

FILE NO. 333-88415

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SECURITIES AND EXCHANGE COMMISSION  
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AMENDMENT NO. 1  
TO  
FORM S-3  
REGISTRATION STATEMENT  
UNDER THE SECURITIES ACT OF 1933  
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OGE ENERGY CORP.	OKLAHOMA	73-1481638
OGE ENERGY CAPITAL TRUST I	DELAWARE	TO BE APPLIED FOR
OGE ENERGY CAPITAL TRUST	DELAWARE	TO BE APPLIED FOR
II		
(Exact name of registrant as specified in its charter)	(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

321 NORTH HARVEY, P.O. BOX 321  
OKLAHOMA CITY, OKLAHOMA 73101-0321  
(405) 553-3000

(Address, including zip code, and telephone number, including  
area code, of registrant's principal executive office)  
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STEVEN E. MOORE  
CHAIRMAN OF THE BOARD AND PRESIDENT  
OGE ENERGY CORP.  
321 NORTH HARVEY AVENUE  
OKLAHOMA CITY, OKLAHOMA 73102  
(405) 553-3000

(Name, address, including zip code, and telephone number,  
including area code, of agent for service)  
-----

COPIES TO:

PETER D. CLARKE, ESQ. GARDNER, CARTON & DOUGLAS 321 NORTH CLARK STREET, SUITE 3100 CHICAGO, ILLINOIS 60610	ROBERT YOLLES, ESQ. JONES, DAY, REAVIS & POGUE 77 WEST WACKER DRIVE CHICAGO, ILLINOIS 60601-1692
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APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:  
From time to time after the effective date of this registration statement.  
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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: /X/

If this Form is filed to register additional securities for an offering  
pursuant to Rule 462(b) under the Securities Act, please 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: / /  
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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 THAT 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.

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Subject to Completion, Dated October 12, 1999

PROSPECTUS SUPPLEMENT  
(TO PROSPECTUS DATED

, 1999)

PREFERRED SECURITIES

OGE ENERGY CAPITAL TRUST I

% PREFERRED SECURITIES

(LIQUIDATION AMOUNT \$25 PER PREFERRED SECURITY)

FULLY AND UNCONDITIONALLY GUARANTEED, TO THE EXTENT SET FORTH HEREIN,  
BY

OGE ENERGY CORP.

Maturity Date , 2039.

Issuer The trust that is issuing the preferred securities will have no assets other than junior subordinated debt securities issued by OGE Energy. The junior subordinated debt securities will have essentially the same terms as the preferred securities. Therefore, the trust can only make payments on the preferred securities if OGE Energy first makes payments on the junior subordinated debt securities.

Distributions Payable Quarterly, beginning , 1999. May be postponed for one or more periods, each not exceeding five years, but not past the maturity date.

Redemption At OGE Energy's option at a price of \$25 per share plus accrued and unpaid distributions, on or after , 20 and at any time within 90 days after specified changes in investment company or tax law.

Subordination The preferred securities are effectively subordinated to all senior indebtedness of OGE Energy and all existing and future liabilities of its subsidiaries.

Listing Application will be made to trade the preferred securities on the New York Stock Exchange under the ticker symbol .

INVESTING IN THE PREFERRED SECURITIES INVOLVES RISKS. RISK FACTORS BEGIN ON  
PAGE S-5 OF THIS PROSPECTUS SUPPLEMENT.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES  
COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED THAT  
THIS PROSPECTUS SUPPLEMENT OR THE ACCOMPANYING PROSPECTUS IS TRUTHFUL OR  
COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

	PER PREFERRED SECURITY	TOTAL
Public offering price.....	\$ 25	\$
Underwriting commissions to be paid by OGE Energy.....	(1)	(1)
Proceeds to the trust.....	\$ 25	\$

(1) Underwriting commissions of \$0. per preferred security will be paid by OGE Energy; except that for sales of preferred securities to certain institutions the underwriting commission will be \$0. per preferred security.

The preferred securities are expected to be ready for delivery in book-entry form only through the facilities of The Depository Trust Company on or about , 1999.

LEHMAN BROTHERS

A.G. EDWARDS & SONS, INC.

CIBC WORLD MARKETS

MERRILL LYNCH & CO.

MORGAN STANLEY DEAN WITTER

PRUDENTIAL SECURITIES

The information in this prospectus supplement is not complete and may be changed. OGE Energy Capital Trust I and OGE Energy Corp. may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective.

, 1999

OGE ENERGY CORP.

OGE Energy is a public utility holding company, which was incorporated in August 1995 in the State of Oklahoma. The Company serves as the parent company to Oklahoma Gas and Electric Company, which operates under the trade name OG&E Electric Services, and Enogex Inc. and any other companies that may be formed within the organization in the future.

The Company's principal subsidiary is OG&E and, accordingly, the Company's financial results and condition are substantially dependent at this time on the financial results and condition of OG&E. OG&E is a regulated public utility engaged in the generation, transmission and distribution of electricity to retail and wholesale customers. OG&E was incorporated in 1902 under the laws of the Oklahoma Territory and is the largest electric utility in the State of Oklahoma. OG&E sold its retail gas business in 1928 and now owns and operates an interconnected electric production, transmission and distribution system which includes eight active generating stations with a total capability of 5,561,180 kilowatts.

Enogex, with the completion of the Transok acquisition described below, owns and operates approximately 9,700 miles of natural gas transmission and gathering pipelines, has interests in fifteen gas processing plants, markets electricity, natural gas and natural gas products and invests in the drilling for and production of crude oil and natural gas.

Enogex completed its acquisition of Tejas Transok Holding, L.L.C., a gatherer, processor, and transporter of natural gas in Oklahoma and Texas on July 1, 1999. Transok's principal assets included approximately 4,900 miles of natural gas pipelines in Oklahoma and Texas with a capacity of approximately 1.2 billion cubic feet per day and 18 billion cubic feet of underground gas storage. Transok also owned 9 gas processing plants, which produced approximately 25,000 barrels per day of natural gas liquids in 1998. Enogex purchased Transok from Tejas Energy L.L.C. of Houston, an affiliate of Shell Oil Company, for approximately \$710.3 million, which included assumption of \$173 million of long-term debt.

OGE Energy's principal executive office is at 321 North Harvey Avenue, P.O. Box 321, Oklahoma City, Oklahoma 73101-0321, and its telephone number is (405) 553-3000.

SELECTED FINANCIAL DATA

	YEAR ENDED DECEMBER 31,					1998 PRO FORMA(1)	6 MONTHS ENDED JUNE 30, 1999	
	1994	1995	1996	1997	1998		ACTUAL	PRO FORMA(1)
	(\$ MILLIONS EXCEPT PER SHARE DATA)							
Operating revenues.....	\$ 1,355.2	\$ 1,302.0	\$ 1,387.4	\$ 1,443.6	\$ 1,617.7	\$ 2,088.5	\$ 829.1	\$ 1,080.3
Pre-tax operating income(2).....	272.5	271.0	279.4	268.5	339.5	329.1	107.2	122.4
Earnings available for common stock(3).....	121.5	122.9	131.0	130.3	165.1	132.0	48.9	44.6
Basic earnings per weighted average common share.....	1.50	1.52	1.62	1.61	2.04	1.63	0.63	0.57
Dividend declared per share.....	1.33	1.33	1.33	1.33	1.33	1.33	0.67	0.67
Common stock and retained earnings(4).....	921.2	937.5	961.6	985.0	1,043.4	1,043.4	962.6	962.6
Preferred stock(4).....	50.0	49.9	49.4	49.3	0.0	0.0	0.0	0.0
Long-term debt (excluding amount due within one year)(4).....	730.6	843.9	829.3	841.9	935.6	1,108.6	934.7	1,107.7

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(1) Pro forma to give effect to the July 1, 1999 acquisition of Tejas Transok Holding, L.L.C. and its subsidiaries by Enogex. The pro forma income statement data gives effect to the acquisition as if it had occurred at the beginning of the period presented. The pro forma balance sheet data at June 30, 1999 gives effect to the acquisition as if it had occurred at June 30, 1999. The pro forma balance sheet data at December 31, 1998 gives effect to the transaction as if it had occurred at December 31, 1998. The pro forma information does not give effect to the sale of the preferred securities and the application of the proceeds of the offering.

(2) Pre-tax operating income is operating revenues less the aggregate of fuel costs, purchased power and gas, electricity purchased for resale, other operation and maintenance expenses, depreciation and amortization and taxes other than income taxes.

(3) Net income less preferred stock dividends.

(4) End of period.

RATIO OF EARNINGS TO FIXED CHARGES

	YEAR ENDED DECEMBER 31,					1998 PRO FORMA
	1994	1995	1996	1997	1998	
Ratio of Earnings to Fixed Charges.....	3.57	3.46	4.04	4.09	4.80	2.90

  

6 MONTHS ENDED JUNE 30, 1999	
ACTUAL	PRO FORMA
Ratio of Earnings to Fixed Charges.....	4.47
	2.08

In computing the ratios, "earnings" consist of earnings from continuing operations before income taxes, investment tax credit (net) and fixed charges; "fixed charges" consist principally of interest expense and a calculated portion of office rentals which is deemed to be representative of the interest factor. The pro forma ratio of earnings to fixed charges for the year ended December 31, 1998 gives effect to the acquisition of Tejas Transok Holding, L.L.C. as if it had occurred at January 1, 1998. The pro forma ratio of earnings to fixed charges for the 6 months ended June 30, 1999 gives effect to the acquisition as if it had occurred January 1, 1999. The pro forma information does not give effect to the sale of the preferred securities and the application of the proceeds of the offering.

The annual interest requirements on the long-term debt of OGE Energy outstanding at June 30, 1999, were approximately \$60.0 million.

#### USE OF PROCEEDS

All of the net proceeds from the sale of the preferred securities will be invested by the trust in junior subordinated debt securities of OGE Energy. OGE Energy will use the proceeds from the sale of the junior subordinated debt securities to the trust for general corporate purposes, primarily to repay outstanding short-term borrowings incurred in connection with Enogex's acquisition of the Transok pipeline. Short-term borrowings aggregated \$791.1 million as of August 31, 1999 and had a weighted average interest rate of 5.51%.

#### ACCOUNTING TREATMENT

The financial statements of the trust will be reflected in OGE Energy's consolidated financial statements, with the preferred securities reflected on OGE Energy's balance sheet as a separate line item after total liabilities and before stockholders' equity, similar to a minority interest.

#### OGE ENERGY CAPITAL TRUST I

OGE Energy Capital Trust I is a statutory business trust organized under Delaware law. OGE Energy established this trust by (1) filing a certificate of trust with the Secretary of State of Delaware on September 29, 1999, and (2) executing a declaration of trust, which was also signed by the property trustee and the Delaware trustee.

The trust is being established for the following purposes only:

- to issue and sell its common and preferred securities;
- to use the proceeds from the sale of the common and preferred securities to acquire the junior subordinated debt securities of OGE Energy issued under the subordinated indenture; and
- to engage in activities that are directly related to these activities, such as registering the transfer of the preferred securities.

OGE Energy will acquire all of the common securities, which will have a total liquidation amount equal to at least 3% of the total capital of the trust.

The trust's business and affairs are conducted by its trustees, which are Wilmington Trust Company, as Delaware trustee, and two regular trustees. The regular trustees are employees of OGE Energy. Wilmington Trust Company will also act as trustee under the guarantee agreement relating to the preferred securities.

OGE Energy has the right to appoint, remove and replace the trustees of the trust. If an event of default occurs under the subordinated indenture, the holders of a majority in liquidation amount of the preferred securities will also have this right.

OGE Energy, as issuer of the junior subordinated debt securities, will pay all fees and expenses related to the trust and the offering of the preferred securities. OGE Energy will also pay all ongoing costs, expenses and liabilities of the trust, except obligations to make distributions and other payments on the common and preferred securities.

For additional information concerning the trust, see "Summary Information Q&A" beginning on page 2 in the accompanying prospectus.

OGE Energy and the trust anticipate that the trust will not be required to make any filings with the Securities and Exchange Commission.

## RISK FACTORS

Your investment in the preferred securities will involve several risks. You should carefully consider the following discussion of risks, and the other information in this prospectus supplement and the accompanying prospectus, before deciding whether an investment in the preferred securities is suitable for you.

OGE ENERGY IS NOT REQUIRED TO PAY YOU UNDER THE GUARANTEE AND THE JUNIOR SUBORDINATED DEBT SECURITIES UNLESS IT FIRST MAKES OTHER REQUIRED PAYMENTS.

OGE Energy's obligations under the junior subordinated debt securities will rank junior to all of OGE Energy's senior debt as described on page 13 of the accompanying prospectus. This means that OGE Energy cannot make any payments on the junior subordinated debt securities if it defaults on a payment of senior debt and does not cure the default within the applicable grace period or if the senior debt becomes immediately due because of a default and has not yet been paid in full. At August 31, 1999, OGE Energy's senior debt for these purposes aggregated about \$791.6 million. In addition, OGE Energy's obligations under the junior subordinated debt securities will be effectively subordinated to all existing and future liabilities of OGE Energy's subsidiaries. At August 31, 1999, approximately \$2.108 billion of obligations of OGE Energy's subsidiaries not included in OGE Energy's senior indebtedness was outstanding.

