Account for the payment of such Redemption Price.

(e) If the Property Trustee gives a notice of redemption in respect of any Preferred Securities (which notice will be irrevocable), then, by 12:00 noon, New York time, on the Redemption Date, subject to Section 4.02(d), the Property Trustee shall, so long as the Preferred Securities are in book-entry-only form, irrevocably deposit with the Clearing Agency for the



Preferred Securities funds sufficient to pay the applicable Redemption Price and, at the direction of the Depositor, shall give such Clearing Agency irrevocable instructions and authority to pay the Redemption Price to the Holders thereof. If the Preferred Securities are no longer in book-entry-only form, the Property Trustee, subject to Section 4.02(d), shall irrevocably deposit with the Paying Agent funds sufficient to pay the applicable Redemption Price and shall give the Paying Agent irrevocable instructions to pay the Redemption Price to the Holders thereof upon surrender of their Preferred Securities Certificates. Notwithstanding the foregoing, Distributions payable on or prior to the Redemption Date for any Trust Securities called for redemption shall be payable to the Holders of such Trust Securities as they appear on the Register for the Trust Securities on the relevant record dates for the related Distribution Dates. If notice of redemption shall have been given and funds deposited as required, then upon the date of such deposit, all rights of Securityholders holding Trust Securities so called for redemption will cease, except the right of such Securityholders to receive the Redemption Price, but without interest on such Redemption Price, and such Securities will cease to be outstanding. In the event that any date on which any Redemption Price is payable is not a Business Day, then payment of the Redemption Price payable on such date shall be made on the next succeeding day which is a Business Day (and without any interest or other payment in respect of any such delay) except that, if such Business Day is in the next succeeding calendar year, payment of such Distribution shall be made on the immediately preceding Business Day, in each case, with the same force and effect as if made on such date. In the event that payment of the Redemption Price in respect of any Trust Securities called for redemption is improperly withheld or refused and not paid either by the Trust or by the Depositor pursuant to the Guarantee, Distributions on such Trust Securities will continue to accrue, at the then applicable rate, from the Redemption Date originally established by the Trust for such Trust Securities to the date such Redemption Price is actually paid, in which case the actual payment date will be the date fixed for redemption for purposes of calculating the Redemption Price.

(f) Payment of the Redemption Price on the Trust Securities shall be made to the recordholders thereof as they appear on the Securities Register for the Trust Securities on the relevant record date, which shall be one Business Day prior to the relevant Redemption Date; provided, however, that in the event that the Preferred Securities do not remain in book-entry-only form, the relevant record date shall be the fifteenth day prior to the Redemption Date.

(g) If less than all the Outstanding Trust Securities are to be redeemed on a Redemption Date, then the aggregate Liquidation Amount of Trust Securities to be redeemed shall be allocated to the Common Securities and the Preferred Securities on a pro rata basis based upon their respective aggregate Liquidation Amount. The particular Preferred Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Property Trustee from the Outstanding Preferred Securities not previously called for redemption, by such method as the Property Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$25 or any integral multiple thereof) of the aggregate Liquidation

Amount of Preferred Securities of a denomination larger than \$25. The Property Trustee shall promptly notify the Security Registrar in writing of the Preferred Securities selected for redemption and, in the case of any Preferred Securities selected for partial redemption, the Liquidation Amount thereof to be redeemed. For all purposes of this Trust Agreement, unless the context otherwise requires, all provisions relating to the redemption of Preferred Securities shall relate, in the case of any Preferred Securities redeemed or to be redeemed only in part, to the portion of the aggregate Liquidation Amount of Preferred Securities which has been or is to be redeemed.

Section 4.03. Subordination of Common Securities. (a) Payment of Distributions (including Additional Amounts, if applicable) on, and the Redemption Price of, the Trust Securities, as applicable, shall be made pro rata based on the aggregate Liquidation Amount of the Trust Securities; provided, however, that if on any Distribution Date or Redemption Date a Debenture Event of Default shall have occurred and be continuing, no payment of any Distribution (including Additional Amounts, if applicable) on, or Redemption Price of, any Common Security, and no other payment on account of the redemption, liquidation or other acquisition of Common Securities, shall be made unless payment in full in cash of all accumulated and unpaid Distributions (including Additional Amounts, if applicable) payable as a preference on all Outstanding Preferred Securities for all distribution periods terminating on or prior thereto, or in the case of payment of the Redemption Price the full amount of such Redemption Price on all Outstanding Preferred Securities called for redemption, shall have been made or provided for, and all funds immediately available to the Property Trustee shall first be applied to the payment in full in cash of all Distributions (including Additional Amounts, if applicable) on, or the Redemption Price of, Preferred Securities then due and payable.

(b) In the case of the occurrence of any Debenture Event of Default, the Holder of Common Securities will be deemed to have waived any right to act with respect to any Event of Default until the effect of all such Events of Default with respect to the Preferred Securities have been cured, waived or otherwise eliminated. Until any such Events of Default under this Trust Agreement with respect to the Preferred Securities have been so cured, waived or otherwise eliminated, the Property Trustee shall act solely on behalf of the Holders of the Preferred Securities and not the Holder of the Common Securities, and only the Holders of the Preferred Securities will have the right to direct the Property Trustee to act on their behalf.

Section 4.04. Payment Procedures. Payments in respect of the Preferred Securities shall be made by check mailed to the address of the Person entitled thereto as such address shall appear on the Securities Register or, if the Preferred Securities are held by a Clearing Agency, Payments shall be made to by wire transfer to the Clearing Agency, which shall credit the relevant Persons' accounts at such Clearing Agency on the applicable distribution dates. Payments in respect of the Common Securities shall be made in such manner as shall be mutually agreed between the Property Trustee and the Common Securityholder.

Section 4.05. Tax Returns and Reports. The Administrative Trustees shall prepare (or cause to be prepared), at the Depositor's expense, and file all United States federal, state and local tax and information returns and reports required to be filed by or in respect of the Trust. In this regard, the Administrative Trustees shall (a) prepare and file (or cause to be prepared or filed) the Internal Revenue Service forms required to be filed in respect of the Trust in each taxable year of the Trust and (b) prepare and furnish (or cause to be prepared and furnished) to each Securityholder the related Internal Revenue Service forms or the information required to be provided on such forms in order that such Securityholder may make all required filings with the Internal Revenue Service in respect of such Securityholder's Trust Securities. The Administrative Trustees shall provide the Depositor and the Property Trustee with a copy of all such returns, reports and schedules promptly after such filing or furnishing. The Trustees shall comply with United States federal withholding and backup withholding tax laws and information reporting requirements with respect to any payments to Securityholders under the Trust Securities.

Section 4.06. Payment of Taxes, Duties, Etc. of the Trust. Upon receipt under the Debentures of Additional Interest Attributable to Taxes (as defined in the Subordinated Indenture), the Property Trustee shall promptly pay any taxes, duties, assessments or governmental charges of whatsoever nature (other than withholding taxes) imposed on the Trust by the United States or any other taxing authority.

## ARTICLE V

### TRUST SECURITIES CERTIFICATES

Section 5.01. Initial Ownership. Upon the formation of the Trust and the contribution by the Depositor pursuant to Section 2.03 and until the issuance of the Trust Securities, and at any time during which no Trust Securities are outstanding, the Depositor shall be the sole beneficial owner of the Trust.

Section 5.02. The Trust Securities Certificates. Initial Holders shall purchase Preferred Securities in minimum denominations of \$25 (based on Liquidation Amount) and integral multiples of \$25 in excess thereof, and the Common Securities Certificates shall be issued in denominations of \$25 Liquidation Amount and integral multiples thereof. The Trust Securities Certificates shall be executed on behalf of the Trust by manual signature of at least one Administrative Trustee. Trust Securities Certificates bearing the manual signatures of individuals who were, at the time when such signatures shall have been affixed, authorized to sign on behalf of the Trust, shall be validly issued and entitled to the benefits of this Trust Agreement, notwithstanding that such individuals or any of them shall have ceased to be so authorized prior to the delivery of such Trust Securities Certificates or did not hold such offices at the date of delivery of such Trust Securities Certificates. A transferee of a Trust Securities Certificate shall become a Securityholder, and shall be entitled to the rights and subject to the

obligations of a Securityholder hereunder, upon due registration of such Trust Securities Certificate in such transferee's name pursuant to Section 5.04.

Section 5.03. Delivery of Trust Securities Certificates. On the Closing Date, the Administrative Trustees shall cause Trust Securities Certificates, in an aggregate Liquidation Amount as provided in Sections 2.04 and 2.05, to be executed on behalf of the Trust and delivered to or upon the written order of the Depositor signed by its chairman of the board, its president or any vice president, without further corporate action by the Depositor, in authorized denominations.

Section 5.04. Registration of Transfer and Exchange of Preferred Securities Certificates. The Securities Registrar shall keep or cause to be kept a Securities Register in which, subject to such reasonable regulations as it may prescribe, the Securities Registrar shall provide for the registration of Preferred Securities Certificates and Common Securities Certificates (subject to Section 5.09 in the case of the Common Securities Certificates) and registration of transfers and exchanges of Preferred Securities Certificates as herein provided. The Bank shall be the initial Securities Registrar.

Upon surrender for registration of transfer of any Preferred Securities Certificate, the Administrative Trustees or any one of them shall execute and deliver, in the name of the designated transferee or transferees, one or more new Preferred Securities Certificates in authorized denominations of a like aggregate Liquidation Amount dated the date of execution by such Administrative Trustee or Trustees. The Securities Registrar shall not be required to register the transfer of any Preferred Securities that have been called for redemption. At the option of a Holder, Preferred Securities Certificates may be exchanged for other Preferred Securities Certificates in authorized denominations of the same class and of a like aggregate Liquidation Amount upon surrender of the Preferred Securities Certificates to be exchanged.

Every Preferred Securities Certificate presented or surrendered for registration of transfer or exchange shall be accompanied by a written instrument of transfer in form satisfactory to the Administrative Trustees and the Securities Registrar duly executed by the Holder or his attorney duly authorized in writing. Each Preferred Securities Certificate surrendered for registration of transfer or exchange shall be cancelled and subsequently disposed of by the Administrative Trustees.

No service charge shall be made for any registration of transfer or exchange of Preferred Securities Certificates, but the Administrative Trustees or the Securities Registrar may require payment of a sum sufficient to cover any tax or governmental charge that may be imposed in connection with any transfer or exchange of Preferred Securities Certificates.

Section 5.05. Mutilated, Destroyed, Lost or Stolen Trust Securities Certificates. If (a) any mutilated Trust Securities Certificate shall be surrendered to the Securities Registrar, or if the Securities Registrar shall

receive evidence to its satisfaction of the destruction, loss or theft of any Trust Securities Certificate, and (b) there shall be delivered to the Securities Registrar and the Administrative Trustees such security or indemnity as may be required by them to save each of them harmless, then in the absence of notice that such Trust Securities Certificate shall have been acquired by a bona fide purchaser, the Administrative Trustees or any one of them on behalf of the Trust shall execute and make available for delivery, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Trust Securities Certificate, a new Trust Securities Certificate of like class, tenor and denomination. In connection with the issuance of any new Trust Securities Certificate under this Section, the Administrative Trustees or the Securities Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. Any duplicate Trust Securities Certificate issued pursuant to this Section shall constitute conclusive evidence of a beneficial interest in the Trust, as if originally issued, whether or not the lost, stolen or destroyed Trust Securities Certificate shall be found at any time.

Section 5.06. Persons Deemed Securityholders. Prior to due presentation of a Trust Securities Certificate for registration of transfer, the Trustees or the Securities Registrar shall treat the Person in whose name any Trust Securities Certificate shall be registered in the Securities Register as the owner of such Trust Securities Certificate for the purpose of receiving distributions and for all other purposes whatsoever, and neither the Trustees nor the Securities Registrar shall be bound by any notice to the contrary.

Section 5.07. Access to List of Securityholders' Names and Addresses. The Securities Registrar shall furnish or cause to be furnished (x) to the Depositor, within 15 days after receipt by the Securities Registrar of a request therefor from the Depositor in writing and (y) to the Property Trustee, promptly after receipt by the Securities Registrar of a request therefor from the Property Trustee in order to enable the Property Trustee to discharge its obligations under this Trust Agreement, a list, in such form as the Depositor or the Property Trustee (as applicable) may reasonably require, of the names and addresses of the Securityholders as of the most recent Record Date. In addition to, and not by way of limitation of, the provisions of Section 312 of the Trust Indenture Act, if one or more Holders of Trust Securities Certificates evidencing not less than 25% of the outstanding Liquidation Amount apply in writing to the Securities Registrar, and such application states that the applicants desire to communicate with other Securityholders with respect to their rights under this Trust Agreement or under the Trust Securities Certificates, and such application is accompanied by a copy of the communication that such applicants propose to transmit, then the Securities Registrar shall, within five Business Days after the receipt of such application, afford such applicants access during normal business hours to the current list of Securityholders. Each Holder, by receiving and holding a Trust Securities Certificate, shall be deemed to have agreed not to hold either the Depositor or the Securities Registrar accountable by reason of the disclosure of its name and address, regardless of the source from which such information was derived.

Section 5.08. Appointment of Paying Agent. The Paying Agent shall make distributions to Securityholders from the Payment Account and shall report the amounts of such distributions to the Property Trustee and the Administrative Trustees. The Paying Agent shall have the revocable power to withdraw funds from the Payment Account for the purpose of making the distributions referred to above. The Administrative Trustees may revoke such power and remove the Paying Agent if such Trustees determine in their sole discretion that the Paying Agent shall have failed to perform its obligations under this Agreement in any material respect. The Paying Agent shall initially be the Bank, and the Paying Agent may choose any co-paying agent that is acceptable to the Administrative Trustees, the Property Trustee and the Depositor. Any Person acting as a Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Administrative Trustees, the Property Trustee and the Depositor. In the event that the Bank shall no longer be the Paying Agent or a successor Paying Agent shall resign or its authority to act be revoked, the Administrative Trustees shall appoint a successor that is acceptable to the Property Trustee and the Depositor to act as Paying Agent (which shall be a bank or trust company). The Administrative Trustees shall cause such successor Paying Agent or any co-paying agent appointed by the Paying Agent to execute and deliver to the Trustees an instrument in which such successor Paying Agent or additional Paying Agent shall agree with the Trustees that as Paying Agent, such successor Paying Agent or additional Paying Agent will hold all sums, if any, held by it for payment to the Securityholders in trust for the benefit of the Securityholders entitled thereto until such sums shall be paid to such Securityholders. The Paying Agent shall return all unclaimed funds to the Property Trustee and upon removal of a Paying Agent such Paying Agent shall also return all funds in its possession to the Property Trustee. The provisions of Sections 8.01, 8.03 and 8.06 shall apply to the Bank also in its role as Paying Agent, for so long as the Bank shall act as Paying Agent and, to the extent applicable, to any other paying agent appointed hereunder. Any reference in this Agreement to the Paying Agent shall include any co-paying agent unless the context requires otherwise.

Section 5.09. Ownership of Common Securities by Depositor. On the Closing Date, the Depositor shall acquire, and thereafter retain, beneficial and record ownership of the Common Securities. Any attempted transfer of the Common Securities shall be void. The Administrative Trustees shall cause each Common Securities Certificate issued to the Depositor to contain a legend stating "THIS CERTIFICATE IS NOT TRANSFERABLE."

Section 5.10. Book-Entry Preferred Securities Certificates; Common Securities Certificate. (a) The Preferred Securities Certificates, upon original issuance, will be issued in the form of a typewritten Preferred Securities Certificate or Certificates representing Book-Entry Preferred Securities Certificates, to be delivered to The Depository Trust Company, the initial Clearing Agency, by, or on behalf of, the Trust. Such Preferred Securities Certificate or Certificates shall initially be registered on the Securities Register in the name of Cede & Co., the nominee of the initial Clearing Agency, and no Owner will receive a definitive Preferred Securities Certificate representing such Owner's interest in such Preferred Securities,

except as provided in Section 5.12. Unless and until Definitive Preferred Securities Certificates have been issued to Owners pursuant to Section 5.12:

(i) the provisions of this Section 5.10(a) shall be in full force and effect;

(ii) the Securities Registrar, the Paying Agent and the Trustees shall be entitled to deal with the Clearing Agency for all purposes of this Trust Agreement relating to the Book-Entry Preferred Securities Certificates (including the payment of principal of and interest on the Book-Entry Preferred Securities and the giving of instructions or directions to Owners of Book-Entry Preferred Securities) as the sole Holder of Book-Entry Preferred Securities and shall have no obligations to the Owners thereof;

(iii) to the extent that the provisions of this Section 5.10 conflict with any other provisions of this Trust Agreement, the provisions of this Section 5.10 shall control;

(iv) the rights of the Owners of the Book-Entry Preferred Securities Certificates shall be exercised only through the Clearing Agency and shall be limited to those established by law and agreements between such Owners and the Clearing Agency and/or the Clearing Agency Participants. Pursuant to the Certificate Depository Agreement, unless and until Definitive Preferred Securities Certificates are issued pursuant to Section 5.12, the initial Clearing Agency will make book-entry transfers among the Clearing Agency Participants and receive and transmit payments on the Preferred Securities to such Clearing Agency Participants; and

(v) whenever this Trust Agreement requires or permits actions to be taken based upon instructions or directions of Holders of Trust Certificates evidencing a specified percentage of the aggregate Liquidation Amount, the Clearing Agency shall be deemed to represent such percentage only to the extent that it has received instructions to such effect from Owners and/or Clearing Agency Participants owning or representing, respectively, such required percentage of the beneficial interest in the applicable class of Trust Certificates and has delivered such instructions to the Administrative Trustees.

(b) A single Common Securities Certificate representing the Common Securities shall be issued to the Depositor in the form of a definitive Common Securities Certificate.

Section 5.11. Notices to Clearing Agency. To the extent a notice or other communication to the Owners is required under this Trust Agreement, unless and until Definitive Preferred Securities Certificates shall have been issued to Owners pursuant to Section 5.12, the Trustees shall give all such notices and communications specified herein to be given to Owners to the Clearing Agency, and shall have no obligations to the Owners.

Section 5.12. Definitive Preferred Securities Certificates. If (i) the Depositor advises the Trustees in writing that the Clearing Agency is no longer willing or able properly to discharge its responsibilities with respect to the Preferred Securities Certificates, and the Depositor is unable to locate a qualified successor, (ii) the Depositor at its option advises the Trustees in writing that it elects to terminate the book-entry system through the Clearing Agency or (iii) after the occurrence of an Event of Default, Owners of Preferred Securities Certificates representing beneficial interests aggregating at least a majority of the Liquidation Amount advise the Clearing Agency in writing that the continuation of a book-entry system through the Clearing Agency is no longer in the best interest of the Owners of Preferred Securities Certificates, then the Clearing Agency shall notify all Owners of Preferred Securities Certificates and the Trustees of the occurrence of any such event and of the availability of the Definitive Preferred Securities Certificates to Owners of such class or classes, as applicable, requesting the same. Upon surrender to the Administrative Trustees of the typewritten Preferred Securities Certificate or Certificates representing the Book-Entry Preferred Securities Certificates by the Clearing Agency, accompanied by registration instructions, the Administrative Trustees, or any one of them, shall execute the Definitive Preferred Securities Certificates in accordance with the instructions of the Clearing Agency. Neither the Securities Registrar nor the Trustees shall be liable for any delay in delivery of such instructions and may conclusively rely on, and shall be protected in relying on, such instructions. Upon the issuance of Definitive Preferred Securities Certificates, the Trustees shall recognize the Holders of the Definitive Preferred Securities Certificates as Securityholders. The Definitive Preferred Securities Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Administrative Trustees, as evidenced by the execution thereof (by hand or by facsimile) by the Administrative Trustees or any one of them.

Section 5.13. Rights of Securityholders. The legal title to the Trust Property is vested exclusively in the Property Trustee (in its capacity as such) in accordance with Section 2.09. The Securityholders shall not have any right or title therein other than the beneficial interest in the Trust conferred by their Trust Securities, and they shall have no right to call for any partition or division of property, profits or rights of the Trust except as described below. The Trust Securities shall be personal property giving only the rights specifically set forth therein and in this Trust Agreement. The Trust Securities shall have no preemptive rights and when issued and delivered to Securityholders against payment of the purchase price therefor will be fully paid and nonassessable by the Trust. The Holders of the Trust Securities, in their capacities as such, shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware.



ARTICLE VI

ACTS OF SECURITYHOLDERS; MEETINGS; VOTING

Section 6.01. Limitations on Voting Rights. (a) Except as provided in this Section, in Sections 8.10 and 10.02 hereof, and in the Subordinated Indenture, and as otherwise required by law, no Holder of Preferred Securities shall have any right to vote or in any manner otherwise control the administration, operation and management of the Trust or the obligations of the parties hereto, nor shall anything herein set forth, or contained in the terms of the Trust Securities Certificates, be construed so as to constitute the Securityholders from time to time as partners or members of an association.

(b) So long as any Debentures are held by the Property Trustee on behalf of the Trust, the Property Trustee shall not (i) direct the time, method and place of conducting any proceeding for any remedy available to the Debenture Trustee, or executing any trust or power conferred on the Debenture Trustee with respect to such Debentures, (ii) waive any past default which is waivable under Section 513 of the Subordinated Indenture, (iii) exercise any right to rescind or annul a declaration that the principal of all the Debentures shall be due and payable or (iv) consent to any amendment, modification or termination of the Subordinated Indenture or the Debentures, where such consent shall be required, without, in each case, obtaining the prior approval of the Holders of at least a majority in Liquidation Amount of the Preferred Securities; provided, however, that where a consent under the Subordinated Indenture would require the consent of each holder of Debentures affected thereby, no such consent shall be given by the Property Trustee without the prior written consent of each holder of Preferred Securities. The Property Trustee shall not revoke any action previously authorized or approved by a vote of the Preferred Securities, except pursuant to a subsequent vote of the Preferred Securities. The Property Trustee shall notify all Holders of the Preferred Securities of any notice of default received from the Debenture Trustee with respect to the Debentures. In addition to obtaining the foregoing approvals of the Holders of the Preferred Securities, prior to taking any of the foregoing actions, the Property Trustee shall, at the expense of the Depositor, obtain an Opinion of Counsel experienced in such matters to the effect that the Trust will not be classified as an association taxable as a corporation for United States federal income tax purposes on account of such action.

(c) If any proposed amendment to the Trust Agreement provides for, or the Trustees otherwise propose to effect, (i) any action that would adversely affect the powers, preferences or special rights of the Preferred Securities, whether by way of amendment to the Trust Agreement or otherwise, or (ii) the dissolution, winding-up or termination of the Trust, other than pursuant to the terms of this Trust Agreement, then the Holders of Outstanding Preferred Securities as a class will be entitled to vote on such amendment or proposal and such amendment or proposal shall not be effective except with the approval of the Holders of at least a majority in Liquidation Amount of the Outstanding Preferred Securities. No amendment to this Trust Agreement may be

made if, as a result of such amendment, the Trust would be classified as an association taxable as a corporation for United States federal income tax purposes.

Section 6.02. Notice of Meetings. Notice of all meetings of the Preferred Securityholders, stating the time, place and purpose of the meeting, shall be given by the Administrative Trustees pursuant to Section 10.07 to each Preferred Securityholder of record, at his registered address, at least 15 days and not more than 90 days before the meeting. At any such meeting, any business properly before the meeting may be so considered whether or not stated in the notice of the meeting. Any adjourned meeting may be held as adjourned without further notice.

Any and all notices to which any Preferred Securityholder hereunder may be entitled and any and all communications shall be deemed duly served or given if mailed, postage prepaid, addressed to any Preferred Securityholder of record at his last known address as recorded on the Securities Register.

Section 6.03. Meetings of Preferred Securityholders. No annual meeting of Securityholders is required to be held. The Administrative Trustees, however, shall call a meeting of Securityholders to vote on any matter upon the written request of the Preferred Securityholders of record of 25% of the Preferred Securities (based upon their aggregate Liquidation Amount) and the Administrative Trustees or the Property Trustee may, at any time in their discretion, call a meeting of Preferred Securityholders to vote on any matters as to which Preferred Securityholders are entitled to vote.

Preferred Securityholders of record of 50% or more of the Preferred Securities (based upon their aggregate Liquidation Amount), present in person or by proxy, shall constitute a quorum at any meeting of Securityholders.

If a quorum is present at a meeting, an affirmative vote by the Preferred Securityholders of record present, in person or by proxy, holding more than a majority of the Preferred Securities (based upon their Liquidation Amount) held by the Preferred Securityholders of record present, either in person or by proxy, at such meeting shall constitute the action of the Securityholders, unless this Trust Agreement requires a greater number of affirmative votes.

Section 6.04. Voting Rights. Securityholders shall be entitled to one vote for each \$25 of Liquidation Amount represented by their Trust Securities in respect of any matter as to which such Securityholders are entitled to vote.

Section 6.05. Proxies, Etc. At any meeting of Securityholders, any Securityholder entitled to vote thereat may vote by proxy, provided that no proxy shall be voted at any meeting unless it shall have been placed on file with the Administrative Trustees, or with such other officer or agent of the Trust as the Administrative Trustees may direct, for verification prior to the time at which such vote shall be taken. Pursuant to a resolution of the Property Trustee, proxies may be solicited in the name of the Property Trustee

or one or more officers of the Property Trustee. Only Securityholders of record shall be entitled to vote. When Trust Securities are held jointly by several persons, any one of them may vote at any meeting in person or by proxy in respect of such Trust Securities, but if more than one of them shall be present at such meeting in person or by proxy, and such joint owners or their proxies so present disagree as to any vote to be cast, such vote shall not be received in respect of such Trust Securities. A proxy purporting to be executed by or on behalf of a Securityholder shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger. No proxy shall be valid later than 36 full calendar months after its date of execution (or such shorter period as may be provided therein).

Section 6.06. Securityholder Action by Written Consent. Any action which may be taken by Securityholders at a meeting may be taken without a meeting if Securityholders holding more than a majority of all Outstanding Trust Securities (based upon their Liquidation Amount) entitled to vote in respect of such action (or such larger proportion thereof as shall be required by any express provision of this Trust Agreement) shall consent to the action in writing.

Section 6.07. Record Date for Voting and Other Purposes. For the purposes of determining the Securityholders who are entitled to notice of and to vote at any meeting or by written consent, or to participate in any distribution on the Trust Securities in respect of which a record date is not otherwise provided for in this Trust Agreement, or for the purpose of any other action, the Administrative Trustees may from time to time fix a date, not more than 90 days prior to the date of any meeting of Securityholders or the payment of distribution or other action, as the case may be, as a record date for the determination of the identity of the Securityholders of record for such purposes.

Section 6.08. Acts of Securityholders. Any request, demand, authorization, direction, notice, consent, waiver or other action provided or permitted by this Trust Agreement to be given, made or taken by Securityholders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Securityholders in person or by an agent duly appointed in writing; and, except as otherwise expressly provided herein, such action shall become effective when such instrument or instruments are delivered to an Administrative Trustee. Such instrument or instruments (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Act" of the Securityholders signing such instrument or instruments. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Trust Agreement and (subject to Section 8.01) conclusive in favor of the Trustees, if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgements of deeds, certifying that the individual

signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which any Trustee receiving the same deems sufficient.

Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Securityholder of any Trust Security shall bind every future Securityholder of the same Trust Security and the Securityholder of every Trust Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustees or the Trust in reliance thereon, whether or not notation of such action is made upon such Trust Security.

Without limiting the foregoing, a Securityholder entitled hereunder to take any action hereunder with regard to any particular Trust Security may do so with regard to all or any part of the Liquidation Amount of such Trust Security or by one or more duly appointed agents each of which may do so pursuant to such appointment with regard to all or any part of such Liquidation Amount.

If any dispute shall arise between the Securityholders and the Administrative Trustees or among such Securityholders or Trustees with respect to the authenticity, validity or binding nature of any request, demand, authorization, direction, consent, waiver or other Act of such Securityholder or Trustee under this Article VI, then the determination of such matter by the Property Trustee shall be conclusive with respect to such matter.

Section 6.09. Inspection of Records. Subject to Section 5.07 concerning access to the list of Securityholders, upon reasonable notice to the Administrative Trustees and the Property Trustee, the other records of the Trust shall be open to inspection by Securityholders during normal business hours for any purpose reasonably related to such Securityholder's interest as a Securityholder.

