being issued has been or are being acquired or paid for with the proceeds of (i) cash deposited pursuant to section 3.03, (ii) insurance payments or eminent domain, (iii) refunding bonds; (c) that the cash proceeds of such bonds are to be and shall be applied to the payment of the cost of such additions and extensions in so far as may be necessary.

Section 3.03. The company may also issue, and the trustee shall authenticate and deliver, bonds under this indenture and any supplements hereto in the full principal amount of all cash deposited with the trustee for the purpose of providing a cash reserve against the issuance of such bonds, whenever authorized by resolutions responsive to Article One of this indenture; provided, however, that bonds may not be issued against cash received by the trustee for sinking fund purposes or for payment of principal or interest of any bonds, or cash representing pledged revenues or the proceeds of any insurance policy or property taken by eminent domain. Cash deposited with the trustee pursuant to this section 3.03 may be withdrawn at any time prior to the filing of the aforesaid resolutions with the trustee authorizing the issuance of bonds against such deposited cash, upon the order of the president or treasurer of the company.

Section 3.04. After the issuance of bonds against cash deposited with the trustee pursuant to section 3.03, such cash from time to time may be withdrawn from the trustee on the order of the president or treasurer of the company in an amount or amounts equal to sixty per cent of the value of additions and extensions which hereafter may be acquired, constructed or installed, upon the trustees being furnished with certificates and the instruments responsive to (1), (2), (3) and (4) of section 3.02 except that (4)(d)(i) may be omitted.

Section 3.05. (a) For the purpose of any certificate setting forth the "value" of any additions and extensions already constructed or installed, such value shall be determined on the basis of the fair value thereof as an integral part of the properties of the company as a going concern, giving due consideration to its original cost less depreciation, and in the case of such additions and extensions in the process of construction, installation or acquisition, the "value" thereof shall be the actual cost thereof from time to time, but in any event less any encumbrance thereon and eliminating any portion not at the time used or useful in the conduct of the business of the company, provided that the value of renewals and replacements treated as additions and extensions shall be determined as provided by the next succeeding subsection (b) of this section 3.05.

(b) The term "additions and extensions" as used in this Article shall include the following:

(1) Fixed additions to the plants and properties of the company or additional property of a fixed or permanent nature acquired by the company by construction, purchase, or otherwise in fee and free from all encumbrances prior to the lien hereof, except those mentioned in (a) of subsection (4) of section 3.02.

(2) Right-of-ways, easements, franchises, pipe lines, including gathering lines, transmission and distribution lines and necessary equipment incidental thereto.

(3) Renewals or replacements, but only to the extent that the cost thereof shall exceed the original cost of the property renewed or replaced, or in respect of property renewed or replaced other than by construction, its cost or fair depreciated value at the time of renewal or replacement (whichever is the lesser).

Section 3.06. Additional series of bonds for refunding purposes may be issued under this indenture and any supplements hereto pursuant to resolutions of the board of directors of the company (and the stockholders of the company if required by law) which resolutions shall be responsive to the provisions of Article One of this mortgage. All such bonds shall be secured by this mortgage and any supplements hereto according to their purport and tenor and the provisions of this mortgage and any supplements hereto. Such bonds may be issued, executed, and authenticated in the principal amount of the bonds to be refunded plus accrued and unpaid interest and any unpaid premium thereon, plus an amount not to exceed two per cent of the principal amount of the bonds to be refunded.

The trustee shall authenticate and deliver on the order of the president or treasurer of the company the bonds issued for refunding purposes upon receipt by the trustees of

(1) Certified copies of the resolutions above mentioned in this section 3.06;

(2) The surrender for cancellation of the bonds being refunded; and/or

(3) The deposit of a sufficient amount to accomplish the redemption of any of the bonds to be refunded and evidence that such bonds have been duly and effectively redeemed or called for redemption; and

(4) Instruments responsive to subsection (2), and (b) and (c) of subsection (4) of section 3.02.

Section 3.07. None of the bonds issued pursuant to the provisions of this Article Three shall be or shall be designated as Series A.

ARTICLE FOUR.
REDEMPTION OF BONDS.

Section 4.01. The company shall have the right and option to redeem any or all of the bonds of any or all series issued under this mortgage on any date fixed by resolution of its directors for the redemption thereof (which may or may not be an interest payment date) prior to their maturity by giving at least forty-five days' notice of such date of redemption and by the payment or the making provision for the payment of the principal of such bonds so called for redemption plus accrued interest to date of redemption and any premium thereon.

Section 4.02. In case the company shall at any time desire to redeem less than all of the outstanding bonds issued hereunder, it shall notify the trustee in writing of the principal amount of bonds which it desires to redeem, the series of such bonds, and the principal amount of each series, stating on what date, not less than fifty days from such notice, it desires to redeem the same, and the trustee shall thereupon select by lot in any usual manner, in its absolute discretion, from all outstanding bonds of each series to be redeemed the bonds of each such series to be redeemed; provided, however, that if the company shall theretofore have presented to and deposited with the trustee any such bonds pursuant to Article Two of this indenture, or pursuant to any sinking fund provision incorporated in any supplement hereto, the trustee shall eliminate the bonds so presented to and deposited with it for sinking fund purposes in selecting the bonds to be redeemed. And provided further that the company shall not be entitled to any credit for bonds presented to or deposited with the trustee pursuant to Article Two for the six months' period ending on the date of the proposed redemption of bonds, unless the company shall have so presented such bonds to and deposited the same with the trustee at least fifty days prior to such proposed redemption date.

The trustee shall make its selection and shall forthwith notify the company thereof by not later than the following business day after the receipt of the aforesaid notice and, in the regular course of business, the paying agent or agents, if any, and the company shall publish notice of the bonds of each series to be redeemed as selected by the trustee, of the date when and the place where they are redeemable, at least once a week for two consecutive weeks, in a daily newspaper (daily newspaper meaning one of general circulation and published generally on weekdays, although not necessarily on Sundays and holidays, and may be any newspaper devoted primarily to the publication of legal and other notices of a similar character) published in the city of Kansas City, Missouri, and in a similar daily newspaper published in any city in which any paying agent for any of the series of bonds to be redeemed maintains its office, the first publication to be at least forty-five days prior to the date of redemption, and shall, in addition thereto, cause a written or printed notice thereof to be mailed, postage prepaid, not less than forty-five days prior to the date of redemption, to each registered holder of bonds of any series called for redemption whose address shall appear upon the register or registers kept by the trustee, but such mailing shall not be a condition precedent to such redemption and failure to so mail any such notice or failure to receive any such notice by a bondholder shall not affect the validity of the proceedings for the redemption of such bonds, or any of them.

In case the company shall desire to redeem all of the bonds of any series issued hereunder at any time outstanding it shall not be necessary to notify the trustee or paying agent or agents, if any, of its intention, but the company shall give notice thereof in like manner as above specified by publication and mail, except that the notice shall specify that all bonds of any series instead of particularly designated bonds are to be redeemed.