OGE Energy's obligations under the guarantee are subordinated to all of its other liabilities as described on page 18 of the accompanying prospectus. This means that OGE Energy cannot make any payments on the guarantee if it defaults on a payment on any of its other liabilities. In addition, in the event of the bankruptcy, liquidation or dissolution of OGE Energy, its assets would be available to pay obligations under the guarantee only after OGE Energy made all payments on its other liabilities.

Neither the preferred securities, the junior subordinated debt securities nor the guarantee limit the ability of OGE Energy and its subsidiaries to incur additional indebtedness or other liabilities, including indebtedness that ranks senior in priority of payment to the junior subordinated debt securities and the guarantee. See "Description of the Guarantee--Status of the Guarantee" on page 19 and "Description of the Junior Subordinated Debt Securities--Subordination" on page 13, of the accompanying prospectus.

OGE ENERGY IS NOT REQUIRED TO PAY YOU UNDER THE GUARANTEE IF THE TRUST DOES NOT HAVE CASH AVAILABLE.

The ability of the trust to make payments on the preferred securities is solely dependent upon OGE Energy making the related payments on the junior subordinated debt securities to the trust, as owner of the junior subordinated debt securities, when due.

If OGE Energy defaults on its obligations to make payments on the junior subordinated debt securities, the trust will not have sufficient funds to make payments on the preferred securities. In those circumstances, you will not be able to rely upon the guarantee for payment of these amounts.

DEFERRAL OF DISTRIBUTIONS WOULD HAVE ADVERSE TAX CONSEQUENCES FOR YOU AND MAY ADVERSELY AFFECT THE TRADING PRICE OF THE PREFERRED SECURITIES.

If distributions on the preferred securities are deferred, you will nonetheless be required to recognize interest income for United States federal income tax purposes in the form of original issue discount of your ratable share of the accrued but unpaid interest on the junior subordinated debt securities held by the trust before you receive any cash distributions relating to this interest even though you may use the cash method of accounting. In addition, you will not receive these cash distributions if you sell the preferred securities before the end of any deferral period or before the record date for distributions which are paid.

OGE Energy has no current intention of deferring interest payments on the junior subordinated debt securities and believes that deferral is a remote possibility. However, if OGE Energy exercises its right in

the future, the preferred securities may trade at a price that does not fully reflect the value of accrued but unpaid interest on the junior subordinated debt securities. If you sell the preferred securities during an interest deferral period, you may not receive the same return on investment as someone else who continues to hold the preferred securities. In addition, the existence of OGE Energy's right to defer payments of interest on the junior subordinated debt securities may mean that the market price for the preferred securities, which represent undivided beneficial interests in the junior subordinated debt securities, may be more volatile than other securities that do not have these rights.

See "United States Federal Income Tax Consequences" on page 23 of the accompanying prospectus for more information regarding the tax consequences of purchasing, holding and selling the preferred securities.

YOU SHOULD NOT RELY ON RECEIVING DISTRIBUTIONS FROM THE PREFERRED SECURITIES THROUGH THEIR MATURITY DATE--THEY MAY BE REDEEMED AT ANY TIME IF SPECIFIED CHANGES IN TAX OR INVESTMENT COMPANY LAW OCCUR AND THEY MAY BE REDEEMED AT THE OPTION OF OGE ENERGY.

If specified changes, which are more fully described in the accompanying prospectus, in tax or investment company law occur and specified other conditions which are more fully described in the accompanying prospectus are satisfied, all, but not less than all, of the preferred securities could be redeemed at any time by the trust at a redemption price equal to their aggregate liquidation price plus any accrued and unpaid distributions. See "Description of the Preferred Securities--Distribution of the Junior Subordinated Debt Securities" on page 9 and "--Special Event Redemption" on page 8 of the accompanying prospectus.

The preferred securities may be redeemed, in whole, at any time, or in part, from time to time, at the direction of OGE Energy on or after the date specified on the cover page of this prospectus supplement, at a redemption price equal to their aggregate liquidation price plus any accrued and unpaid distributions. You should assume that this redemption option will be exercised if OGE Energy is able to refinance the junior subordinated debt securities at a lower interest rate or it is otherwise in the interest of OGE Energy to redeem the junior subordinated debt securities. If the junior subordinated debt securities are redeemed in part, the trust must redeem the preferred securities in an aggregate liquidation amount equal to the aggregate principal amount of junior subordinated debt securities to be redeemed. See "Description of the Preferred Securities--Redemption" on page 7 and "Description of the Junior Subordinated Debt Securities--Redemption" on page 14 of the accompanying prospectus.

THERE CAN BE NO ASSURANCE AS TO THE MARKET PRICES FOR THE PREFERRED SECURITIES OR THE JUNIOR SUBORDINATED DEBT SECURITIES; THEREFORE, YOU MAY SUFFER A LOSS.

OGE Energy cannot give you any assurance as to the market prices for the preferred securities or the junior subordinated debt securities that may be distributed in exchange for preferred securities. Accordingly, the preferred securities that an investor may purchase, whether pursuant to the offer made by this prospectus supplement and the accompanying prospectus or in the secondary market, or the junior subordinated debt securities that a holder of preferred securities may receive in exchange for preferred securities, may trade at a discount to the price that the investor paid to purchase the preferred securities. As a result of the right to defer payments on the preferred securities, the market price of the preferred securities may be more volatile than the market prices of other securities to which optional deferrals do not apply.

THERE COULD BE AN ADVERSE TAX CONSEQUENCE TO YOU IF OGE ENERGY TERMINATES THE TRUST AND DISTRIBUTES JUNIOR SUBORDINATED DEBT SECURITIES TO HOLDERS, RESULTING IN POSSIBLE TAX AND LIQUIDITY CONSEQUENCES TO YOU.

OGE Energy has the right to terminate the trust at any time. If OGE Energy decides to exercise this right, the trust will be liquidated by distributing junior subordinated debt securities to holders of the common and preferred securities on a proportionate basis.



Under current United States federal income tax law, a distribution of junior subordinated debt securities to you on the dissolution of the trust should not be a taxable event to you. However, if the trust is characterized for United States federal income tax purposes as an association taxable as a corporation at the time it is dissolved or if there is a change in law, the distribution of junior subordinated debt securities to you may be a taxable event to you.

SINCE YOU HAVE LIMITED VOTING RIGHTS, YOU CANNOT PREVENT THE TRUST TRUSTEES FROM TAKING ACTIONS YOU MAY NOT AGREE WITH.

You will have limited voting rights. In particular, except for the limited exceptions described in the accompanying prospectus, only OGE Energy can elect or remove any of the trustees. See "Description of the Preferred Securities--Voting Rights; Control of Remedies" on page 9 of the accompanying prospectus.

YOU MAY NOT BE ABLE TO DIRECTLY ENFORCE RIGHTS AGAINST OGE ENERGY IF AN EVENT OF DEFAULT OCCURS.

You may have to rely on the property trustee under the trust agreement of OGE Energy Capital Trust I to enforce your rights if an event of default under the subordinated indenture occurs.

If an event of default under the subordinated indenture occurs and is continuing, that will also be an event of default under the preferred securities. In that case, the holders of the preferred securities would have to rely on the enforcement against OGE Energy by the property trustee of its rights as holder of the junior subordinated debt securities. The holders of at least 25% in liquidation amount of the preferred securities will have the right to direct the property trustee to enforce its rights. However, if the property trustee does not enforce its rights any record holder would then, to the extent permitted by applicable law, have to take action directly against OGE Energy to enforce the property trustee's rights. In addition, if an event of default under the preferred securities occurs that is attributable to OGE Energy's failure to pay interest or principal on the junior subordinated debentures, a record holder of the preferred securities may proceed directly against OGE Energy. The holders of preferred securities will not be able to exercise directly any other remedies available to the holders of the junior subordinated debt securities unless the property trustee fails to do so.

## DESCRIPTION OF SECURITIES

This prospectus supplement summarizes the specific terms and provisions of the preferred securities, the junior subordinated debt securities and the guarantee, and supplements the general description of the terms and provisions of these securities in the accompanying prospectus. These summaries are not meant to be complete descriptions of each security. However, this prospectus supplement and the accompanying prospectus do contain the material terms and conditions of each security.

### CERTAIN TERMS OF THE PREFERRED SECURITIES

#### DISTRIBUTIONS

The preferred securities represent undivided beneficial ownership interests in the assets of the trust. The only assets of the trust will be the junior subordinated debt securities. Distributions on the preferred securities are cumulative and will accrue from the date the preferred securities are first issued at the annual rate of \_\_\_\_%. Distributions will be payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, beginning \_\_\_\_, \_\_\_\_\_. Distributions will be payable to the holders named on the securities register of the trust at the close of business on the relevant record dates, as described under "Description of the Preferred Securities--Distributions-- Payment of Distributions" on page 7 of the accompanying prospectus. Distributions not paid when due will accumulate additional distributions, at the annual rate of \_\_\_\_% on the amount of unpaid distributions, compounded quarterly. When this prospectus supplement or the accompanying prospectus refers to any payment of distributions, the term "distributions" includes any additional distributions. The amount of distributions payable for any period will be computed on the basis of a 360-day year comprised of twelve 30-day months. The amount of distributions payable for any period shorter than a full quarterly period will be computed on the basis of a 30-day month and, for periods of less than a month, the actual number of days elapsed per 30-day month.

If distributions are payable on a date that is not a business day, as defined at the end of this paragraph, payment will be made on the next business day without any interest or other payment resulting from the delay. However, if the next business day is in the next calendar year, payment of distributions will be made on the preceding business day. A "business day" means each day except Saturday, Sunday and any day on which banking institutions in The City of New York are authorized or required by law to close.

Distributions on the preferred securities will only be paid if the trust has sufficient funds available to make the payments. The income of the trust available for the payment of distributions will be limited to payments made by OGE Energy to the trust, as owner of the junior subordinated debt securities.

#### DEFERRAL OF DISTRIBUTIONS

OGE Energy may defer interest payments on the junior subordinated debt securities from time-to-time for one or more periods, each up to five years, but not beyond the maturity date. If there were a deferral, distributions on the preferred securities will also be deferred. See "Description of the Preferred Securities--Distributions--Deferral of Distributions" beginning on page 6 of the accompanying prospectus for further details.

OGE Energy does not currently intend to defer interest payments on the junior subordinated debt securities. However, if OGE Energy does defer interest payments, it will be subject to restrictions relating to the payment of dividends on, or purchases of, its capital stock and payments on debt (including any guarantee) that ranks equal with or junior to the junior subordinated debt securities. See "Description of the Junior Subordinated Debt Securities--Option to Defer Interest Payments" on page 15 of the accompanying prospectus for further details.

If OGE Energy chooses to defer payments of interest on the junior subordinated debt securities, the junior subordinated debt securities would at that time be treated as having been reissued with original issue discount for United States federal income tax purposes. This means you will be required to include accrued interest income in gross income for United States federal income tax purposes in the form of original issue discount before you receive cash distributions even though you may use the cash method of accounting. This treatment will apply as long as you own preferred securities. See "United States Federal Income Tax Consequences--Interest Income and Original Issue Discount" beginning on page 24 of the accompanying prospectus.

#### REDEMPTION

OGE Energy may redeem the junior subordinated debt securities before their maturity:

- in whole or in part on one or more occasions any time on or after , 20 ; and
- in whole at any time, if specified changes in tax or investment company law occur as described more fully under "Description of the Preferred Securities--Special Event Redemption" on page 8 of the accompanying prospectus).

When OGE Energy makes a payment on the junior subordinated debt securities, either at maturity on , 20 or upon early redemption in whole or in part, the trust will use the cash it receives to pay at maturity or redeem a liquidation amount of the preferred and common securities equal to the principal amount of junior subordinated debt securities paid. The redemption price for the junior subordinated debt securities is 100% of their principal amount plus accrued and unpaid interest.

If less than all the preferred and common securities are redeemed, the aggregate liquidation amount of preferred and common securities to be redeemed will be allocated proportionately among the preferred and common securities, subject to the exceptions described under "--Subordination of Common Securities" on page S-10. The preferred securities to be redeemed will be selected by the property trustee on a basis that it deems to be fair and appropriate, including by lot.

#### REDEMPTION PROCEDURES

To the extent funds are available for payment, the trust will irrevocably deposit with DTC sufficient funds to pay the redemption amount for the preferred securities being redeemed. The trust will also give DTC irrevocable instructions and authority to pay the redemption amount to the preferred securities holders. Any distribution to be paid on or before a redemption date for any preferred securities called for redemption will be payable to the registered holders on the record date for the distribution.

#### OPTIONAL LIQUIDATION OF THE TRUST AND DISTRIBUTION OF JUNIOR SUBORDINATED DEBT SECURITIES

OGE Energy may dissolve the trust at any time, and after paying the creditors of the trust may cause the junior subordinated debt securities to be distributed to the holders of the preferred securities in exchange for the preferred securities.