## ARTICLE VII

### REPRESENTATIONS AND WARRANTIES OF THE BANK

Section 7.01. Representations and Warranties. The Bank hereby represents and warrants for the benefit of the Depositor and the Securityholders that:

- (a) the Bank is a banking corporation or trust company duly organized, validly existing and in good standing under the laws of the State of Delaware;

(b) the Bank has full corporate power, authority and legal right to execute, deliver and perform its obligations under this Trust Agreement and has taken all necessary action to authorize the execution, delivery and performance by it of this Trust Agreement;

(c) this Trust Agreement has been duly authorized, executed and delivered by the Bank and constitutes the valid and legally binding agreement of the Bank enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles;

(d) the Trust Securities Certificates issued on the Closing Date on behalf of the Trust have been duly authorized and have been duly and validly executed, issued and delivered by the Administrative Trustees pursuant to the terms and provisions of, and in accordance with the requirements of, this Trust Agreement, and the Securityholders will be entitled to the benefits of this Trust Agreement;

(e) the execution, delivery and performance by the Bank of this Trust Agreement have been duly authorized by all necessary corporate action on the part of the Bank and do not require any approval of stockholders of the Bank, and such execution, delivery and performance will not (i) violate the Bank's Charter or By-laws, (ii) violate any provision of, or constitute, with or without notice or lapse of time, a default under, or result in the creation or imposition of, any Lien on any properties included in the Trust Property pursuant to the provisions of, any indenture, mortgage, credit agreement, license or other agreement or instrument to which the Bank is a party or by which it is bound, or (iii) violate any law, governmental rule or regulation of the United States or the State of Delaware, as the case may be, governing the banking or trust powers of the Bank or any order, judgment or decree applicable to the Bank;

(f) neither the authorization, execution or delivery by the Bank of this Trust Agreement nor the consummation of any of the transactions by the Bank contemplated herein or therein nor the issuance of the Trust Securities Certificates pursuant to this Trust Agreement require the consent or approval of, the giving of notice to, the registration with or the taking of any other action with respect to any governmental authority or agency under any existing federal law governing the banking or trust powers of the Bank or under the laws of the State of Delaware;

(g) there are no taxes, fees or other governmental charges payable by the Trust (or the Trustees on behalf of the Trust) under the laws of the State of Delaware or any political subdivision thereof in connection with the execution, delivery and performance by the Bank of this Trust Agreement; and

(h) there are no proceedings pending or, to the best of the Bank's knowledge, threatened against or affecting the Bank in any court or before any governmental authority, agency or arbitration board or tribunal which, individually or in the aggregate, would materially and adversely affect the Trust or would question the right, power and authority of the Bank to enter into or perform its obligations as one of the Trustees under this Trust Agreement.

#### ARTICLE VIII

##### THE TRUSTEES

Section 8.01. Certain Duties and Responsibilities. (a) The duties and responsibilities of the Trustees shall be as provided by this Trust Agreement and, in the case of the Property Trustee, by the Trust Indenture Act. The Trustees shall have all the privileges, rights and immunities provided by the Delaware Business Trust Act. Notwithstanding the foregoing, no provision of this Trust Agreement shall require any of the Trustees to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. To the extent that, at law or in equity, a Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to the Securityholders, such Trustee shall not be liable to the Trust or to any Securityholder for such Trustee's good faith reliance on the provisions of this Trust Agreement. The provisions of this Trust Agreement, to the extent that they restrict the duties and liabilities of the Trustees otherwise existing at law or in equity, are agreed by the Depositor, the Securityholders to replace such other duties and liabilities of the Trustees. Whether or not therein expressly so provided, every provision of this Trust Agreement relating to the conduct or affecting the liability of or affording protection to the Trustees shall be subject to the provisions of this Section.

(b) All payments made by the Property Trustee or a Paying Agent in respect of the Trust Securities shall be made only from the income and proceeds from the Trust Property. Each Securityholder, by its acceptance of a Trust Security, agrees that it will look solely to the income and proceeds from the Trust Property to the extent legally available for distribution to it as herein provided and that the Trustees are not personally liable to it for any amount distributable in respect of any Trust Security or for any other liability in respect of any Trust Security. This Section 8.01(b) does not limit the liability of the Trustees expressly set forth elsewhere in this Trust Agreement or, in the case of the Property Trustee, in the Trust Indenture Act.

Section 8.02. Notice of Defaults. Within five Business Days after the occurrence of any Event of Default actually known to the Property Trustee, the Property Trustee shall transmit, in the manner and to the extent provided

in Section 10.07, notice of such Event of Default to the Securityholders, the Administrative Trustees and the Depositor, unless such default shall have been cured or waived. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time or both would become, an Event of Default.

Section 8.03. Certain Rights of the Property Trustee. Subject to the provisions of Section 8.01 and except as provided by law:

(i) the Property Trustee may rely and shall be protected in acting or refraining from acting in good faith upon any resolution, Opinion of Counsel, certificate, written representation of a Holder or transferee, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) if, other than during the occurrence and continuance of an Event of Default, (A) in performing its duties under this Trust Agreement the Property Trustee is required to decide between alternative courses of action or (B) in construing any of the provisions in this Trust Agreement the Property Trustee finds the same ambiguous or inconsistent with any other provisions contained herein or (C) the Property Trustee is unsure of the application of any provision of this Trust Agreement, then, except as to any matter as to which the Preferred Securityholders are entitled to vote under the terms of this Trust Agreement, the Property Trustee shall deliver a notice to the Depositor requesting written instructions of the Depositor as to the course of action to be taken. The Property Trustee shall take such action, or refrain from taking such action, as the Property Trustee shall be instructed in writing to take, or to refrain from taking, by the Depositor; provided, however, that if the Property Trustee does not receive such instructions of the Depositor within ten Business Days after it has delivered such notice, or such reasonably shorter period of time set forth in such notice (which to the extent practicable shall not be less than two Business Days), it may, but shall be under no duty to, take or refrain from taking such action not inconsistent with this Trust Agreement as it shall deem advisable and in the best interests of the Securityholders, in which event the Property Trustee shall have no liability except for its own bad faith, negligence or willful misconduct;

(iii) the Property Trustee may consult with counsel of its selection and the written 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;

(iv) the Property Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request or direction of any of the Securityholders pursuant to this Trust Agreement, unless such Securityholders shall have offered to the Property Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(v) the Property Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, bond or other paper or document, unless requested in writing to do so by one or more Securityholders; and

(vi) the Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through its agents or attorneys, provided that the Property Trustee shall be responsible for its own negligence or recklessness with respect to selection of any agent or attorney appointed by it hereunder.

Section 8.04. Not Responsible for Recitals or Issuance of Securities. The recitals contained herein and in the Trust Securities Certificates shall be taken as the statements of the Trust, and the Trustees do not assume any responsibility for their correctness. The Trustees shall not be accountable for the use or application by the Trust of the proceeds of the Trust Securities, provided that such use or application is in accordance with Section 2.05.

Section. 8.05. May Hold Securities. Except as provided in the definition of the term "Outstanding" in Article I, any Trustee or any other agent of any Trustee or the Trust, in its individual or any other capacity, may become the owner or pledgee of Trust Securities and may otherwise deal with the Trust with the same rights it would have if it were not a Trustee or such other agent.

Section 8.06. Compensation; Fees; Indemnity. The Depositor agrees:

(1) to pay to the Trustees from time to time such compensation as the Depositor and the Trustees shall from time to time agree in writing for all services rendered by the Trustees hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(2) except as otherwise expressly provided herein, to reimburse the Trustees upon request for all reasonable expenses, disbursements and advances incurred or made by the Trustees in accordance with any provision of this Trust Agreement (including the reasonable compensation and the expenses and disbursements of its



agents and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify each of the Trustees or any predecessor Trustee for, and to hold the Trustees harmless against, any and all loss, damage, claims, liability or expense, including taxes, other than taxes based on the income of the Trustee or withholding taxes imposed with respect to payments on the Trust Securities, incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this Trust Agreement, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

Section 8.07. Corporate Property Trustee Required; Eligibility of Trustees. (a) There shall at all times be a Property Trustee hereunder with respect to the Trust Securities. The Property Trustee shall be a Person that has (a) a combined capital and surplus of at least \$50,000,000 and (b) an unsecured or deposit rating of at least investment grade by each of Standard & Poor's Corporation and Moody's Investors Services, Inc. If any such Person publishes reports of condition at least annually, pursuant to law or to the requirements of its supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Person shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Property Trustee with respect to the Trust Securities shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

(b) There shall at all times be one or more Administrative Trustees hereunder with respect to the Trust Securities. Each Administrative Trustee shall be either a natural person who is at least 21 years of age or a legal entity that shall act through one or more persons authorized to bind such entity.

(c) There shall at all times be a Delaware Trustee with respect to the Trust Securities. The Delaware Trustee shall either be (i) a natural person who is at least 21 years of age and a resident of the State of Delaware or (ii) a legal entity with its principal place of business in the State of Delaware and that otherwise meets the requirements of applicable Delaware law that shall act through one or more persons authorized to bind such entity.

Section 8.08. Conflicting Interests. If the Property Trustee has or shall acquire a conflicting interest within the meaning of the Trust Indenture Act, the Property Trustee shall either eliminate such interest or resign, to the extent and in the manner provided by, and subject to the provisions of, the Trust Indenture Act and this Trust Agreement.

Section 8.09. Co-Trustees and Separate Trustees. Unless an Event of Default shall have occurred and be continuing, at any time or times, for

the purpose of meeting the legal requirements of the Trust Indenture Act or of any jurisdiction in which any part of the Trust Property may at the time be located, the Holder of the Common Securities and the Administrative Trustees, by agreed action of the majority of such Trustees, shall have power to appoint, and upon the written request of the Administrative Trustees, the Depositor shall for such purpose join with the Administrative Trustees in the execution, delivery, and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Property Trustee either to act as co-trustee, jointly with the Property Trustee, of all or any part of such Trust Property, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Depositor does not join in such appointment within 15 days after the receipt by it of a request so to do, or in case a Debenture Event of Default has occurred and is continuing, the Administrative Trustees alone shall have power to make such appointment. Any co-trustee or separate trustee appointed pursuant to this Section shall satisfy the requirements of Section 8.07.

Should any written instrument from the Depositor be required by any co-trustee or separate trustee so appointed for more fully confirming to such co-trustee or separate trustee such property, title, right, or power, any and all such instruments shall, on request, be executed, acknowledged, and delivered by the Depositor.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms, namely:

(1) The Trust Securities shall be executed and delivered and all rights, powers, duties, and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustees specified hereunder, shall be exercised, solely by such Trustees.

(2) The rights, powers, duties, and obligations hereby conferred or imposed upon the Property Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Property Trustee or by the Property Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Property Trustee shall be incompetent or unqualified to perform such Act, in which event such rights, powers, duties, and obligations shall be exercised and performed by such co-trustee or separate trustee.

(3) The Property Trustee at any time, by an instrument in writing executed by it, with the written concurrence of the

Depositor, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, in case an Event of Default under the Subordinated Indenture has occurred and is continuing, the Property Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Depositor. Upon the written request of the Property Trustee, the Depositor shall join with the Property Trustee in the execution, delivery, and performance of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section.

(4) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Property Trustee, or any other trustee hereunder.

(5) The Property Trustee shall not be liable by reason of any act of a co-trustee or separate trustee.

(6) Any Act of Holders delivered to the Property Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee. Upon receipt of such Act of Holders, the Property Trustee shall promptly deliver a copy thereof to each such co-trustee and separate trustee.

Section 8.10. Resignation and Removal; Appointment of Successor. No resignation or removal of any Trustee (the "Relevant Trustee") and no appointment of a successor Relevant Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Relevant Trustee in accordance with the applicable requirements of Section 8.11.

The Relevant Trustee may resign at any time with respect to the Trust Securities by giving written notice thereof to the Securityholders. If the instrument of acceptance by a successor Relevant Trustee required by Section 8.11 shall not have been delivered to the Relevant Trustee within 30 days after the giving of such notice of resignation, the resigning Relevant Trustee may petition any court of competent jurisdiction for the appointment of a successor Relevant Trustee with respect to the Trust Securities.

Unless an Event of Default shall have occurred and be continuing, the Relevant Trustee may be removed at any time by Act of the Common Securityholder. If an Event of Default shall have occurred and be continuing, the Relevant Trustee may be removed at such time by Act of the Securityholders of a majority in aggregate Liquidation Amount of the Preferred Securities Certificates, delivered to the Relevant Trustee (in its individual capacity and on behalf of the Trust).

If the Relevant Trustee shall resign, be removed or become incapable of continuing to act as Relevant Trustee at a time when no Event of Default shall have occurred and be continuing, the Common Securityholder, by Act of the Common Securityholder delivered to the retiring Relevant Trustee, shall promptly appoint a successor Relevant Trustee or Trustees with respect to the Trust Securities and the Trust, and the retiring Relevant Trustee shall comply with the applicable requirements of Section 8.11. If the Relevant Trustee shall resign, be removed or become incapable of continuing to act as the Relevant Trustee at a time when an Event of Default shall have occurred and be continuing, the Preferred Securityholders, by Act of the Securityholders of a majority in Liquidation Amount of the Preferred Securities then Outstanding delivered to the retiring Relevant Trustee, shall promptly appoint a successor Relevant Trustee or Trustees with respect to the Trust Securities and the Trust, and the Relevant Trustee shall comply with the applicable requirements of Section 8.11. If no successor Relevant Trustee with respect to the Trust Securities shall have been so appointed by the Common Securityholder or the Preferred Securityholders and accepted appointment in the manner required by Section 8.11, any Securityholder who has been a Securityholder of Trust Securities for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Relevant Trustee with respect to the Trust Securities.

The retiring Relevant Trustee shall give notice of each resignation and each removal of the Relevant Trustee with respect to the Trust Securities and the Trust and each appointment of a successor Relevant Trustee with respect to the Trust Securities and the Trust to all Securityholders in the manner provided in Section 10.07 and to the Depositor. Each notice shall include the name of the successor Relevant Trustee with respect to the Trust Securities and the Trust and the address of its Corporate Trust Office.

Notwithstanding the foregoing or any other provision of this Trust Agreement, in the event any Administrative Trustee or a Delaware Trustee who is a natural person dies or becomes incompetent or incapacitated, the vacancy created by such death, incompetence or incapacity may be filled by (i) the unanimous act of remaining Administrative Trustees if there are at least two of them or (ii) otherwise by the Depositor (with the successor in each case being an individual who satisfies the eligibility requirement for Administrative Trustees set forth in Section 8.07). Additionally, notwithstanding the foregoing or any other provision of this Trust Agreement, in the event the Depositor believes that any Administrative Trustee has become incompetent or incapacitated, the Depositor, by notice to the remaining Trustees, may terminate the status of such Person as an Administrative Trustee (in which case the vacancy so created will be filled in accordance with the preceding sentence).

Section 8.11. Acceptance of Appointment by Successor. In case of the appointment hereunder of a successor Relevant Trustee with respect to all Trust Securities and the Trust, every such successor Relevant Trustee so appointed shall execute, acknowledge and deliver to the Trust and to the retiring Relevant Trustee an instrument accepting such appointment, and there-

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

In case of the appointment hereunder of a successor Relevant Trustee with respect to the Trust Securities and the Trust, the retiring Relevant Trustee and each successor Relevant Trustee with respect to the Trust Securities shall execute and deliver an amendment hereto wherein each successor Relevant Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Relevant Trustee all the rights, powers, trusts and duties of the retiring Relevant Trustee with respect to the Trust Securities and the Trust and (2) shall add to or change any of the provisions of this Trust Agreement as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Relevant Trustee, it being understood that nothing herein or in such amendment shall constitute such Relevant Trustees co-trustees of the same trust and that each such Relevant Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Relevant Trustee, and upon the execution and delivery of such amendment the resignation or removal of the retiring Relevant Trustee shall become effective to the extent provided therein and each such successor Relevant Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Relevant Trustee with respect to the Trust Securities and the Trust; but, on request of the Trust or any successor Relevant Trustee, such retiring Relevant Trustee shall duly assign, transfer and deliver to such successor Relevant Trustee all Trust Property, all proceeds thereof and money held by such retiring Relevant Trustee hereunder with respect to the Trust Securities and the Trust.

Upon request of any such successor Relevant Trustee, the Administrative Trustees on behalf of the Trust shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Relevant Trustee all such rights, powers and trusts referred to in this Section 8.11, as the case may be.

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

Section 8.12. Merger, Conversion, Consolidation or Succession to Business. Any corporation into which the Property Trustee, the Delaware Trustee or any Administrative Trustee which is not a natural person may be merged or converted or with which it may be consolidated, or any corporation

resulting from any merger, conversion or consolidation to which such Relevant Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of such Relevant Trustee, shall be the successor of such Relevant Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article VIII, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Section 8.13. Preferential Collection of Claims Against Depositor or Trust. If and when the Property Trustee or the Delaware Trustee shall be or become a creditor of the Depositor or the Trust (or any other obligor upon the Debentures or the Trust Securities), the Property Trustee or the Delaware Trustee, as the case may be, shall be subject to the provisions of the Trust Indenture Act regarding the collection of claims against the Depositor or the Trust (or any such other obligor).

Section 8.14. Reports by the Property Trustee. (a) Within 60 days after December 31 of each year commencing with December 31, \_\_\_\_\_ the Property Trustee shall transmit by mail to all Securityholders, as their names and addresses appear in the Securities Register, and to the Depositor, a brief report dated as of such December 31 with respect to:

(i) its eligibility under Section 8.07 or, in lieu thereof, if to the best of its knowledge it has continued to be eligible under said Section, a written statement to such effect; and

(ii) any action taken by the Property Trustee in the performance of its duties hereunder which it has not previously reported and which in its opinion materially affects the Trust Securities.

(b) In addition the Property Trustee shall transmit to Securityholders such reports concerning the Property Trustee and its actions under this Trust Agreement as may be required pursuant to the Trust Indenture Act at the times and in the manner provided pursuant thereto.

(c) A copy of each such report shall, at the time of such transmission to Holders, be filed by the Property Trustee with each stock exchange upon which the Trust Securities are listed, with the Commission and with the Depositor.

Section 8.15. Reports to the Property Trustee. The Depositor and the Administrative Trustees on behalf of the Trust shall provide to the Property Trustee such documents, reports and information as required by Section 314 of the Trust Indenture Act (if any) and the compliance certificate required by Section 314 of the Trust Indenture Act, in each case in the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

Section 8.16. Evidence of Compliance with Conditions Precedent. Each of the Depositor and the Administrative Trustees on behalf of the Trust

shall provide to the Property Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Trust Agreement that relate to any of the matters set forth in Section 314(c) of the Trust Indenture Act. Any certificate or opinion required to be given by an officer pursuant to Section 314(c)(1) of the Trust Indenture Act may be given in the form of an Officers' Certificate.

Section 8.17. Number of Trustees. (a) The number of Trustees shall be five, provided that the Depositor, by written instrument may increase or decrease the number of Administrative Trustees.

(b) If a Trustee ceases to hold office for any reason and the number of Administrative Trustees is not reduced pursuant to Section 8.17(a), or if the number of Trustees is increased pursuant to Section 8.17(a), a vacancy shall occur. The vacancy shall be filled with a Trustee appointed in accordance with Section 8.10.

(c) The death, resignation, retirement, removal, bankruptcy, incompetence or incapacity to perform the duties of a Trustee shall not operate to annul the Trust. Whenever a vacancy in the number of Administrative Trustees shall occur, until such vacancy is filled by the appointment of an Administrative Trustee in accordance with Section 8.10, the Administrative Trustees in office, regardless of their number (and notwithstanding any other provision of this Agreement), shall have all the powers granted to the Administrative Trustees and shall discharge all the duties imposed upon the Administrative Trustees by this Trust Agreement.

Section 8.18 Delegation of Power. (a) Any Administrative Trustee may, by power of attorney consistent with applicable law, delegate to any other natural person over the age of 21 his or her power for the purpose of executing any documents contemplated in Section 2.07(a), including any registration statement or amendment thereto filed with the Commission, or making any other governmental filing; and

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

#### ARTICLE IX

##### TERMINATION AND LIQUIDATION

Section 9.01. Termination upon Expiration Date. Unless earlier terminated, the Trust shall automatically terminate on \_\_\_\_\_, \_\_\_\_ (the "expiration date") following the distribution of the Trust Property in accordance with Section 9.04.

Section 9.02. Early Termination. Upon the first to occur of any of the following events (such first occurrence, an "Early Termination Event"):

- (i) the occurrence of a Bankruptcy Event in respect of, or the dissolution or liquidation of, the Depositor;
- (ii) the occurrence of a Special Event and a related required distribution of Debentures to Securityholders in accordance with Section 4.02(b);
- (iii) the redemption of all of the Preferred Securities; and
- (iv) an order for dissolution of the Trust shall have been issued by a court of competent jurisdiction.

then the Trustees shall take such action as is required by Section 4.02 or Section 9.04, as applicable.

Section 9.03. Termination. The respective obligations and responsibilities of the Trustees and the Trust created and continued hereby shall terminate upon the latest to occur of the following: (i) the distribution by the Property Trustee to Securityholders upon the liquidation of the Trust pursuant to Section 9.04, or upon the redemption of all of the Trust Securities pursuant to Section 4.02, of all amounts required to be distributed hereunder upon the final payment of the Trust Securities; (ii) the payment of any expenses owed by the Trust; and (iii) the discharge of all administrative duties of the Administrative Trustees, including the performance of any tax reporting obligations with respect to the Trust or the Securityholders.

Section 9.04. Liquidation. (a) If an Early Termination Event specified in clause (i) or (ii) of Section 9.02 occurs, the Trust shall be liquidated by the Trustees as expeditiously as the Trustees determine to be possible by distributing, subject to receipt of an Opinion of Counsel as specified in Section 4.02(b), to each Securityholder a Like Amount of Debentures, subject to Section 9.04(d). Notice of liquidation shall be given by the Administrative Trustees by first-class mail, postage prepaid, mailed not later than 30 nor more than 60 days prior to the Liquidation Date to each Holder of Trust Securities at such Holder's address appearing in the Securities Register. All notices of liquidation shall:

- (i) state the Liquidation Date;
- (ii) state that from and after the Liquidation Date, the Trust Securities will no longer be deemed to be outstanding and any Trust Securities Certificates not surrendered for exchange will be deemed to represent a Like Amount of Debentures; and
- (iii) provide such information with respect to the mechanics by which Holders may exchange Trust Securities Certificates for Debentures, or if Section 9.04(d) applies receive a Liquidation



Distribution, as the Administrative Trustees or the Property Trustee shall deem appropriate.

(b) Except where Section 9.04(d) applies, in order to effect the liquidation of the Trust and distribution of the Debentures to Securityholders, the Property Trustee shall establish a record date for such distribution (which shall be not more than 45 days prior to the Liquidation Date) and, either itself acting as exchange agent or through the appointment of a separate exchange agent, shall establish such procedures as it shall deem appropriate to effect the distribution of Debentures in exchange for the Outstanding Trust Securities Certificates.

(c) Except where Section 9.04(d) applies, after the Liquidation Date, (i) the Trust Securities will no longer be deemed to be Outstanding, (ii) certificates representing a Like Amount of Debentures will be issued to Holders of Trust Securities Certificates, upon surrender of such certificates to the Administrative Trustees or their agent for exchange, (iii) Western Resources shall use its reasonable efforts to have the Debentures listed on the New York Stock Exchange or on such other exchange as the Preferred Securities are then listed, (iv) any Trust Securities Certificates not so surrendered for exchange will be deemed to represent a Like Amount of Debentures, accruing interest at the rate provided for in the Debentures from the last Distribution Date on which a Distribution was made on such Trust Certificates until such certificates are so surrendered (and until such certificates are so surrendered, no payments of interest or principal will be made to Holders of Trust Securities Certificates with respect to such Debentures) and (v) all rights of Securityholders holding Trust Securities will cease, except the right of such Securityholders to receive Debentures upon surrender of Trust Securities Certificates.

(d) In the event that, notwithstanding the other provisions of this Section 9.04, whether because of an order for dissolution entered by a court of competent jurisdiction or otherwise, distribution of the Debentures in the manner provided herein is determined by the Property Trustee not to be practical, the Trust Property shall be liquidated, and the Trust shall be dissolved, wound up or terminated, by the Property Trustee in such manner as the Property Trustee determines. In such event, on the date of the dissolution, winding-up or other termination of the Trust, Securityholders will be entitled to receive out of the assets of the Trust available for distribution to Securityholders, after satisfaction of liabilities to creditors, an amount equal to the Liquidation Amount per Trust Security plus accrued and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution"). If, upon any such dissolution, winding up or termination, the Liquidation Distribution can be paid only in part because the Trust has insufficient assets available to pay in full the aggregate Liquidation Distribution, then, subject to the next succeeding sentence, the amounts payable by the Trust on the Trust Securities shall be paid on a pro rata basis (based upon Liquidation Amounts). The Holder of the Common Securities will be entitled to receive Liquidation Distributions upon any such dissolution, winding up or termination pro rata (determined as aforesaid) with Holders of Preferred Securities, except that, if an Event of

Default has occurred and is continuing, the Preferred Securities shall have a priority over the Common Securities.

## ARTICLE X

### MISCELLANEOUS PROVISIONS

Section 10.01. Limitation of Rights of Securityholders. The death or incapacity of any person having an interest, beneficial or otherwise, in a Trust Security shall not operate to terminate this Trust Agreement, nor entitle the legal representatives or heirs of such person or any Securityholder for such person, to claim an accounting, take any action or bring any proceeding in any court for a partition or winding up of the arrangements contemplated hereby, nor otherwise affect the rights, obligations and liabilities of the parties hereto or any of them.

Section 10.02. Amendment. (a) This Trust Agreement may be amended from time to time by the Trustees and the Depositor, without the consent of any Securityholders, (i) to cure any ambiguity, correct or supplement any provision herein or therein which may be inconsistent with any other provision herein or therein, or to make any other provisions with respect to matters or questions arising under this Trust Agreement, which shall not be inconsistent with the other provisions of this Trust Agreement or (ii) to modify, eliminate or add to any provisions of this Trust Agreement to such extent as shall be necessary to ensure that the Trust will not be classified for United States federal income tax purposes as an association taxable as a corporation at any time that any Trust Securities are outstanding or to ensure that the Trust will not be required to register as an "investment company" under the Investment Company Act of 1940, as amended; provided, however, that such amendment or action shall not adversely affect the rights of any Securityholder and, in the case of clause (i), any amendments of this Trust Agreement shall become effective only when notice thereof is given to the Securityholders.

(b) Except as provided in Section 10.02(c) hereof, any provision of this Trust Agreement may be amended by the Trustees and the Depositor with (i) the consent of Trust Securityholders representing not less than a majority (based upon Liquidation Amounts) of the Trust Securities then Outstanding and (ii) receipt by the Trustees of an Opinion of Counsel to the effect that such amendment or the exercise of any power granted to the Trustees in accordance with such amendment will not affect the Trust's status as a grantor trust for federal income tax purposes or cause the Trust to fail or cease to qualify for an exemption from the status of an "investment company" under the Investment Company Act of 1940, as amended.

(c) In addition to and notwithstanding any other provision in this Trust Agreement, without the consent of each affected Securityholder (such consent being obtained in accordance with Section 6.03 or 6.06 hereof), this Trust Agreement may not be amended to (i) change the amount or timing of any

Distribution on the Trust Securities or otherwise adversely affect the amount of any Distribution required to be made in respect of the Trust Securities as of a specified date or (ii) restrict the right of a Securityholder to institute suit for the enforcement of any such payment on or after such date. Notwithstanding any other provision herein, without the unanimous consent of the Securityholders (such consent being obtained in accordance with Section 6.03 or 6.06 hereof), paragraph (b) of this Section 10.02 may not be amended.

(d) Notwithstanding any other provisions of this Trust Agreement, no Trustee shall enter into or consent to any amendment to this Trust Agreement which would cause the Trust to fail or cease to qualify for an exemption from status of an "investment company" under the Investment Company Act of 1940, as amended.

(e) Notwithstanding anything in this Trust Agreement to the contrary, without the consent of the Depositor, this Trust Agreement may not be amended in a manner which imposes any additional obligation on the Depositor.

(f) In the event that any amendment to this Trust Agreement is made, the Administrative Trustees shall promptly provide to the Depositor a copy of such amendment.

Section 10.03. Separability. In case any provision in this Trust Agreement or in the Trust Securities Certificates shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 10.04. Governing Law. THIS TRUST AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF EACH OF THE SECURITYHOLDERS, THE TRUST AND THE TRUSTEES WITH RESPECT TO THIS TRUST AGREEMENT AND THE TRUST SECURITIES SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF DELAWARE WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

Section 10.05. Successors. This Trust Agreement shall be binding upon and shall inure to the benefit of any successor to the Trust or the Relevant Trustee or both, including any successor by operation of law.

Section 10.06. Headings. The Article and Section headings are for convenience only and shall not affect the construction of this Trust Agreement.

Section 10.07. Notice and Demand. Any notice, demand or other communication which by any provision of this Trust Agreement is required or permitted to be given or served to or upon any Securityholder or the Depositor may be given or served in writing by deposit thereof, postage prepaid, in the United States mail, hand delivery or facsimile transmission, in each case, addressed, (i) in the case of a Preferred Securityholder, to such Preferred Securityholder as such Securityholder's name and address may appear on the Securities Register and (ii) in the case of the Common Securityholder or the

Depositor, to Western Resources, Inc., 818 Kansas Avenue, Topeka, Kansas 66612, Attention: Vice President, Finance, facsimile no. (913) 575-8136, with a copy to the Secretary, facsimile no. (913) 575-8160. Such notice, demand or other communication to or upon a Securityholder shall be deemed to have been sufficiently given or made, for all purposes, upon hand delivery, mailing or transmission.

Any notice, demand or other communication which by any provision of this Trust Agreement is required or permitted to be given or served to or upon the Trust, the Property Trustee or the Administrative Trustees shall be given in writing addressed (until another address is published by the Trust) as follows: (i) with respect to the Property Trustee and the Delaware Trustee, Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, Attention: Corporate Trust Administration; and (ii) with respect to the Administrative Trustees, to them at the address above for notices to the Depositor, marked "Attention: Administrative Trustees of Western Resources Capital I, c/o Treasury Department." Such notice, demand or other communication to or upon the Trust or the Property Trustee shall be deemed to have been sufficiently given or made only upon actual receipt of the writing by the Trust or the Property Trustee.

