

DOUGLAS COUNTY

and not securing indebtedness assured by the Company or on which it pays interest charges, to all the terms, conditions, agreements, covenants, exceptions and reservations expressed or provided in the deeds, leases or other instruments, respectively, under and by virtue of which the Company now owns or may hereafter acquire said property, to liens existing on any property hereafter acquired by the Company at the time of such acquisition, and to undetermined liens and charges, if any, incidental to construction.

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and proportionate benefit and security of all present and future holders of the Bonds and coupons issued and to be issued hereunder, or any of them, without preference or priority of any of said Bonds or coupons over any others thereof, or of the Bonds and coupons of any particular series over the Bonds and coupons of any other series, by reason of priority in the time of issue, sale or negotiation thereof or by reason of the purpose of issue or otherwise howsoever, except as otherwise provided in Section 40 of this Indenture.

AND IT IS HEREBY COVENANTED, DECLARED AND AGREED by and between the parties hereto, that all the Bonds and coupons are to be issued, authenticated and delivered, and that all the trust estate is to be held and applied, subject to the further covenants, conditions, uses and trusts hereinafter set forth; and the Company, for itself and its successors, does hereby covenant and agree to and with the Trustees and their successors in said trust, for the benefit of those who shall hold the Bonds and coupons, or any of them, as follows:

ARTICLE ONE.

DEFINITIONS, AND EFFECT OF INSTRUMENTS FILED WITH TRUSTEES.

SECTION 1. The terms hereinbelow in this Section 1 mentioned shall, for all purposes of this Indenture and all indentures supplemental hereto (except in cases where the context clearly indicates otherwise), be taken to have the meanings hereinafter set forth:

(a) the term "Company" shall mean and include not only Kansas Public Service Company, the party of the first part hereto, but also any successor corporation which shall become such in the manner hereinafter in Article Fifteen prescribed;

(b) the terms "Trustees", "corporate Trustee" and "Individual Trustee" shall mean, respectively, the Trustees, corporate Trustee and Individual Trustee under this Indenture for the time being, including not only The Chase National Bank of the City of New York and Carl E. Buckley, the parties of the second part hereto, but also any successor Trustee which or who shall become such in the manner hereinafter in Section 96 or 97 prescribed;

(c) the term "resolution of the Board" shall mean a copy of a resolution or resolutions duly certified by the Secretary or an Assistant Secretary of the Company under its corporate seal to have been duly adopted by the Board of Directors of the Company, at a meeting thereof duly called and held and at which a quorum was present, and to be still in full force and effect;

(d) the terms "written order of the Company", "written request of the Company", "written consent of the Company" and "certificate of the Company" shall mean, respectively, a written order, request, consent or certificate signed by the President or a Vice-President and by the Treasurer or an Assistant Treasurer of the Company;

(e) the term "opinion of counsel" shall mean a written opinion of counsel selected by the Board of Directors of the Company and acceptable to the corporate Trustee, who may be counsel for the Company;

(f) the words "Bond", "Bondholder" and "holder" shall include the plural as well as the singular number, and the words "Bondholder" and "holder" shall be deemed to include both the bearer of a bearer Bond not registered as to principal and the registered owner of a bearer Bond registered as to principal;

(g) bonds owned legally or equitably by the Company shall not be deemed to be "outstanding" for the purpose of computing the amount of Bonds in respect of which any demand, request, vote, consent, waiver or notice provided for herein may be given. The word "amount" when used with relation to the amount of Bonds outstanding shall be taken to mean the principal amount of such Bonds;

(h) the term "prior lien" means and includes any mortgage or other lien prior to the lien of this Indenture upon any property hereafter acquired by the Company, existing on said property, and/or placed thereon at the time of such acquisition;

(i) the term "refundable bonds" means and includes any bonds secured by a prior lien on additional property (as said term is defined in Section 18 hereof), which shall, in the manner and within the limitations prescribed in Section 19 hereof, be established as "refundable bonds"; and the word "bonds", as used in said term, means the indebtedness and/or evidences of indebtedness, of whatsoever character, secured by such prior lien;

(j) the term "refundable lien" means a prior lien securing refundable bonds; and

(k) if the Company shall own or acquire any property maintained or operated under any license or franchise or law which reserves or vests in any public authority the right to purchase such property, such rights and burdens shall not for the purposes of this Indenture be deemed to be "liens, charges or encumbrances" prior to the lien of this Indenture.

SECTION 2. Upon any application for the authentication and delivery of Bonds hereunder or for the payment of any moneys held by the corporate Trustee under any provision hereof or for the execution of any release, or upon any other application to the Trustees or the corporate Trustee hereunder, the resolutions, certificates, statements, opinions, evidence, reports, orders and/or other papers required by any of the provisions of this Indenture to be delivered to the Trustees or the corporate Trustee as a condition of the granting of such application may be received by the Trustees or the corporate Trustee as conclusive evidence of any statement therein contained and shall be full warrant, authority and protection to the Trustees or the corporate Trustee acting on the faith thereof, not only in respect of the statements of fact therein made, but also in respect of the opinions therein set forth. Before granting any such application, the Trustees or the corporate Trustee, as the case may be, shall not be under any duty to make any further investigation into the matters evidenced by any such resolution, certificate, statement, opinion, evidence, report, order or other paper, but if requested in writing so to do by the holders of at least 25% in amount of the Bonds then outstanding and if furnished with security and indemnity satisfactory to them or if against the costs and expenses of such investigation, the Trustees or the corporate Trustee shall make such further investigation as to them or it may seem proper; but they or it may in their or its discretion make any such independent inquiry or investigation as they or it may see fit. If the Trustees or the corporate Trustee shall determine, or shall be requested as aforesaid, to make such further inquiry, they or it shall be entitled to examine the books, records and premises of the Company, either themselves or itself or by agent or attorney, and unless satisfied, with or without such examination, of the truth and accuracy of the matters stated in such resolutions, certificates, statements, opinions, evidence, reports, orders and/or other papers, they or it shall be under no obligation to grant the application. If, after such examination or other inquiry, the Trustees or the corporate Trustee shall determine to grant the application, they or it shall not be liable for any action taken in good faith. The reasonable expenses of every such examination shall be paid by the Company, or if paid by the Trustees or the corporate Trustee, shall be repaid by the Company, upon demand, with interest at the rate of 6% per annum, and until such repayment shall be secured by a lien on the mortgaged property and the proceeds thereof prior to the lien of the Bonds and coupons.