Assuming that the trust is not taxable as a corporation, a distribution of junior subordinated debt securities upon a liquidation of the trust would not be a taxable event to holders of the preferred securities. If, however, the trust were subject to United States federal income tax for income accrued or received on the junior subordinated debt securities, the distribution of junior subordinated debt securities by the trust would be a taxable event to the trust and you.

If OGE Energy elects to dissolve the trust and causes the junior subordinated debt securities to be distributed to the holders of the preferred securities in exchange for the preferred securities, OGE Energy will continue to have the right to redeem the junior subordinated debt securities as described

under "Description of the Junior Subordinated Debt Securities--Redemption" on page 14 of the accompanying prospectus for more information.

#### SUBORDINATION OF COMMON SECURITIES

Payment of distributions or any redemption or liquidation amounts regarding the preferred and common securities will be made proportionately between the holders of common securities and the holders of preferred securities based on the aggregate liquidation amounts of the preferred and common securities. However, if OGE Energy is in default under the subordinated indenture, no payments may be made on the common securities until all unpaid amounts on the preferred securities have been provided for or paid in full.

#### MERGERS, CONSOLIDATIONS OR AMALGAMATIONS

OGE Energy Capital Trust I may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other body, except as described below. OGE Energy Capital Trust I may at the request of OGE Energy, with the consent of the regular trustees and without the consent of the holders of the trust securities, the property trustee or the Delaware trustee, consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to a trust organized as such under the laws of any state; provided, that:

- the successor entity either (1) expressly assumes all of the obligations of OGE Energy Capital Trust I with respect to the preferred securities, or (2) substitutes for the preferred securities successor securities having substantially the same terms as the preferred securities, so long as the successor securities rank the same as the preferred securities rank in priority with respect to distributions and payments upon liquidation, redemption and otherwise;
- OGE Energy expressly appoints a trustee of the successor entity possessing the same powers and duties as the property trustee as the holder of the junior subordinated debt securities;
- the preferred securities or the successor securities are listed or traded, or they will be listed upon notification of issuance, on any national securities exchange or other organization on which the preferred securities are then listed or traded;
- the transaction does not cause the preferred securities or the successor securities to be downgraded by a nationally recognized statistical rating organization;
- the transaction does not adversely affect the rights, preferences and privileges of the holders of the preferred securities or the successor securities in any material respect;
- the successor entity has a purpose substantially identical to that of OGE Energy Capital Trust I;
- prior to the transaction, OGE Energy has received an opinion of counsel to the effect that (1) the transaction does not adversely affect the rights, preferences and privileges of the holders of the preferred securities or any successor securities in any material respect, (2) following the transaction neither OGE Energy Capital Trust I nor the successor entity will be required to register as an "investment company" under the Investment Company Act and (3) following the transaction, OGE Energy Capital Trust I or the successor entity will continue to be classified as a grantor trust for United States federal income tax purposes;
- OGE Energy or a permitted successor owns all the common securities of the successor entity and guarantees the obligations of the successor entity under the successor securities at least to the extent provided by the preferred securities guarantee; and

- the successor entity assumes all of the obligations of OGE Energy Capital Trust I with respect to the trustees.

Notwithstanding the foregoing, OGE Energy Capital Trust I may not, except with the consent of holders of all of the preferred securities, consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it unless OGE Energy Capital Trust I obtains a tax opinion to the effect that the transaction would not cause OGE Energy Capital Trust I or the successor entity to be classified as other than a grantor trust for United States federal income tax purposes.

Any corporation or other body into which either the property trustee or the Delaware trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation or any corporation succeeding to all or substantially all the corporate trust business of either trustee, will be the successor of that trustee under the trust agreement, provided the resulting or surviving entity is otherwise qualified and eligible under the trust agreement.

#### CERTIFICATED SECURITIES--REGISTRATION, TRANSFER AND PAYMENT

If the trust issues certificated securities, each one will be registered in the name of the relevant security holder. The preferred securities may be transferred or exchanged without the payment of any service charge, other than any tax or other governmental charge, by contacting the property trustee, Wilmington Trust Company, Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890-0001 Attention: Corporate Trust Administration.

Distribution payments on certificated preferred securities will be made by check. Payment of the redemption price or liquidation amount will be made in immediately available funds when you surrender a preferred security.

#### CERTAIN TERMS OF THE JUNIOR SUBORDINATED DEBT SECURITIES

The junior subordinated debt securities will be issued under the subordinated indenture.

The preferred securities, the junior subordinated debt securities and the guarantee do not limit the ability of OGE Energy and its subsidiaries to incur additional indebtedness or other liabilities, including indebtedness that ranks senior in priority of payment to the subordinated debentures and the guarantee. At August 31, 1999, approximately \$791.6 million of senior debt of OGE Energy was outstanding. In addition, the junior subordinated debt securities will be effectively subordinated to all existing and future obligations of OGE Energy's subsidiaries. At August 31, 1999, approximately \$2.108 billion of obligations of OGE Energy's subsidiaries not included in OGE Energy's senior indebtedness was outstanding.

The junior subordinated debt securities may be redeemed by OGE Energy as described above under "Certain Terms of the Preferred Securities--Redemption".

#### INTEREST RATE AND MATURITY

The junior subordinated debt securities will mature on \_\_\_\_\_, 20\_\_\_\_ and will bear interest at the annual rate of \_\_\_\_\_%, payable quarterly in arrears on March 31, June 30, September 30 and December 31 of each year, beginning \_\_\_\_\_, \_\_\_\_\_. Interest payments not paid when due will accrue additional interest at the annual rate of \_\_\_\_\_% on the amount of unpaid interest, to the extent permitted by law, compounded quarterly. The interest payment provisions of the junior subordinated debt securities correspond to the distribution provisions of the preferred securities. The junior subordinated debt securities do not have a sinking fund. This means that OGE Energy is not required to make any principal payments on the junior subordinated debt securities prior to maturity.

## DISTRIBUTION OF JUNIOR SUBORDINATED DEBT SECURITIES

If the property trustee distributes the junior subordinated debt securities to the preferred and common securities holders upon the dissolution and liquidation of the trust, the junior subordinated debt securities will be issued in denominations of \$25 principal amount and integral multiples thereof. OGE Energy anticipates that the junior subordinated debt securities would be distributed in the form of one or more global securities, and DTC, or any successor depository for the preferred securities, would act as depository for the junior subordinated debt securities. The depository arrangements for the junior subordinated debt securities would be substantially similar to those in effect for the preferred securities.

For a description of DTC and the terms of the depository arrangements relating to payments, transfers, voting rights, redemption and other notices and other matters, see "Description of the Preferred Securities--Book-Entry Only Issuance--The Depository Trust Company" beginning on page 11 of the accompanying prospectus.

## OPTION TO DEFER INTEREST PAYMENTS

OGE Energy does not currently intend to defer interest payments on the junior subordinated debt securities. If, however, OGE Energy does decide to defer interest payments, it could do so from time to time. No particular deferral period may exceed five years or extend beyond maturity.

During a deferral period, interest will continue to accrue on the junior subordinated debt securities, compounded quarterly, and deferred interest payments will accrue additional interest to the extent permitted by law. No interest will be due and payable on the junior subordinated debt securities until the end of the deferral period except upon a redemption of the junior subordinated debt securities during a deferral period.

OGE Energy may pay at any time all or any portion of the interest accrued to that point during a deferral period.

Once OGE Energy makes all interest payments on the junior subordinated debt securities, including accrued and unpaid interest, it can again defer interest payments on the junior subordinated debt securities for a period of up to five years as described above.

See "Description of the Junior Subordinated Debt Securities--Option to Defer Interest Payments" beginning on page 15 of the accompanying prospectus.

The preferred securities will be represented by one or more global securities that will be deposited with and registered in the name of DTC or its nominee. This means that the trust will not issue certificates to you for the preferred securities. See "Description of the Preferred Securities-- Book-Entry Only Issuance--The Depository Trust Company" beginning on page 11 of the accompanying prospectus.

#### EUROCLEAR AND CEDELBANK

Links have been established among DTC, Cedelbank and Euroclear, to facilitate the initial issuance of the preferred securities and cross-market transfers of the preferred securities associated with secondary market trading.

Although DTC, Cedelbank and Euroclear have agreed to the procedures provided below in order to facilitate transfers of the preferred securities among their participants, they are under no obligation to perform or continue to perform those procedures and those procedures may be modified or discontinued at any time. Cedelbank and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Cedelbank's and Euroclear's names on the books of their respective depositories, which in turn will hold those interests in customers' securities accounts in the depositories' names on the books of DTC.

When preferred securities are to be transferred from the account of a DTC participant to the account of a Cedelbank participant or a Euroclear participant, the purchaser must send instructions to Cedelbank or Euroclear through a participant at least one business day prior to settlement. Cedelbank or Euroclear, as the case may be, will instruct the relevant U.S. depository to receive the preferred securities against payment. Payment will then be made by that U.S. depository to the DTC participant's account against delivery of the preferred securities. After settlement has been completed, the preferred securities will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Cedelbank participant's or Euroclear participant's account. Credit for the preferred securities will appear in European time on the next day.

Because the settlement is taking place during New York business hours, DTC participants can employ their usual procedures for sending preferred securities to the relevant U.S. depository for the benefit of Cedelbank participants or Euroclear participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant, a cross market transaction will settle no differently than a trade between two DTC participants.

Due to time zone differences in their favor, Cedelbank participants or Euroclear participants may employ their customary procedures for transactions in which preferred securities are to be transferred by the respective clearing system through the relevant U.S. depository to another DTC participant. The seller must send instructions to Cedelbank or Euroclear through a participant at least one business day prior to settlement. In these cases, Cedelbank or Euroclear will instruct its U.S. depository to credit the preferred securities to the DTC participant's account against payment. The payment will then be reflected in the account of the Cedelbank participant or Euroclear participant the following day, and receipt of the cash proceeds in the Cedelbank participant's or Euroclear participant's account will be back-valued to the value date (which would be the preceding day, when settlement occurs in New York). If the Cedelbank participant or Euroclear participant has a line of credit with its respective clearing system and elects to draw on that line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (that is, the trade fails), receipt of the cash proceeds in the Cedelbank participant's or Euroclear participant's account would instead be valued as of the actual settlement date.

# UNDERWRITING

Subject to the terms and conditions set forth in the form of underwriting agreement which was filed as an exhibit to the registration statement under which the preferred securities are being offered and sold, the trust has agreed to sell to each of the underwriters named below, the number of preferred securities set forth opposite its name below:

	PREFERRED SECURITIES
Lehman Brothers Inc.....	\$
A.G. Edwards & Sons, Inc.....	
CIBC World Markets Corp.....	
Merrill Lynch, Pierce, Fenner & Smith Incorporated.....	
Morgan Stanley Dean Witter.....	
Prudential Securities Incorporated.....	
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The underwriters have advised the trust that they propose to initially offer the preferred securities to the public at the public offering price of \$25 per preferred security; they may also offer preferred securities to dealers at that price less a concession not in excess of \$0. per preferred security or \$0. per preferred security with respect to some institutions. The underwriters may allow, and those dealers may reallocate a concession not in excess of \$0. per preferred security to some other dealers. After the initial public offering of the preferred securities is completed, the public offering price and such concessions may be changed.

Because the proceeds from the sale of the preferred securities will be used to purchase the subordinated debentures, OGE Energy has agreed to pay to the underwriters an underwriting commission of \$ per preferred security (a total of \$ ); except that for sales of preferred securities to specified institutions the underwriting commission will be \$0. per preferred security. Therefore, to the extent of those sales, the actual amount of commission will be less than the aggregate amount specified in the preceding sentence.

OGE Energy will pay specified expenses, expected to be approximately \$ , associated with the offer and sale of the preferred securities.

OGE Energy has agreed to indemnify the underwriters against specified liabilities, including liabilities under the Securities Act of 1933.

In connection with the offering, the rules of the SEC permit the underwriters to engage in specified transactions that stabilize the price of the preferred securities. These transactions may consist of bids or purchases for the purpose of pegging, fixing or maintaining the price of the preferred securities. If the underwriters create a short position in the preferred securities in connection with the offering (that is, if they sell a larger number of the preferred securities than is set forth on the cover page of this prospectus supplement), the underwriters may reduce that short position by purchasing preferred securities in the open market.

In general, purchases of a security for the purpose of stabilization or to reduce a syndicate short position could cause the price of the security to be higher than it might otherwise be in the absence of those purchases. Neither the trust nor any of the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the preferred securities. In addition, neither the trust nor any of the underwriters makes any representation that the underwriters will in fact engage in those transactions, or that those transactions, once begun, will not be discontinued without notice.



#### NEW YORK STOCK EXCHANGE LISTING

Before this offering, there has been no established public trading market for the preferred securities. Application will be made to list the preferred securities on the NYSE. If listed, trading of the preferred securities is expected to begin within 30 days of the issuance of the preferred securities. In order to meet all of the requirements for listing the preferred securities on the NYSE, the underwriters have agreed to sell the preferred securities to a minimum of 400 beneficial holders. The underwriters have advised OGE Energy that they intend to make a market in the preferred securities prior to the commencement of trading on the NYSE. However, the underwriters are not obligated to do so and may discontinue market making at any time without notice. No assurance can be given about the liquidity of the trading market for the preferred securities.