Section 10.08. Agreement Not to Petition. Each of the Trustees and the Depositor agree for the benefit of the Securityholders that, until at least one year and one day after the Trust has been terminated in accordance with Article IX, they shall not file, or join in the filing of, a petition against the Trust under any bankruptcy, reorganization, arrangement, insolvency, liquidation or other similar law (including, without limitation, the United States Bankruptcy Code) (collectively, "Bankruptcy Laws") or otherwise join in the commencement of any proceeding against the Trust under any Bankruptcy Law. In the event the Depositor takes action in violation of this Section 10.08, the Property Trustee agrees, for the benefit of Securityholders, that at the expense of Depositor it shall file an answer with the bankruptcy court or otherwise properly contest the filing of such petition by the Depositor against the Trust or the commencement of such action and raise the defense that the Depositor has agreed in writing not to take such action and should be stopped and precluded therefrom and such other defenses, if any, as counsel for the Trustee or the Trust may assert. The provisions of this Section 10.08 shall survive the termination of this Trust Agreement.

Section 10.09. Trust Indenture Act; Conflict with Trust Indenture Act.

(a) This Trust Agreement is subject to the provisions of the Trust Indenture Act that are required to be part of this Trust Agreement and shall, to the extent applicable, be governed by such provisions.

(b) The Property Trustee shall be the only Trustee which is a Trustee for the purposes of the Trust Indenture Act.

(c) If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Trust

Agreement by any of the provisions of the Trust Indenture Act, such required provision shall control.

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

THE RECEIPT AND ACCEPTANCE OF A TRUST SECURITY OR ANY INTEREST THEREIN BY OR ON BEHALF OF A SECURITYHOLDER OR ANY OWNER, WITHOUT ANY SIGNATURE OR FURTHER MANIFESTATION OF ASSENT, SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE SECURITYHOLDER AND ALL OTHERS HAVING A BENEFICIAL INTEREST IN SUCH TRUST SECURITY OF ALL THE TERMS AND PROVISIONS OF THIS TRUST AGREEMENT AND THE AGREEMENT OF THE TRUST, SUCH SECURITYHOLDER AND SUCH OTHERS THAT THOSE TERMS AND PROVISIONS SHALL BE BINDING, OPERATIVE AND EFFECTIVE AS BETWEEN THE TRUST AND SUCH SECURITYHOLDER AND SUCH OTHERS.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Trust Agreement, in the case of Western Resources, the Property Trustee and the Delaware Trustee by their representatives thereunto duly authorized.

WESTERN RESOURCES, INC.

By: \_\_\_\_\_  
Name:  
Title:

WILMINGTON TRUST COMPANY,  
as Property Trustee and Delaware Trustee

By: \_\_\_\_\_  
Name:  
Title:

WILMINGTON TRUST COMPANY

By: \_\_\_\_\_  
Name:  
Title:

as Administrative Trustee

as Administrative Trustee

as Administrative Trustee

CERTIFICATE OF TRUST  
OF  
WESTERN RESOURCES CAPITAL I

THIS CERTIFICATE OF TRUST of Western Resources Capital I (the "Trust"), dated October 12, 1995, is being duly executed and filed by the undersigned, as trustee, to form a business trust under the Delaware Business Trust Act (12 Del. Code Section 3801 et seq.).

1. Name. The name of the business trust being formed hereby is Western Resources Capital I.

2. Delaware Trustee. The name and business address of the trustee of the Trust with a principal place of business in the State of Delaware is Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890, Attention: Corporate Trust Administration.

3. Effective Date. This Certificate of Trust shall be effective as of its filing.

IN WITNESS WHEREOF, the undersigned, being the trustees of the Trust, have executed this Certificate of Trust as of the date first above written.

WILMINGTON TRUST COMPANY,  
as Trustee

By:  
Name:  
Title:

## CERTIFICATE DEPOSITORY AGREEMENT

\_\_\_\_\_, 1995

The Depository Trust Company,  
55 Water Street, 49th Floor,  
New York, New York 10041-0099.

Attention: General Counsel's Office

Re: Western Resources Capital I \_\_\_\_% Cumulative Quarterly Income  
Preferred Securities

Ladies and Gentlemen:

The purpose of this letter is to set forth certain matters relating to the issuance and deposit with The Depository Trust Company ("DTC") of the Western Resources Capital I \_\_\_\_% Cumulative Quarterly Income Preferred Securities (the "Preferred Securities"), of Western Resources Capital I, a Delaware business trust (the "Issuer"), formed pursuant to a Trust Agreement between Western Resources, Inc. ("Western Resources") and Wilmington Trust Company (the "Bank") and \_\_\_\_\_, as Trustees. The payment of distributions on the Preferred Securities and payments due upon liquidation of the Issuer or redemption of the Preferred Securities are to be guaranteed by Western Resources to the extent set forth in a Guarantee Agreement dated \_\_\_\_\_, \_\_\_\_\_ by Western Resources and Wilmington Trust Company, as guarantee trustee, with respect to the Preferred Securities. Western Resources and the Issuer propose to sell the Preferred Securities to certain Underwriters (the "Underwriters") pursuant to an Underwriting Agreement dated \_\_\_\_\_, \_\_\_\_\_ by and among the Underwriters, the Issuer and Western Resources, and the Underwriters wish to take delivery of the Preferred Securities through DTC.

To induce DTC to accept the Preferred Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Preferred Securities, the Issuer and the \_\_\_\_\_ make the following representations to DTC:

1. Prior to the closing of the sale of the Preferred Securities to the Underwriters, which is expected to occur on or about \_\_\_\_\_, \_\_\_\_\_, there shall be deposited with DTC one or more global certificates (individually and collectively, the "Global Certificate") registered in the name of DTC's nominee, Cede & Co., representing an aggregate of up to \_\_\_\_\_ Preferred Securities and bearing the following legend:



Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

2. The Amended and Restated Trust Agreement of Western Resources Capital I provides for the voting by holders of the Preferred Securities under certain limited circumstances. The Issuer shall establish a record date for such purposes and shall, to the extent possible, give DTC notice of such record date not less than 15 calendar days in advance of such record date.

3. In the event of a stock split, conversion, recapitalization, reorganization or any other similar transaction resulting in the cancellation of all or any part of the Preferred Securities outstanding, the Issuer or the Bank shall send DTC a notice of such event at least 5 business days prior to the effective date of such event.

4. In the event of distribution on, or an offering or issuance of rights with respect to, the Preferred Securities outstanding, the Issuer or the Bank shall send DTC a notice specifying: (a) the amount of and conditions, if any, applicable to the payment of any such distribution or any such offering or issuance of rights; (b) any applicable expiration or deadline date, or any date by which any action on the part of the holders of Preferred Securities is required; and (c) the date any required notice is to be mailed by or on behalf of the Issuer to holders of Preferred Securities or published by or on behalf of the Issuer (whether by mail or publication, the "Publication Date"). Such notice shall be sent to DTC by a secure means (e.g., legible telecopy, registered or certified mail, overnight delivery) in a timely manner designed to assure that such notice is in DTC's possession no later than the close of business on the business day before the Publication Date. The Issuer or the Bank will forward such notice either in a separate secure transmission for each CUSIP number or in a secure transmission for multiple CUSIP numbers (if applicable) that includes a manifest or list of each CUSIP number submitted in that transmission. (The party sending such notice shall have a method to verify subsequently the use of such means and the timeliness of such notice.) The Publication Date shall be not less than 30 calendar days nor more than 60 calendar days prior to the payment of any such distribution or any such offering or issuance of rights with respect to the Preferred Securities. After establishing the amount of payment to be made on the Preferred Securities, the Issuer or the Bank will notify DTC's Dividend Department of such payment 5 business days prior to payment date. Notices to DTC's Dividend Department by telecopy shall be sent to (212) 709-1723. Such notices by mail or by any other means shall be sent to:

Manager, Announcements  
Dividend Department  
The Depository Trust Company  
7 Hanover Square, 23rd Floor

New York, New York 10004-2695

The Issuer or the Bank shall confirm DTC's receipt of such telecopy by telephoning the Dividend Department at (212) 709-1270.

5. In the event of a redemption by the Issuer of the Preferred Securities, notice specifying the terms of the redemption and the Publication Date of such notice shall be sent by the Issuer or the Bank to DTC not less than 30 calendar days prior to such event by a secure means in the manner set forth in paragraph 4. Such redemption notice shall be sent to DTC's Call Notification Department at (516) 227-4164 or (516) 227-4190, and receipt of such notice shall be confirmed by telephoning (516) 227-4070. Notice by mail or by any other means shall be sent to:

Call Notification Department  
The Depository Trust Company  
711 Stewart Avenue  
Garden City, New York 11530-4719

6. In the event of any invitation to tender the Preferred Securities, notice specifying the terms of the tender and the Publication Date of such notice shall be sent by the Issuer or the Bank to DTC by a secure means and in a timely manner as described in paragraph 4. Notices to DTC pursuant to this paragraph and notices of other corporate actions (including mandatory tenders, exchanges and capital changes), shall be sent, unless notification to another department is expressly provided for herein, by telecopy to DTC's Reorganization Department at (212) 709-1093 or (212) 709-1094 and receipt of such notice shall be confirmed by telephoning (212) 709-6884, or by mail or any other means to:

Manager, Reorganization Department  
Reorganization Window  
The Depository Trust Company  
7 Hanover Square, 23rd Floor  
New York, New York 10004-2695

7. All notices and payment advices sent to DTC shall contain the CUSIP number or numbers of the Preferred Securities and the accompanying designation of the Preferred Securities, which, as of the date of this letter, is "Western Resources Capital I \_\_\_\_% Cumulative Quarterly Income Preferred Securities".

8. Distribution payments or other cash payments with respect to the Preferred Securities evidenced by the Global Certificate shall be governed by DTC's current Principal and Income Payments Rider, a copy of which is attached hereto as Annex I. For purposes of this letter, the term "Agent" used in Annex I shall be deemed to refer to the Bank.

9. DTC may direct the Issuer and the Bank to use any other telecopy number or address of DTC as the number or address to which notices or payments may be sent.

10. In the event of a conversion, redemption, or any other similar transaction (e.g., tender made and accepted in response to the Issuer's or the Bank's invitation) necessitating a reduction in the aggregate number of Preferred Securities outstanding evidenced by the Global Certificate, DTC, in its discretion: (a) may request the Issuer or the Bank to issue and countersign a new Global Certificate; or (b) may make an appropriate notation on the Global Certificate indicating the date and amount of such reduction.

11. DTC may discontinue its services as a securities depository with respect to the Preferred Securities at any time by giving reasonable prior written notice to the Issuer and the Bank at which time DTC will confirm with the Issuer or the Bank the aggregate number of Preferred Securities deposited with it) and discharging its responsibilities with respect thereto under applicable law. Under such circumstances, the Issuer may determine to make alternative arrangements for book-entry settlement for the Preferred Securities, make available one or more separate global certificates evidencing Preferred Securities to any Participant having Preferred Securities credited to its DTC account, or issue definitive Preferred Securities to the beneficial holders thereof, and in any such case, DTC agrees to cooperate fully with the Issuer and the Bank and to return the Global Certificate, duly endorsed for transfer as directed by the Issuer or the Bank, together with any other documents of transfer reasonably requested by the Issuer or the Bank.

12. In the event that the Issuer determines that beneficial owners of Preferred Securities shall be able to obtain definitive Preferred Securities, the Issuer or the Bank shall notify DTC of the availability of certificates. In such event, the Issuer or the Bank shall issue, transfer and exchange certificates in appropriate amounts, as required by DTC and others, and DTC agrees to cooperate fully with the Issuer and the Bank and to return the Global Certificate, duly endorsed for transfer as directed by the Issuer or the Bank, together with any other documents of transfer reasonably requested by the Issuer or the Bank.

13. This letter may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Nothing herein shall be deemed to require the Bank to advance funds on behalf of the Issuer.

Very truly yours,

WESTERN RESOURCES CAPITAL I  
(As Issuer)

By: (Depositor)

By:  
Name:  
Title:

WILMINGTON TRUST COMPANY  
Trustee

By:  
Name:  
Title:

RECEIVED AND ACCEPTED:  
THE DEPOSITORY TRUST COMPANY

By: \_\_\_\_\_  
Authorized Officer

ANNEX I

Principal and Income Payments Rider

1. This Rider supersedes any contradictory language set forth in the Letter of Representations to which it is appended.

2. With respect to principal and income payments in the Securities:

- A. DTC shall receive all dividend and interest payments on payable date in same-day funds by 2:30 p.m. ET (Eastern Time).
- B. Issuer agrees that it or Agent shall provide dividend and interest payment information to a standard announcement service subscribed to by DTC. In the unlikely event that no such service exists, Issuer agrees that it or Agent shall provide this information directly to DTC in advance of the dividend or interest record date as soon as the information is available.

This information should be conveyed directly to DTC electronically. If electronic transmission is not possible, such information should be conveyed by telephone or facsimile transmission to:

The Depository Trust Company  
Manager, Announcements  
Dividend Department  
7 Hanover Square, 22nd Floor  
New York, NY 10004

Phone: (212) 709-1270  
Fax: (212) 709-1723, 1686

- C. Issuer agrees that for dividend and interest payments, it or Agent shall provide automated notification of CUSIP-level detail to the depository no later than noon ET on the payment date.
- D. DTC shall receive maturity and redemption payments and CUSIP-level detail on the payable date in same-day funds by 2:30 p.m. ET. Absent any other arrangements between Agent and DTC, such payments shall be wired according to the following instructions:

Chemical Bank  
ABA 021000128  
For credit to A/C Depository Trust Company  
Redemption Account 066-027306

in accordance with existing SDFS payment procedures in the manner set forth in DTC's SDFS Paying Agent Operating Procedures a copy of which has previously been furnished to Agent.

- E. DTC shall receive all other payments and CUSIP-level detail resulting from corporate actions (such as tender offers or mergers) on the first payable date in same-day funds by 2:30 p.m. ET. Absent any other arrangements between the Agent and DTC, such payments shall be wired to the following address:

Chemical Bank  
ABA 021000128  
For credit to A/C Depository Trust Company  
Reorganization Account 066-027608

THIS CERTIFICATE IS NOT TRANSFERABLE

Certificate Number  
C-1

Number of Common Securities

CERTIFICATE EVIDENCING COMMON SECURITIES

OF

WESTERN RESOURCES CAPITAL I

Common Securities  
(liquidation amount U.S. \$25 per Common Security)

Western Resources Capital I, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that Western Resources, Inc. (the "Holder") is the registered owner of \_\_\_\_\_ common securities of the Trust representing beneficial interests in the Trust and designated the Common Securities (liquidation amount U.S. \$25 per Common Security) (the "Common Securities"). In accordance with Section 5.10 of the Trust Agreement (as defined below) the Common Securities are not transferable and any attempted transfer hereof shall be void. The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Common Securities are set forth in, and this certificate and the Common Securities represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Trust Agreement of the Trust dated as of \_\_\_\_\_, \_\_\_\_\_, as the same may be amended from time to time (the "Trust Agreement"), including the designation of the terms of the Common Securities as set forth therein. The Trust will furnish a copy of the Trust Agreement to the Holder without charge upon written request to the Trust at its principal place of business or registered office.

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

IN WITNESS WHEREOF, one of the Administrative Trustees of the Trust has executed this certificate this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Western Resources Capital I

By:  
Administrative Trustee

## AGREEMENT AS TO EXPENSES AND LIABILITIES

AGREEMENT dated as of \_\_\_\_\_, \_\_\_\_\_, between Western Resources, Inc., a Kansas corporation ("Western Resources"), and Western Resources Capital I, a Delaware business trust (the "Trust").

WHEREAS, the Trust intends to issue its Common Securities (the "Common Securities") to and receive Debentures from Western Resources and to issue and sell Western Resources Capital I \_\_\_% Cumulative Quarterly Income Preferred Securities (the "Preferred Securities") with such powers, preferences and special rights and restrictions as are set forth in the Amended and Restated Trust Agreement of the Trust dated as of \_\_\_\_\_, \_\_\_\_\_ as the same may be amended from time to time (the "Trust Agreement");

WHEREAS, Western Resources is the issuer of the Debentures;

NOW, THEREFORE, in consideration of the purchase by each holder of the Preferred Securities, which purchase Western Resources hereby agrees shall benefit Western Resources and which purchase Western Resources acknowledges will be made in reliance upon the execution and delivery of this Agreement, Western Resources and the Trust hereby agree as follows:

## ARTICLE I

Section 1.01. Guarantee by Western Resources. Subject to the terms and conditions hereof, Western Resources hereby irrevocably and unconditionally guarantees to each person or entity to whom the Trust is now or hereafter becomes indebted or liable (the "Creditors") the full payment, when and as due, of any and all Obligations (as hereinafter defined) to such Creditors. As used herein, "Obligations" means any indebtedness, expenses or liabilities of the Trust, other than obligations of the Trust to pay to holders of any Preferred Securities or other similar interests in the Trust the amounts due such holders pursuant to the terms of the Preferred Securities or such other similar interests, as the case may be. This Agreement is intended to be for the benefit of, and to be enforceable by, all such Creditors, whether or not such Creditors have received notice hereof.

Section 1.02. Term of Agreement. This Agreement shall terminate and be of no further force and effect upon the date on which there are no Creditors remaining; provided, however, that this Agreement shall continue to be effective or shall be reinstated, as the case may be, if at any time any Creditor must restore payment of any sums paid under any Obligation for any reason whatsoever. This Agreement is continuing, irrevocable, unconditional and absolute.

Section 1.03. Waiver of Notice. Western Resources hereby waives notice of acceptance of this Agreement and of any Obligation to which it applies or may apply, and Western Resources hereby waives presentment, demand for payment, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands.



Section 1.04. No Impairment. The obligations, covenants, agreements and duties of Western Resources under this Agreement shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(a) the extension of time for the payment by the Trust of all or any portion of the Obligations or for the performance of any other obligation under, arising out of, or in connection with, the Obligations;

(b) any failure, omission, delay or lack of diligence on the part of the Creditors to enforce, assert or exercise any right, privilege, power or remedy conferred on the Creditors with respect to the Obligations or any action on the part of the Trust granting indulgence or extension of any kind; or

(c) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt or, or other similar proceedings affecting, the Trust or any of the assets of the Trust.

There shall be no obligation of the Creditors to give notice to, or obtain the consent of, Western Resources with respect to the happening of any of the foregoing.

Section 1.05. Enforcement. A Creditor may enforce this Agreement directly against Western Resources and Western Resources waives any right or remedy to require that any action be brought against the Trust or any other person or entity before proceeding against Western Resources.

## ARTICLE II

Section 2.01. Binding Effect. All guarantees and agreements contained in this Agreement shall bind the successors, assigns, receivers, trustees and representatives of Western Resources and shall inure to the benefit of the Creditors.

Section 2.02. Amendment. So long as there remains any Creditor or any Preferred Securities of any series are outstanding, this Agreement shall not be modified or amended in any manner adverse to such Creditor or to the holders of the Preferred Securities.

Section 2.03. Notices. Any notice, request or other communication required or permitted to be given hereunder shall be given in writing by delivering the same against receipt therefor by facsimile transmission (confirmed by mail), telex or by registered or certified mail, addressed as follows (and if so given, shall be deemed given when mailed or upon receipt of an answer-back, if sent by telex), to wit:

Western Resources Capital I  
Wilmington Trust Company  
Rodney Square North,  
1100 North Market Street  
Wilmington, Delaware 19890

and copies to:

Western Resources, Inc.  
818 Kansas Avenue  
Topeka, Kansas 66612  
Facsimile No.: (913) 575-8160  
Attention: Vice President, Finance  
(with a copy to the attention of the  
Secretary and to the Administrative Trustees  
Facsimile No.: (913) 575-8136

Section 2.04 THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND  
INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF KANSAS.

THIS AGREEMENT is executed as of the day and year first above  
written.

WESTERN RESOURCES, INC.

By:

Name:  
Title:

WESTERN RESOURCES CAPITAL I

By:

Administrative Trustee

This Preferred Security is a Global Certificate within the meaning of the Trust Agreement hereinafter referred to and is registered in the name of The Depository Trust Company (the "Depository") or a nominee of the Depository. This Preferred Security is exchangeable for Preferred Securities registered in the name of a person other than the Depository or its nominee only in the limited circumstances described in the Trust Agreement and no transfer of this Preferred Security (other than a transfer of this Preferred Security as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository) may be registered except in limited circumstances.

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

Certificate Number	Number of Preferred Securities
P-	CUSIP NO.

CERTIFICATE EVIDENCING PREFERRED SECURITIES

OF

WESTERN RESOURCES CAPITAL I

\_\_\_\_\_% Cumulative Quarterly Income Preferred Securities,  
(liquidation amount U.S. \$25 per Preferred Security)

Western Resources Capital, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that Cede & Co. (the "Holder") is the registered owner of \_\_\_\_\_ preferred securities of the Trust representing a beneficial ownership interest in the Trust and designated the Western Resources Capital I \_\_\_\_% Cumulative Quarterly Income Preferred Securities (liquidation amount U.S. \$25 per Preferred Security) (the "Preferred Securities"). The Preferred Securities are transferable on the books and records of the Trust, in person or by a duly authorized attorney, upon surrender of this certificate duly endorsed and in proper form for transfer as provided in Section 5.04 of the Trust Agreement (as defined below). The designations, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities are set forth in, and this certificate and the Preferred Securities represented hereby are issued and shall in all respects be subject to the terms and provisions of, the Amended and Restated Trust Agreement of the Trust dated as of \_\_\_\_\_, as the same may be amended from time to time (the "Trust Agreement") including

the designation of the terms of Preferred Securities as set forth therein. The holder of this certificate is entitled to the benefits of the Guarantee Agreement entered into by Western Resources, Inc., a Kansas corporation, and Wilmington Trust Company, as guarantee trustee, dated as of \_\_\_\_\_, \_\_\_\_\_ (the "Guarantee") to the extent provided therein. The Trust will furnish a copy of the Trust Agreement and the Guarantee to the holder of this certificate without charge upon written request to the Trust at its principal place of business or registered office.

Upon receipt of this certificate, the holder of this certificate is bound by the Trust Agreement and is entitled to the benefits thereunder.

IN WITNESS WHEREOF, one of the Administrative Trustees of the Trust has executed this certificate this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

Western Resources Capital I

By: Administrative Trustee

ASSIGNMENT

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

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

(Insert address and zip code of assignee)

and irrevocably appoints

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

Date: \_\_\_\_\_

Signature: \_\_\_\_\_  
(Sign exactly as your name appears on the other side of this Preferred Security Certificate)

ANNEX I

DTC Principal and Income Payments Rider

1. This Rider supersedes any contradictory language set forth in the Letter of Representations to which it is appended.

2. With respect to principal and income payments in the Securities:

- A. DTC shall receive all dividend and interest payments on payable date in same-day funds by 2:30 p.m. ET (Eastern Time).
- B. Issuer agrees that it or Agent shall provide dividend and interest payment information to a standard announcement service subscribed to by DTC. In the unlikely event that no such service exists, Issuer agrees that it or Agent shall provide this information directly to DTC in advance of the dividend or interest record date as soon as the information is available.

This information should be conveyed directly to DTC electronically. If electronic transmission is not possible, such information should be conveyed by telephone or facsimile transmission to:

The Depository Trust Company  
Manager, Announcements  
Dividend Department  
7 Hanover Square, 22nd Floor  
New York, NY 10004

Phone: (212) 709-1270  
Fax: (212) 709-1723, 1686

- C. Issuer agrees that for dividend and interest payments, it or Agent shall provide automated notification of CUSIP-level detail to the depository no later than noon ET on the payment date.
- D. DTC shall receive maturity and redemption payments and CUSIP-level detail on the payable date in same-day funds by 2:30 p.m. ET. Absent any other arrangements between Agent and DTC, such payments shall be wired according to the following instructions:

Chemical Bank  
ABA 021000128  
For credit to A/C Depository Trust Company  
Redemption Account 066-027306

in accordance with existing SDFS payment procedures in the manner set forth in DTC's SDFS Paying Agent Operating Procedures a copy of which has previously been furnished to Agent.

- E. DTC shall receive all other payments and CUSIP-level detail resulting from corporate actions (such as tender offers or mergers) on the first payable date in same-day funds by 2:30 p.m. ET. Absent any other arrangements between the Agent and DTC, such payments shall be wired to the following address:

Chemical Bank  
ABA 021000128  
For credit to A/C Depository Trust Company  
Reorganization Account 066-027608





October 16, 1995

Western Resources, Inc.  
818 Kansas Avenue  
Topeka, Kansas 66612

Dear Sirs:

As Executive Vice President and General Counsel of Western Resources, Inc. (the "Company") and in connection with the proposed issue and sale, from time to time, of % Deferable Interest Subordinated Debentures in one or more series (each such series of Debentures being hereinafter called the "Debentures") and one or more Guarantees with respect to preferred securities issued from time to time by one or more issuer trusts to whom a series of Debentures is issued (each such Guarantee being hereinafter called a "Guarantee"), with respect to which the Company is filing a Registration Statement on Form S-3 with the Securities and Exchange Commission under the Securities Act of 1933 (hereinafter called the "Securities Act"), to which Registration Statement this opinion shall be filed as an exhibit, I advise you that, in my opinion:

1. The Company is a corporation duly organized and validly existing under the laws of the State of Kansas.

2. Each series of Debentures is to be issued under an Indenture among the Company and the Trustee thereunder (hereinafter called the "Indenture") to be further supplemented by a Supplemental Indenture creating each such series of Debentures (each such Supplemental Indenture being hereinafter called a "Supplemental Indenture"), forms of which are filed as exhibits to the Registration Statement. Upon (a) the Registration Statement becoming effective under the Securities Act, (b) the authorization of the Indenture and the Supplemental Indenture and the issuance, sale and delivery of the Debentures by the Board of Directors of the Company and the execution of the Indenture and the Supplemental Indenture by the Company and the Trustee thereunder, acting by their proper officers, respectively, and the delivery thereof, and (c) the execution of the Debentures by the proper officers of the Company and the authentication thereof by the Trustee in accordance with the

provisions of the Indenture and the Supplemental Indenture and the full payment therefor, the Indenture and each Supplemental Indenture will be a valid instrument legally binding upon the Company and the Debentures will be duly authorized and issued and will constitute the legal, valid and binding obligations of the Company subject, as to enforcement to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally.

3. Each Guarantee is to be issued under a Guarantee Agreement between the Company and the Trustee thereunder (hereinafter called the "Guarantee Agreement"), a form of which is filed as an exhibit to the Registration Statement. Upon (a) the Registration Statement becoming effective under the Securities Act, (b) the authorization of the Guarantee Agreement and the issuance, sale and delivery of the Guarantee by the Board of Directors of the Company and the execution of the Guarantee Agreement by the Company and the Trustee thereunder, acting by their proper officers, respectively, and the delivery thereof, the Guarantee Agreement will be a valid instrument legally binding upon the Company and the Guarantee will be duly authorized and issued and will constitute the legal, valid and binding obligation of the Company subject, as to enforcement to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws now or hereafter in effect relating to creditors' rights generally.

I hereby consent to the filing of a copy of this opinion as an exhibit to said Registration Statement. I also consent to the use of my name and the making of the statements with respect to myself in the Registration Statement and the Prospectus constituting a part thereof.

Very truly yours,



October 13, 1995

Western Resources Capital I  
c/o Western Resources, Inc.  
818 Kansas Avenue  
Topeka, Kansas 66612

Re: Western Resources Capital I

Ladies and Gentlemen:

We have acted as special Delaware counsel for Western Resources, Inc., a Kansas corporation ("Western Resources"), and Western Resources Capital I, a Delaware business trust (the "Trust"), in connection with the matters set forth herein. At your request, this opinion is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies of the following:

(a) The Certificate of Trust of the Trust, dated as of October 12, 1995 (the "Certificate"), as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on October 12, 1995;

(b) The Trust Agreement of the Trust, dated as of October 12, 1995, between Western Resources and the trustees of the Trust named therein;

(c) The Registration Statement (the "Registration Statement") on Form S-3, including a preliminary prospectus (the "Prospectus"), and a preliminary prospectus supplement (the "Prospectus Supplement") relating to the \_\_\_% Cumulative Quarterly Income Preferred Securities of the Trust representing preferred undivided beneficial interests in the assets of the Trust (each, a "Preferred Security" and collectively, the "Preferred Securities"), as proposed to be filed by Western Resources, the Trust and others as set forth therein with the Securities and Exchange Commission on or about October 13, 1995;

(d) A form of Amended and Restated Trust Agreement of the Trust, to be entered into among Western Resources, the trustees of the Trust named therein, and the holders, from time to time, of undivided beneficial interests in the assets of the Trust (including Exhibits C and E thereto) (the "Trust Agreement"), attached as an exhibit to the Registration Statement; and

(e) A Certificate of Good Standing for the Trust, dated October 13, 1995, obtained from the Secretary of State.

Western Resources Capital I  
October 13, 1995  
Page 2

Initially capitalized terms used herein and not otherwise defined are used as defined in the Trust Agreement.