#### NO SALES OF SIMILAR SECURITIES

OGE Energy and the trust have agreed that for 30 business days after the date of this prospectus supplement they will not directly or indirectly offer, sell, offer to sell, grant any option for the sale of or otherwise dispose of any preferred securities or junior subordinated debt securities or any securities convertible or exchangeable into, or exercisable for preferred securities or junior subordinated debt securities or any debt securities substantially similar to junior subordinated debt securities or any equity securities substantially similar to the preferred securities, except for the preferred securities and junior subordinated debt securities described in this prospectus supplement, without the prior written consent of Lehman Brothers Inc.

Some of the underwriters are affiliated with commercial banking institutions that may from time to time in the ordinary course of their businesses loan money to and have customary banking relationships with OGE Energy and its affiliates.

#### CONFIRMATION TO DISCRETIONARY ACCOUNTS NOT PERMITTED

The underwriters may not confirm sales to any account over which they exercise discretionary authority without the prior written approval of the customer.

#### UNITED KINGDOM SELLING RESTRICTIONS

Each underwriter has represented and agreed that (i) it has not offered or sold and prior to the date six months after the date of issue of the preferred securities will not offer or sell preferred securities in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the public offers of Securities Regulations 1995; (ii) it has complied and will comply with all applicable provisions of the Financial Services Act 1986 with respect to anything done by it in relation to the preferred securities in, from or otherwise involving the United Kingdom; and (iii) it has only issued or passed on, and will only issue or pass on, in the United Kingdom any document received by it in connection with the issue of the preferred securities to a person who is a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisement) (Exemptions) Order 1996 or is a person to whom the document may otherwise lawfully be issued or passed on.

PROSPECTUS

\$200,000,000

OGE ENERGY CAPITAL TRUST I

OGE ENERGY CAPITAL TRUST II

PREFERRED SECURITIES

Fully and Unconditionally Guaranteed, to the Extent Set Forth Herein, By

OGE ENERGY CORP.

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OGE Energy will provide the specific terms of these securities in supplements to this prospectus. You should read this prospectus and the accompanying prospectus supplement carefully before you invest.

The securities offered by this prospectus are offered in an aggregate liquidation amount of up to \$200,000,000 subject to reduction as a result of the sale under specified circumstances of other securities.

YOU ARE URGED TO CAREFULLY READ THE "RISK FACTORS" SECTION IN THE APPLICABLE PROSPECTUS SUPPLEMENT, WHERE SPECIFIC RISKS ASSOCIATED WITH THESE PREFERRED SECURITIES ARE DESCRIBED, ALONG WITH THE OTHER INFORMATION IN THIS PROSPECTUS AND THE PROSPECTUS SUPPLEMENT BEFORE YOU MAKE YOUR INVESTMENT DECISION.

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NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS OR ANY ACCOMPANYING PROSPECTUS SUPPLEMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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This prospectus may not be used to consummate sales of the offered securities unless accompanied by a prospectus supplement.

SUBJECT TO COMPLETION, DATED OCTOBER 12, 1999

The information in this prospectus is not complete and may be changed. OGE Energy Capital Trust I, OGE Energy Capital Trust II and OGE Energy Corp. may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

## SUMMARY INFORMATION-Q&A

This summary provides a brief overview of the key aspects of OGE Energy Corp., each OGE Energy Capital Trust and the preferred securities. The terms "trust" and "OGE Energy Capital Trust" refer to the OGE Energy Capital Trust for a specific transaction. You should carefully read this prospectus to understand fully the terms of the preferred securities as well as the tax and other considerations that are important to you in making a decision about whether to invest in the preferred securities. You should pay special attention to the "Risk Factors" section in the applicable prospectus supplement to determine whether an investment in the preferred securities is appropriate for you.

### WHAT ARE THE PREFERRED SECURITIES?

Each preferred security represents an undivided beneficial interest in the assets of a trust. Each preferred security will entitle the holder to receive cash distributions as described in this prospectus.

### WHO IS THE TRUST?

The trust is a Delaware statutory business trust. Its principal place of business is c/o OGE Energy Corp., 321 North Harvey Avenue, P.O. Box 321, Oklahoma City, Oklahoma 73101-0321, and its telephone number is (405) 553-3000.

All the common securities of the trust will be owned by OGE Energy. The trust will use the proceeds from the sale of the preferred securities and the common securities to buy a series of junior subordinated deferrable interest debentures from OGE Energy with the same financial terms as the preferred securities.

There are two regular trustees of the trust who are officers of OGE Energy. Wilmington Trust Company will act as the Delaware trustee and the property trustee of the trust.

### WHO IS OGE ENERGY CORP.?

OGE Energy is a public utility holding company, which was incorporated in August 1995 in the State of Oklahoma. The Company serves as the parent company to Oklahoma Gas and Electric Company, which operates under the trade name OG&E Electric Services, and Enogex Inc. and any other companies that may be formed within the organization in the future.

The Company's principal subsidiary is OG&E and, accordingly, the Company's financial results and condition are substantially dependent at this time on the financial results and condition of OG&E. OG&E is a regulated public utility engaged in the generation, transmission and distribution of electricity to retail and wholesale customers. OG&E was incorporated in 1902 under the laws of the Oklahoma Territory and is the largest electric utility in the State of Oklahoma. OG&E sold its retail gas business in 1928 and now owns and operates an interconnected electric production, transmission and distribution system which includes eight active generating stations with a total capability of 5,561,180 kilowatts.

Enogex owns and operates approximately 9,700 miles of natural gas transmission and gathering pipelines, has interests in fifteen gas processing plants, markets electricity, natural gas and natural gas products and invests in the drilling for and production of crude oil and natural gas.

Enogex completed its acquisition of Tejas Transok Holding, L.L.C., a gatherer, processor, and transporter of natural gas in Oklahoma and Texas on July 1, 1999. Transok's principal assets included approximately 4,900 miles of natural gas pipelines in Oklahoma and Texas with a capacity of approximately 1.2 billion cubic feet per day and 18 billion cubic feet of underground gas storage. Transok also owned 9 gas processing plants, which produced approximately 25,000 barrels per day of natural gas liquids in 1998. Enogex purchased Transok from Tejas Energy L.L.C. of Houston, an

affiliate of Shell Oil Company, for approximately \$710.3 million, which included assumption of \$173 million of long-term debt.

OGE Energy's principal executive office is at 321 North Harvey Avenue, P.O. Box 321, Oklahoma City, Oklahoma 73101-0321, and its telephone number is (405) 553-3000.

#### WHEN WILL YOU RECEIVE DISTRIBUTIONS ON THE PREFERRED SECURITIES?

The trust's only source of cash to make payments on the preferred securities are payments on the junior subordinated debt securities it purchases from OGE Energy.

If you purchase the preferred securities, you are entitled to receive cumulative cash distributions at the rate specified in the applicable prospectus supplement. Distributions will accumulate from the date the trust issues the preferred securities and will be paid in arrears on the dates specified in the prospectus supplement, unless distributions are deferred as described below.

#### WHEN WILL PAYMENT OF YOUR DISTRIBUTIONS BE DEFERRED?

OGE Energy may from time to time defer payments of interest on the junior subordinated debt securities for one or more periods, each of up to five years. If OGE Energy defers interest payments on the junior subordinated debt securities, the trust will also defer distributions on the preferred securities during the deferral period. A deferral of distributions cannot extend, however, beyond the maturity date of the junior subordinated debt securities.

During any deferral period, except as described beginning on page 15, OGE Energy will not be permitted to:

- pay a dividend or make any distributions on its capital stock;
- redeem, purchase or make a liquidation payment on any of its capital stock;
- make an interest, principal or premium payment on, or repay, repurchase or redeem, any of its debt securities that rank equal with or junior to the junior subordinated debt securities; or
- make any guarantee payment with respect to any guarantee of debt securities of any subsidiary, if that guarantee ranks equally with or junior to the junior subordinated debt securities.

#### WHAT IS OGE ENERGY'S GUARANTEE OF THE PREFERRED SECURITIES?

OGE Energy's guarantee of the preferred securities consists of:

- its obligations under the subordinated indenture to make payments on the junior subordinated debt securities;
- its obligations under the preferred securities guarantee; and
- its obligations under the amended and restated declaration of trust, which sets forth the terms of the trust.

OGE Energy will irrevocably guarantee that if a payment on the junior subordinated debt securities is made to the trust but, for any reason, the trust does not make the corresponding distribution or redemption payment to the holders of the preferred securities, then OGE Energy will make the payments directly to the holders of the preferred securities. The guarantee will not cover payments when the trust does not have sufficient funds to make payments on the preferred securities.

OGE Energy's obligations under the guarantee are subordinated as described on page 19.

WHEN COULD THE JUNIOR SUBORDINATED DEBT SECURITIES BE DISTRIBUTED TO YOU?

OGE Energy has the right to dissolve the trust at any time. If OGE Energy terminates the trust, the trust will distribute junior subordinated debt securities to the holders of the common and preferred securities of the trust on a proportionate basis.

WILL THE PREFERRED SECURITIES BE LISTED ON A STOCK EXCHANGE?

If specified in an accompanying prospectus supplement, application will be made to list the preferred securities on the New York Stock Exchange. If approved for listing, the trust expects the preferred securities will begin trading within 30 days after they are first issued.

WILL HOLDERS OF THE PREFERRED SECURITIES HAVE ANY VOTING RIGHTS?

Generally, the holders of the preferred securities will not have any voting rights. See "Description of the Preferred Securities--Voting Rights."

IN WHAT FORM WILL THE PREFERRED SECURITIES BE ISSUED?

The preferred securities will be represented by one or more global securities that will be deposited with and registered in the name of The Depository Trust Company or its nominee. This means that you will not receive a certificate for your preferred securities and that your broker will maintain your position in the preferred securities.

YOU SHOULD RELY ONLY ON THE INFORMATION PROVIDED IN THIS PROSPECTUS AND THE ACCOMPANYING PROSPECTUS SUPPLEMENT, AS WELL AS THE INFORMATION INCORPORATED BY REFERENCE. OGE ENERGY HAS NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. OGE ENERGY IS NOT MAKING AN OFFER OF THESE SECURITIES IN ANY JURISDICTION WHERE THE OFFER IS NOT PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION IN THIS PROSPECTUS, THE ACCOMPANYING PROSPECTUS SUPPLEMENT OR ANY DOCUMENTS INCORPORATED BY REFERENCE IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE OF THE APPLICABLE DOCUMENT.

## WHERE YOU CAN FIND MORE INFORMATION

As required by the Securities Act of 1933, OGE Energy filed a registration statement (No. 333-88415) relating to the securities offered by this prospectus and the relevant prospectus supplement with the Securities and Exchange Commission. This prospectus is a part of that registration statement, which includes additional information.

OGE Energy files annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document OGE Energy files at the SEC's public reference rooms in Washington, D.C., New York, New York and Chicago, Illinois. You can also request copies of the documents, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. These SEC filings are also available to the public from the SEC's web site at <http://www.sec.gov>.

The SEC allows OGE Energy to "incorporate by reference" the information it files with the SEC, which means that it can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus. Information that OGE Energy files later with the SEC will automatically update information in this prospectus. In all cases, you should rely on the later information over different information included in this prospectus or the prospectus supplement. OGE Energy incorporates by reference in the registration statement the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934:

- Annual Report on Form 10-K for the year ended December 31, 1998, filed with the SEC on March 30, 1999;
- Quarterly Report on Form 10-Q for the quarter ended March 31, 1999, filed with the SEC on May 14, 1999;
- Quarterly Report on Form 10-Q for the quarter ended June 30, 1999, filed with the SEC on August 16, 1999; and
- Current Reports on Form 8-K, filed with the SEC on May 20, July 9, July 13 (as amended September 14) and July 16, 1999.

All documents OGE Energy files pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus and before the later of (1) the completion of the offering of the securities described in this prospectus and (2) the date OGE Energy stops offering securities pursuant to this prospectus shall be incorporated by reference in this prospectus from the date of filing of those documents.

You may request a copy of these filings, at no cost, by writing or telephoning OGE Energy at the following address:

Treasurer  
OGE Energy Corp.  
321 North Harvey Avenue, P.O. Box 321  
Oklahoma City, Oklahoma 73101-0321  
(405) 553-3000

## USE OF PROCEEDS

All of the net proceeds from the sale of the preferred securities will be invested by the trust in junior subordinated debt securities of OGE Energy. OGE Energy will use the proceeds from the sale of the junior subordinated debt securities to the trust for general corporate purposes, primarily to fund its operating units and subsidiaries. The specific allocation of the proceeds of a particular series of junior subordinated debt securities will be described in the applicable prospectus supplement.

## DESCRIPTION OF THE PREFERRED SECURITIES

The preferred securities will be issued under an amended and restated declaration of trust. The declaration will be qualified under the Trust Indenture Act of 1939. Wilmington Trust Company will act as trustee under the declaration for purposes of the Trust Indenture Act. The terms of the preferred securities will include those stated in the declaration and those made part of the declaration by the Trust Indenture Act. The following summary of the terms of the preferred securities is not intended to be complete and is qualified by the applicable prospectus supplement, the declaration, the Trust Indenture Act and other applicable law. The declaration will be filed as an exhibit to a document incorporated by reference in the registration statement of which this prospectus forms a part.