For purposes of this opinion, we have not reviewed any documents other than the documents listed above, and we have assumed that there exists no provision in any document that we have not reviewed that bears upon or is inconsistent with the opinions stated herein. We have conducted no independent factual investigation of our own but rather have relied solely upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion, we have assumed (i) that the Trust Agreement constitutes the entire agreement among the parties thereto with respect to the subject matter thereof, including with respect to the creation, operation and termination of the Trust, and that the Trust Agreement and the Certificate are in full force and effect and have not been amended, (ii) except to the extent provided in paragraph 1 below, the due creation or due organization or due formation, as the case may be, and valid existence in good standing of each party to the documents examined by us under the laws of the jurisdiction governing its creation, organization or formation, (iii) the legal capacity of natural persons who are parties to the documents examined by us, (iv) that each of the parties to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents, (v) the due authorization, execution and delivery by all parties thereto of all documents examined by us, (vi) the receipt by each Person to whom a Preferred Security is to be issued by the Trust (collectively, the "Preferred Security Holders") of a Preferred Security

Certificate for such Preferred Security and the payment for the Preferred Security acquired by it, in accordance with the Trust Agreement and the Registration Statement, and (vii) that the Preferred Securities are issued and sold to the Preferred Security Holders in accordance with the Trust Agreement and the Registration Statement. We have not participated in the preparation of the Registration Statement and assume no responsibility for its contents.

This opinion is limited to the laws of the State of Delaware (excluding the securities laws of the State of Delaware), and we have not considered and express no opinion on the laws of any other jurisdiction, including federal laws and rules and regulations relating thereto. Our opinions are rendered only with respect to Delaware laws and rules, regulations and orders thereunder which are currently in effect.

Based upon the foregoing, and upon our examination of such questions of law and statutes of the State of Delaware as we have considered necessary or appropriate, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly created and is validly existing in good standing as a business trust under the Delaware Business Trust Act, 12 Del. C. Section 3801, et seq.

2. The Preferred Securities will represent valid and, subject to the qualifications set forth in paragraph 3 below, fully paid and nonassessable undivided beneficial interests in the assets of the Trust.

3. The Preferred Security Holders, as beneficial owners of the Trust, will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware. We note that the Preferred Security Holders may be obligated to make payments as set forth in the Trust Agreement.

We consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the heading "Legal Matters" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of Persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other Person for any purpose.

Very truly yours,

October 13, 1995

Western Resources Capital II  
c/o Western Resources, Inc.  
818 Kansas Avenue  
Topeka, Kansas 66612

Re: Western Resources Capital II

Ladies and Gentlemen:

We have acted as special Delaware counsel for Western Resources, Inc., a Kansas corporation ("Western Resources"), and Western Resources Capital II, a Delaware business trust (the "Trust"), in connection with the matters set forth herein. At your request, this opinion is being furnished to you.

For purposes of giving the opinions hereinafter set forth, our examination of documents has been limited to the examination of originals or copies of the following:

(a) The Certificate of Trust of the Trust, dated as of October 12, 1995 (the "Certificate"), as filed in the office of the Secretary of State of the State of Delaware (the "Secretary of State") on October 12, 1995;

(b) The Trust Agreement of the Trust, dated as of October 12, 1995, between Western Resources and the trustees of the Trust named therein;

(c) The Registration Statement (the "Registration Statement") on Form S-3, including a preliminary prospectus (the "Prospectus"), and a preliminary prospectus supplement (the "Prospectus Supplement") relating to the \_\_\_% Cumulative Quarterly Income Preferred Securities of the Trust representing preferred undivided beneficial interests in the assets of the Trust (each, a "Preferred Security" and collectively, the "Preferred Securities"), as proposed to be filed by Western Resources, the Trust and others as set forth therein with the Securities and Exchange Commission on or about October 13, 1995;

(d) A form of Amended and Restated Trust Agreement of the Trust, to be entered into among Western Resources, the trustees of the Trust named therein, and the holders, from time to time, of undivided beneficial interests in the assets of the Trust (including Exhibits C and E thereto) (the "Trust Agreement"), attached as an exhibit to the Registration Statement; and

(e) A Certificate of Good Standing for the Trust, dated October 13, 1995, obtained from the Secretary of State.

Western Resources Capital II  
October 13, 1995  
Page 2

Initially capitalized terms used herein and not otherwise defined are used as defined in the Trust Agreement.

For purposes of this opinion, we have not reviewed any documents other than the documents listed above, and we have assumed that there exists no provision in any document that we have not reviewed that bears upon or is inconsistent with the opinions stated herein. We have conducted no independent factual investigation of our own but rather have relied solely upon the foregoing documents, the statements and information set forth therein and the additional matters recited or assumed herein, all of which we have assumed to be true, complete and accurate in all material respects.

With respect to all documents examined by us, we have assumed (i) the authenticity of all documents submitted to us as authentic originals, (ii) the conformity with the originals of all documents submitted to us as copies or forms, and (iii) the genuineness of all signatures.

For purposes of this opinion, we have assumed (i) that the Trust Agreement constitutes the entire agreement among the parties thereto with respect to the subject matter thereof, including with respect to the creation, operation and termination of the Trust, and that the Trust Agreement and the Certificate are in full force and effect and have not been amended, (ii) except to the extent provided in paragraph 1 below, the due creation or due organization or due formation, as the case may be, and valid existence in good standing of each party to the documents examined by us under the laws of the jurisdiction governing its creation, organization or formation, (iii) the legal capacity of natural persons who are parties to the documents examined by us, (iv) that each of the parties to the documents examined by us has the power and authority to execute and deliver, and to perform its obligations under, such documents, (v) the due authorization, execution and delivery by all parties thereto of all documents examined by us, (vi) the receipt by each Person to whom a Preferred Security is to be issued by the Trust (collectively, the "Preferred Security Holders") of a Preferred Security

Certificate for such Preferred Security and the payment for the Preferred Security acquired by it, in accordance with the Trust Agreement and the Registration Statement, and (vii) that the Preferred Securities are issued and sold to the Preferred Security Holders in accordance with the Trust Agreement and the Registration Statement. We have not participated in the preparation of the Registration Statement and assume no responsibility for its contents.

This opinion is limited to the laws of the State of Delaware (excluding the securities laws of the State of Delaware), and we have not considered and express no opinion on the laws of any other jurisdiction, including federal laws and rules and regulations relating thereto. Our opinions are rendered only with respect to Delaware laws and rules, regulations and orders thereunder which are currently in effect.

Based upon the foregoing, and upon our examination of such questions of law and statutes of the State of Delaware as we have considered necessary or appropriate, and subject to the assumptions, qualifications, limitations and exceptions set forth herein, we are of the opinion that:

1. The Trust has been duly created and is validly existing in good standing as a business trust under the Delaware Business Trust Act, 12 Del. C. Section 3801, et seq.

2. The Preferred Securities will represent valid and, subject to the qualifications set forth in paragraph 3 below, fully paid and nonassessable undivided beneficial interests in the assets of the Trust.

3. The Preferred Security Holders, as beneficial owners of the Trust, will be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of the State of Delaware. We note that the Preferred Security Holders may be obligated to make payments as set forth in the Trust Agreement.

We consent to the filing of this opinion with the Securities and Exchange Commission as an exhibit to the Registration Statement. In addition, we hereby consent to the use of our name under the heading "Legal Matters" in the Prospectus. In giving the foregoing consents, we do not thereby admit that we come within the category of Persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder. Except as stated above, without our prior written consent, this opinion may not be furnished or quoted to, or relied upon by, any other Person for any purpose.

Very truly yours,



October 18, 1995

WESTERN RESOURCES, INC.  
818 Kansas Avenue  
Topeka, Kansas 08543

Gentlemen:

We have acted as counsel to Western Resources, Inc. ("Western Resources") in connection with the proposed offering by Western Resources Capital I and Western Resources Capital II (the "Trusts") of their Cumulative Quarterly Income Preferred Securities (the "Preferred Securities") as described in that certain Registration Statement on Form S-3 (the "Registration Statement") filed with the Securities and Exchange Commission on October 18, 1995.

We understand that our opinion will be attached as an Exhibit to, and will be referred to under the heading "UNITED STATES TAXATION" in, the Prospectus Supplement that is a part of the Registration Statement, and we hereby consent to such use of our opinion.

All capitalized terms used herein without definition shall have the same meaning as in the Registration Statement.

In rendering the opinions expressed herein, we have examined such documents as we have deemed appropriate, including (but not limited to) the Registration Statement and all Exhibits thereto. In our examination of documents, we have assumed, with your consent, that all documents submitted to us are authentic originals, or if submitted as photocopies, that they faithfully reproduce the originals thereof, that all such documents have been or will be duly executed to the extent required, that all representations and statements set forth in such documents are true and correct, and that all obligations imposed by any such documents on the parties thereto are enforceable, and have been or will be performed or satisfied, in accordance with their terms. In addition, we have relied, with your consent, upon (i) the opinion of John K. Rosenberg,

Esq. with respect to the validity of the Guarantee Agreement and the Junior Subordinated Debentures to be issued by Western Resources to the Trusts and (ii) the opinion of Richards, Layton & Finger with respect to the validity of the Preferred Securities.

Based upon and subject to the foregoing, we are of the following opinions.

(1) The Trusts will be treated as grantor trusts and not as associations taxable as corporations for United States federal income tax purposes.

(2) The discussion contained in the Registration Statement under the heading "UNITED STATES TAXATION", insofar as it relates to matters of law and legal conclusions, is correct in all material respects.

The opinions expressed herein are based upon the United States Internal Revenue Code, the United States Treasury Regulations promulgated thereunder, current administrative positions of the United States Internal Revenue Service, and existing judicial decisions, any of which could be changed at any time, possibly on a retroactive basis. Any such changes could adversely affect the opinions rendered herein and the tax consequences to the Trusts and to the holders of the Preferred Securities. In addition, our opinions cannot be relied upon if any of the facts contained in the documents that we have examined, including the opinions of John K. Rosenberg, Esq. and Richards, Layton & Finger, or if any of the assumptions that we have made, is, or later becomes, inaccurate.

Finally, our opinion is limited to the tax matters specifically covered thereby, and we have not been asked to address, nor have we addressed, any other tax consequences relating to the formation or operation of the Trusts or of an investment in the Preferred Securities.

Sincerely yours,



PLACE DOCUMENT HERE

WESTERN RESOURCES, INC.  
 Computations of Ratio of Earnings to Fixed Charges and  
 Computations of Ratio of Earnings to Combined Fixed Charges  
 and Preferred and Preference Dividend Requirements  
 (Dollars in Thousands)

	Unaudited Twelve Months Ended June 30,	Year Ended December 31,				
		1995	1994	1993	1992	1991
Net Income . . . . .	\$154,358	\$187,447	\$177,370	\$127,884	\$ 89,645	\$ 79,619
Taxes on Income . . . . .	78,337	99,951	78,755	46,099	42,527	36,736
Net Income Plus Taxes . . . . .	232,695	287,398	256,125	173,983	132,172	116,355
Fixed Charges:						
Interest on						
Long-Term Debt . . . . .	95,510	98,483	123,551	117,464	51,267	51,542
Other Indebtedness . . . . .	25,269	20,139	19,255	20,009	10,490	11,022
Interest on Corporate-						
owned Life Insurance						
Borrowings . . . . .	28,427	26,932	16,252	5,294	-	-
Interest Applicable to						
Rentals . . . . .	29,002	29,003	28,827	27,429	5,089	4,426
Total Fixed Charges	178,208	174,557	187,885	170,196	66,846	66,990
Preferred and Preference						
Dividend Requirements:						
Preferred and Preference						
Dividends . . . . .	13,418	13,418	13,506	12,751	6,377	1,744
Income Tax Required . . . . .	6,810	7,155	5,997	4,596	3,025	805
Total Preferred and						
Preference Dividend						
Requirements . . . . .	20,228	20,573	19,503	17,347	9,402	2,549
Total Fixed Charges and						
Preferred and						
Preference Dividend						
Requirements . . . . .	198,436	195,130	207,388	187,543	76,248	69,539
Earnings (1) . . . . .	\$410,903	\$461,955	\$444,010	\$344,179	\$199,018	\$183,345
Ratio of Earnings to Fixed						
Charges . . . . .	2.31	2.65	2.36	2.02	2.98	2.74
Ratio of Earnings to Combined						
Fixed Charges and Preferred						
and Preference Dividend						
Requirements . . . . .	2.07	2.37	2.14	1.84	2.61	2.64

(1) Earnings are deemed to consist of net income to which has been added income taxes (including net deferred investment tax credit) and fixed charges. Fixed charges consist of all interest on indebtedness, amortization of debt discount and expense, and the portion of rental expense which represents an interest factor. Preferred and preference dividend requirements consist of an amount equal to the pre-tax earnings which would be required to meet dividend requirements on preferred and preference stock.

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement on Form S-3 used to register \$200 million of the Cumulative Quarterly Income Series A Preferred Securities of our reports dated January 25, 1995, included in and incorporated by reference in Western Resources, Inc.'s Form 10-K for the year ended December 31, 1994, and to all references to our Firm included in this Registration Statement.

ARTHUR ANDERSEN LLP

Kansas City, Missouri,  
October 16, 1995

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Western Resources, Inc. on Form S-3 of our report dated January 29, 1993 appearing in the Annual Report on Form 10-K of Kansas Gas and Electric Company for the year ended December 31, 1992 and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

DELOITTE & TOUCHE LLP

Kansas City, Missouri

Dated: October 16, 1995

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939  
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2) \_\_\_\_\_

WILMINGTON TRUST COMPANY  
(Exact name of trustee as specified in its charter)

Delaware  
(State of incorporation)

51-0055023  
(I.R.S. employer identification no.)

Rodney Square North  
Wilmington, Delaware 19890  
(Address of principal executive offices)

Myfanwy Phillips Bonilla  
Asst. Vice President and Trust Counsel  
Wilmington Trust Company  
Rodney Square North  
Wilmington, Delaware 19890  
(302) 651-8914  
(Name, address and telephone number of agent for service)

Western Resources, Inc.  
(Exact name of obligor as specified in its charter)

Kansas  
(State of incorporation)

48-0290150  
(I.R.S. employer identification no.)

818 Kansas Avenue  
Topeka, Kansas

66612  
(Zip Code)

(Address of principal executive offices)

Deferrable Interest Subordinated Debentures  
(Title of the indenture securities)

1

ITEM 1. GENERAL INFORMATION.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Federal Deposit Insurance Co.      State Bank Commissioner  
Five Penn Center                      Dover, Delaware Suite #2901  
Philadelphia, PA

- (b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR.

If the obligor is an affiliate of the trustee, describe each affiliation:

Based upon an examination of the books and records of the trustee and upon information furnished by the obligor, the obligor is not an affiliate of the trustee.

ITEM 3. LIST OF EXHIBITS.

List below all exhibits filed as part of this Statement of Eligibility and Qualification.

- A. Copy of the Charter of Wilmington Trust Company, which includes the certificate of authority of Wilmington Trust Company to commence business and the authorization of Wilmington Trust Company to exercise corporate trust powers.
- B. Copy of By-Laws of Wilmington Trust Company.
- C. Consent of Wilmington Trust Company required by Section 321(b) of Trust Indenture Act.
- D. Copy of most recent Report of Condition of Wilmington Trust

Company.

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, Wilmington Trust Company, a corporation organized and existing under the laws of Delaware, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Wilmington and State of Delaware on the 12th day of October, 1995.

WILMINGTON TRUST COMPANY

[SEAL]

Attest:/s/ Patricia A. Evans  
Assistant Secretary

By: /s/David P. Fontello  
Name: David P. Fontello  
Title: Vice President



EXHIBIT C

Section 321(b) Consent

Pursuant to Section 321(b) of the Trust Indenture Act of 1939, Wilmington Trust Company hereby consents that reports of examinations by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities Exchange Commission upon requests therefor.

WILMINGTON TRUST COMPANY

Dated: October 12, 1995

By: /s/ David P. Fontello  
Name: David P. Fontello  
Title: Vice President

EXHIBIT A

AMENDED CHARTER

Wilmington Trust Company

Wilmington, Delaware

As existing on May 9, 1987

Amended Charter

or

Act of Incorporation

of

Wilmington Trust Company

Wilmington Trust Company, originally incorporated by an Act of the General Assembly of the State of Delaware, entitled "An Act to Incorporate the Delaware Guarantee and Trust Company", approved March 2, A.D. 1901, and the name of which company was changed to "Wilmington Trust Company" by an amendment filed in the Office of the Secretary of State on March 18, A.D. 1903, and the Charter or Act of Incorporation of which company has been from time to time amended and changed by merger agreements pursuant to the corporation law for state banks and trust companies of the State of Delaware, does hereby alter and amend its Charter or Act of Incorporation so that the same as so altered and amended shall in its entirety read as follows:

First: - The name of this corporation is Wilmington Trust Company.

Second: - The location of its principal office in the State of Delaware is at Rodney Square North, in the City of Wilmington, County of New Castle; the name of its resident agent is Wilmington Trust Company whose address is Rodney Square North, in said City. In addition to such principal office, the said corporation maintains and operates branch offices in the City of Newark, New Castle County, Delaware, the Town of Newport, New Castle County, Delaware, at Claymont, New Castle County, Delaware, at Greenville, New Castle County Delaware, and at Milford Cross Roads, New Castle County, Delaware, and shall be empowered to open, maintain and operate branch offices at Ninth and Shipley Streets, 418 Delaware Avenue, 2120 Market Street, and 3605 Market Street, all in the City of Wilmington, New Castle County, Delaware, and such other branch offices or places of business as may be authorized from time to time by the agency or agencies of the government of the State of Delaware empowered to confer such authority.

Third: - (a) The nature of the business and the objects and purposes proposed to be transacted, promoted or carried on by this Corporation are to do any or all of the things herein mentioned as fully and to the same extent as natural persons might or could do and in any part of the world, viz.:

(1) To sue and be sued, complain and defend in any Court of law or equity and to make and use a common seal, and alter the seal at pleasure, to hold, purchase, convey, mortgage or otherwise deal in real and personal estate and property, and to appoint such officers and agents as the business of the Corporation shall require, to make by-laws not inconsistent with the Constitution or laws of the United States or of this State, to discount bills, notes or other evidences of debt, to receive deposits of money, or securities for money, to buy gold and silver bullion and foreign coins, to buy and sell bills

of exchange, and generally to use, exercise and enjoy all the powers, rights, privileges and franchises incident to a corporation which are proper or necessary for the transaction of the business of the Corporation hereby created.

(2) To insure titles to real and personal property, or any estate or interests therein, and to guarantee the holder of such property, real or personal, against any claim or claims, adverse to his interest therein, and to prepare and give certificates of title for any lands or premises in the State of Delaware, or elsewhere.

(3) To act as factor, agent, broker or attorney in the receipt, collection, custody, investment and management of funds, and the purchase, sale, management and disposal of property of all descriptions, and to prepare and execute all papers which may be necessary or proper in such business.

(4) To prepare and draw agreements, contracts, deeds, leases, conveyances, mortgages, bonds and legal papers of every description, and to carry on the business of conveyancing in all its branches.

(5) To receive upon deposit for safekeeping money, jewelry, plate, deeds, bonds and any and all other personal property of every sort and kind, from executors, administrators, guardians, public officers, courts, receivers, assignees, trustees, and from all fiduciaries, and from all other persons and individuals, and from all corporations whether state, municipal, corporate or private, and to rent boxes, safes, vaults and other receptacles for such property.

(6) To act as agent or otherwise for the purpose of registering, issuing, certificating, countersigning, transferring or underwriting the stock, bonds or other obligations of any corporation, association, state or municipality, and may receive and manage any sinking fund therefor on such terms as may be agreed upon between the two parties, and in like manner may act as Treasurer of any corporation or municipality.

(7) To act as Trustee under any deed of trust, mortgage, bond or other instrument issued by any state, municipality, body politic, corporation, association or person, either alone or in conjunction with any other person or persons, corporation or corporations.

(8) To guarantee the validity, performance or effect of any contract or agreement, and the fidelity of persons holding places of responsibility or trust; to become surety for any person, or persons, for the faithful performance of any trust, office, duty, contract or agreement, either by itself or in conjunction with any other person, or persons, corporation, or corporations, or in like manner become surety upon any bond, recognizance, obligation, judgment, suit, order, or decree to be entered in any court of record within the State of Delaware or elsewhere, or which may now

or hereafter be required by any law, judge, officer or court in the State of Delaware or elsewhere.

(9) To act by any and every method of appointment as trustee, trustee in bankruptcy, receiver, assignee, assignee in bankruptcy, executor, administrator, guardian, bailee, or in any other trust capacity in the receiving, holding, managing, and disposing of any and all estates and property, real, personal or mixed, and to be appointed as such trustee, trustee in bankruptcy, receiver, assignee, assignee in bankruptcy, executor, administrator, guardian or bailee by any persons, corporations, court, officer, or authority, in the State of Delaware or elsewhere; and whenever this Corporation is so appointed by any person, corporation, court, officer or authority such trustee, trustee in bankruptcy, receiver, assignee, assignee in bankruptcy, executor, administrator, guardian, bailee, or in any other trust capacity, it shall not be required to give bond with surety, but its capital stock shall be taken and held as security for the performance of the duties devolving upon it by such appointment.

(10) And for its care, management and trouble, and the exercise of any of its powers hereby given, or for the performance of any of the duties which it may undertake or be called upon to perform, or for the assumption of any responsibility the said Corporation may be entitled to receive a proper compensation.

(11) To purchase, receive, hold and own bonds, mortgages, debentures, shares of capital stock, and other securities, obligations, contracts and evidences of indebtedness, of any private, public or municipal corporation within and without the State of Delaware, or of the Government of the United States, or of any state, territory, colony, or possession thereof, or of any foreign government or country; to receive, collect, receipt for, and dispose of interest, dividends and income upon and from any of the bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property held and owned by it, and to exercise in respect of all such bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property, any and all the rights, powers and privileges of individual owners thereof, including the right to vote thereon; to invest and deal in and with any of the moneys of the Corporation upon such securities and in such manner as it may think fit and proper, and from time to time to vary or realize such investments; to issue bonds and secure the same by pledges or deeds of trust or mortgages of or upon the whole or any part of the property held or owned by the Corporation, and to sell and pledge such bonds, as and when the Board of Directors shall determine, and in the promotion of its said corporate business of investment and to the extent authorized by law, to lease, purchase, hold, sell, assign, transfer, pledge, mortgage and convey real and personal property of any name and nature and any estate or interest therein.

(b) In furtherance of, and not in limitation, of the powers conferred by the laws of the State of Delaware, it is hereby expressly provided that the said Corporation shall also have the following powers:

(1) To do any or all of the things herein set forth, to the same extent as natural persons might or could do, and in any part of the world.

(2) To acquire the good will, rights, property and franchises and to undertake the whole or any part of the assets and liabilities of any person, firm, association or corporation, and to pay for the same in cash, stock of this Corporation, bonds or otherwise; to hold or in any manner to dispose of the whole or any part of the property so purchased; to conduct in any lawful manner the whole or any part of any business so acquired, and to exercise all the powers necessary or convenient in and about the conduct and management of such business.

(3) To take, hold, own, deal in, mortgage or otherwise lien, and to lease, sell, exchange, transfer, or in any manner whatever dispose of property, real, personal or mixed, wherever situated.

(4) To enter into, make, perform and carry out contracts of every kind with any person, firm, association or corporation, and, without limit as to amount, to draw, make, accept, endorse, discount, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or transferable instruments.

(5) To have one or more offices, to carry on all or any of its operations and businesses, without restriction to the same extent as natural persons might or could do, to purchase or otherwise acquire, to hold, own, to mortgage, sell, convey or otherwise dispose of, real and personal property, of every class and description, in any State, District, Territory or Colony of the United States, and in any foreign country or place.

(6) It is the intention that the objects, purposes and powers specified and clauses contained in this paragraph shall (except where otherwise expressed in said paragraph) be nowise limited or restricted by reference to or inference from the terms of any other clause of this or any other paragraph in this charter, but that the objects, purposes and powers specified in each of the clauses of this paragraph shall be regarded as independent objects, purposes and powers.

Fourth: - (a) The total number of shares of all classes of stock which the Corporation shall have authority to issue is forty-one million (41,000,000) shares, consisting of:

(1) One million (1,000,000) shares of Preferred stock, par value \$10.00 per share (hereinafter referred to as "Preferred Stock"); and

(2) Forty million (40,000,000) shares of Common Stock, par value \$1.00 per share (hereinafter referred to as "Common Stock").

(b) Shares of Preferred Stock may be issued from time to time in one or more series as may from time to time be determined by the Board of Directors each of said series to be distinctly designated. All shares of any one series of Preferred Stock shall be alike in every particular, except that there may be different dates from which dividends, if any, thereon shall be cumulative, if made cumulative. The voting powers and the preferences and relative, participating, optional and other special rights of each such series, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding; and, subject to the provisions of subparagraph 1 of Paragraph (c) of this Article Fourth, the Board of Directors of the Corporation is hereby expressly granted authority to fix by resolution or resolutions adopted prior to the issuance of any shares of a particular series of Preferred Stock, the voting powers and the designations, preferences and relative, optional and other special rights, and the qualifications, limitations and restrictions of such series, including, but without limiting the generality of the foregoing, the following:

(1) The distinctive designation of, and the number of shares of Preferred Stock which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors) or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the Board of Directors;

(2) The rate and times at which, and the terms and conditions on which, dividends, if any, on Preferred Stock of such series shall be paid, the extent of the preference or relation, if any, of such dividends to the dividends payable on any other class or classes, or series of the same or other class of stock and whether such dividends shall be cumulative or non-cumulative;

(3) The right, if any, of the holders of Preferred Stock of such series to convert the same into or exchange the same for, shares of any other class or classes or of any series of the same or any other class or classes of stock of the Corporation and the terms and conditions of such conversion or exchange;

(4) Whether or not Preferred Stock of such series shall be subject to redemption, and the redemption price or prices and the time or times at which, and the terms and conditions on which, Preferred Stock of such series may be redeemed.

(5) The rights, if any, of the holders of Preferred Stock of such series upon the voluntary or involuntary liquidation, merger, consolidation, distribution or sale of assets, dissolution or winding-up, of the Corporation.

(6) The terms of the sinking fund or redemption or purchase account, if any, to be provided for the Preferred Stock of such series; and

(7) The voting powers, if any, of the holders of such series of Preferred Stock which may, without limiting the generality of the foregoing include the right, voting as a series or by itself or together with other series of Preferred Stock or all series of Preferred Stock as a class, to elect one or more directors of the Corporation if there shall have been a default in the payment of dividends on any one or more series of Preferred Stock or under such circumstances and on such conditions as the Board of Directors may determine.

(c) (1) After the requirements with respect to preferential dividends on the Preferred Stock (fixed in accordance with the provisions of section (b) of this Article Fourth), if any, shall have been met and after the Corporation shall have complied with all the requirements, if any, with respect to the setting aside of sums as sinking funds or redemption or purchase accounts (fixed in accordance with the provisions of section (b) of this Article Fourth), and subject further to any conditions which may be fixed in accordance with the provisions of section (b) of this Article Fourth, then and not otherwise the holders of Common Stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors.

(2) After distribution in full of the preferential amount, if any, (fixed in accordance with the provisions of section (b) of this Article Fourth), to be distributed to the holders of Preferred Stock in the event of voluntary or involuntary liquidation, distribution or sale of assets, dissolution or winding-up, of the Corporation, the holders of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation, tangible and intangible, of whatever kind available for distribution to stockholders ratably in proportion to the number of shares of Common Stock held by them respectively.

(3) Except as may otherwise be required by law or by the provisions of such resolution or resolutions as may be adopted by the Board of Directors pursuant to section (b) of this Article Fourth, each holder of Common Stock shall have one vote in respect of each share of Common Stock held on all matters voted upon by the stockholders.

(d) No holder of any of the shares of any class or series of stock or of options, warrants or other rights to purchase shares of any class or series of stock or of other securities of the Corporation shall have any preemptive right to purchase or subscribe for any unissued stock of any class or series or any additional shares of any class or series to be issued by reason of any increase of the authorized capital stock of the Corporation of any class or series, or bonds, certificates of indebtedness, debentures or other securities convertible into or exchangeable for stock of the Corporation of any class or series, or



carrying any right to purchase stock of any class or series, but any such unissued stock, additional authorized issue of shares of any class or series of stock or securities convertible into or exchangeable for stock, or carrying any right to purchase stock, may be issued and disposed of pursuant to resolution of the Board of Directors to such persons, firms, corporations or associations, whether such holders or others, and upon such terms as may be deemed advisable by the Board of Directors in the exercise of its sole discretion.

(e) The relative powers, preferences and rights of each series of Preferred Stock in relation to the relative powers, preferences and rights of each other series of Preferred Stock shall, in each case, be as fixed from time to time by the Board of Directors in the resolution or resolutions adopted pursuant to authority granted in section (b) of this Article Fourth and the consent, by class or series vote or otherwise, of the holders of such of the series of Preferred Stock as are from time to time outstanding shall not be required for the issuance by the Board of Directors of any other series of Preferred Stock whether or not the powers, preferences and rights of such other series shall be fixed by the Board of Directors as senior to, or on a parity with, the powers, preferences and rights of such outstanding series, or any of them; provided, however, that the Board of Directors may provide in the resolution or resolutions as to any series of Preferred Stock adopted pursuant to section (b) of this Article Fourth that the consent of the holders of a majority (or such greater proportion as shall be therein fixed) of the outstanding shares of such series voting thereon shall be required for the issuance of any or all other series of Preferred Stock.

(f) Subject to the provisions of section (e), shares of any series of Preferred Stock may be issued from time to time as the Board of Directors of the Corporation shall determine and on such terms and for such consideration as shall be fixed by the Board of Directors.

(g) Shares of Common Stock may be issued from time to time as the Board of Directors of the Corporation shall determine and on such terms and for such consideration as shall be fixed by the Board of Directors.

(h) The authorized amount of shares of Common Stock and of Preferred Stock may, without a class or series vote, be increased or decreased from time to time by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon.