### GENERAL

The declaration authorizes the regular trustees to issue both common and preferred securities representing undivided beneficial interests in the assets of the trust. All the common securities will be owned by OGE Energy. Absent an event of default, the common securities rank equally, and payments will be made on the common securities on a ratable basis, with the preferred securities. If an event of default under the indenture occurs and continues, however, the rights of the holders of the common securities to receive payments of periodic distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the preferred securities. The declaration does not permit the issuance of any other securities or the incurrence of any indebtedness by the trust.

Pursuant to the declaration, the property trustee will hold title to the junior subordinated debt securities purchased by the trust for the benefit of the holders of the trust securities. The payment of distributions out of money held by the trust, and payments upon redemption of the trust securities or liquidation of the trust out of money held by the trust, are guaranteed by OGE Energy to the extent described under "Description of the Guarantee." The guarantee will be held by Wilmington Trust Company, the guarantee trustee, for the benefit of the holders of the preferred securities. The guarantee does not cover payment of distributions when the trust does not have sufficient available funds to pay those distributions. In that event, the remedy of a holder of preferred securities is to:

- vote to direct the property trustee to enforce the property trustee's rights under the junior subordinated debt securities; or
- if the failure of the trust to pay distributions is attributable to the failure of OGE Energy to pay interest or principal on the junior subordinated debt securities, directly sue OGE Energy for enforcement of payment to the holder of an amount equal to the aggregate liquidation amount of his or her preferred securities.

### DISTRIBUTIONS

Distributions on the preferred securities will accrue at the rate specified in the applicable prospectus supplement. The amount of distributions payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period will be computed on the basis of a 30-day month and, for periods of less than a full month, the actual number of days elapsed per 30-day month.

Distributions on the preferred securities will be cumulative, will accrue from the date the trust issues the preferred securities and will be paid in arrears on the dates specified in the applicable prospectus supplement, unless they are deferred as described below.

**DEFERRAL OF DISTRIBUTIONS.** OGE Energy has the right under the indenture to defer interest payments on the junior subordinated debt securities for one or more periods, none of which may exceed five years. During a deferral period, no interest will be due and payable. A deferral of interest payments cannot extend, however, beyond the maturity of the junior subordinated debt securities. As a

consequence of any such deferral, distributions on the preferred securities also would be deferred. During a deferral period, the amount of distributions due to you would continue to accumulate and the deferred distributions will themselves accrue additional distributions at the same rate. When this prospectus refers to any payment of distributions, distributions include any additional distributions unless otherwise stated.

Upon the termination of any deferral period and the payment of all amounts then due, OGE Energy may commence a new deferral period, subject to the maturity limitation and the five-year limit discussed above. Consequently, there could be several deferral periods of varying lengths throughout the term of the junior subordinated debt securities. The regular trustees will give the holders of the preferred securities notice of any deferral period upon their receipt of notice from OGE Energy. If distributions are deferred, the deferred distributions will be paid to holders of record of the preferred securities as they appear on the securities register of the trust on the record date following the termination of the deferral period. See "Description of the Junior Subordinated Debt Securities-- Interest" and "--Option to Defer Interest Payments."

**PAYMENT OF DISTRIBUTIONS.** Distributions on the preferred securities will be payable to the holders named on the securities register of the trust at the close of business on the relevant record dates. As long as the preferred securities remain in book-entry only form, the record dates will be one business day before the distribution dates. Distributions will be paid through the property trustee who will hold amounts received on the junior subordinated debt securities in a property account for the benefit of the holders of the securities. Unless any applicable laws and regulations and the provisions of the declaration state otherwise, each payment will be made as described under "--Book-Entry Only Issuance--The Depository Trust Company" below.

If the preferred securities do not continue to remain in book-entry only form, the relevant record dates will conform to the rules of any securities exchange on which the preferred securities are listed. If any date on which distributions are to be made on the preferred securities is not a business day, then payment of the distributions payable on that date will be made on the next day that is a business day, and without any interest or other payment resulting from the delay. However, if the next business day is in the next calendar year, the payment will be made on the immediately preceding business day. A "business day" means any day other than Saturday, Sunday or any other day on which banking institutions in The City of New York are permitted or required by law to close.

#### REDEMPTION

The preferred securities will be redeemed upon the maturity of the junior subordinated debt securities or to the extent the junior subordinated debt securities are redeemed. The junior subordinated debt securities will mature on the date specified in the applicable prospectus supplement, and may be redeemed, in whole or in part, at any time on or after the date specified in the applicable prospectus supplement. The junior subordinated debt securities can also be redeemed at any time, in whole but not in part, upon the occurrence of a tax event or an investment company event as described below.

Upon the maturity of the junior subordinated debt securities, the proceeds of their repayment will simultaneously be applied to redeem all outstanding trust securities at the redemption price. Upon the redemption of the junior subordinated debt securities, whether in whole or in part, either at the option of OGE Energy or pursuant to a tax or investment company event, the trust will use the cash it receives upon the redemption to redeem trust securities having an aggregate liquidation amount equal to the aggregate principal amount of the junior subordinated debt securities so redeemed at the redemption price. Before a redemption, holders of preferred securities will be given not less than 30 days' notice.



## SPECIAL EVENT REDEMPTION

"Tax event" means that the regular trustees will have received an opinion of an independent tax counsel experienced in applicable matters which states that, as a result of any:

- amendment to, or change in, or announced proposed change in, the laws or associated regulations of the United States or any political subdivision or taxing authority of the United States, which is announced and effective on or after the date of the original issuance of the preferred securities; or
- official administrative pronouncement, action or judicial decision interpreting or applying those laws or regulations, which is made after the date of the original issuance of the preferred securities;

there is more than an insubstantial risk currently or within the 90 days following such opinion that:

- the trust would be required to pay United States federal income tax relating to income accrued or received on the junior subordinated debt securities;
- interest payable to the trust on the junior subordinated debt securities would not be deductible by OGE Energy in whole or in part for United States federal income tax purposes; or
- the trust would be required to pay more than a minimal amount of other taxes, duties or other governmental charges.

"Investment company event" means that the regular trustees will have received an opinion of a nationally recognized independent counsel which states that, as a result of the occurrence of a change in law or regulation or a written change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority, which is announced on or after the date of the original issuance of the preferred securities, there is more than an insubstantial risk that the trust is or will be considered an "investment company" that is required to be registered under the Investment Company Act of 1940.

This prospectus refers to a tax event or an investment company event as a "special event." If a special event occurs and continues, OGE Energy may, upon not less than 30 days' notice, redeem the junior subordinated debt securities, in whole but not in part, for cash within 90 days following the occurrence of that special event.

## REDEMPTION PROCEDURES

The trust may not redeem fewer than all of the outstanding preferred securities unless all accrued and unpaid distributions on all preferred securities have been paid.

Once notice of redemption is given and funds are irrevocably deposited, distributions will cease to accrue and all rights of holders of preferred securities called for redemption will cease, except the right of the holders to receive the redemption price but without interest on the redemption price. If any redemption date is not a business day, then payment of the redemption price payable on that date will be made on the succeeding day that is a business day, without any interest or other payment resulting from the delay. However, if the next business day falls in the next calendar year, payment will be made on the preceding business day.

If payment of the redemption price for any preferred securities is improperly withheld or refused and not paid either by the trust or by OGE Energy under the guarantee, distributions on those preferred securities will continue to accrue at the then-applicable rate from the original redemption date to the date of payment. In this case, the actual payment date will be the redemption date for purposes of calculating the redemption price. See "--Book-Entry Only Issuance--The Depository Trust Company."

In the event that fewer than all of the outstanding preferred securities are to be redeemed, the particular preferred securities to be redeemed will be selected by the property trustee on a basis that it deems to be fair and appropriate, including by lot.

OGE Energy 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, provided that it complies with United States federal securities laws and any other applicable laws.

#### DISTRIBUTION OF THE JUNIOR SUBORDINATED DEBT SECURITIES

OGE Energy will have the right at any time to dissolve the trust. After satisfying the liabilities of its creditors, the trust may distribute junior subordinated debt securities in exchange for the preferred securities.

There can be no assurance as to the market prices for either the preferred securities or the junior subordinated debt securities that may be distributed in exchange for the preferred securities if a dissolution and liquidation of the trust were to occur. This means that the preferred securities that an investor may purchase, whether pursuant to the offer made by this prospectus and the relevant prospectus supplement or in the secondary market, or the junior subordinated debt securities that an investor may receive if a dissolution and liquidation of the trust were to occur, may trade at a discount to the price that the investor paid to purchase the preferred securities offered by this prospectus.

#### TRUST ENFORCEMENT EVENTS

Upon the occurrence of an indenture event of default (described below), the indenture trustee or the property trustee, as the sole holder of the junior subordinated debt securities, will have the right under the indenture to declare the principal of and interest on the junior subordinated debt securities to be immediately due and payable.

If the property trustee fails to enforce its rights as holder of the junior subordinated debt securities, any holder of preferred securities may directly institute a legal proceeding against OGE Energy to enforce these rights without first suing the property trustee or any other person or entity. If a trust enforcement event (as described below) has occurred and is continuing and that event is attributable to the failure of OGE Energy to pay interest or principal on the junior subordinated debt securities on the date the interest or principal is otherwise payable, then a holder of preferred securities may also bring a direct action.

An "indenture event of default" is an event of default under the indenture and also constitutes a "trust enforcement event," which is an event of default under the declaration relating to the trust securities. Pursuant to the declaration, however, the holder of the common securities will be deemed to have waived any trust enforcement event relating to the common securities until all trust enforcement events relating to the preferred securities have been cured, waived or otherwise eliminated. Until such trust enforcement events relating to the preferred securities have been so cured, waived, or otherwise eliminated, the property trustee will be deemed to be acting solely on behalf of the holders of the preferred securities and only the holders of the preferred securities will have the right to direct the property trustee as to matters under the declaration, and therefore the indenture.

#### VOTING RIGHTS; CONTROL OF REMEDIES

Except as described in this prospectus under this heading, "--Modification of the Declaration" and "Description of the Guarantee--Modification of Guarantee; Assignment," and except as required by law, the holders of the preferred securities will have no voting rights.

The holders of a majority in aggregate liquidation amount of the preferred securities have the right to direct any proceeding for any remedy available to the property trustee, including to:

- exercise the remedies available to it under the indenture;
- waive any past indenture event of default and its consequences that is waivable under the indenture; or
- consent to any amendment, modification or termination of the indenture where that consent is required.

Any required approval or direction of holders of preferred securities may be given at a separate meeting of holders of preferred securities convened for that purpose, at a meeting of all of the holders of trust securities or by written consent.

If an indenture event of default has occurred and not been cured, the holders of 25% of the aggregate liquidation amount of the preferred securities may direct the property trustee to declare the principal and interest on the junior subordinated debt securities due and payable. However, where a consent or action under the indenture would require the consent of more than a majority of the aggregate principal amount of debt securities affected thereby, consent from the holders of that greater percentage would be required. See "Description of the Junior Subordinated Debt Securities-- Modifications and Amendments."

Despite the fact that holders of preferred securities are entitled to vote or consent in the circumstances described above, any of the preferred securities that are owned at the time by OGE Energy or any entity directly or indirectly controlling or controlled by, or under direct or indirect common control with, OGE Energy, will not be entitled to vote or consent. Instead, those preferred securities will be treated as if they were not outstanding.

The procedures by which holders of preferred securities may exercise their voting rights are described below. See "--Book-Entry Only Issuance--The Depository Trust Company."

Holders of the preferred securities generally will have no rights to appoint or remove the regular trustees. Instead, the trustees may be appointed, removed or replaced solely by OGE Energy as the indirect or direct holder of all of the common securities.

#### MODIFICATION OF THE DECLARATION

The declaration may be amended from time to time without the consent of the holders of the preferred securities:

- to cure any ambiguity or correct or supplement any provisions that may be defective or inconsistent with any other provision;
- to add to the covenants, restrictions or obligations of OGE Energy in its capacity as sponsor of the trust;
- to conform to any change in Rule 3a-5 under the Investment Company Act of 1940 or written change in interpretation or application of that rule by any legislative body, court, government agency or regulatory authority; or
- to modify, eliminate or add to any provisions as necessary to ensure that the trust will be classified for United States federal income tax purposes as a grantor trust at all times or to ensure that the trust will not be required to register as an investment company under the Investment Company Act of 1940.

Amendments made without the consent of the preferred securities cannot adversely affect in any material respect the rights of the holders of preferred or common securities.

The declaration of trust may also be amended as to other matters with the consent of holders of a majority of the outstanding preferred securities. However, without the consent of each affected holder of preferred or common securities, the declaration of trust may not be amended to:

- change the amount or timing of any distribution or otherwise adversely affect the amount of any distribution required to be made; or
- restrict the right of a holder to institute suit for the enforcement of any distribution.