Fifth: - (a) The business and affairs of the Corporation shall be conducted and managed by a Board of Directors. The number of directors constituting the entire Board shall be not less than five nor more than twenty-five as fixed from time to time by vote of a majority of the whole Board, provided, however, that the number of directors shall not be reduced so as to shorten the term of any director at the time in office, and provided further, that the number of directors constituting the whole Board shall be twenty-four until otherwise fixed by a majority of the whole Board.

(b) The Board of Directors shall be divided into three classes, as nearly equal in number as the then total number of directors constituting the whole Board permits, with the term of office of one class expiring each year. At the annual meeting of stockholders in 1982, directors of the first class shall be elected to hold office for a term expiring at the next succeeding annual meeting, directors of the second class shall be elected to hold office for a term expiring at the second succeeding annual meeting and directors of the third class shall be elected to hold office for a term expiring at the third succeeding annual meeting. Any vacancies in the Board of Directors for any reason, and any newly created directorships resulting from any increase in the directors, may be filled by the Board of Directors, acting by a majority of the directors then in office, although less than a quorum, and any directors so chosen shall hold office until the next annual election of directors. At such election, the stockholders shall elect a successor to such director to hold office until the next election of the class for which such director shall have been chosen and until his successor shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

(c) Notwithstanding any other provisions of this Charter or Act of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law, this Charter or Act of Incorporation or the By-Laws of the Corporation), any director or the entire Board of Directors of the Corporation may be removed at any time without cause, but only by the affirmative vote of the holders of two-thirds or more of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) cast at a meeting of the stockholders called for that purpose.

(d) Nominations for the election of directors may be made by the Board of Directors or by any stockholder entitled to vote for the election of directors. Such nominations shall be made by notice in writing, delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Corporation not less than 14 days nor more than 50 days prior to any meeting of the stockholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to stockholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of the Corporation not later than the close of the seventh day following the day on which notice of the meeting was mailed to stockholders. Notice of nominations which are proposed by the Board of Directors shall be given by the Chairman on behalf of the Board.

(e) Each notice under subsection (d) shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of such nominee and (iii) the number of shares of stock of the Corporation which are beneficially owned by each such nominee.

(f) The Chairman of the meeting may, if the facts warrant, determine and

declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

(g) No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

Sixth: - The Directors shall choose such officers, agent and servants as may be provided in the By-Laws as they may from time to time find necessary or proper.

Seventh: - The Corporation hereby created is hereby given the same powers, rights and privileges as may be conferred upon corporations organized under the Act entitled "An Act Providing a General Corporation Law", approved March 10, 1899, as from time to time amended.

Eighth: - This Act shall be deemed and taken to be a private Act.

Ninth: - This Corporation is to have perpetual existence.

Tenth: - The Board of Directors, by resolution passed by a majority of the whole Board, may designate any of their number to constitute an Executive Committee, which Committee, to the extent provided in said resolution, or in the By-Laws of the Company, shall have and may exercise all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, and shall have power to authorize the seal of the Corporation to be affixed to all papers which may require it.

Eleventh: - The private property of the stockholders shall not be liable for the payment of corporate debts to any extent whatever.

Twelfth: - The Corporation may transact business in any part of the world.

Thirteenth: - The Board of Directors of the Corporation is expressly authorized to make, alter or repeal the By-Laws of the Corporation by a vote of the majority of the entire Board. The stockholders may make, alter or repeal any By-Law whether or not adopted by them, provided however, that any such additional By-Laws, alterations or repeal may be adopted only by the affirmative vote of the holders of two-thirds or more of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class).

Fourteenth: - Meetings of the Directors may be held outside of the State of Delaware at such places as may be from time to time designated by the Board, and the Directors may keep the books of the Company outside of the State of Delaware at such places as may be from time to time designated by them.

Fifteenth: - (a) In addition to any affirmative vote required by law, and except as otherwise expressly provided in sections (b) and (c) of this Article Fifteenth:

(A) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with or into (i) any Interested Stockholder (as hereinafter defined) or (ii) any other corporation (whether or not itself an Interested Stockholder), which, after such merger or consolidation, would be an Affiliate (as hereinafter defined) of an Interested Stockholder, or

(B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of related transactions) to or with any Interested Stockholder or any Affiliate of any Interested Stockholder of any assets of the Corporation or any Subsidiary having an aggregate fair market value of \$1,000,000 or more, or

(C) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of related transactions) of any securities of the Corporation or any Subsidiary to any Interested Stockholder or any Affiliate of any Interested Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate fair market value of \$1,000,000 or more, or

(D) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation, or

(E) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any similar transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Interested Stockholder, or any Affiliate of any Interested Stockholder,

shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, considered for the purpose of this Article Fifteenth as one class ("Voting Shares"). Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that some lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

(2) The term "business combination" as used in this Article Fifteenth shall mean any transaction which is referred to any one or more of clauses (A) through (E) of paragraph 1 of the section (a).

(b) The provisions of section (a) of this Article Fifteenth shall not be applicable to any particular business combination and such business combination shall require only such affirmative vote as is required by law and any other provisions of the Charter or Act of Incorporation or By-Laws if such business combination has been approved by a majority of the whole Board.

(c) For the purposes of this Article Fifteenth:

(1) A "person" shall mean any individual firm, corporation or other entity.

(2) "Interested Stockholder" shall mean, in respect of any business combination, any person (other than the Corporation or any Subsidiary) who or which as of the record date for the determination of stockholders entitled to notice of and to vote on such business combination, or immediately prior to the consummation of any such transaction:

(A) is the beneficial owner, directly or indirectly, of more than 10% of the Voting Shares, or

(B) is an Affiliate of the Corporation and at any time within two years prior thereto was the beneficial owner, directly or indirectly, of not less than 10% of the then outstanding voting Shares, or

(C) is an assignee of or has otherwise succeeded in any share of capital stock of the Corporation which were at any time within two years prior thereto beneficially owned by any Interested Stockholder, and such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

(3) A person shall be the "beneficial owner" of any Voting Shares:

(A) which such person or any of its Affiliates and Associates (as hereafter defined) beneficially own, directly or indirectly, or

(B) which such person or any of its Affiliates or Associates has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement or understanding, or

(C) which are beneficially owned, directly or indirectly, by any other person with which such first mentioned person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of capital stock of the Corporation.

(4) The outstanding Voting Shares shall include shares deemed owned through application of paragraph (3) above but shall not include any other Voting Shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights, warrants or options or otherwise.

(5) "Affiliate" and "Associate" shall have the respective meanings given those terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on December 31, 1981.

(6) "Subsidiary" shall mean any corporation of which a majority of any class of equity security (as defined in Rule 3a11-1 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect in December 31, 1981) is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Investment Stockholder set forth in paragraph (2) of this section (c), the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

(d) majority of the directors shall have the power and duty to determine for the purposes of this Article Fifteenth on the basis of information known to them, (1) the number of Voting Shares beneficially owned by any person (2) whether a person is an Affiliate or Associate of another, (3) whether a person has an agreement, arrangement or understanding with another as to the matters referred to in paragraph (3) of section (c), or (4) whether the assets subject to any business combination or the consideration received for the issuance or transfer of securities by the Corporation, or any Subsidiary has an aggregate fair market value of \$1,00,000 or more.

(e) Nothing contained in this Article Fifteenth shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

Sixteenth: Notwithstanding any other provision of this Charter or Act of Incorporation or the By-Laws of the Corporation (and in addition to any other vote that may be required by law, this Charter or Act of Incorporation by the By-Laws), the affirmative vote of the holders of at least two-thirds of the outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) shall be required to amend, alter or repeal any provision of Articles Fifth, Thirteenth, Fifteenth or Sixteenth of this Charter or Act of Incorporation.

Seventeenth: (a) a Director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except to the extent such exemption from liability or limitation thereof is not permitted under the Delaware General Corporation Laws as the same exists or may hereafter be amended.

(b) Any repeal or modification of the foregoing paragraph shall not

adversely affect any right or protection of a Director of the Corporation existing hereunder with respect to any act or omission occurring prior to the time of such repeal or modification."

I \_\_\_\_\_

\_\_\_\_\_ Secretary of Wilmington Trust Company, do hereby certify that the foregoing is a true and correct copy of the Charter or Act of Incorporation of Wilmington Trust Company, as heretofore amended and changed from time to time, copies of which, certified by the Secretary of the State of Delaware, are on file in the office of Wilmington Trust Company.

Date \_\_\_\_\_

\_\_\_\_\_  
Secretary



EXHIBIT B

BY-LAWS

WILMINGTON TRUST COMPANY

WILMINGTON, DELAWARE

As existing on February 21, 1991

ARTICLE I  
Stockholders' Meetings

Section 1. The Annual Meeting of Stockholders shall be held on the third Thursday in April each year at the principal office at the Company or at such other date, time, or place as may be designated by resolution by the Board of Directors.

Section 2. Special meetings of all stockholders may be called at any time by the Board of Directors, the Chairman of the Board or the President.

Section 3. Notice of all meetings of the stockholders shall be given by mailing to each stockholder at least ten (10) days before said meeting, at his last known address, a written or printed notice fixing the time and place of such meeting.

Section 4. A majority in the amount of the capital stock of the Company issued and outstanding on the record date, as herein determined, shall constitute a quorum at all meetings of stockholders for the transaction of any business, but the holders of a small number of shares may adjourn, from time to time, without further notice, until a quorum is secured. At each annual or special meeting of stockholders, each stockholder shall be entitled to one vote, either in person or by proxy, for each share of stock registered in the stockholder's name on the books of the Company on the record date for any such meeting as determined herein.

ARTICLE II  
Directors

Section 1. The number and classification of the Board of Directors shall be as set forth in the Charter of the Bank.

Section 2. No person who has attained the age of seventy-two (72) years shall be nominated for election to the Board of Directors of the Company, provided, however, that this limitation shall not apply to any person who was serving as director of the Company on September 16, 1971.

Section 3. The class of Directors so elected shall hold office for three years or until their successors are elected and qualified.

Section 4. The affairs and business of the Company shall be managed and conducted by the Board of Directors.

Section 5. Regular meetings of the Board of Directors shall be held on the third Thursday of each month at the principal office of the Company, or at such other place and time as may be designated by the Board of Directors, the Chairman of the Board, or the President.

Section 6. Special meetings of the Board of Directors may be called at

any time by the Chairman of the Board of Directors or by the President, and shall be called upon the written request of a majority of the directors.

Section 7. A majority of the directors elected and qualified shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 8. Written notice shall be sent by mail to each director of any special meeting of the Board of Directors, and of any change in the time or place of any regular meeting, stating the time and place of such meeting, which shall be mailed not less than two days before the time of holding such meeting.

Section 9. In the event of the death, resignation, removal, inability to act, or disqualification of any director, the Board of Directors, although less than a quorum, shall have the right to elect the successor who shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred, and until such director's successor shall have been duly elected and qualified.

Section 10. The Board of Directors at its first meeting after its election by the stockholders shall appoint an Executive Committee, a Trust Committee, an Audit Committee and a Compensation Committee, and shall elect from its own members a Chairman of the Board of Directors and a President who may be the same person. The Board of Directors shall also elect at such meeting a Secretary and a Treasurer, who may be the same person, may appoint at any time such other committees and elect or appoint such other officers as it may deem advisable. The Board of Directors may also elect at such meeting one or more Associate Directors.

Section 11. The Board of Directors may at any time remove, with or without cause, any member of any Committee appointed by it or any associate director or officer elected by it and may appoint or elect his successor.

Section 12. The Board of Directors may designate an officer to be in charge of such of the departments or division of the Company as it may deem advisable.

ARTICLE III  
Committees

Section I. Executive Committee

(A) The Executive Committee shall be composed of not more than nine members who shall be selected by the Board of Directors from its own members and who shall hold office during the pleasure of the Board.

(B) The Executive Committee shall have all the powers of the Board of Directors when it is not in session to transact all business for and in behalf of the Company that may be brought before it.

(C) The Executive Committee shall meet at the principal office of the Company or elsewhere in its discretion at least once a week in each week the Board is not regularly scheduled to meet. A majority of its members shall be necessary to constitute a quorum for the transaction of business. Special meetings of the Executive Committee may be held at any time when a quorum is present.

(D) Minutes of each meeting of the Executive Committee shall be kept and submitted to the Board of Directors at its next meeting.

(E) The Executive Committee shall advise and superintend all investments that may be made of the funds of the Company, and shall direct the disposal of the same, in accordance with such rules and regulations as the Board of Directors from time to time make.

(F) In the event of a state of disaster of sufficient severity to prevent the conduct and management of the affairs and business of the Company by its directors and officers as contemplated by these By-Laws any two available members of the Executive Committee as constituted immediately prior to such disaster shall constitute a quorum of that Committee for the full conduct and management of the affairs and business of the Company in accordance with the provisions of Article III of these By-Laws; and if less than three members of the Trust Committee is constituted immediately prior to such disaster shall be available for the transaction of its business, such Executive Committee shall also be empowered to exercise all of the powers reserved to the Trust Committee under Article III Section 2 hereof. In the event of the unavailability, at such time, of a minimum of two members of such Executive Committee, any three available directors shall constitute the Executive Committee for the full conduct and management of the affairs and business of the Company in accordance with the foregoing provisions of this Section. This By-Law shall be subject to implementation by Resolutions of the Board of Directors presently existing or hereafter passed from time to time for that purpose, and any provisions of these By-Laws (other than this Section) and any resolutions which are contrary to the provisions of this Section or to the provisions of any such implementary Resolutions shall be suspended during such a disaster period until it shall be determined by any interim Executive Committee acting under this section that it shall be to the advantage of the Company to resume the conduct and management of its affairs and business under

all of the other provisions of these By-Laws.

#### Section 2. Trust Committee

(A) The Trust Committee shall be composed of not more than thirteen members who shall be selected by the Board of Directors, a majority of whom shall be members of the Board of Directors and who shall hold office during the pleasure of the Board.

(B) The Trust Committee shall have general supervision over the Trust Department and the investment of trust funds, in all matters, however, being subject to the approval of the Board of Directors.

(C) The Trust Committee shall meet at the principal office of the Company or elsewhere in its discretion at least once a month. A majority of its members shall be necessary to constitute a quorum for the transaction of business. Special meetings of the Trust Committee may be held at any time when a quorum is present.

(D) Minutes of each meeting of the Trust Committee shall be kept and promptly submitted to the Board of Directors.

(E) The Trust Committee shall have the power to appoint Committees and/or designate officers or employees of the Company to whom supervision over the investment of trust funds may be delegated when the Trust Committee is not in session.

#### Section 3. Audit Committee

(A) The Audit Committee shall be composed of five members who shall be selected by the Board of Directors from its own members, none of whom shall be an officer of the Company, and shall hold office at the pleasure of the Board.

(B) The Audit Committee shall have general supervision over the Audit Division in all matters however subject to the approval of the Board of Directors; it shall consider all matters brought to its attention by the officer in charge of the Audit Division, review all reports of examination of the Company made by any governmental agency or such independent auditor employed for that purpose, and make such recommendations to the Board of Directors with respect thereto or with respect to any other matters pertaining to auditing the Company as it shall deem desirable.

(C) The Audit Committee shall meet whenever and wherever the majority of its members shall deem it to be proper for the transaction of its business, and a majority of its Committee shall constitute a quorum.

#### Section 4. Compensation Committee

(A) The Compensation Committee shall be composed of not more than five (5) members who shall be selected by the Board of Directors from its own members who are not officers of the Company and who shall hold office

during the pleasure of the Board.

(B) The Compensation Committee shall in general advise upon all matters of policy concerning the Company brought to its attention by the management and from time to time review the management of the Company, major organizational matters, including salaries and employee benefits and specifically shall administer the Executive Incentive Compensation Plan.

(C) Meetings of the Compensation Committee may be called at any time by the Chairman of the Compensation Committee, the Chairman of the Board of Directors, or the President of the Company.

#### Section 5. Associate Directors

(A) Any person who has served as a director may be elected by the Board of Directors as an associate director, to serve during the pleasure of the Board.

(B) An associate director shall be entitled to attend all directors meetings and participate in the discussion of all matters brought to the Board, with the exception that he would have no right to vote. An associate director will be eligible for appointment to Committees of the Company, with the exception of the Executive Committee, Audit Committee and Compensation Committee, which must be comprised solely of active directors.

#### Section 6. Absence or Disqualification of Any Member of a Committee

(A) In the absence or disqualification of any member of any Committee created under Article III of the By-Laws of this Company, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absence or disqualified member.

### ARTICLE IV Officers

Section 1. The Chairman of the Board of Directors shall preside at all meetings of the Board and shall have such further authority and powers and shall perform such duties as the Board of Directors may from time to time confer and direct. He shall also exercise such powers and perform such duties as may from time to time be agreed upon between himself and the President of the Company.

Section 2. The President shall have the powers and duties pertaining to the office of the President conferred or imposed upon him by statute or assigned to him by the Board of Directors in the absence of the Chairman of the Board the President shall have the powers and duties of the Chairman of the Board.

Section 3. The Chairman of the Board of Directors or the President as designated by the Board of Directors, shall carry into effect all legal directions of the Executive Committee and of the Board of Directors, and shall at all times exercise general supervision over the interest, affairs and operations of the Company and perform all duties incident to his office.

Section 4. There may be one or more Vice Presidents, however denominated by the Board of Directors, who may at any time perform all the duties of the Chairman of the Board of Directors and/or the President and such other powers and duties as may from time to time be assigned to them by the Board of Directors, the Executive Committee, the Chairman of the Board or the President and by the officer in charge of the department or division to which they are assigned.

Section 5. The Secretary shall attend to the giving of notice of meetings of the stockholders and the Board of Directors, as well as the Committees thereof, to the keeping of accurate minutes of all such meetings and to recording the same in the minute books of the Company. In addition to the other notice requirements of these By-Laws and as may be practicable under the circumstances, all such notices shall be in writing and mailed well in advance of the scheduled date of any other meeting. He shall have custody of the corporate seal and shall affix the same to any documents requiring such corporate seal and to attest the same.

Section 6. The Treasurer shall have general supervision over all assets and liabilities of the Company. He shall be custodian of and responsible for all monies, funds and valuables of the Company and for the keeping of proper records of the evidence of property or indebtedness and of all the transactions of the Company. He shall have general supervision of the expenditures of the Company and shall report to the Board of Directors at each regular meeting of the condition of the Company, and perform such other duties as may be assigned to him from time to time by the Board of Directors of the Executive Committee.

Section 7. There may be a Controller who shall exercise general supervision over the internal operations of the Company, including accounting, and shall render to the Board of Directors at appropriate times a report relating to the general condition and internal operations of the Company.

There may be one or more subordinate accounting or controller officers however denominated, who may perform the duties of the Controller and such duties as may be prescribed by the Controller.

Section 8. The officer designated by the Board of Directors to be in charge of the Audit Division of the Company with such title as the Board of Directors shall prescribe, shall report to and be directly responsible only to the Board of Directors.

There shall be an Auditor and there may be one or more Audit Officers, however denominated, who may perform all the duties of the Auditor and such duties as may be prescribed by the officer in charge of the Audit Division.

Section 9. There may be one or more officers, subordinate in rank to all Vice Presidents with such functional titles as shall be determined from time to time by the Board of Directors, who shall ex officio hold the office Assistant Secretary of this Company and who may perform such duties as may be prescribed by the officer in charge of the department or division to whom they are assigned.

Section 10. The powers and duties of all other officers of the Company shall be those usually pertaining to their respective offices, subject to the direction of the Board of Directors, the Executive Committee, Chairman of the Board of Directors or the President and the officer in charge of the department or division to which they are assigned.

ARTICLE V  
Stock and Stock Certificates

Section 1. Shares of stock shall be transferrable on the books of the Company and a transfer book shall be kept in which all transfers of stock shall be recorded.

Section 2. Certificate of stock shall bear the signature of the President or any Vice President, however denominated by the Board of Directors and countersigned by the Secretary or Treasurer or an Assistant Secretary, and the seal of the corporation shall be engraved thereon. Each certificate shall recite that the stock represented thereby is transferrable only upon the books of the Company by the holder thereof or his attorney, upon surrender of the certificate properly endorsed. Any certificate of stock surrendered to the Company shall be cancelled at the time of transfer, and before a new certificate or certificates shall be issued in lieu thereof. Duplicate certificates of stock shall be issued only upon giving such security as may be satisfactory to the Board of Directors or the Executive Committee.

Section 3. The Board of Directors of the Company is authorized to fix in advance a record date for the determination of the stockholders entitled to notice of, and to vote at, any meeting of stockholders and any adjournment thereof, or entitled to receive payment of any dividend, or to any allotment or rights, or to exercise any rights in respect of any change, conversion or exchange of capital stock, or in connection with obtaining the consent of stockholders for any purpose, which record date shall not be more than 60 nor less than 10 days proceeding the date of any meeting of stockholders or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent.

ARTICLE VI  
Seal

Section 1. The corporate seal of the Company shall be in the following form:

Between two concentric circles the words



"Wilmington Trust Company" within the inner  
circle the words "Wilmington, Delaware."

ARTICLE VII  
Fiscal Year

Section 1. The fiscal year of the Company shall be the calendar year.

ARTICLE VIII  
Execution of Instruments of the Company

Section 1. The Chairman of the Board, the President or any Vice President, however denominated by the Board of Directors, shall have full power and authority to enter into, make, sign, execute, acknowledge and/or deliver and the Secretary or any Assistant Secretary shall have full power and authority to attest and affix the corporate seal of the Company to any and all deeds, conveyances, assignments, releases, contracts, agreements, bonds, notes, mortgages and all other instruments incident to the business of this Company or in acting as executor, administrator, guardian, trustee, agent or in any other fiduciary or representative capacity by any and every method of appointment or by whatever person, corporation, court officer or authority in the State of Delaware, or elsewhere, without any specific authority, ratification, approval or confirmation by the Board of Directors or the Executive Committee, and any and all such instruments shall have the same force and validity as although expressly authorized by the Board of Directors and/or the Executive Committee.

ARTICLE IX  
Compensation of Directors and Members of Committees

Section 1. Directors and associate directors of the Company, other than salaried officers of the Company, shall be paid such reasonable honoraria or fees for attending meetings of the Board of Directors as the Board of Directors may from time to time determine. Directors and associate directors who serve as members of committees, other than salaried employees of the Company, shall be paid such reasonable honoraria or fees for services as members of committees as the Board of Directors shall from time to time determine and directors and associate directors may be employed by the Company for such special services as the Board of Directors may from time to time determine and shall be paid for such special services so performed reasonable compensation as may be determined by the Board of Directors.

ARTICLE X  
Indemnification

Section 1. (A) The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he, or a person for whom he is the legal representative, is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person. The Corporation shall indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the Board of Directors of the Corporation.

(B) The Corporation shall pay the expenses incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a Director officer in his capacity as a Director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Director or officer to repay all amounts advanced if it should be ultimately determined that the Director or officer is not entitled to be indemnified under this Article or otherwise.

(C) If a claim for indemnification or payment of expenses, under this Article X is not paid in full within ninety days after a written claim therefor has been received by the Corporation the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

(D) The rights conferred on any person by this Article X shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Charter or Act of Incorporation, these By-Laws, agreement, vote of stockholders or disinterested Directors or otherwise.

(E) Any repeal or modification of the foregoing provisions of this Article X shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE XI  
Amendments to the By-Laws

Section 1. These By-Laws may be altered, amended or repealed, in whole or in part, and any new By-Law or By-Laws adopted at any regular or special meeting of the Board of Directors by a vote of the majority of all the members of the Board of Directors then in office.

I, . . . . .  
Assistant Secretary of Wilmington Trust Company, do hereby  
certify that the foregoing is a true and correct copy of  
the By-Laws of the Wilmington Trust Company.

Date . . . . .

. . . . .  
Assistant Secretary

H:\...\trindact\bylaws.wt

EXHIBIT "D"

NOTICE

This form is intended to assist state nonmember banks and savings banks with state publication requirements. It has not been approved by any state banking authorities. Refer to your appropriate state banking authorities for your state publication requirements.

R E P O R T O F C O N D I T I O N

Consolidating domestic subsidiaries of the

WILMINGTON TRUST COMPANY of WILMINGTON

-----  
Name of Bank City  
-----

in the State of DELAWARE, at the close of business on June 30, 1995.  
-----

ASSETS

Thousands of dollars

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coins . . . . .	189,183
Interest-bearing balances . . . . .	0
Held-to-maturity securities . . . . .	960,718
Available-for-sale securities . . . . .	194,658
Federal funds sold . . . . .	30,000
Securities purchased under agreements to resell . . . . .	173,715
Loans and lease financing receivables:	
Loans and leases, net of unearned income . . . . .	3,352,597
LESS: Allowance for loan and lease losses . . . . .	45,914
LESS: Allocated transfer risk reserve . . . . .	0
Loans and leases, net of unearned income, allowance, and reserve	3,306,683
Assets held in trading accounts . . . . .	0
Premises and fixed assets (including capitalized leases) . . . . .	75,242
Other real estate owned . . . . .	14,515
Investments in unconsolidated subsidiaries and associated companies . .	2,531
Customers' liability to this bank on acceptances outstanding . . . . .	0
Intangible assets . . . . .	4,645
Other assets . . . . .	135,399
Total assets . . . . .	5,087,289

CONTINUED ON NEXT PAGE

LIABILITIES

Deposits:

In domestic offices . . . . .		3,103,895
Noninterest-bearing . . . . .	647,766	
Interest-bearing . . . . .	2,456,129	
Federal funds purchased . . . . .		205,220
Securities sold under agreements to repurchase . . . . .		181,985
Demand notes issued to the U.S. Treasury . . . . .		94,987
Trading liabilities . . . . .		0
Other borrowed money: . . . . .		////////
With original maturity of one year or less . . . . .		996,500
With original maturity of more than one year . . . . .		0
Mortgage indebtedness and obligations under capitalized leases . . . . .		1,887
Bank's liability on acceptances executed and outstanding . . . . .		0
Subordinated notes and debentures . . . . .		0
Other liabilities . . . . .		100,721
Total liabilities . . . . .		4,685,195
Limited-life preferred stock and related surplus . . . . .		0

EQUITY CAPITAL

Perpetual preferred stock and related surplus . . . . .		0
Common Stock . . . . .		500
Surplus . . . . .		62,118
Undivided profits and capital reserves . . . . .		339,514
Net unrealized holding gains (losses) on available-for-sale securities . . . . .		(38)
Total equity capital . . . . .		402,094
Total liabilities, limited-life preferred stock, and equity capital . . . . .		5,087,289

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

I, David R. Gibson  
 Name  
 Senior Vice President  
 Title

/s/ Hugh E. Miller ]  
 - - - - - ]  
 /s/ R. C. Forney ] Directors  
 - - - - - ]  
 /s/ Leonard W. Quill ]  
 - - - - - ]

of the above-named bank  
 do hereby declare that  
 this Report of Condition  
 is true and correct to  
 the best of my knowledge  
 and belief.

/s/ David R. Gibson  
 -----  
 Signature  
  
 07/28/95  
 -----  
 Date

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939  
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2) \_\_\_\_\_

WILMINGTON TRUST COMPANY  
(Exact name of trustee as specified in its charter)

Delaware  
(State of incorporation)

51-0055023  
(I.R.S. employer identification no.)

Rodney Square North  
Wilmington, Delaware 19890  
(Address of principal executive offices)

Myfanwy Phillips Bonilla  
Asst. Vice President and Trust Counsel  
Wilmington Trust Company  
Rodney Square North  
Wilmington, Delaware 19890  
(302) 651-8914  
(Name, address and telephone number of agent for service)

Western Resources Capital I  
Western Resources Capital II  
(Exact name of obligor as specified in its Trust Agreements)

Delaware  
(State of organization)

To Be Applied For  
(I.R.S. employer identification no.)

818 Kansas Avenue  
Topeka, Kansas

66612  
(Zip Code)

(Address of principal executive offices)

Cumulative Quarterly Income Preferred Securities  
(Title of the indenture securities)

1

ITEM 1. GENERAL INFORMATION.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Federal Deposit Insurance Co.      State Bank Commissioner  
Five Penn Center                      Dover, Delaware  
Suite #2901  
Philadelphia, PA

- (b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR.

If the obligor is an affiliate of the trustee, describe each affiliation:

Based upon an examination of the books and records of the trustee and upon information furnished by the obligor, the obligor is not an affiliate of the trustee.

ITEM 3. LIST OF EXHIBITS.

List below all exhibits filed as part of this Statement of Eligibility and Qualification.

- A. Copy of the Charter of Wilmington Trust Company, which includes the certificate of authority of Wilmington Trust Company to commence business and the authorization of Wilmington Trust Company to exercise corporate trust powers.
- B. Copy of By-Laws of Wilmington Trust Company.
- C. Consent of Wilmington Trust Company required by Section 321(b) of Trust Indenture Act.
- D. Copy of most recent Report of Condition of Wilmington Trust

Company.

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, Wilmington Trust Company, a corporation organized and existing under the laws of Delaware, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Wilmington and State of Delaware on the 12th day of October, 1995.

WILMINGTON TRUST COMPANY

[SEAL]

Attest:/s/ Patricia A. Evans  
Assistant Secretary

By:/s/ David P. Fontello  
Name: David P. Fontello  
Title: Vice President



Section 321(b) Consent

Pursuant to Section 321(b) of the Trust Indenture Act of 1939, Wilmington Trust Company hereby consents that reports of examinations by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities Exchange Commission upon requests therefor.

WILMINGTON TRUST COMPANY

Dated: October 12, 1995

By: /s/ David P. Fontello  
Name: David P. Fontello  
Title: Vice President

EXHIBIT A

AMENDED CHARTER

Wilmington Trust Company

Wilmington, Delaware

As existing on May 9, 1987

Amended Charter

or

Act of Incorporation

of

Wilmington Trust Company

Wilmington Trust Company, originally incorporated by an Act of the General Assembly of the State of Delaware, entitled "An Act to Incorporate the Delaware Guarantee and Trust Company", approved March 2, A.D. 1901, and the name of which company was changed to "Wilmington Trust Company" by an amendment filed in the Office of the Secretary of State on March 18, A.D. 1903, and the Charter or Act of Incorporation of which company has been from time to time amended and changed by merger agreements pursuant to the corporation law for state banks and trust companies of the State of Delaware, does hereby alter and amend its Charter or Act of Incorporation so that the same as so altered and amended shall in its entirety read as follows:

First: - The name of this corporation is Wilmington Trust Company.

Second: - The location of its principal office in the State of Delaware is at Rodney Square North, in the City of Wilmington, County of New Castle; the name of its resident agent is Wilmington Trust Company whose address is Rodney Square North, in said City. In addition to such principal office, the said corporation maintains and operates branch offices in the City of Newark, New Castle County, Delaware, the Town of Newport, New Castle County, Delaware, at Claymont, New Castle County, Delaware, at Greenville, New Castle County Delaware, and at Milford Cross Roads, New Castle County, Delaware, and shall be empowered to open, maintain and operate branch offices at Ninth and Shipley Streets, 418 Delaware Avenue, 2120 Market Street, and 3605 Market Street, all in the City of Wilmington, New Castle County, Delaware, and such other branch offices or places of business as may be authorized from time to time by the agency or agencies of the government of the State of Delaware empowered to confer such authority.

Third: - (a) The nature of the business and the objects and purposes proposed to be transacted, promoted or carried on by this Corporation are to do any or all of the things herein mentioned as fully and to the same extent as natural persons might or could do and in any part of the world, viz.:

(1) To sue and be sued, complain and defend in any Court of law or equity and to make and use a common seal, and alter the seal at pleasure, to hold, purchase, convey, mortgage or otherwise deal in real and personal estate and property, and to appoint such officers and agents as the business of the Corporation shall require, to make by-laws not inconsistent with the Constitution or laws of the United States or of this State, to discount bills, notes or other evidences of debt, to receive deposits of money, or securities for money, to buy gold and silver bullion and foreign coins, to buy and sell bills

of exchange, and generally to use, exercise and enjoy all the powers, rights, privileges and franchises incident to a corporation which are proper or necessary for the transaction of the business of the Corporation hereby created.

(2) To insure titles to real and personal property, or any estate or interests therein, and to guarantee the holder of such property, real or personal, against any claim or claims, adverse to his interest therein, and to prepare and give certificates of title for any lands or premises in the State of Delaware, or elsewhere.

(3) To act as factor, agent, broker or attorney in the receipt, collection, custody, investment and management of funds, and the purchase, sale, management and disposal of property of all descriptions, and to prepare and execute all papers which may be necessary or proper in such business.

(4) To prepare and draw agreements, contracts, deeds, leases, conveyances, mortgages, bonds and legal papers of every description, and to carry on the business of conveyancing in all its branches.

(5) To receive upon deposit for safekeeping money, jewelry, plate, deeds, bonds and any and all other personal property of every sort and kind, from executors, administrators, guardians, public officers, courts, receivers, assignees, trustees, and from all fiduciaries, and from all other persons and individuals, and from all corporations whether state, municipal, corporate or private, and to rent boxes, safes, vaults and other receptacles for such property.

(6) To act as agent or otherwise for the purpose of registering, issuing, certificating, countersigning, transferring or underwriting the stock, bonds or other obligations of any corporation, association, state or municipality, and may receive and manage any sinking fund therefor on such terms as may be agreed upon between the two parties, and in like manner may act as Treasurer of any corporation or municipality.

(7) To act as Trustee under any deed of trust, mortgage, bond or other instrument issued by any state, municipality, body politic, corporation, association or person, either alone or in conjunction with any other person or persons, corporation or corporations.

(8) To guarantee the validity, performance or effect of any contract or agreement, and the fidelity of persons holding places of responsibility or trust; to become surety for any person, or persons, for the faithful performance of any trust, office, duty, contract or agreement, either by itself or in conjunction with any other person, or persons, corporation, or corporations, or in like manner become surety upon any bond, recognizance, obligation, judgment, suit, order, or decree to be entered in any court of record within the State of Delaware or elsewhere, or which may now

or hereafter be required by any law, judge, officer or court in the State of Delaware or elsewhere.

(9) To act by any and every method of appointment as trustee, trustee in bankruptcy, receiver, assignee, assignee in bankruptcy, executor, administrator, guardian, bailee, or in any other trust capacity in the receiving, holding, managing, and disposing of any and all estates and property, real, personal or mixed, and to be appointed as such trustee, trustee in bankruptcy, receiver, assignee, assignee in bankruptcy, executor, administrator, guardian or bailee by any persons, corporations, court, officer, or authority, in the State of Delaware or elsewhere; and whenever this Corporation is so appointed by any person, corporation, court, officer or authority such trustee, trustee in bankruptcy, receiver, assignee, assignee in bankruptcy, executor, administrator, guardian, bailee, or in any other trust capacity, it shall not be required to give bond with surety, but its capital stock shall be taken and held as security for the performance of the duties devolving upon it by such appointment.

(10) And for its care, management and trouble, and the exercise of any of its powers hereby given, or for the performance of any of the duties which it may undertake or be called upon to perform, or for the assumption of any responsibility the said Corporation may be entitled to receive a proper compensation.

(11) To purchase, receive, hold and own bonds, mortgages, debentures, shares of capital stock, and other securities, obligations, contracts and evidences of indebtedness, of any private, public or municipal corporation within and without the State of Delaware, or of the Government of the United States, or of any state, territory, colony, or possession thereof, or of any foreign government or country; to receive, collect, receipt for, and dispose of interest, dividends and income upon and from any of the bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property held and owned by it, and to exercise in respect of all such bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property, any and all the rights, powers and privileges of individual owners thereof, including the right to vote thereon; to invest and deal in and with any of the moneys of the Corporation upon such securities and in such manner as it may think fit and proper, and from time to time to vary or realize such investments; to issue bonds and secure the same by pledges or deeds of trust or mortgages of or upon the whole or any part of the property held or owned by the Corporation, and to sell and pledge such bonds, as and when the Board of Directors shall determine, and in the promotion of its said corporate business of investment and to the extent authorized by law, to lease, purchase, hold, sell, assign, transfer, pledge, mortgage and convey real and personal property of any name and nature and any estate or interest therein.

(b) In furtherance of, and not in limitation, of the powers conferred by the laws of the State of Delaware, it is hereby expressly provided that the said Corporation shall also have the following powers:

(1) To do any or all of the things herein set forth, to the same extent as natural persons might or could do, and in any part of the world.

(2) To acquire the good will, rights, property and franchises and to undertake the whole or any part of the assets and liabilities of any person, firm, association or corporation, and to pay for the same in cash, stock of this Corporation, bonds or otherwise; to hold or in any manner to dispose of the whole or any part of the property so purchased; to conduct in any lawful manner the whole or any part of any business so acquired, and to exercise all the powers necessary or convenient in and about the conduct and management of such business.

(3) To take, hold, own, deal in, mortgage or otherwise lien, and to lease, sell, exchange, transfer, or in any manner whatever dispose of property, real, personal or mixed, wherever situated.

(4) To enter into, make, perform and carry out contracts of every kind with any person, firm, association or corporation, and, without limit as to amount, to draw, make, accept, endorse, discount, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or transferable instruments.

(5) To have one or more offices, to carry on all or any of its operations and businesses, without restriction to the same extent as natural persons might or could do, to purchase or otherwise acquire, to hold, own, to mortgage, sell, convey or otherwise dispose of, real and personal property, of every class and description, in any State, District, Territory or Colony of the United States, and in any foreign country or place.

(6) It is the intention that the objects, purposes and powers specified and clauses contained in this paragraph shall (except where otherwise expressed in said paragraph) be nowise limited or restricted by reference to or inference from the terms of any other clause of this or any other paragraph in this charter, but that the objects, purposes and powers specified in each of the clauses of this paragraph shall be regarded as independent objects, purposes and powers.

Fourth: - (a) The total number of shares of all classes of stock which the Corporation shall have authority to issue is forty-one million (41,000,000) shares, consisting of:

(1) One million (1,000,000) shares of Preferred stock, par value \$10.00 per share (hereinafter referred to as "Preferred Stock"); and

(2) Forty million (40,000,000) shares of Common Stock, par value \$1.00 per share (hereinafter referred to as "Common Stock").

(b) Shares of Preferred Stock may be issued from time to time in one or more series as may from time to time be determined by the Board of Directors each of said series to be distinctly designated. All shares of any one series of Preferred Stock shall be alike in every particular, except that there may be different dates from which dividends, if any, thereon shall be cumulative, if made cumulative. The voting powers and the preferences and relative, participating, optional and other special rights of each such series, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding; and, subject to the provisions of subparagraph 1 of Paragraph (c) of this Article Fourth, the Board of Directors of the Corporation is hereby expressly granted authority to fix by resolution or resolutions adopted prior to the issuance of any shares of a particular series of Preferred Stock, the voting powers and the designations, preferences and relative, optional and other special rights, and the qualifications, limitations and restrictions of such series, including, but without limiting the generality of the foregoing, the following:

(1) The distinctive designation of, and the number of shares of Preferred Stock which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors) or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the Board of Directors;

(2) The rate and times at which, and the terms and conditions on which, dividends, if any, on Preferred Stock of such series shall be paid, the extent of the preference or relation, if any, of such dividends to the dividends payable on any other class or classes, or series of the same or other class of stock and whether such dividends shall be cumulative or non-cumulative;

(3) The right, if any, of the holders of Preferred Stock of such series to convert the same into or exchange the same for, shares of any other class or classes or of any series of the same or any other class or classes of stock of the Corporation and the terms and conditions of such conversion or exchange;

(4) Whether or not Preferred Stock of such series shall be subject to redemption, and the redemption price or prices and the time or times at which, and the terms and conditions on which, Preferred Stock of such series may be redeemed.

(5) The rights, if any, of the holders of Preferred Stock of such series upon the voluntary or involuntary liquidation, merger, consolidation, distribution or sale of assets, dissolution or winding-up, of the Corporation.

(6) The terms of the sinking fund or redemption or purchase account, if any, to be provided for the Preferred Stock of such series; and

(7) The voting powers, if any, of the holders of such series of Preferred Stock which may, without limiting the generality of the foregoing include the right, voting as a series or by itself or together with other series of Preferred Stock or all series of Preferred Stock as a class, to elect one or more directors of the Corporation if there shall have been a default in the payment of dividends on any one or more series of Preferred Stock or under such circumstances and on such conditions as the Board of Directors may determine.

(c) (1) After the requirements with respect to preferential dividends on the Preferred Stock (fixed in accordance with the provisions of section (b) of this Article Fourth), if any, shall have been met and after the Corporation shall have complied with all the requirements, if any, with respect to the setting aside of sums as sinking funds or redemption or purchase accounts (fixed in accordance with the provisions of section (b) of this Article Fourth), and subject further to any conditions which may be fixed in accordance with the provisions of section (b) of this Article Fourth, then and not otherwise the holders of Common Stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors.

(2) After distribution in full of the preferential amount, if any, (fixed in accordance with the provisions of section (b) of this Article Fourth), to be distributed to the holders of Preferred Stock in the event of voluntary or involuntary liquidation, distribution or sale of assets, dissolution or winding-up, of the Corporation, the holders of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation, tangible and intangible, of whatever kind available for distribution to stockholders ratably in proportion to the number of shares of Common Stock held by them respectively.

(3) Except as may otherwise be required by law or by the provisions of such resolution or resolutions as may be adopted by the Board of Directors pursuant to section (b) of this Article Fourth, each holder of Common Stock shall have one vote in respect of each share of Common Stock held on all matters voted upon by the stockholders.

(d) No holder of any of the shares of any class or series of stock or of options, warrants or other rights to purchase shares of any class or series of stock or of other securities of the Corporation shall have any preemptive right to purchase or subscribe for any unissued stock of any class or series or any additional shares of any class or series to be issued by reason of any increase of the authorized capital stock of the Corporation of any class or series, or bonds, certificates of indebtedness, debentures or other securities convertible into or exchangeable for stock of the Corporation of any class or series, or



carrying any right to purchase stock of any class or series, but any such unissued stock, additional authorized issue of shares of any class or series of stock or securities convertible into or exchangeable for stock, or carrying any right to purchase stock, may be issued and disposed of pursuant to resolution of the Board of Directors to such persons, firms, corporations or associations, whether such holders or others, and upon such terms as may be deemed advisable by the Board of Directors in the exercise of its sole discretion.

(e) The relative powers, preferences and rights of each series of Preferred Stock in relation to the relative powers, preferences and rights of each other series of Preferred Stock shall, in each case, be as fixed from time to time by the Board of Directors in the resolution or resolutions adopted pursuant to authority granted in section (b) of this Article Fourth and the consent, by class or series vote or otherwise, of the holders of such of the series of Preferred Stock as are from time to time outstanding shall not be required for the issuance by the Board of Directors of any other series of Preferred Stock whether or not the powers, preferences and rights of such other series shall be fixed by the Board of Directors as senior to, or on a parity with, the powers, preferences and rights of such outstanding series, or any of them; provided, however, that the Board of Directors may provide in the resolution or resolutions as to any series of Preferred Stock adopted pursuant to section (b) of this Article Fourth that the consent of the holders of a majority (or such greater proportion as shall be therein fixed) of the outstanding shares of such series voting thereon shall be required for the issuance of any or all other series of Preferred Stock.

(f) Subject to the provisions of section (e), shares of any series of Preferred Stock may be issued from time to time as the Board of Directors of the Corporation shall determine and on such terms and for such consideration as shall be fixed by the Board of Directors.

(g) Shares of Common Stock may be issued from time to time as the Board of Directors of the Corporation shall determine and on such terms and for such consideration as shall be fixed by the Board of Directors.

(h) The authorized amount of shares of Common Stock and of Preferred Stock may, without a class or series vote, be increased or decreased from time to time by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon.

Fifth: - (a) The business and affairs of the Corporation shall be conducted and managed by a Board of Directors. The number of directors constituting the entire Board shall be not less than five nor more than twenty-five as fixed from time to time by vote of a majority of the whole Board, provided, however, that the number of directors shall not be reduced so as to shorten the term of any director at the time in office, and provided further, that the number of directors constituting the whole Board shall be twenty-four until otherwise fixed by a majority of the whole Board.

(b) The Board of Directors shall be divided into three classes, as nearly equal in number as the then total number of directors constituting the whole Board permits, with the term of office of one class expiring each year. At the annual meeting of stockholders in 1982, directors of the first class shall be elected to hold office for a term expiring at the next succeeding annual meeting, directors of the second class shall be elected to hold office for a term expiring at the second succeeding annual meeting and directors of the third class shall be elected to hold office for a term expiring at the third succeeding annual meeting. Any vacancies in the Board of Directors for any reason, and any newly created directorships resulting from any increase in the directors, may be filled by the Board of Directors, acting by a majority of the directors then in office, although less than a quorum, and any directors so chosen shall hold office until the next annual election of directors. At such election, the stockholders shall elect a successor to such director to hold office until the next election of the class for which such director shall have been chosen and until his successor shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

(c) Notwithstanding any other provisions of this Charter or Act of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law, this Charter or Act of Incorporation or the By-Laws of the Corporation), any director or the entire Board of Directors of the Corporation may be removed at any time without cause, but only by the affirmative vote of the holders of two-thirds or more of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) cast at a meeting of the stockholders called for that purpose.

(d) Nominations for the election of directors may be made by the Board of Directors or by any stockholder entitled to vote for the election of directors. Such nominations shall be made by notice in writing, delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Corporation not less than 14 days nor more than 50 days prior to any meeting of the stockholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to stockholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of the Corporation not later than the close of the seventh day following the day on which notice of the meeting was mailed to stockholders. Notice of nominations which are proposed by the Board of Directors shall be given by the Chairman on behalf of the Board.

(e) Each notice under subsection (d) shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of such nominee and (iii) the number of shares of stock of the Corporation which are beneficially owned by each such nominee.

(f) The Chairman of the meeting may, if the facts warrant, determine and

declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

(g) No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

Sixth: - The Directors shall choose such officers, agent and servants as may be provided in the By-Laws as they may from time to time find necessary or proper.

Seventh: - The Corporation hereby created is hereby given the same powers, rights and privileges as may be conferred upon corporations organized under the Act entitled "An Act Providing a General Corporation Law", approved March 10, 1899, as from time to time amended.

Eighth: - This Act shall be deemed and taken to be a private Act.

Ninth: - This Corporation is to have perpetual existence.

Tenth: - The Board of Directors, by resolution passed by a majority of the whole Board, may designate any of their number to constitute an Executive Committee, which Committee, to the extent provided in said resolution, or in the By-Laws of the Company, shall have and may exercise all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, and shall have power to authorize the seal of the Corporation to be affixed to all papers which may require it.

Eleventh: - The private property of the stockholders shall not be liable for the payment of corporate debts to any extent whatever.

Twelfth: - The Corporation may transact business in any part of the world.

Thirteenth: - The Board of Directors of the Corporation is expressly authorized to make, alter or repeal the By-Laws of the Corporation by a vote of the majority of the entire Board. The stockholders may make, alter or repeal any By-Law whether or not adopted by them, provided however, that any such additional By-Laws, alterations or repeal may be adopted only by the affirmative vote of the holders of two-thirds or more of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class).

Fourteenth: - Meetings of the Directors may be held outside of the State of Delaware at such places as may be from time to time designated by the Board, and the Directors may keep the books of the Company outside of the State of Delaware at such places as may be from time to time designated by them.

Fifteenth: - (a) In addition to any affirmative vote required by law, and except as otherwise expressly provided in sections (b) and (c) of this Article Fifteenth:

(A) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with or into (i) any Interested Stockholder (as hereinafter defined) or (ii) any other corporation (whether or not itself an Interested Stockholder), which, after such merger or consolidation, would be an Affiliate (as hereinafter defined) of an Interested Stockholder, or

(B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of related transactions) to or with any Interested Stockholder or any Affiliate of any Interested Stockholder of any assets of the Corporation or any Subsidiary having an aggregate fair market value of \$1,000,000 or more, or

(C) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of related transactions) of any securities of the Corporation or any Subsidiary to any Interested Stockholder or any Affiliate of any Interested Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate fair market value of \$1,000,000 or more, or

(D) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation, or

(E) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any similar transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Interested Stockholder, or any Affiliate of any Interested Stockholder,

shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, considered for the purpose of this Article Fifteenth as one class ("Voting Shares"). Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that some lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

(2) The term "business combination" as used in this Article Fifteenth shall mean any transaction which is referred to any one or more of clauses (A) through (E) of paragraph 1 of the section (a).

(b) The provisions of section (a) of this Article Fifteenth shall not be applicable to any particular business combination and such business combination shall require only such affirmative vote as is required by law and any other provisions of the Charter or Act of Incorporation or By-Laws if such business combination has been approved by a majority of the whole Board.

(c) For the purposes of this Article Fifteenth:

(1) A "person" shall mean any individual firm, corporation or other entity.

(2) "Interested Stockholder" shall mean, in respect of any business combination, any person (other than the Corporation or any Subsidiary) who or which as of the record date for the determination of stockholders entitled to notice of and to vote on such business combination, or immediately prior to the consummation of any such transaction:

(A) is the beneficial owner, directly or indirectly, of more than 10% of the Voting Shares, or

(B) is an Affiliate of the Corporation and at any time within two years prior thereto was the beneficial owner, directly or indirectly, of not less than 10% of the then outstanding voting Shares, or

(C) is an assignee of or has otherwise succeeded in any share of capital stock of the Corporation which were at any time within two years prior thereto beneficially owned by any Interested Stockholder, and such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

(3) A person shall be the "beneficial owner" of any Voting Shares:

(A) which such person or any of its Affiliates and Associates (as hereafter defined) beneficially own, directly or indirectly, or

(B) which such person or any of its Affiliates or Associates has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement or understanding, or

(C) which are beneficially owned, directly or indirectly, by any other person with which such first mentioned person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of capital stock of the Corporation.

(4) The outstanding Voting Shares shall include shares deemed owned through application of paragraph (3) above but shall not include any other Voting Shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights, warrants or options or otherwise.

(5) "Affiliate" and "Associate" shall have the respective meanings given those terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on December 31, 1981.

(6) "Subsidiary" shall mean any corporation of which a majority of any class of equity security (as defined in Rule 3a11-1 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect in December 31, 1981) is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Investment Stockholder set forth in paragraph (2) of this section (c), the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

(d) majority of the directors shall have the power and duty to determine for the purposes of this Article Fifteenth on the basis of information known to them, (1) the number of Voting Shares beneficially owned by any person (2) whether a person is an Affiliate or Associate of another, (3) whether a person has an agreement, arrangement or understanding with another as to the matters referred to in paragraph (3) of section (c), or (4) whether the assets subject to any business combination or the consideration received for the issuance or transfer of securities by the Corporation, or any Subsidiary has an aggregate fair market value of \$1,00,000 or more.

(e) Nothing contained in this Article Fifteenth shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

Sixteenth: Notwithstanding any other provision of this Charter or Act of Incorporation or the By-Laws of the Corporation (and in addition to any other vote that may be required by law, this Charter or Act of Incorporation by the By-Laws), the affirmative vote of the holders of at least two-thirds of the outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) shall be required to amend, alter or repeal any provision of Articles Fifth, Thirteenth, Fifteenth or Sixteenth of this Charter or Act of Incorporation.

Seventeenth: (a) a Director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except to the extent such exemption from liability or limitation thereof is not permitted under the Delaware General Corporation Laws as the same exists or may hereafter be amended.

(b) Any repeal or modification of the foregoing paragraph shall not

adversely affect any right or protection of a Director of the Corporation existing hereunder with respect to any act or omission occurring prior to the time of such repeal or modification."

I \_\_\_\_\_

\_\_\_\_\_ Secretary of Wilmington Trust Company, do hereby certify that the foregoing is a true and correct copy of the Charter or Act of Incorporation of Wilmington Trust Company, as heretofore amended and changed from time to time, copies of which, certified by the Secretary of the State of Delaware, are on file in the office of Wilmington Trust Company.

Date \_\_\_\_\_

\_\_\_\_\_  
Secretary



EXHIBIT B

BY-LAWS

WILMINGTON TRUST COMPANY

WILMINGTON, DELAWARE

As existing on February 21, 1991

ARTICLE I  
Stockholders' Meetings

Section 1. The Annual Meeting of Stockholders shall be held on the third Thursday in April each year at the principal office at the Company or at such other date, time, or place as may be designated by resolution by the Board of Directors.

Section 2. Special meetings of all stockholders may be called at any time by the Board of Directors, the Chairman of the Board or the President.

Section 3. Notice of all meetings of the stockholders shall be given by mailing to each stockholder at least ten (10) days before said meeting, at his last known address, a written or printed notice fixing the time and place of such meeting.

Section 4. A majority in the amount of the capital stock of the Company issued and outstanding on the record date, as herein determined, shall constitute a quorum at all meetings of stockholders for the transaction of any business, but the holders of a small number of shares may adjourn, from time to time, without further notice, until a quorum is secured. At each annual or special meeting of stockholders, each stockholder shall be entitled to one vote, either in person or by proxy, for each share of stock registered in the stockholder's name on the books of the Company on the record date for any such meeting as determined herein.

ARTICLE II  
Directors

Section 1. The number and classification of the Board of Directors shall be as set forth in the Charter of the Bank.

Section 2. No person who has attained the age of seventy-two (72) years shall be nominated for election to the Board of Directors of the Company, provided, however, that this limitation shall not apply to any person who was serving as director of the Company on September 16, 1971.

Section 3. The class of Directors so elected shall hold office for three years or until their successors are elected and qualified.

Section 4. The affairs and business of the Company shall be managed and conducted by the Board of Directors.

Section 5. Regular meetings of the Board of Directors shall be held on the third Thursday of each month at the principal office of the Company, or at such other place and time as may be designated by the Board of Directors, the Chairman of the Board, or the President.

Section 6. Special meetings of the Board of Directors may be called at

any time by the Chairman of the Board of Directors or by the President, and shall be called upon the written request of a majority of the directors.

Section 7. A majority of the directors elected and qualified shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 8. Written notice shall be sent by mail to each director of any special meeting of the Board of Directors, and of any change in the time or place of any regular meeting, stating the time and place of such meeting, which shall be mailed not less than two days before the time of holding such meeting.

Section 9. In the event of the death, resignation, removal, inability to act, or disqualification of any director, the Board of Directors, although less than a quorum, shall have the right to elect the successor who shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred, and until such director's successor shall have been duly elected and qualified.

Section 10. The Board of Directors at its first meeting after its election by the stockholders shall appoint an Executive Committee, a Trust Committee, an Audit Committee and a Compensation Committee, and shall elect from its own members a Chairman of the Board of Directors and a President who may be the same person. The Board of Directors shall also elect at such meeting a Secretary and a Treasurer, who may be the same person, may appoint at any time such other committees and elect or appoint such other officers as it may deem advisable. The Board of Directors may also elect at such meeting one or more Associate Directors.

Section 11. The Board of Directors may at any time remove, with or without cause, any member of any Committee appointed by it or any associate director or officer elected by it and may appoint or elect his successor.

Section 12. The Board of Directors may designate an officer to be in charge of such of the departments or division of the Company as it may deem advisable.

ARTICLE III  
Committees

Section I. Executive Committee

(A) The Executive Committee shall be composed of not more than nine members who shall be selected by the Board of Directors from its own members and who shall hold office during the pleasure of the Board.

(B) The Executive Committee shall have all the powers of the Board of Directors when it is not in session to transact all business for and in behalf of the Company that may be brought before it.

(C) The Executive Committee shall meet at the principal office of the Company or elsewhere in its discretion at least once a week in each week the Board is not regularly scheduled to meet. A majority of its members shall be necessary to constitute a quorum for the transaction of business. Special meetings of the Executive Committee may be held at any time when a quorum is present.

(D) Minutes of each meeting of the Executive Committee shall be kept and submitted to the Board of Directors at its next meeting.

(E) The Executive Committee shall advise and superintend all investments that may be made of the funds of the Company, and shall direct the disposal of the same, in accordance with such rules and regulations as the Board of Directors from time to time make.

(F) In the event of a state of disaster of sufficient severity to prevent the conduct and management of the affairs and business of the Company by its directors and officers as contemplated by these By-Laws any two available members of the Executive Committee as constituted immediately prior to such disaster shall constitute a quorum of that Committee for the full conduct and management of the affairs and business of the Company in accordance with the provisions of Article III of these By-Laws; and if less than three members of the Trust Committee is constituted immediately prior to such disaster shall be available for the transaction of its business, such Executive Committee shall also be empowered to exercise all of the powers reserved to the Trust Committee under Article III Section 2 hereof. In the event of the unavailability, at such time, of a minimum of two members of such Executive Committee, any three available directors shall constitute the Executive Committee for the full conduct and management of the affairs and business of the Company in accordance with the foregoing provisions of this Section. This By-Law shall be subject to implementation by Resolutions of the Board of Directors presently existing or hereafter passed from time to time for that purpose, and any provisions of these By-Laws (other than this Section) and any resolutions which are contrary to the provisions of this Section or to the provisions of any such implementary Resolutions shall be suspended during such a disaster period until it shall be determined by any interim Executive Committee acting under this section that it shall be to the advantage of the Company to resume the conduct and management of its affairs and business under

all of the other provisions of these By-Laws.

#### Section 2. Trust Committee

(A) The Trust Committee shall be composed of not more than thirteen members who shall be selected by the Board of Directors, a majority of whom shall be members of the Board of Directors and who shall hold office during the pleasure of the Board.

(B) The Trust Committee shall have general supervision over the Trust Department and the investment of trust funds, in all matters, however, being subject to the approval of the Board of Directors.

(C) The Trust Committee shall meet at the principal office of the Company or elsewhere in its discretion at least once a month. A majority of its members shall be necessary to constitute a quorum for the transaction of business. Special meetings of the Trust Committee may be held at any time when a quorum is present.

(D) Minutes of each meeting of the Trust Committee shall be kept and promptly submitted to the Board of Directors.

(E) The Trust Committee shall have the power to appoint Committees and/or designate officers or employees of the Company to whom supervision over the investment of trust funds may be delegated when the Trust Committee is not in session.

#### Section 3. Audit Committee

(A) The Audit Committee shall be composed of five members who shall be selected by the Board of Directors from its own members, none of whom shall be an officer of the Company, and shall hold office at the pleasure of the Board.

(B) The Audit Committee shall have general supervision over the Audit Division in all matters however subject to the approval of the Board of Directors; it shall consider all matters brought to its attention by the officer in charge of the Audit Division, review all reports of examination of the Company made by any governmental agency or such independent auditor employed for that purpose, and make such recommendations to the Board of Directors with respect thereto or with respect to any other matters pertaining to auditing the Company as it shall deem desirable.