Despite the foregoing, no amendment or modification may be made to the declaration if the amendment or modification would

- cause the trust to be classified for United States federal income tax purposes as other than a grantor trust,
- reduce or otherwise adversely affect the powers of the property trustee in contravention of the Trust Indenture Act; or
- cause the trust to be deemed an investment company which is required to be registered under the Investment Company Act of 1940.

#### BOOK-ENTRY ONLY ISSUANCE--THE DEPOSITORY TRUST COMPANY

The preferred securities will be book-entry securities. Upon issuance, all book-entry securities will be represented by one or more fully registered global securities. Each global security will be deposited with, or on behalf of, The Depository Trust Company, a securities depository, and will be registered in the name of DTC or a nominee of DTC. DTC will thus be the only registered holder of these securities.

Purchasers of securities may only hold interests in the global notes through DTC if they are participants in the DTC system. Purchasers may also hold interests through a securities intermediary-- banks, brokerage houses and other institutions that maintain securities accounts for customers--that has an account with DTC or its nominee. DTC will maintain accounts showing the security holdings of its participants, and these participants will in turn maintain accounts showing the security holdings of their customers. Some of these customers may themselves be securities intermediaries holding securities for their customers. Thus, each beneficial owner of a book-entry security will hold that security indirectly through a hierarchy of intermediaries, with DTC at the "top" and the beneficial owner's own securities intermediary at the "bottom."

The securities of each beneficial owner of a book-entry security will be evidenced solely by entries on the books of the beneficial owner's securities intermediary. The actual purchaser of the securities will generally not be entitled to have the securities represented by the global securities registered in its name and will not be considered the owner under the declaration. In most cases, a beneficial owner will also not be able to obtain a paper certificate evidencing the holder's ownership of securities. The book-entry system for holding securities eliminates the need for physical movement of certificates and is the system through which most publicly traded common stock is held in the United States. However, the laws of some jurisdictions require some purchasers of securities to take physical delivery of their securities in definitive form. These laws may impair the ability to transfer book-entry securities.

A beneficial owner of book-entry securities represented by a global security may exchange the securities for definitive (paper) securities only if:

- DTC is unwilling or unable to continue as depository for such global security and OGE Energy does not appoint a qualified replacement for DTC within 90 days; or
- OGE Energy in its sole discretion decides to allow some or all book-entry securities to be exchangeable for definitive securities in registered form.

Unless we indicate otherwise, any global security that is exchangeable will be exchangeable in whole for definitive securities in registered form, with the same terms and of an equal aggregate principal amount. Definitive securities will be registered in the name or names of the person or persons specified by DTC in a written instruction to the registrar of the securities. DTC may base its written instruction upon directions that it receives from its participants.

In this prospectus, for book-entry securities, references to actions taken by security holders will mean actions taken by DTC upon instructions from its participants, and references to payments and notices of redemption to security holders will mean payments and notices of redemption to DTC as the registered holder of the securities for distribution to participants in accordance with DTC's procedures.

DTC is a limited purpose trust company organized under the laws of the State of New York, 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 under section 17A of the Securities Exchange Act of 1934. The rules applicable to DTC and its participants are on file with the SEC.

DTC's management is aware that some computer applications, systems, and the like for processing dates that are dependent upon calendar dates, including dates before, on, and after January 1, 2000, may encounter "Year 2000 problems." DTC has informed its participants and other members of the financial community that it has developed and is implementing a program so that its systems, as they relate to the timely payment of distributions to securityholders, book-entry deliveries, and settlement of trades within DTC, continue to function appropriately. This program includes a technical assessment and a remediation plan, each of which is complete. Additionally, DTC's plan includes a testing phase, which is expected to be completed within appropriate time frames.

OGE Energy and the trustees will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interest in the book-entry securities or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

DTC may discontinue providing its services as securities depository at any time by giving reasonable notice. Under those circumstances, in the event that a successor securities depository is not obtained, securities certificates are required to be printed and delivered. Additionally, OGE Energy may decide to discontinue use of the system of book-entry transfers through DTC or any successor depository with respect to the preferred securities. In that event, certificates for the securities will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that OGE Energy believes to be reliable, but OGE Energy does not take responsibility for the accuracy thereof.

#### INFORMATION CONCERNING THE PROPERTY TRUSTEE

Prior to the occurrence of a default relating to the trust securities and after the cure of all trust enforcement events, the property trustee undertakes to perform only those duties as are specifically set forth in the declaration. After a default relating to the trust securities, the property trustee will exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. The property trustee is under no obligation to exercise any of the powers vested in it by the declaration at the request of any holder of preferred securities unless offered reasonable indemnity by that holder against the costs, expenses and liabilities which might be incurred thereby.

#### PAYING AGENT

If the preferred securities do not remain in book-entry only form, the following provisions will apply:

- the property trustee may select a paying agent or may act as paying agent; and
- registration of transfers of preferred securities will be effected without charge (other than in respect of any tax or other government charge).

## DESCRIPTION OF THE JUNIOR SUBORDINATED DEBT SECURITIES

The junior subordinated debt securities in which the trust will invest the proceeds from the issuance and sale of the trust securities will be issued pursuant to the indenture between OGE Energy and Bank of Oklahoma, National Association, as the indenture trustee. The indenture will be qualified under the Trust Indenture Act of 1939. The terms of the junior subordinated debt securities will include those stated in the indenture and those made a part of the indenture by the Trust Indenture Act. The following summary of the material terms of the junior subordinated debt securities is not intended to be complete and is qualified by the applicable prospectus supplement, the indenture, the Trust Indenture Act and other applicable law. The indenture, including all amendments, has been filed with the SEC as an exhibit to, and is incorporated by reference in, the registration statement of which this prospectus forms a part.

### GENERAL

The junior subordinated debt securities will be issued as unsecured debt under the indenture. The junior subordinated debt securities will be limited in aggregate principal amount to the sum of the aggregate stated liquidation amount of the preferred securities and the capital contributed by OGE Energy to the trust in exchange for the common securities.

The entire principal amount of the junior subordinated debt securities will mature and become due and payable, together with any accrued and unpaid interest thereon, on the date specified in the applicable prospectus supplement.

If junior subordinated debt securities are distributed to holders of preferred securities in liquidation of that holders' interests in the trust, those junior subordinated debt securities will initially be issued in the form of one or more global securities under depositary arrangements similar to those in effect for the preferred securities. See "Description of the Preferred Securities--Book-Entry Only Issuance--The Depository Trust Company." In the event junior subordinated debt securities are issued in certificated form, principal and interest will be payable, the transfer of the junior subordinated debt securities will be registrable and junior subordinated debt securities will be exchangeable for securities of other denominations of a like aggregate principal amount at the corporate trust office of the indenture trustee in Oklahoma City, Oklahoma.

### SUBORDINATION

The indenture provides that the junior subordinated debt securities are subordinated and junior in right of payment to all senior debt, as defined below, of OGE Energy. No payment of principal of, or premium, if any, or interest on the junior subordinated debt securities may be made if (1) a default has occurred and is continuing in the payment of principal of or premium, if any, or interest on any senior debt of OGE Energy, or (2) if any event of default with respect to senior debt of OGE Energy has occurred and is continuing and has resulted in senior debt becoming or being declared due and payable, unless and until the event of default shall have been cured or waived or shall have ceased to exist and acceleration shall have been rescinded or annulled, or (3) any judicial proceeding is pending with respect to any default in payment or event of default. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization or other judicial proceeding relative to OGE Energy, the holders of senior debt of OGE Energy will be entitled to receive payment in full of all amounts due or to become due on or in respect of all senior debt before the holders of the junior subordinated debt securities are entitled to receive or retain any payment or distribution. Subject to the prior payment of all senior debt, the rights of holders of the junior subordinated debt securities will be subrogated to the rights of the holders of senior debt to receive payments and distributions applicable to the senior debt until all amounts owing on the junior subordinated debt securities are paid in full. OGE Energy had \$791.6 million of senior debt outstanding at August 31, 1999.

"Senior debt" means:

- (1) the principal, premium, if any, and interest in respect of (A) indebtedness of OGE Energy for money borrowed and (B) indebtedness evidenced by securities, notes, debentures, bonds or other similar instruments issued by OGE Energy;
- (2) all capitalized lease obligations of OGE Energy;
- (3) all obligations of OGE Energy representing the deferred purchase price of property, including conditional sales obligations and obligations under title retention agreements;
- (4) all obligations for the reimbursement of the issuer of specified types of letters of credit;
- (5) all obligations of the type referred to in clauses (1) through (4) of other persons for which OGE Energy is responsible or liable as guarantor or otherwise; and
- (6) all obligations of the type referred to in clauses (1) through (5) of other persons secured by any lien on any property or asset of OGE Energy, whether or not the obligation is assumed by OGE Energy, with the amount of the obligation being deemed to equal the lesser of the value of the property or assets or the amount of the obligation secured by the property or assets of OGE Energy.

but senior debt does not include:

- (a) junior subordinated debt securities;
- (b) any indebtedness that by its terms is subordinated to, or ranks on an equal basis with, subordinated debt securities; and
- (c) indebtedness for goods or materials purchased in the ordinary course of business or for services obtained in the ordinary course of business or indebtedness consisting of trade payables.

The debt of OGE Energy's subsidiaries is effectively senior to the junior subordinated debt securities. At August 31, 1999, approximately \$2.108 billion of obligations of OGE Energy's subsidiaries not included in OGE Energy's senior indebtedness was outstanding.

The indenture does not limit the aggregate amount of senior debt that may be issued by OGE Energy.

#### REDEMPTION

OGE Energy will have the right to redeem the junior subordinated debt securities as described above under "Description of the Preferred Securities--Special Event Redemption." The redemption price will be equal to 100% of the principal amount to be redeemed plus any accrued and unpaid interest to the date of redemption. OGE Energy will also have the right, at any time on or after the date specified in the applicable prospectus supplement, to redeem the junior subordinated debt securities in whole or in part at a redemption price specified in the applicable prospectus supplement.

#### INTEREST

The junior subordinated debt securities will bear interest at the rate specified in the applicable prospectus supplement, payable in arrears on the dates specified in the applicable prospectus supplement, unless interest is deferred as described below. Interest will be paid to the person in whose name a junior subordinated debt security is registered, with limited exceptions, at the close of business on the business day next preceding that interest payment date. In the event the junior subordinated debt securities no longer remain in book-entry only form, OGE Energy will select appropriate record dates.

The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period will be computed on the basis of a 30-day month and, for periods of less than a full month, the actual number of days elapsed per 30-day month. If any date on which interest is payable on the junior subordinated debt securities is not a business day, then payment of the interest payable on that date will be made on the succeeding day that is a business day, and without any interest or other payment in respect of any such delay. However, if the next business day is in the succeeding calendar year, then payment shall be made on the preceding business day, in each case with the same force and effect as if made on the stated date.

#### OPTION TO DEFER INTEREST PAYMENTS

OGE Energy can defer interest payments for one or more periods of up to five years. However, no deferral period may extend beyond the maturity of the junior subordinated debt securities. At the end of the deferral period, OGE Energy will pay all interest then accrued and unpaid.

During any deferral period, OGE Energy will not be permitted to:

- declare or pay a dividend or make any other payment or distribution on OGE Energy's capital stock;
- redeem, purchase, acquire or make a liquidation payment on any of OGE Energy's capital stock;
- make an interest, principal or premium payment, or repay, repurchase or redeem, any debt issued by OGE Energy that ranks equally with or junior to the junior subordinated debt securities; or
- make any guarantee payment with respect to any guarantee by OGE Energy of debt securities of any of its subsidiaries or any other person, if the guarantee ranks equal to or junior to the junior subordinated debt securities.

During any deferral period, however, OGE Energy will be permitted to:

- declare and pay dividends or distributions by way of issuance of its common stock;
- make payments under the guarantee in respect of the preferred and common securities;
- declare or pay a dividend in connection with the implementation of a shareholders' rights plan, or the issuing of stock under such a plan or repurchase such rights; and
- purchase common stock relating to the issuing of common stock or rights under any of OGE Energy's benefit plans.

OGE Energy has no present intention of exercising its right to defer payments of interest by extending the interest payment period on the junior subordinated debt securities.

If the property trustee is the sole holder of the junior subordinated debt securities, OGE Energy will give the regular trustees, the property trustee and the indenture trustee notice of its election to defer interest payments one business day prior to the earlier of:

- the date distributions on the preferred securities would be payable, if not for the deferral period, or



- the date the regular trustees are required to give notice to the NYSE or other applicable self-regulatory organization or to holders of the preferred securities of the record date or the date such distribution would be payable, if not for the deferral period,

but in any event one business day prior to the record date. The regular trustees will give notice of OGE Energy's selection of a deferral period to the holders of the preferred securities.

If the property trustee is not the sole holder of the junior subordinated debt securities, OGE Energy shall give the holders of the junior subordinated debt securities notice of its election to defer interest payments ten business days prior to the earlier of

- the next succeeding interest payment date or
- the date upon which OGE Energy is required to give notice to the NYSE or other applicable self-regulatory organization or to holders of the junior subordinated debt securities of the record or payment date of the related interest payment,

but in any event two business days prior to the record date.