(C) The Audit Committee shall meet whenever and wherever the majority of its members shall deem it to be proper for the transaction of its business, and a majority of its Committee shall constitute a quorum.

#### Section 4. Compensation Committee

(A) The Compensation Committee shall be composed of not more than five (5) members who shall be selected by the Board of Directors from its own members who are not officers of the Company and who shall hold office

during the pleasure of the Board.

(B) The Compensation Committee shall in general advise upon all matters of policy concerning the Company brought to its attention by the management and from time to time review the management of the Company, major organizational matters, including salaries and employee benefits and specifically shall administer the Executive Incentive Compensation Plan.

(C) Meetings of the Compensation Committee may be called at any time by the Chairman of the Compensation Committee, the Chairman of the Board of Directors, or the President of the Company.

#### Section 5. Associate Directors

(A) Any person who has served as a director may be elected by the Board of Directors as an associate director, to serve during the pleasure of the Board.

(B) An associate director shall be entitled to attend all directors meetings and participate in the discussion of all matters brought to the Board, with the exception that he would have no right to vote. An associate director will be eligible for appointment to Committees of the Company, with the exception of the Executive Committee, Audit Committee and Compensation Committee, which must be comprised solely of active directors.

#### Section 6. Absence or Disqualification of Any Member of a Committee

(A) In the absence or disqualification of any member of any Committee created under Article III of the By-Laws of this Company, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absence or disqualified member.

### ARTICLE IV Officers

Section 1. The Chairman of the Board of Directors shall preside at all meetings of the Board and shall have such further authority and powers and shall perform such duties as the Board of Directors may from time to time confer and direct. He shall also exercise such powers and perform such duties as may from time to time be agreed upon between himself and the President of the Company.

Section 2. The President shall have the powers and duties pertaining to the office of the President conferred or imposed upon him by statute or assigned to him by the Board of Directors in the absence of the Chairman of the Board the President shall have the powers and duties of the Chairman of the Board.

Section 3. The Chairman of the Board of Directors or the President as designated by the Board of Directors, shall carry into effect all legal directions of the Executive Committee and of the Board of Directors, and shall at all times exercise general supervision over the interest, affairs and operations of the Company and perform all duties incident to his office.

Section 4. There may be one or more Vice Presidents, however denominated by the Board of Directors, who may at any time perform all the duties of the Chairman of the Board of Directors and/or the President and such other powers and duties as may from time to time be assigned to them by the Board of Directors, the Executive Committee, the Chairman of the Board or the President and by the officer in charge of the department or division to which they are assigned.

Section 5. The Secretary shall attend to the giving of notice of meetings of the stockholders and the Board of Directors, as well as the Committees thereof, to the keeping of accurate minutes of all such meetings and to recording the same in the minute books of the Company. In addition to the other notice requirements of these By-Laws and as may be practicable under the circumstances, all such notices shall be in writing and mailed well in advance of the scheduled date of any other meeting. He shall have custody of the corporate seal and shall affix the same to any documents requiring such corporate seal and to attest the same.

Section 6. The Treasurer shall have general supervision over all assets and liabilities of the Company. He shall be custodian of and responsible for all monies, funds and valuables of the Company and for the keeping of proper records of the evidence of property or indebtedness and of all the transactions of the Company. He shall have general supervision of the expenditures of the Company and shall report to the Board of Directors at each regular meeting of the condition of the Company, and perform such other duties as may be assigned to him from time to time by the Board of Directors of the Executive Committee.

Section 7. There may be a Controller who shall exercise general supervision over the internal operations of the Company, including accounting, and shall render to the Board of Directors at appropriate times a report relating to the general condition and internal operations of the Company.

There may be one or more subordinate accounting or controller officers however denominated, who may perform the duties of the Controller and such duties as may be prescribed by the Controller.

Section 8. The officer designated by the Board of Directors to be in charge of the Audit Division of the Company with such title as the Board of Directors shall prescribe, shall report to and be directly responsible only to the Board of Directors.

There shall be an Auditor and there may be one or more Audit Officers, however denominated, who may perform all the duties of the Auditor and such duties as may be prescribed by the officer in charge of the Audit Division.

Section 9. There may be one or more officers, subordinate in rank to all Vice Presidents with such functional titles as shall be determined from time to time by the Board of Directors, who shall ex officio hold the office Assistant Secretary of this Company and who may perform such duties as may be prescribed by the officer in charge of the department or division to whom they are assigned.

Section 10. The powers and duties of all other officers of the Company shall be those usually pertaining to their respective offices, subject to the direction of the Board of Directors, the Executive Committee, Chairman of the Board of Directors or the President and the officer in charge of the department or division to which they are assigned.

ARTICLE V  
Stock and Stock Certificates

Section 1. Shares of stock shall be transferrable on the books of the Company and a transfer book shall be kept in which all transfers of stock shall be recorded.

Section 2. Certificate of stock shall bear the signature of the President or any Vice President, however denominated by the Board of Directors and countersigned by the Secretary or Treasurer or an Assistant Secretary, and the seal of the corporation shall be engraved thereon. Each certificate shall recite that the stock represented thereby is transferrable only upon the books of the Company by the holder thereof or his attorney, upon surrender of the certificate properly endorsed. Any certificate of stock surrendered to the Company shall be cancelled at the time of transfer, and before a new certificate or certificates shall be issued in lieu thereof. Duplicate certificates of stock shall be issued only upon giving such security as may be satisfactory to the Board of Directors or the Executive Committee.

Section 3. The Board of Directors of the Company is authorized to fix in advance a record date for the determination of the stockholders entitled to notice of, and to vote at, any meeting of stockholders and any adjournment thereof, or entitled to receive payment of any dividend, or to any allotment or rights, or to exercise any rights in respect of any change, conversion or exchange of capital stock, or in connection with obtaining the consent of stockholders for any purpose, which record date shall not be more than 60 nor less than 10 days proceeding the date of any meeting of stockholders or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent.

ARTICLE VI  
Seal

Section 1. The corporate seal of the Company shall be in the following form:

Between two concentric circles the words



"Wilmington Trust Company" within the inner  
circle the words "Wilmington, Delaware."

ARTICLE VII  
Fiscal Year

Section 1. The fiscal year of the Company shall be the calendar year.

ARTICLE VIII  
Execution of Instruments of the Company

Section 1. The Chairman of the Board, the President or any Vice President, however denominated by the Board of Directors, shall have full power and authority to enter into, make, sign, execute, acknowledge and/or deliver and the Secretary or any Assistant Secretary shall have full power and authority to attest and affix the corporate seal of the Company to any and all deeds, conveyances, assignments, releases, contracts, agreements, bonds, notes, mortgages and all other instruments incident to the business of this Company or in acting as executor, administrator, guardian, trustee, agent or in any other fiduciary or representative capacity by any and every method of appointment or by whatever person, corporation, court officer or authority in the State of Delaware, or elsewhere, without any specific authority, ratification, approval or confirmation by the Board of Directors or the Executive Committee, and any and all such instruments shall have the same force and validity as although expressly authorized by the Board of Directors and/or the Executive Committee.

ARTICLE IX  
Compensation of Directors and Members of Committees

Section 1. Directors and associate directors of the Company, other than salaried officers of the Company, shall be paid such reasonable honoraria or fees for attending meetings of the Board of Directors as the Board of Directors may from time to time determine. Directors and associate directors who serve as members of committees, other than salaried employees of the Company, shall be paid such reasonable honoraria or fees for services as members of committees as the Board of Directors shall from time to time determine and directors and associate directors may be employed by the Company for such special services as the Board of Directors may from time to time determine and shall be paid for such special services so performed reasonable compensation as may be determined by the Board of Directors.

ARTICLE X  
Indemnification

Section 1. (A) The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he, or a person for whom he is the legal representative, is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person. The Corporation shall indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the Board of Directors of the Corporation.

(B) The Corporation shall pay the expenses incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a Director officer in his capacity as a Director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Director or officer to repay all amounts advanced if it should be ultimately determined that the Director or officer is not entitled to be indemnified under this Article or otherwise.

(C) If a claim for indemnification or payment of expenses, under this Article X is not paid in full within ninety days after a written claim therefor has been received by the Corporation the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

(D) The rights conferred on any person by this Article X shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Charter or Act of Incorporation, these By-Laws, agreement, vote of stockholders or disinterested Directors or otherwise.

(E) Any repeal or modification of the foregoing provisions of this Article X shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE XI  
Amendments to the By-Laws

Section 1. These By-Laws may be altered, amended or repealed, in whole or in part, and any new By-Law or By-Laws adopted at any regular or special meeting of the Board of Directors by a vote of the majority of all the members of the Board of Directors then in office.

I, . . . . .  
Assistant Secretary of Wilmington Trust Company, do hereby  
certify that the foregoing is a true and correct copy of  
the By-Laws of the Wilmington Trust Company.

Date . . . . .

. . . . .  
Assistant Secretary

H:\...\trindact\bylaws.wt

EXHIBIT "D"

NOTICE

This form is intended to assist state nonmember banks and savings banks with state publication requirements. It has not been approved by any state banking authorities. Refer to your appropriate state banking authorities for your state publication requirements.

R E P O R T O F C O N D I T I O N

Consolidating domestic subsidiaries of the

WILMINGTON TRUST COMPANY of WILMINGTON  
 -----  
 Name of Bank City

in the State of DELAWARE, at the close of business on June 30, 1995.  
 -----

ASSETS

Thousands of dollars

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coins . . . . .	189,183
Interest-bearing balances . . . . .	0
Held-to-maturity securities . . . . .	960,718
Available-for-sale securities . . . . .	194,658
Federal funds sold . . . . .	30,000
Securities purchased under agreements to resell . . . . .	173,715
Loans and lease financing receivables:	
Loans and leases, net of unearned income . . . . .	3,352,597
LESS: Allowance for loan and lease losses . . . . .	45,914
LESS: Allocated transfer risk reserve . . . . .	0
Loans and leases, net of unearned income, allowance, and reserve	3,306,683
Assets held in trading accounts . . . . .	0
Premises and fixed assets (including capitalized leases) . . . . .	75,242
Other real estate owned . . . . .	14,515
Investments in unconsolidated subsidiaries and associated companies . .	2,531
Customers' liability to this bank on acceptances outstanding . . . . .	0
Intangible assets . . . . .	4,645
Other assets . . . . .	135,399
Total assets . . . . .	5,087,289

CONTINUED ON NEXT PAGE

LIABILITIES

Deposits:	
In domestic offices . . . . .	3,103,895
Noninterest-bearing . . . . .	647,766
Interest-bearing . . . . .	2,456,129
Federal funds purchased . . . . .	205,220
Securities sold under agreements to repurchase . . . . .	181,985
Demand notes issued to the U.S. Treasury . . . . .	94,987
Trading liabilities . . . . .	0
Other borrowed money: . . . . .	////////
With original maturity of one year or less . . . . .	996,500
With original maturity of more than one year . . . . .	0
Mortgage indebtedness and obligations under capitalized leases . . . . .	1,887
Bank's liability on acceptances executed and outstanding . . . . .	0
Subordinated notes and debentures . . . . .	0
Other liabilities . . . . .	100,721
Total liabilities . . . . .	4,685,195
Limited-life preferred stock and related surplus . . . . .	0

EQUITY CAPITAL

Perpetual preferred stock and related surplus . . . . .	0
Common Stock . . . . .	500
Surplus . . . . .	62,118
Undivided profits and capital reserves . . . . .	339,514
Net unrealized holding gains (losses) on available-for-sale securities . . . . .	(38)
Total equity capital . . . . .	402,094
Total liabilities, limited-life preferred stock, and equity capital . . . . .	5,087,289

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

I, David R. Gibson  
 Name  
 Senior Vice President  
 Title

/s/ Hugh E. Miller                    ]  
 -----                                ] Directors  
 /s/ R. C. Forney                    ]  
 -----                                ]  
 /s/ Leonard W. Quill                ]  
 -----

of the above-named bank  
do hereby declare that  
this Report of Condition  
is true and correct to  
the best of my knowledge  
and belief.

/s/ David R. Gibson  
-----  
Signature  
07/28/95  
-----  
Date

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM T-1

STATEMENT OF ELIGIBILITY UNDER THE TRUST INDENTURE ACT OF 1939  
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE

CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO  
SECTION 305(b)(2) \_\_\_\_\_

WILMINGTON TRUST COMPANY  
(Exact name of trustee as specified in its charter)

Delaware 51-0055023  
(State of incorporation) (I.R.S. employer identification no.)

Rodney Square North  
Wilmington, Delaware 19890  
(Address of principal executive offices)

Myfanwy Phillips Bonilla  
Asst. Vice President and Trust Counsel  
Wilmington Trust Company  
Rodney Square North  
Wilmington, Delaware 19890  
(302) 651-8914  
(Name, address and telephone number of agent for service)

Western Resources, Inc.  
(Exact name of obligor as specified in its charter)

Kansas 48-0290150  
(State of incorporation) (I.R.S. employer identification no.)

818 Kansas Avenue  
Topeka, Kansas 66612  
(Address of principal executive offices) (Zip Code)

Guarantee with respect to Preferred Securities issued by  
Western Resources Capital I  
Guarantee with respect to Preferred Securities issued by  
Western Resources Capital II  
(Title of the indenture securities)

1

ITEM 1. GENERAL INFORMATION.

Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority  
to which it is subject.

Federal Deposit Insurance Co. State Bank Commissioner  
Five Penn Center Dover, Delaware  
Suite #2901  
Philadelphia, PA

- (b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

ITEM 2. AFFILIATIONS WITH THE OBLIGOR.

If the obligor is an affiliate of the trustee, describe each  
affiliation:

Based upon an examination of the books and records of the  
trustee and upon information furnished by the obligor, the obligor  
is not an affiliate of the trustee.

ITEM 3. LIST OF EXHIBITS.

List below all exhibits filed as part of this Statement of  
Eligibility and Qualification.

- A. Copy of the Charter of Wilmington Trust Company, which includes  
the certificate of authority of Wilmington Trust Company to

- commence business and the authorization of Wilmington Trust Company to exercise corporate trust powers.
- B. Copy of By-Laws of Wilmington Trust Company.
- C. Consent of Wilmington Trust Company required by Section 321(b) of Trust Indenture Act.
- D. Copy of most recent Report of Condition of Wilmington Trust Company.

Pursuant to the requirements of the Trust Indenture Act of 1939, the trustee, Wilmington Trust Company, a corporation organized and existing under the laws of Delaware, has duly caused this Statement of Eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Wilmington and State of Delaware on the 12th day of October, 1995.

WILMINGTON TRUST COMPANY

[SEAL]

Attest:/s/ Patricia A. Evans  
Assistant Secretary

By:/s/ David P. Fontello  
Name: David P. Fontello  
Title: Vice President



EXHIBIT C

Section 321(b) Consent

Pursuant to Section 321(b) of the Trust Indenture Act of 1939, Wilmington Trust Company hereby consents that reports of examinations by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities Exchange Commission upon requests therefor.

WILMINGTON TRUST COMPANY

Dated: October 12, 1995

By: /s/ David P. Fontello  
Name: David P. Fontello  
Title: Vice President

EXHIBIT A

AMENDED CHARTER

Wilmington Trust Company

Wilmington, Delaware

As existing on May 9, 1987

Amended Charter

or

Act of Incorporation

of

Wilmington Trust Company

Wilmington Trust Company, originally incorporated by an Act of the General Assembly of the State of Delaware, entitled "An Act to Incorporate the Delaware Guarantee and Trust Company", approved March 2, A.D. 1901, and the name of which company was changed to "Wilmington Trust Company" by an amendment filed in the Office of the Secretary of State on March 18, A.D. 1903, and the Charter or Act of Incorporation of which company has been from time to time amended and changed by merger agreements pursuant to the corporation law for state banks and trust companies of the State of Delaware, does hereby alter and amend its Charter or Act of Incorporation so that the same as so altered and amended shall in its entirety read as follows:

First: - The name of this corporation is Wilmington Trust Company.

Second: - The location of its principal office in the State of Delaware is at Rodney Square North, in the City of Wilmington, County of New Castle; the name of its resident agent is Wilmington Trust Company whose address is Rodney Square North, in said City. In addition to such principal office, the said corporation maintains and operates branch offices in the City of Newark, New Castle County, Delaware, the Town of Newport, New Castle County, Delaware, at Claymont, New Castle County, Delaware, at Greenville, New Castle County Delaware, and at Milford Cross Roads, New Castle County, Delaware, and shall be empowered to open, maintain and operate branch offices at Ninth and Shipley Streets, 418 Delaware Avenue, 2120 Market Street, and 3605 Market Street, all in the City of Wilmington, New Castle County, Delaware, and such other branch offices or places of business as may be authorized from time to time by the agency or agencies of the government of the State of Delaware empowered to confer such authority.

Third: - (a) The nature of the business and the objects and purposes proposed to be transacted, promoted or carried on by this Corporation are to do any or all of the things herein mentioned as fully and to the same extent as natural persons might or could do and in any part of the world, viz.:

(1) To sue and be sued, complain and defend in any Court of law or equity and to make and use a common seal, and alter the seal at pleasure, to hold, purchase, convey, mortgage or otherwise deal in real and personal estate and property, and to appoint such officers and agents as the business of the Corporation shall require, to make by-laws not inconsistent with the Constitution or laws of the United States or of this State, to discount bills, notes or other evidences of debt, to receive deposits of money, or securities for money, to buy gold and silver bullion and foreign coins, to buy and sell bills

of exchange, and generally to use, exercise and enjoy all the powers, rights, privileges and franchises incident to a corporation which are proper or necessary for the transaction of the business of the Corporation hereby created.

(2) To insure titles to real and personal property, or any estate or interests therein, and to guarantee the holder of such property, real or personal, against any claim or claims, adverse to his interest therein, and to prepare and give certificates of title for any lands or premises in the State of Delaware, or elsewhere.

(3) To act as factor, agent, broker or attorney in the receipt, collection, custody, investment and management of funds, and the purchase, sale, management and disposal of property of all descriptions, and to prepare and execute all papers which may be necessary or proper in such business.

(4) To prepare and draw agreements, contracts, deeds, leases, conveyances, mortgages, bonds and legal papers of every description, and to carry on the business of conveyancing in all its branches.

(5) To receive upon deposit for safekeeping money, jewelry, plate, deeds, bonds and any and all other personal property of every sort and kind, from executors, administrators, guardians, public officers, courts, receivers, assignees, trustees, and from all fiduciaries, and from all other persons and individuals, and from all corporations whether state, municipal, corporate or private, and to rent boxes, safes, vaults and other receptacles for such property.

(6) To act as agent or otherwise for the purpose of registering, issuing, certificating, countersigning, transferring or underwriting the stock, bonds or other obligations of any corporation, association, state or municipality, and may receive and manage any sinking fund therefor on such terms as may be agreed upon between the two parties, and in like manner may act as Treasurer of any corporation or municipality.

(7) To act as Trustee under any deed of trust, mortgage, bond or other instrument issued by any state, municipality, body politic, corporation, association or person, either alone or in conjunction with any other person or persons, corporation or corporations.

(8) To guarantee the validity, performance or effect of any contract or agreement, and the fidelity of persons holding places of responsibility or trust; to become surety for any person, or persons, for the faithful performance of any trust, office, duty, contract or agreement, either by itself or in conjunction with any other person, or persons, corporation, or corporations, or in like manner become surety upon any bond, recognizance, obligation, judgment, suit, order, or decree to be entered in any court of record within the State of Delaware or elsewhere, or which may now

or hereafter be required by any law, judge, officer or court in the State of Delaware or elsewhere.

(9) To act by any and every method of appointment as trustee, trustee in bankruptcy, receiver, assignee, assignee in bankruptcy, executor, administrator, guardian, bailee, or in any other trust capacity in the receiving, holding, managing, and disposing of any and all estates and property, real, personal or mixed, and to be appointed as such trustee, trustee in bankruptcy, receiver, assignee, assignee in bankruptcy, executor, administrator, guardian or bailee by any persons, corporations, court, officer, or authority, in the State of Delaware or elsewhere; and whenever this Corporation is so appointed by any person, corporation, court, officer or authority such trustee, trustee in bankruptcy, receiver, assignee, assignee in bankruptcy, executor, administrator, guardian, bailee, or in any other trust capacity, it shall not be required to give bond with surety, but its capital stock shall be taken and held as security for the performance of the duties devolving upon it by such appointment.

(10) And for its care, management and trouble, and the exercise of any of its powers hereby given, or for the performance of any of the duties which it may undertake or be called upon to perform, or for the assumption of any responsibility the said Corporation may be entitled to receive a proper compensation.

(11) To purchase, receive, hold and own bonds, mortgages, debentures, shares of capital stock, and other securities, obligations, contracts and evidences of indebtedness, of any private, public or municipal corporation within and without the State of Delaware, or of the Government of the United States, or of any state, territory, colony, or possession thereof, or of any foreign government or country; to receive, collect, receipt for, and dispose of interest, dividends and income upon and from any of the bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property held and owned by it, and to exercise in respect of all such bonds, mortgages, debentures, notes, shares of capital stock, securities, obligations, contracts, evidences of indebtedness and other property, any and all the rights, powers and privileges of individual owners thereof, including the right to vote thereon; to invest and deal in and with any of the moneys of the Corporation upon such securities and in such manner as it may think fit and proper, and from time to time to vary or realize such investments; to issue bonds and secure the same by pledges or deeds of trust or mortgages of or upon the whole or any part of the property held or owned by the Corporation, and to sell and pledge such bonds, as and when the Board of Directors shall determine, and in the promotion of its said corporate business of investment and to the extent authorized by law, to lease, purchase, hold, sell, assign, transfer, pledge, mortgage and convey real and personal property of any name and nature and any estate or interest therein.

(b) In furtherance of, and not in limitation, of the powers conferred by the laws of the State of Delaware, it is hereby expressly provided that the said Corporation shall also have the following powers:

(1) To do any or all of the things herein set forth, to the same extent as natural persons might or could do, and in any part of the world.

(2) To acquire the good will, rights, property and franchises and to undertake the whole or any part of the assets and liabilities of any person, firm, association or corporation, and to pay for the same in cash, stock of this Corporation, bonds or otherwise; to hold or in any manner to dispose of the whole or any part of the property so purchased; to conduct in any lawful manner the whole or any part of any business so acquired, and to exercise all the powers necessary or convenient in and about the conduct and management of such business.

(3) To take, hold, own, deal in, mortgage or otherwise lien, and to lease, sell, exchange, transfer, or in any manner whatever dispose of property, real, personal or mixed, wherever situated.

(4) To enter into, make, perform and carry out contracts of every kind with any person, firm, association or corporation, and, without limit as to amount, to draw, make, accept, endorse, discount, execute and issue promissory notes, drafts, bills of exchange, warrants, bonds, debentures, and other negotiable or transferable instruments.

(5) To have one or more offices, to carry on all or any of its operations and businesses, without restriction to the same extent as natural persons might or could do, to purchase or otherwise acquire, to hold, own, to mortgage, sell, convey or otherwise dispose of, real and personal property, of every class and description, in any State, District, Territory or Colony of the United States, and in any foreign country or place.

(6) It is the intention that the objects, purposes and powers specified and clauses contained in this paragraph shall (except where otherwise expressed in said paragraph) be nowise limited or restricted by reference to or inference from the terms of any other clause of this or any other paragraph in this charter, but that the objects, purposes and powers specified in each of the clauses of this paragraph shall be regarded as independent objects, purposes and powers.

Fourth: - (a) The total number of shares of all classes of stock which the Corporation shall have authority to issue is forty-one million (41,000,000) shares, consisting of:

(1) One million (1,000,000) shares of Preferred stock, par value \$10.00 per share (hereinafter referred to as "Preferred Stock"); and

(2) Forty million (40,000,000) shares of Common Stock, par value \$1.00 per share (hereinafter referred to as "Common Stock").

(b) Shares of Preferred Stock may be issued from time to time in one or more series as may from time to time be determined by the Board of Directors each of said series to be distinctly designated. All shares of any one series of Preferred Stock shall be alike in every particular, except that there may be different dates from which dividends, if any, thereon shall be cumulative, if made cumulative. The voting powers and the preferences and relative, participating, optional and other special rights of each such series, and the qualifications, limitations or restrictions thereof, if any, may differ from those of any and all other series at any time outstanding; and, subject to the provisions of subparagraph 1 of Paragraph (c) of this Article Fourth, the Board of Directors of the Corporation is hereby expressly granted authority to fix by resolution or resolutions adopted prior to the issuance of any shares of a particular series of Preferred Stock, the voting powers and the designations, preferences and relative, optional and other special rights, and the qualifications, limitations and restrictions of such series, including, but without limiting the generality of the foregoing, the following:

(1) The distinctive designation of, and the number of shares of Preferred Stock which shall constitute such series, which number may be increased (except where otherwise provided by the Board of Directors) or decreased (but not below the number of shares thereof then outstanding) from time to time by like action of the Board of Directors;

(2) The rate and times at which, and the terms and conditions on which, dividends, if any, on Preferred Stock of such series shall be paid, the extent of the preference or relation, if any, of such dividends to the dividends payable on any other class or classes, or series of the same or other class of stock and whether such dividends shall be cumulative or non-cumulative;

(3) The right, if any, of the holders of Preferred Stock of such series to convert the same into or exchange the same for, shares of any other class or classes or of any series of the same or any other class or classes of stock of the Corporation and the terms and conditions of such conversion or exchange;

(4) Whether or not Preferred Stock of such series shall be subject to redemption, and the redemption price or prices and the time or times at which, and the terms and conditions on which, Preferred Stock of such series may be redeemed.

(5) The rights, if any, of the holders of Preferred Stock of such series upon the voluntary or involuntary liquidation, merger, consolidation, distribution or sale of assets, dissolution or winding-up, of the Corporation.

(6) The terms of the sinking fund or redemption or purchase account, if any, to be provided for the Preferred Stock of such series; and

(7) The voting powers, if any, of the holders of such series of Preferred Stock which may, without limiting the generality of the foregoing include the right, voting as a series or by itself or together with other series of Preferred Stock or all series of Preferred Stock as a class, to elect one or more directors of the Corporation if there shall have been a default in the payment of dividends on any one or more series of Preferred Stock or under such circumstances and on such conditions as the Board of Directors may determine.

(c) (1) After the requirements with respect to preferential dividends on the Preferred Stock (fixed in accordance with the provisions of section (b) of this Article Fourth), if any, shall have been met and after the Corporation shall have complied with all the requirements, if any, with respect to the setting aside of sums as sinking funds or redemption or purchase accounts (fixed in accordance with the provisions of section (b) of this Article Fourth), and subject further to any conditions which may be fixed in accordance with the provisions of section (b) of this Article Fourth, then and not otherwise the holders of Common Stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors.

(2) After distribution in full of the preferential amount, if any, (fixed in accordance with the provisions of section (b) of this Article Fourth), to be distributed to the holders of Preferred Stock in the event of voluntary or involuntary liquidation, distribution or sale of assets, dissolution or winding-up, of the Corporation, the holders of the Common Stock shall be entitled to receive all of the remaining assets of the Corporation, tangible and intangible, of whatever kind available for distribution to stockholders ratably in proportion to the number of shares of Common Stock held by them respectively.

(3) Except as may otherwise be required by law or by the provisions of such resolution or resolutions as may be adopted by the Board of Directors pursuant to section (b) of this Article Fourth, each holder of Common Stock shall have one vote in respect of each share of Common Stock held on all matters voted upon by the stockholders.

(d) No holder of any of the shares of any class or series of stock or of options, warrants or other rights to purchase shares of any class or series of stock or of other securities of the Corporation shall have any preemptive right to purchase or subscribe for any unissued stock of any class or series or any additional shares of any class or series to be issued by reason of any increase of the authorized capital stock of the Corporation of any class or series, or bonds, certificates of indebtedness, debentures or other securities convertible into or exchangeable for stock of the Corporation of any class or series, or



carrying any right to purchase stock of any class or series, but any such unissued stock, additional authorized issue of shares of any class or series of stock or securities convertible into or exchangeable for stock, or carrying any right to purchase stock, may be issued and disposed of pursuant to resolution of the Board of Directors to such persons, firms, corporations or associations, whether such holders or others, and upon such terms as may be deemed advisable by the Board of Directors in the exercise of its sole discretion.

(e) The relative powers, preferences and rights of each series of Preferred Stock in relation to the relative powers, preferences and rights of each other series of Preferred Stock shall, in each case, be as fixed from time to time by the Board of Directors in the resolution or resolutions adopted pursuant to authority granted in section (b) of this Article Fourth and the consent, by class or series vote or otherwise, of the holders of such of the series of Preferred Stock as are from time to time outstanding shall not be required for the issuance by the Board of Directors of any other series of Preferred Stock whether or not the powers, preferences and rights of such other series shall be fixed by the Board of Directors as senior to, or on a parity with, the powers, preferences and rights of such outstanding series, or any of them; provided, however, that the Board of Directors may provide in the resolution or resolutions as to any series of Preferred Stock adopted pursuant to section (b) of this Article Fourth that the consent of the holders of a majority (or such greater proportion as shall be therein fixed) of the outstanding shares of such series voting thereon shall be required for the issuance of any or all other series of Preferred Stock.

(f) Subject to the provisions of section (e), shares of any series of Preferred Stock may be issued from time to time as the Board of Directors of the Corporation shall determine and on such terms and for such consideration as shall be fixed by the Board of Directors.

(g) Shares of Common Stock may be issued from time to time as the Board of Directors of the Corporation shall determine and on such terms and for such consideration as shall be fixed by the Board of Directors.