#### INDENTURE EVENTS OF DEFAULT

The indenture provides that the following are events of default relating to the junior subordinated debt securities of a particular series:

- failure to pay required interest on any debt security of that series for 30 days;
- failure to pay principal or premium, if any, on any debt security of that series when due;
- failure to pay at final maturity, or acceleration of, indebtedness of OGE Energy having an aggregate principal amount of more than 1% of OGE Energy's consolidated total assets (determined as of the most recent fiscal year-end), unless cured within 10 days after notice has been given to OGE Energy by the trustee or the holders of at least 10% in aggregate principal amount of the junior subordinated debt securities of that series;
- failure to perform for 60 days after notice from the indenture trustee or the holders of at least 25% in aggregate principal amount of debt securities of a particular series to OGE Energy of a default under any other covenant in the relevant indenture other than a covenant included in the relevant indenture solely for the benefit of a series of debt securities other than that series; and
- specified events of bankruptcy or insolvency, whether voluntary or not.

If any indenture event of default occurs and is continuing, the indenture trustee or property trustee, as the holder of the junior subordinated debt securities, will have the right to declare the principal of and the interest on the junior subordinated debt securities and any other amounts payable under the indenture to be immediately due and payable. An indenture event of default also constitutes a trust enforcement event. The holders of preferred securities in limited circumstances have the right to direct the property trustee to exercise its rights as the holder of the junior subordinated debt securities. See "Description of the Preferred Securities--Trust Enforcement Events" and "--Voting Rights; Control of Remedies."

Despite the foregoing, if a trust enforcement event has occurred and is continuing and the event is attributable to the failure of OGE Energy to pay interest or principal on the junior subordinated debt securities when such interest or principal is payable, OGE Energy acknowledges that a holder of preferred securities may sue for payment. OGE Energy may not amend the indenture to remove this right to bring a direct action without the prior written consent of all of the holders of preferred securities.

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

OGE Energy may 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, unless

- the corporation or entity formed by such consolidation or into which OGE Energy is merged or which acquires by conveyance or transfer, or which leases, the properties and assets of OGE Energy substantially as an entirety, is a corporation, partnership or trust that expressly assumes, by supplemental indenture executed and delivered to the indenture trustee, the payment of the principal of and premium, if any, and interest on all the junior subordinated debt securities and the performance of every covenant of the subordinated indenture on the part of OGE Energy to be performed or observed;
- immediately after giving effect to the transaction, no event of default under the subordinated indenture, and no event that, after notice or lapse of time or both, would become an event of default under the subordinated indenture, shall have happened and be continuing; and
- OGE Energy has delivered to the indenture trustee an officers' certificate and an opinion of counsel, each stating that the transaction complies with the provisions of the subordinated indenture governing consolidation, merger, conveyance, transfer or lease and that all conditions precedent thereto have been complied with.

For purposes of the foregoing summarized provisions of the indenture, the phrase "ALL OR SUBSTANTIALLY ALL OF ITS PROPERTIES AND ASSETS" means 50% or more of the total assets of OGE Energy as shown on the consolidated balance sheet of OGE Energy as of the end of the calendar year immediately preceding the day of the year in which such determination is made. Nothing in the indenture prevents or hinders OGE Energy from selling, transferring or otherwise disposing during any calendar year (in one transaction or a series of transactions) less than 50% of the amount of its total assets as shown on the consolidated balance sheet of OGE Energy as of the end of the immediately preceding calendar year.

#### SATISFACTION AND DISCHARGE

The indenture will cease to be of further effect and OGE Energy will be deemed to have satisfied and discharged all of its obligations under the indenture when (1) all outstanding junior subordinated debt securities have become due and payable, or will become due and payable within one year, by reason of the maturity or a redemption date, and (2) OGE Energy deposits with the indenture trustee, in trust, funds that are sufficient to pay and discharge all remaining indebtedness on the outstanding junior subordinated debt securities; provided however, that OGE Energy will remain obligated to pay all other amounts due under the debt securities indenture and to perform certain ministerial tasks as described in the indenture.

Unless otherwise provided in a supplemental indenture setting forth the terms of a series of junior subordinated debt securities, OGE Energy will be deemed to have paid and discharged the entire indebtedness on all of the outstanding junior subordinated debt securities of that series when (1) OGE Energy deposits with the indenture trustee, in trust, funds that are sufficient to pay and discharge all remaining indebtedness on the outstanding junior subordinated debt securities of that series to the stated maturity or any redemption date, (2) OGE Energy has paid all other sums payable with respect to the outstanding junior subordinated debt securities of that series, and (3) OGE Energy has satisfied certain other requirements intended to ensure that the payment and discharge will not have any adverse United States federal income tax consequences to holders of preferred securities.

## MODIFICATIONS AND AMENDMENTS

The indenture may be modified by OGE Energy and the trustee without the consent of any holders with respect to certain matters, including without limitation (i) to cure any ambiguity, defect or inconsistency or to correct or supplement any provision which may be inconsistent with any provision of the indenture and (ii) to make any change that does not materially adversely affect the interests of any holder of junior subordinated debt securities of any series. In addition, under the indenture, certain rights and obligations of OGE Energy and the rights of holders of the junior subordinated debt securities may be modified by OGE Energy and the trustee with the written consent of the holders of a majority in aggregate principal amount of the outstanding junior subordinated debt securities of each series affected thereby; but no change in the maturity of any junior subordinated debt securities of any series, reduction in the interest rate or extension of the time for payment of interest, change in the redemption provisions in a manner adverse to any holder of junior subordinated debt securities of any series, other modification in the terms of payment of the principal of, or interest on, any junior subordinated debt securities of any series, or reduction of the percentage required for modification, will be effective against any holder of any outstanding junior subordinated debt security of any series affected thereby without the holder's consent. The indenture does not limit the aggregate amount of junior subordinated debt securities of OGE Energy which may be issued thereunder.

The holders of a majority in aggregate principal amount of the outstanding junior subordinated debt securities of any series may on behalf of the holders of all junior subordinated debt securities of that series waive, insofar as that series is concerned, compliance by OGE Energy with certain restrictive covenants of the indenture. The holders of a majority in aggregate principal amount of the outstanding junior subordinated debt securities of any series may on behalf of the holders of all junior subordinated debt securities of that series waive any past event of default or default under the indenture with respect to that series, except an event of default or a default in the payment of the principal of, or premium, if any, or any interest on any junior subordinated debt security of that series or in respect of a provision which under the indenture cannot be modified or amended without the consent of the holder of each outstanding junior subordinated debt security of that series affected.

## CONCERNING THE INDENTURE TRUSTEE

OGE Energy and certain of its subsidiaries maintain bank accounts, borrow money and have other customary commercial banking or investment banking relationships with the indenture trustee in the ordinary course of business.

## MISCELLANEOUS

The indenture provides that OGE Energy will pay all fees and expenses related to:

- the issuance and exchange of the trust securities and the junior subordinated debt securities;
- the organization, maintenance and dissolution of the trust;
- the retention of the trustees; and
- the enforcement by the property trustee of the rights of the holders of the preferred securities.

The indenture is governed and construed in accordance with the laws of Oklahoma.

## DESCRIPTION OF THE GUARANTEE

The guarantee to be executed and delivered by OGE Energy for the benefit of the holders of preferred securities will be qualified as an indenture under the Trust Indenture Act of 1939. Wilmington Trust Company will act as guarantee trustee for purposes of the Trust Indenture Act. The terms of the guarantee will include those set forth in the guarantee and those made part of the guarantee by the Trust Indenture Act. The following summary of the material terms of the guarantee is not intended to be complete and is qualified in all respects by the applicable prospectus supplement, the guarantee, the Trust Indenture Act and other applicable law. The guarantee will be filed as an exhibit to a document incorporated by reference in the registration statement of which this prospectus forms a part.

### GENERAL

Pursuant to and to the extent set forth in the guarantee, OGE Energy will irrevocably and unconditionally agree to pay in full to the holders of the preferred securities, as and when due, regardless of any defense, right of set-off or counterclaim which the trust may have or assert, the following payments without duplication:

- any accrued and unpaid distributions that are required to be paid on the preferred securities, to the extent the trust has sufficient funds available for those distributions;
- the redemption price per preferred security, to the extent the trust has funds available for those redemptions; and
- upon a voluntary or involuntary dissolution, winding-up or liquidation of the trust, other than in connection with the distribution of junior subordinated debt securities to the holders of preferred securities, the lesser of (1) the aggregate liquidation amount of the preferred securities and all accrued and unpaid distributions thereon and (2) the amount of assets of the trust remaining for distribution to holders of the preferred securities upon a liquidation of the trust.

### STATUS OF THE GUARANTEE

The guarantee will constitute an unsecured obligation of OGE Energy and will rank:

- subordinate and junior in right of payment to all other liabilities of OGE Energy, except those that rank equally or subordinate by their terms,
- on a parity with the most senior preferred or preference stock now or hereafter issued by OGE Energy and with any guarantee now or hereafter entered into by OGE Energy in respect of any preferred securities of any affiliate of OGE Energy, and
- senior to OGE Energy's common stock.

The guarantee will not place a limitation on the amount of additional senior debt that may be incurred by OGE Energy.

The guarantee will constitute a guarantee of payment and not of collection (that is, the guaranteed party may institute a legal proceeding directly against OGE Energy to enforce its rights under the guarantee without first instituting a legal proceeding against any other person or entity). The guarantee will not be discharged except by payment of the guarantee payments in full to the extent not paid by the trust or upon distribution of the junior subordinated debt securities to the holders of the preferred securities in exchange for all such preferred securities.

The guarantee, when taken together with OGE Energy's obligations under the junior subordinated debt securities, the indenture and the declaration, including its obligations to pay costs, expenses, debts and liabilities of the trust, other than those relating to trust securities, will provide a full and

unconditional guarantee on a subordinated basis by OGE Energy of payments due on the preferred securities. See "Effect of Obligations Under the Junior Subordinated Debt Securities and the Guarantee."

#### IMPORTANT COVENANTS OF OGE ENERGY

In the guarantee, OGE Energy will covenant that, so long as any trust securities remain outstanding, if:

- there shall have occurred any event of default under the indenture or OGE Energy shall be in default with respect to its payment of any obligations under the guarantee, or
- OGE Energy shall have given notice of its election to defer interest payments and shall not have rescinded such notice, and while such interest is deferred,

then OGE Energy will not, and will not permit any subsidiary to:

- declare or pay any dividends or distributions on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of OGE Energy's capital stock, or
- make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of OGE Energy that rank on a parity with or junior in interest to the junior subordinated debt securities or make any guarantee payments with respect to any guarantee by OGE Energy of the debt securities of any subsidiary of OGE Energy if such guarantee ranks on a parity with or junior in interest to such junior subordinated debt securities, other than:
  - dividends or distributions in common stock of OGE Energy,
  - payments under the guarantee made by OGE Energy in respect of the trust securities of the trust,
  - any declaration of a dividend in connection with the implementation of a shareholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, and
  - purchases of common stock related to the issuance of common stock or rights under any of OGE Energy's benefit plans.

#### EVENTS OF DEFAULT

An event of default under the guarantee will occur upon the failure of OGE Energy to perform any of its payment or other obligations required by the guarantee. The holders of a majority in aggregate 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 guarantee trustee in respect of the guarantee or to direct the exercise of any trust or power conferred upon the guarantee trustee under the guarantee.

If the guarantee trustee fails to enforce the guarantee trustee's rights under the guarantee, any holder of related preferred securities may directly sue OGE Energy to enforce the guarantee trustee's rights under the guarantee without first suing the trust, the guarantee trustee or any other person or entity.

OGE Energy, as guarantor, will be required to file annually with the guarantee trustee a certificate as to whether or not OGE Energy is in compliance with all the conditions and covenants applicable to it under the guarantee.

The holders of a majority in liquidation amount of the preferred securities may vote to waive, on behalf of all holders of preferred securities, any past event of default under the guarantee.

#### MODIFICATION OF GUARANTEE; ASSIGNMENT

The guarantee may be amended only with the prior approval of the holders of not less than 66 2/3% in aggregate liquidation amount of the outstanding preferred securities. No vote will be required, however, for any changes that do not materially adversely affect the rights of holders of preferred securities. All guarantees and agreements contained in the guarantee shall bind the successors, assignees, receivers, trustees and representatives of OGE Energy and shall inure to the benefit of the holders of the preferred securities then outstanding.

#### INFORMATION CONCERNING THE GUARANTEE TRUSTEE

Prior to the occurrence of a default relating to the guarantee and after the cure of all events of default, the guarantee trustee undertakes to perform only such duties as are specifically set forth in the guarantee. After such default, the guarantee trustee will exercise the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Provided that the foregoing requirements have been met, the guarantee trustee is under no obligation to exercise any of the powers vested in it by the guarantee at the request of any holder of preferred securities unless it is offered reasonable indemnity against the costs, expenses and liabilities that might be incurred thereby.