(h) The authorized amount of shares of Common Stock and of Preferred Stock may, without a class or series vote, be increased or decreased from time to time by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote thereon.

Fifth: - (a) The business and affairs of the Corporation shall be conducted and managed by a Board of Directors. The number of directors constituting the entire Board shall be not less than five nor more than twenty-five as fixed from time to time by vote of a majority of the whole Board, provided, however, that the number of directors shall not be reduced so as to shorten the term of any director at the time in office, and provided further, that the number of directors constituting the whole Board shall be twenty-four until otherwise fixed by a majority of the whole Board.

(b) The Board of Directors shall be divided into three classes, as nearly equal in number as the then total number of directors constituting the whole Board permits, with the term of office of one class expiring each year. At the annual meeting of stockholders in 1982, directors of the first class shall be elected to hold office for a term expiring at the next succeeding annual meeting, directors of the second class shall be elected to hold office for a term expiring at the second succeeding annual meeting and directors of the third class shall be elected to hold office for a term expiring at the third succeeding annual meeting. Any vacancies in the Board of Directors for any reason, and any newly created directorships resulting from any increase in the directors, may be filled by the Board of Directors, acting by a majority of the directors then in office, although less than a quorum, and any directors so chosen shall hold office until the next annual election of directors. At such election, the stockholders shall elect a successor to such director to hold office until the next election of the class for which such director shall have been chosen and until his successor shall be elected and qualified. No decrease in the number of directors shall shorten the term of any incumbent director.

(c) Notwithstanding any other provisions of this Charter or Act of Incorporation or the By-Laws of the Corporation (and notwithstanding the fact that some lesser percentage may be specified by law, this Charter or Act of Incorporation or the By-Laws of the Corporation), any director or the entire Board of Directors of the Corporation may be removed at any time without cause, but only by the affirmative vote of the holders of two-thirds or more of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) cast at a meeting of the stockholders called for that purpose.

(d) Nominations for the election of directors may be made by the Board of Directors or by any stockholder entitled to vote for the election of directors. Such nominations shall be made by notice in writing, delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Corporation not less than 14 days nor more than 50 days prior to any meeting of the stockholders called for the election of directors; provided, however, that if less than 21 days' notice of the meeting is given to stockholders, such written notice shall be delivered or mailed, as prescribed, to the Secretary of the Corporation not later than the close of the seventh day following the day on which notice of the meeting was mailed to stockholders. Notice of nominations which are proposed by the Board of Directors shall be given by the Chairman on behalf of the Board.

(e) Each notice under subsection (d) shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice, (ii) the principal occupation or employment of such nominee and (iii) the number of shares of stock of the Corporation which are beneficially owned by each such nominee.

(f) The Chairman of the meeting may, if the facts warrant, determine and

declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

(g) No action required to be taken or which may be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, and the power of stockholders to consent in writing, without a meeting, to the taking of any action is specifically denied.

Sixth: - The Directors shall choose such officers, agent and servants as may be provided in the By-Laws as they may from time to time find necessary or proper.

Seventh: - The Corporation hereby created is hereby given the same powers, rights and privileges as may be conferred upon corporations organized under the Act entitled "An Act Providing a General Corporation Law", approved March 10, 1899, as from time to time amended.

Eighth: - This Act shall be deemed and taken to be a private Act.

Ninth: - This Corporation is to have perpetual existence.

Tenth: - The Board of Directors, by resolution passed by a majority of the whole Board, may designate any of their number to constitute an Executive Committee, which Committee, to the extent provided in said resolution, or in the By-Laws of the Company, shall have and may exercise all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, and shall have power to authorize the seal of the Corporation to be affixed to all papers which may require it.

Eleventh: - The private property of the stockholders shall not be liable for the payment of corporate debts to any extent whatever.

Twelfth: - The Corporation may transact business in any part of the world.

Thirteenth: - The Board of Directors of the Corporation is expressly authorized to make, alter or repeal the By-Laws of the Corporation by a vote of the majority of the entire Board. The stockholders may make, alter or repeal any By-Law whether or not adopted by them, provided however, that any such additional By-Laws, alterations or repeal may be adopted only by the affirmative vote of the holders of two-thirds or more of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class).

Fourteenth: - Meetings of the Directors may be held outside of the State of Delaware at such places as may be from time to time designated by the Board, and the Directors may keep the books of the Company outside of the State of Delaware at such places as may be from time to time designated by them.

Fifteenth: - (a) In addition to any affirmative vote required by law, and except as otherwise expressly provided in sections (b) and (c) of this Article Fifteenth:

(A) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with or into (i) any Interested Stockholder (as hereinafter defined) or (ii) any other corporation (whether or not itself an Interested Stockholder), which, after such merger or consolidation, would be an Affiliate (as hereinafter defined) of an Interested Stockholder, or

(B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition (in one transaction or a series of related transactions) to or with any Interested Stockholder or any Affiliate of any Interested Stockholder of any assets of the Corporation or any Subsidiary having an aggregate fair market value of \$1,000,000 or more, or

(C) the issuance or transfer by the Corporation or any Subsidiary (in one transaction or a series of related transactions) of any securities of the Corporation or any Subsidiary to any Interested Stockholder or any Affiliate of any Interested Stockholder in exchange for cash, securities or other property (or a combination thereof) having an aggregate fair market value of \$1,000,000 or more, or

(D) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation, or

(E) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any similar transaction (whether or not with or into or otherwise involving an Interested Stockholder) which has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class of equity or convertible securities of the Corporation or any Subsidiary which is directly or indirectly owned by any Interested Stockholder, or any Affiliate of any Interested Stockholder,

shall require the affirmative vote of the holders of at least two-thirds of the outstanding shares of capital stock of the Corporation entitled to vote generally in the election of directors, considered for the purpose of this Article Fifteenth as one class ("Voting Shares"). Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that some lesser percentage may be specified, by law or in any agreement with any national securities exchange or otherwise.

(2) The term "business combination" as used in this Article Fifteenth shall mean any transaction which is referred to any one or more of clauses (A) through (E) of paragraph 1 of the section (a).

(b) The provisions of section (a) of this Article Fifteenth shall not be applicable to any particular business combination and such business combination shall require only such affirmative vote as is required by law and any other provisions of the Charter or Act of Incorporation or By-Laws if such business combination has been approved by a majority of the whole Board.

(c) For the purposes of this Article Fifteenth:

(1) A "person" shall mean any individual firm, corporation or other entity.

(2) "Interested Stockholder" shall mean, in respect of any business combination, any person (other than the Corporation or any Subsidiary) who or which as of the record date for the determination of stockholders entitled to notice of and to vote on such business combination, or immediately prior to the consummation of any such transaction:

(A) is the beneficial owner, directly or indirectly, of more than 10% of the Voting Shares, or

(B) is an Affiliate of the Corporation and at any time within two years prior thereto was the beneficial owner, directly or indirectly, of not less than 10% of the then outstanding voting Shares, or

(C) is an assignee of or has otherwise succeeded in any share of capital stock of the Corporation which were at any time within two years prior thereto beneficially owned by any Interested Stockholder, and such assignment or succession shall have occurred in the course of a transaction or series of transactions not involving a public offering within the meaning of the Securities Act of 1933.

(3) A person shall be the "beneficial owner" of any Voting Shares:

(A) which such person or any of its Affiliates and Associates (as hereafter defined) beneficially own, directly or indirectly, or

(B) which such person or any of its Affiliates or Associates has (i) the right to acquire (whether such right is exercisable immediately or only after the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement or understanding, or

(C) which are beneficially owned, directly or indirectly, by any other person with which such first mentioned person or any of its Affiliates or Associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of capital stock of the Corporation.

(4) The outstanding Voting Shares shall include shares deemed owned through application of paragraph (3) above but shall not include any other Voting Shares which may be issuable pursuant to any agreement, or upon exercise of conversion rights, warrants or options or otherwise.

(5) "Affiliate" and "Associate" shall have the respective meanings given those terms in Rule 12b-2 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect on December 31, 1981.

(6) "Subsidiary" shall mean any corporation of which a majority of any class of equity security (as defined in Rule 3a11-1 of the General Rules and Regulations under the Securities Exchange Act of 1934, as in effect in December 31, 1981) is owned, directly or indirectly, by the Corporation; provided, however, that for the purposes of the definition of Investment Stockholder set forth in paragraph (2) of this section (c), the term "Subsidiary" shall mean only a corporation of which a majority of each class of equity security is owned, directly or indirectly, by the Corporation.

(d) majority of the directors shall have the power and duty to determine for the purposes of this Article Fifteenth on the basis of information known to them, (1) the number of Voting Shares beneficially owned by any person (2) whether a person is an Affiliate or Associate of another, (3) whether a person has an agreement, arrangement or understanding with another as to the matters referred to in paragraph (3) of section (c), or (4) whether the assets subject to any business combination or the consideration received for the issuance or transfer of securities by the Corporation, or any Subsidiary has an aggregate fair market value of \$1,00,000 or more.

(e) Nothing contained in this Article Fifteenth shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

Sixteenth: Notwithstanding any other provision of this Charter or Act of Incorporation or the By-Laws of the Corporation (and in addition to any other vote that may be required by law, this Charter or Act of Incorporation by the By-Laws), the affirmative vote of the holders of at least two-thirds of the outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors (considered for this purpose as one class) shall be required to amend, alter or repeal any provision of Articles Fifth, Thirteenth, Fifteenth or Sixteenth of this Charter or Act of Incorporation.

Seventeenth: (a) a Director of this Corporation shall not be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a Director, except to the extent such exemption from liability or limitation thereof is not permitted under the Delaware General Corporation Laws as the same exists or may hereafter be amended.

(b) Any repeal or modification of the foregoing paragraph shall not

adversely affect any right or protection of a Director of the Corporation existing hereunder with respect to any act or omission occurring prior to the time of such repeal or modification."

I \_\_\_\_\_

\_\_\_\_\_ Secretary of Wilmington Trust Company, do hereby certify that the foregoing is a true and correct copy of the Charter or Act of Incorporation of Wilmington Trust Company, as heretofore amended and changed from time to time, copies of which, certified by the Secretary of the State of Delaware, are on file in the office of Wilmington Trust Company.

Date \_\_\_\_\_

\_\_\_\_\_  
Secretary



EXHIBIT B

BY-LAWS

WILMINGTON TRUST COMPANY

WILMINGTON, DELAWARE

As existing on February 21, 1991

ARTICLE I  
Stockholders' Meetings

Section 1. The Annual Meeting of Stockholders shall be held on the third Thursday in April each year at the principal office at the Company or at such other date, time, or place as may be designated by resolution by the Board of Directors.

Section 2. Special meetings of all stockholders may be called at any time by the Board of Directors, the Chairman of the Board or the President.

Section 3. Notice of all meetings of the stockholders shall be given by mailing to each stockholder at least ten (10) days before said meeting, at his last known address, a written or printed notice fixing the time and place of such meeting.

Section 4. A majority in the amount of the capital stock of the Company issued and outstanding on the record date, as herein determined, shall constitute a quorum at all meetings of stockholders for the transaction of any business, but the holders of a small number of shares may adjourn, from time to time, without further notice, until a quorum is secured. At each annual or special meeting of stockholders, each stockholder shall be entitled to one vote, either in person or by proxy, for each share of stock registered in the stockholder's name on the books of the Company on the record date for any such meeting as determined herein.

ARTICLE II  
Directors

Section 1. The number and classification of the Board of Directors shall be as set forth in the Charter of the Bank.

Section 2. No person who has attained the age of seventy-two (72) years shall be nominated for election to the Board of Directors of the Company, provided, however, that this limitation shall not apply to any person who was serving as director of the Company on September 16, 1971.

Section 3. The class of Directors so elected shall hold office for three years or until their successors are elected and qualified.

Section 4. The affairs and business of the Company shall be managed and conducted by the Board of Directors.

Section 5. Regular meetings of the Board of Directors shall be held on the third Thursday of each month at the principal office of the Company, or at such other place and time as may be designated by the Board of Directors, the Chairman of the Board, or the President.

Section 6. Special meetings of the Board of Directors may be called at

any time by the Chairman of the Board of Directors or by the President, and shall be called upon the written request of a majority of the directors.

Section 7. A majority of the directors elected and qualified shall be necessary to constitute a quorum for the transaction of business at any meeting of the Board of Directors.

Section 8. Written notice shall be sent by mail to each director of any special meeting of the Board of Directors, and of any change in the time or place of any regular meeting, stating the time and place of such meeting, which shall be mailed not less than two days before the time of holding such meeting.

Section 9. In the event of the death, resignation, removal, inability to act, or disqualification of any director, the Board of Directors, although less than a quorum, shall have the right to elect the successor who shall hold office for the remainder of the full term of the class of directors in which the vacancy occurred, and until such director's successor shall have been duly elected and qualified.

Section 10. The Board of Directors at its first meeting after its election by the stockholders shall appoint an Executive Committee, a Trust Committee, an Audit Committee and a Compensation Committee, and shall elect from its own members a Chairman of the Board of Directors and a President who may be the same person. The Board of Directors shall also elect at such meeting a Secretary and a Treasurer, who may be the same person, may appoint at any time such other committees and elect or appoint such other officers as it may deem advisable. The Board of Directors may also elect at such meeting one or more Associate Directors.

Section 11. The Board of Directors may at any time remove, with or without cause, any member of any Committee appointed by it or any associate director or officer elected by it and may appoint or elect his successor.

Section 12. The Board of Directors may designate an officer to be in charge of such of the departments or division of the Company as it may deem advisable.

ARTICLE III  
Committees

Section I. Executive Committee

(A) The Executive Committee shall be composed of not more than nine members who shall be selected by the Board of Directors from its own members and who shall hold office during the pleasure of the Board.

(B) The Executive Committee shall have all the powers of the Board of Directors when it is not in session to transact all business for and in behalf of the Company that may be brought before it.

(C) The Executive Committee shall meet at the principal office of the Company or elsewhere in its discretion at least once a week in each week the Board is not regularly scheduled to meet. A majority of its members shall be necessary to constitute a quorum for the transaction of business. Special meetings of the Executive Committee may be held at any time when a quorum is present.

(D) Minutes of each meeting of the Executive Committee shall be kept and submitted to the Board of Directors at its next meeting.

(E) The Executive Committee shall advise and superintend all investments that may be made of the funds of the Company, and shall direct the disposal of the same, in accordance with such rules and regulations as the Board of Directors from time to time make.

(F) In the event of a state of disaster of sufficient severity to prevent the conduct and management of the affairs and business of the Company by its directors and officers as contemplated by these By-Laws any two available members of the Executive Committee as constituted immediately prior to such disaster shall constitute a quorum of that Committee for the full conduct and management of the affairs and business of the Company in accordance with the provisions of Article III of these By-Laws; and if less than three members of the Trust Committee is constituted immediately prior to such disaster shall be available for the transaction of its business, such Executive Committee shall also be empowered to exercise all of the powers reserved to the Trust Committee under Article III Section 2 hereof. In the event of the unavailability, at such time, of a minimum of two members of such Executive Committee, any three available directors shall constitute the Executive Committee for the full conduct and management of the affairs and business of the Company in accordance with the foregoing provisions of this Section. This By-Law shall be subject to implementation by Resolutions of the Board of Directors presently existing or hereafter passed from time to time for that purpose, and any provisions of these By-Laws (other than this Section) and any resolutions which are contrary to the provisions of this Section or to the provisions of any such implementary Resolutions shall be suspended during such a disaster period until it shall be determined by any interim Executive Committee acting under this section that it shall be to the advantage of the Company to resume the conduct and management of its affairs and business under

all of the other provisions of these By-Laws.

#### Section 2. Trust Committee

(A) The Trust Committee shall be composed of not more than thirteen members who shall be selected by the Board of Directors, a majority of whom shall be members of the Board of Directors and who shall hold office during the pleasure of the Board.

(B) The Trust Committee shall have general supervision over the Trust Department and the investment of trust funds, in all matters, however, being subject to the approval of the Board of Directors.

(C) The Trust Committee shall meet at the principal office of the Company or elsewhere in its discretion at least once a month. A majority of its members shall be necessary to constitute a quorum for the transaction of business. Special meetings of the Trust Committee may be held at any time when a quorum is present.

(D) Minutes of each meeting of the Trust Committee shall be kept and promptly submitted to the Board of Directors.

(E) The Trust Committee shall have the power to appoint Committees and/or designate officers or employees of the Company to whom supervision over the investment of trust funds may be delegated when the Trust Committee is not in session.

#### Section 3. Audit Committee

(A) The Audit Committee shall be composed of five members who shall be selected by the Board of Directors from its own members, none of whom shall be an officer of the Company, and shall hold office at the pleasure of the Board.

(B) The Audit Committee shall have general supervision over the Audit Division in all matters however subject to the approval of the Board of Directors; it shall consider all matters brought to its attention by the officer in charge of the Audit Division, review all reports of examination of the Company made by any governmental agency or such independent auditor employed for that purpose, and make such recommendations to the Board of Directors with respect thereto or with respect to any other matters pertaining to auditing the Company as it shall deem desirable.

(C) The Audit Committee shall meet whenever and wherever the majority of its members shall deem it to be proper for the transaction of its business, and a majority of its Committee shall constitute a quorum.

#### Section 4. Compensation Committee

(A) The Compensation Committee shall be composed of not more than five (5) members who shall be selected by the Board of Directors from its own members who are not officers of the Company and who shall hold office

during the pleasure of the Board.

(B) The Compensation Committee shall in general advise upon all matters of policy concerning the Company brought to its attention by the management and from time to time review the management of the Company, major organizational matters, including salaries and employee benefits and specifically shall administer the Executive Incentive Compensation Plan.

(C) Meetings of the Compensation Committee may be called at any time by the Chairman of the Compensation Committee, the Chairman of the Board of Directors, or the President of the Company.

#### Section 5. Associate Directors

(A) Any person who has served as a director may be elected by the Board of Directors as an associate director, to serve during the pleasure of the Board.

(B) An associate director shall be entitled to attend all directors meetings and participate in the discussion of all matters brought to the Board, with the exception that he would have no right to vote. An associate director will be eligible for appointment to Committees of the Company, with the exception of the Executive Committee, Audit Committee and Compensation Committee, which must be comprised solely of active directors.

#### Section 6. Absence or Disqualification of Any Member of a Committee

(A) In the absence or disqualification of any member of any Committee created under Article III of the By-Laws of this Company, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absence or disqualified member.

### ARTICLE IV Officers

Section 1. The Chairman of the Board of Directors shall preside at all meetings of the Board and shall have such further authority and powers and shall perform such duties as the Board of Directors may from time to time confer and direct. He shall also exercise such powers and perform such duties as may from time to time be agreed upon between himself and the President of the Company.

Section 2. The President shall have the powers and duties pertaining to the office of the President conferred or imposed upon him by statute or assigned to him by the Board of Directors in the absence of the Chairman of the Board the President shall have the powers and duties of the Chairman of the Board.

Section 3. The Chairman of the Board of Directors or the President as designated by the Board of Directors, shall carry into effect all legal directions of the Executive Committee and of the Board of Directors, and shall at all times exercise general supervision over the interest, affairs and operations of the Company and perform all duties incident to his office.

Section 4. There may be one or more Vice Presidents, however denominated by the Board of Directors, who may at any time perform all the duties of the Chairman of the Board of Directors and/or the President and such other powers and duties as may from time to time be assigned to them by the Board of Directors, the Executive Committee, the Chairman of the Board or the President and by the officer in charge of the department or division to which they are assigned.

Section 5. The Secretary shall attend to the giving of notice of meetings of the stockholders and the Board of Directors, as well as the Committees thereof, to the keeping of accurate minutes of all such meetings and to recording the same in the minute books of the Company. In addition to the other notice requirements of these By-Laws and as may be practicable under the circumstances, all such notices shall be in writing and mailed well in advance of the scheduled date of any other meeting. He shall have custody of the corporate seal and shall affix the same to any documents requiring such corporate seal and to attest the same.

Section 6. The Treasurer shall have general supervision over all assets and liabilities of the Company. He shall be custodian of and responsible for all monies, funds and valuables of the Company and for the keeping of proper records of the evidence of property or indebtedness and of all the transactions of the Company. He shall have general supervision of the expenditures of the Company and shall report to the Board of Directors at each regular meeting of the condition of the Company, and perform such other duties as may be assigned to him from time to time by the Board of Directors of the Executive Committee.

Section 7. There may be a Controller who shall exercise general supervision over the internal operations of the Company, including accounting, and shall render to the Board of Directors at appropriate times a report relating to the general condition and internal operations of the Company.

There may be one or more subordinate accounting or controller officers however denominated, who may perform the duties of the Controller and such duties as may be prescribed by the Controller.

Section 8. The officer designated by the Board of Directors to be in charge of the Audit Division of the Company with such title as the Board of Directors shall prescribe, shall report to and be directly responsible only to the Board of Directors.

There shall be an Auditor and there may be one or more Audit Officers, however denominated, who may perform all the duties of the Auditor and such duties as may be prescribed by the officer in charge of the Audit Division.

Section 9. There may be one or more officers, subordinate in rank to all Vice Presidents with such functional titles as shall be determined from time to time by the Board of Directors, who shall ex officio hold the office Assistant Secretary of this Company and who may perform such duties as may be prescribed by the officer in charge of the department or division to whom they are assigned.

Section 10. The powers and duties of all other officers of the Company shall be those usually pertaining to their respective offices, subject to the direction of the Board of Directors, the Executive Committee, Chairman of the Board of Directors or the President and the officer in charge of the department or division to which they are assigned.

ARTICLE V  
Stock and Stock Certificates

Section 1. Shares of stock shall be transferrable on the books of the Company and a transfer book shall be kept in which all transfers of stock shall be recorded.

Section 2. Certificate of stock shall bear the signature of the President or any Vice President, however denominated by the Board of Directors and countersigned by the Secretary or Treasurer or an Assistant Secretary, and the seal of the corporation shall be engraved thereon. Each certificate shall recite that the stock represented thereby is transferrable only upon the books of the Company by the holder thereof or his attorney, upon surrender of the certificate properly endorsed. Any certificate of stock surrendered to the Company shall be cancelled at the time of transfer, and before a new certificate or certificates shall be issued in lieu thereof. Duplicate certificates of stock shall be issued only upon giving such security as may be satisfactory to the Board of Directors or the Executive Committee.

Section 3. The Board of Directors of the Company is authorized to fix in advance a record date for the determination of the stockholders entitled to notice of, and to vote at, any meeting of stockholders and any adjournment thereof, or entitled to receive payment of any dividend, or to any allotment or rights, or to exercise any rights in respect of any change, conversion or exchange of capital stock, or in connection with obtaining the consent of stockholders for any purpose, which record date shall not be more than 60 nor less than 10 days proceeding the date of any meeting of stockholders or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent.

ARTICLE VI  
Seal

Section 1. The corporate seal of the Company shall be in the following form:

Between two concentric circles the words



"Wilmington Trust Company" within the inner  
circle the words "Wilmington, Delaware."

ARTICLE VII  
Fiscal Year

Section 1. The fiscal year of the Company shall be the calendar year.

ARTICLE VIII  
Execution of Instruments of the Company

Section 1. The Chairman of the Board, the President or any Vice President, however denominated by the Board of Directors, shall have full power and authority to enter into, make, sign, execute, acknowledge and/or deliver and the Secretary or any Assistant Secretary shall have full power and authority to attest and affix the corporate seal of the Company to any and all deeds, conveyances, assignments, releases, contracts, agreements, bonds, notes, mortgages and all other instruments incident to the business of this Company or in acting as executor, administrator, guardian, trustee, agent or in any other fiduciary or representative capacity by any and every method of appointment or by whatever person, corporation, court officer or authority in the State of Delaware, or elsewhere, without any specific authority, ratification, approval or confirmation by the Board of Directors or the Executive Committee, and any and all such instruments shall have the same force and validity as although expressly authorized by the Board of Directors and/or the Executive Committee.

ARTICLE IX  
Compensation of Directors and Members of Committees

Section 1. Directors and associate directors of the Company, other than salaried officers of the Company, shall be paid such reasonable honoraria or fees for attending meetings of the Board of Directors as the Board of Directors may from time to time determine. Directors and associate directors who serve as members of committees, other than salaried employees of the Company, shall be paid such reasonable honoraria or fees for services as members of committees as the Board of Directors shall from time to time determine and directors and associate directors may be employed by the Company for such special services as the Board of Directors may from time to time determine and shall be paid for such special services so performed reasonable compensation as may be determined by the Board of Directors.

ARTICLE X  
Indemnification

Section 1. (A) The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding") by reason of the fact that he, or a person for whom he is the legal representative, is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee, fiduciary or agent of another corporation or of a partnership, joint venture, trust, enterprise or non-profit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses reasonably incurred by such person. The Corporation shall indemnify a person in connection with a proceeding initiated by such person only if the proceeding was authorized by the Board of Directors of the Corporation.

(B) The Corporation shall pay the expenses incurred in defending any proceeding in advance of its final disposition, provided, however, that the payment of expenses incurred by a Director officer in his capacity as a Director or officer in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Director or officer to repay all amounts advanced if it should be ultimately determined that the Director or officer is not entitled to be indemnified under this Article or otherwise.

(C) If a claim for indemnification or payment of expenses, under this Article X is not paid in full within ninety days after a written claim therefor has been received by the Corporation the claimant may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the claimant was not entitled to the requested indemnification or payment of expenses under applicable law.

(D) The rights conferred on any person by this Article X shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the Charter or Act of Incorporation, these By-Laws, agreement, vote of stockholders or disinterested Directors or otherwise.

(E) Any repeal or modification of the foregoing provisions of this Article X shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE XI  
Amendments to the By-Laws

Section 1. These By-Laws may be altered, amended or repealed, in whole or in part, and any new By-Law or By-Laws adopted at any regular or special meeting of the Board of Directors by a vote of the majority of all the members of the Board of Directors then in office.

I, . . . . .  
Assistant Secretary of Wilmington Trust Company, do hereby  
certify that the foregoing is a true and correct copy of  
the By-Laws of the Wilmington Trust Company.

Date . . . . .

. . . . .  
Assistant Secretary

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EXHIBIT "D"

NOTICE

This form is intended to assist state nonmember banks and savings banks with state publication requirements. It has not been approved by any state banking authorities. Refer to your appropriate state banking authorities for your state publication requirements.

R E P O R T O F C O N D I T I O N

Consolidating domestic subsidiaries of the

WILMINGTON TRUST COMPANY of WILMINGTON

-----  
Name of Bank City  
-----

in the State of DELAWARE, at the close of business on June 30, 1995.  
-----

ASSETS

Thousands of dollars

Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coins . . . . .	189,183
Interest-bearing balances . . . . .	0
Held-to-maturity securities . . . . .	960,718
Available-for-sale securities . . . . .	194,658
Federal funds sold . . . . .	30,000
Securities purchased under agreements to resell . . . . .	173,715
Loans and lease financing receivables:	
Loans and leases, net of unearned income . . . . .	3,352,597
LESS: Allowance for loan and lease losses . . . . .	45,914
LESS: Allocated transfer risk reserve . . . . .	0
Loans and leases, net of unearned income, allowance, and reserve	3,306,683
Assets held in trading accounts . . . . .	0
Premises and fixed assets (including capitalized leases) . . . . .	75,242
Other real estate owned . . . . .	14,515
Investments in unconsolidated subsidiaries and associated companies . .	2,531
Customers' liability to this bank on acceptances outstanding . . . . .	0
Intangible assets . . . . .	4,645
Other assets . . . . .	135,399
Total assets . . . . .	5,087,289

CONTINUED ON NEXT PAGE

LIABILITIES

Deposits:	
In domestic offices . . . . .	3,103,895
Noninterest-bearing . . . . .	647,766
Interest-bearing . . . . .	2,456,129
Federal funds purchased . . . . .	205,220
Securities sold under agreements to repurchase . . . . .	181,985
Demand notes issued to the U.S. Treasury . . . . .	94,987
Trading liabilities . . . . .	0
Other borrowed money: . . . . .	////////
With original maturity of one year or less . . . . .	996,500
With original maturity of more than one year . . . . .	0
Mortgage indebtedness and obligations under capitalized leases . . . . .	1,887
Bank's liability on acceptances executed and outstanding . . . . .	0
Subordinated notes and debentures . . . . .	0
Other liabilities . . . . .	100,721
Total liabilities . . . . .	4,685,195
Limited-life preferred stock and related surplus . . . . .	0

EQUITY CAPITAL

Perpetual preferred stock and related surplus . . . . .	0
Common Stock . . . . .	500
Surplus . . . . .	62,118
Undivided profits and capital reserves . . . . .	339,514
Net unrealized holding gains (losses) on available-for-sale securities . . . . .	(38)
Total equity capital . . . . .	402,094
Total liabilities, limited-life preferred stock, and equity capital . . . . .	5,087,289

We, the undersigned directors, attest to the correctness of this statement of resources and liabilities. We declare that it has been examined by us, and to the best of our knowledge and belief has been prepared in conformance with the instructions and is true and correct.

I, David R. Gibson  
 Name  
 Senior Vice President  
 Title

/s/ Hugh E. Miller                    ]  
 -----                                ] Directors  
 /s/ R. C. Forney                    ]  
 -----                                ]  
 /s/ Leonard W. Quill                ]  
 -----

of the above-named bank  
do hereby declare that  
this Report of Condition  
is true and correct to  
the best of my knowledge  
and belief.

/s/ David R. Gibson  
-----  
Signature  
07/28/95  
-----  
Date