#### TERMINATION OF THE GUARANTEE

The guarantee will terminate as to the preferred securities upon full payment of the redemption price of all preferred securities, upon distribution of the junior subordinated debt securities to the holders of the preferred securities or upon full payment of the amounts payable upon liquidation of the trust. The 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 the preferred securities or the guarantee.

#### GOVERNING LAW

The guarantee will be governed by and construed in accordance with the laws of Oklahoma.

EFFECT OF OBLIGATIONS UNDER THE JUNIOR SUBORDINATED DEBT  
SECURITIES AND THE GUARANTEE

As set forth in the declaration, the sole purpose of the trust is to issue the trust securities and to invest the proceeds from such issuance and sale in the junior subordinated debt securities. As long as payments of interest and other payments are made when due on the junior subordinated debt securities, such payments will be sufficient to cover the distributions and payments due on the trust securities. This is due to the following factors:

- the aggregate principal amount of junior subordinated debt securities will be equal to the sum of the aggregate stated liquidation amount of the trust securities;
- the interest rate and the interest and other payment dates on the junior subordinated debt securities will match the distribution rate and distribution and other payment dates for the preferred securities;
- under the indenture, OGE Energy will pay, and the trust will not be obligated to pay, directly or indirectly, all costs, expenses and obligations of the trust other than those relating to the trust securities; and
- the declaration further provides that the OGE Energy trustees may not cause or permit the trust to engage in any activity that is not consistent with the purposes of the trust.

Payments of distributions, to the extent there are sufficient available funds, and other payments due on the preferred securities, to the extent there are legally and immediately available funds, are guaranteed by OGE Energy to the extent described in this prospectus. If OGE Energy does not make interest payments on the junior subordinated debt securities, the trust will not have sufficient funds to pay distributions on the preferred securities. The guarantee is a subordinated guarantee. The guarantee does not apply to any payment of distributions unless and until the trust has sufficient funds for the payment of such distributions. See "Description of the Guarantee."

The guarantee covers the payment of distributions and other payments on the preferred securities only if and to the extent that OGE Energy has made a payment of interest or principal or other payments on the junior subordinated debt securities. The guarantee, when taken together with OGE Energy's obligations under the junior subordinated debt securities and the indenture and its obligations under the declaration, will provide a full and unconditional guarantee of distributions and all other amounts due on the preferred securities.

OGE Energy acknowledges that the guarantee trustee shall enforce the guarantee on behalf of the holders of the preferred securities. If OGE Energy fails to make payments under the guarantee, the guarantee allows the holders of the preferred securities to direct the guarantee trustee to enforce its rights thereunder. If the guarantee trustee fails to enforce the guarantee, any holder of preferred securities may directly sue OGE Energy to enforce the guarantee trustee's rights under the guarantee. Such holder need not first sue the trust, the guarantee trustee, or any other person or entity. A holder of preferred securities may also directly sue OGE Energy to enforce such holder's right to receive payment under the guarantee. Such holder need not first (1) direct the guarantee trustee to enforce the terms of the guarantee or (2) sue the trust or any other person or entity.

OGE Energy will be required to pay all costs and expenses of each OGE Energy Capital Trust pursuant to the amended and restated declaration of each trust.

## UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

In the opinion of Gardner, Carton & Douglas, special United States tax counsel to OGE Energy, the following discussion is an accurate summary of the material United States federal income tax consequences of the purchase, ownership and disposition of the preferred securities.

Except where we state otherwise, this summary deals only with preferred securities held as capital assets by a holder who:

- is a United States person (as defined below), and
- purchases the preferred securities upon original issuance at their original offering price.

A "United States person" is a holder who is one of the following:

- a citizen or individual resident of the United States,
- a corporation, partnership or other entity created or organized in or under the laws of the United States or any political subdivision of the United States,
- an estate the income of which is subject to United States federal income taxation regardless of its source,
- any trust that (x) is subject to the primary supervision of a court within the United States with respect to its administration and the control of one or more United States persons or (y) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

Your tax treatment may vary depending on your particular situation. This summary does not address all the tax consequences that may be relevant to holders that are subject to special tax treatment, such as:

- banks;
- real estate investment trusts;
- regulated investment companies;
- insurance companies;
- dealers in securities or currencies;
- tax-exempt investors;
- individual retirement and tax deferred accounts;
- persons holding preferred securities as part of a (1) hedging, (2) integrated investment, (3) conversion or (4) constructive sale transaction;
- persons holding preferred securities as part of a straddle; or
- persons whose functional currency is not the United States Dollar.

In addition, this summary does not include any description of the following, either of which may be applicable to you:

- any alternative minimum tax consequences; or
- the tax laws of any state, local or foreign government.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury regulations promulgated under the Code and administrative and judicial interpretations in effect as of the date of the prospectus. These income tax laws, regulations and interpretations, however,



may change at any time. Any change could be retroactive to the issuance date of the preferred securities and could cause the tax consequences to vary substantially from the consequences described below, possibly having an adverse effect on a holder of preferred securities.

The authorities on which this summary is based are subject to various interpretations. No ruling has been received from the Internal Revenue Service ("IRS") on the matters discussed in this summary and either the IRS or the courts could disagree with the explanations or conclusions contained in this summary and the opinion of special tax counsel.

YOU SHOULD CONSULT YOUR OWN TAX ADVISOR WITH RESPECT TO THE TAX CONSEQUENCES TO YOU OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE PREFERRED SECURITIES, INCLUDING THE TAX CONSEQUENCES UNDER STATE, LOCAL, FOREIGN, AND OTHER TAX LAWS. FOR A DISCUSSION OF THE POSSIBLE REDEMPTION OF THE PREFERRED SECURITIES UPON THE OCCURRENCE OF A TAX EVENT SEE "CERTAIN TERMS OF THE PREFERRED SECURITIES--SPECIAL EVENT REDEMPTION."

#### CLASSIFICATION OF THE TRUST

We intend to take the position that the trust will be classified as a grantor trust for United States federal income tax purposes and not as an association taxable as a corporation. As a condition to the issuance of the junior subordinated debt securities, Gardner, Carton & Douglas will deliver an opinion that under current law and assuming full compliance with the terms of the trust's amended and restated declaration, and based upon certain facts and assumptions contained in such opinion, the trust will be classified as a grantor trust for United States federal income tax purposes. As a result, for United States federal income tax purposes, you generally will be treated as owning an undivided beneficial ownership interest in the junior subordinated debt securities. Thus, you will be required to include in your gross income your pro rata share of the interest income or original issue discount that is paid or accrued on the junior subordinated debt securities. See "--Interest Income and Original Issue Discount."

#### CLASSIFICATION OF THE JUNIOR SUBORDINATED DEBT SECURITIES

OGE Energy, the trust and you (by your acceptance of a beneficial ownership interest in a preferred security) will agree to treat the junior subordinated debt securities as indebtedness for all United States tax purposes. As a condition to the issuance of the junior subordinated debt securities, Gardner, Carton & Douglas will deliver an opinion upon issuance of the junior subordinated debt securities that under current law, and based upon certain facts and assumptions contained in such opinion, the junior subordinated debt securities will be classified as indebtedness for United States federal income tax purposes.

#### INTEREST INCOME AND ORIGINAL ISSUE DISCOUNT

We are taking the position that you will generally be taxed on the stated interest on the junior subordinated debt securities as ordinary income at the time it is paid or accrued in accordance with your regular method of tax accounting and will report the interest income to you accordingly. We anticipate that the junior subordinated debt securities will not be issued with an issue price that is less than their stated redemption price at maturity. Thus, we are taking the position that the junior subordinated debt securities are not subject to the special original issue discount ("OID") rules, at least upon initial issuance.

If, however, OGE Energy exercises its right to defer payments of interest on the junior subordinated debt securities, the junior subordinated debt securities will become OID instruments at such time. In such case, you will be subject to the special OID rules described below. Once the junior

subordinated debt securities become OID instruments, they will be taxed as OID instruments for as long as they remain outstanding.

The Treasury regulations dealing with OID and the right to defer interest have not yet been addressed in any rulings or other interpretations by the IRS. It is possible that, because of OGE Energy's right to defer interest, the IRS could assert that the junior subordinated debt securities were issued initially with OID. If the IRS were successful, regardless of whether OGE Energy exercises its option to defer payments of interest on such junior subordinated debt securities, you would be subject to the special OID rules described below.

Under the OID economic accrual rules, the following occurs:

- you would accrue as OID an amount of interest income each year that approximates the stated interest payments called for under the terms of the junior subordinated debt securities using the constant-yield-to-maturity method of accrual (based on the compounding of interest) described in section 1272 of the Code regardless of your method of accounting;
- the actual cash distributions of interest you receive on the preferred securities in respect of the junior subordinated debt securities would not be reported separately as taxable income;
- any amount of OID included in your gross income (whether or not during a deferral period) with respect to the preferred securities will increase your tax basis in such preferred securities; and
- the amount of cash distributions that you receive in respect of such accrued OID will reduce your tax basis in such preferred securities.

As a result, if OGE Energy elects to defer payment of interest on the junior subordinated debentures, you will be required to include an amount of interest income in your gross income each year as OID, even though you do not receive actual cash distributions with respect to the preferred securities and even though you may use the cash method of accounting.

If you are a corporate holder of preferred securities, you will not be entitled to a dividends-received deduction with respect to any income you recognize with respect to the preferred securities.

#### DISTRIBUTION OF JUNIOR SUBORDINATED DEBT SECURITIES OR CASH UPON LIQUIDATION OF THE TRUST

As described under the caption "Certain Terms of the Preferred Securities--Distribution of the Junior Subordinated Debt Securities," the junior subordinated debt securities held by the trust may be distributed to you in exchange for your preferred securities when the trust is liquidated. Under current law, except as described below, this type of distribution would not be taxable. Upon a distribution, you will receive your pro rata share of the junior subordinated debt securities previously held indirectly through the trust. Your holding period and aggregate tax basis in the junior subordinated debt securities will equal the holding period and aggregate tax basis that you had in your preferred securities before the distribution.

OGE Energy has the option to redeem the junior subordinated debt securities and distribute the resulting cash in liquidation of the trust. This distribution of cash would be taxable as described below in "--Sales of Preferred Securities." Further, in other circumstances described under "Certain Terms of the Preferred Securities--Special Event Redemption," OGE Energy may redeem the junior subordinated debt securities and distribute cash in liquidation of the trust. This distribution of cash would also be taxable as described below in "--Sales of Preferred Securities."

If you receive junior subordinated debt securities in exchange for your preferred securities, you would include in gross income interest or OID in respect of the junior subordinated debt securities received from the trust in the manner described above under "--Interest Income and Original Issue Discount."

If the trust is treated as an association taxable as a corporation, a tax event will occur. If OGE Energy elects to distribute the junior subordinated debt securities to you at this time, or to redeem the securities and distribute the resulting cash, the distribution or the redemption and distribution, would likely constitute a taxable event to the trust and to you.

#### SALES OF PREFERRED SECURITIES

If you sell or OGE Energy redeems your preferred securities, you will recognize gain or loss equal to the difference between:

- your amount realized on the sale or redemption of the preferred securities (less an amount equal to any accrued but unpaid qualified stated interest that you did not previously include in income, which will be taxable as such); and
- your adjusted tax basis in your preferred securities sold or redeemed.

Your basis in the preferred securities will generally be your original issue price increased by any OID previously included in income to the date of disposition and reduced by cash distributions received with respect to such OID. If you dispose of the preferred securities between interest payment dates, you will be required to include in your gross income the amount of any accrued but unpaid interest as ordinary income and your basis in the preferred securities will be increased by such amount.

The gain or loss will generally be a long-term capital gain or loss if you have held your preferred securities for more than one year. Long-term capital gains of individuals are taxed at a maximum statutory rate of 20%. The deductibility of capital losses is subject to limitations.

#### NON-UNITED STATES HOLDERS

The following discussion only applies to you if you are not a United States person. As discussed above, the preferred securities will be treated as evidence of an indirect beneficial ownership interest in the junior subordinated debt securities. See "--Classification of the Trust." Thus, under present United States federal income tax law, and subject to the discussion below concerning backup withholding:

(1) no withholding of United States federal income tax will be required with respect to distributions by the trust or any paying agent of principal or interest (which for purposes of this discussion includes any OID) to you on the preferred securities (or the junior subordinated debt securities) if you meet all of the following requirements (the "portfolio interest exemption"):

- you do not actually or constructively own 10% or more of the total combined voting power of all classes of stock of OGE Energy entitled to vote within the meaning of section 871(h)(3) of the Code and the regulations thereunder;
- you are not a controlled foreign corporation that is related to OGE Energy through stock ownership;
- you are not a bank whose receipt of interest on the junior subordinated debt securities is described in section 881(c)(3)(A) of the Code; and
- you satisfy the statement requirement (described generally below) set forth in section 871(h) and section 881(c) of the Code and the regulations thereunder; and

(2) no withholding of United States federal income tax generally will be required with respect to any gain you realize upon the sale or other disposition of the preferred securities (or the junior subordinated debt securities).

To satisfy the statement requirement referred to in (1) above, you, or a financial institution holding the preferred securities on your behalf, must provide, in accordance with specified procedures, to the trust or its paying agent, a statement to the effect that you are not a United States person. Currently, you can meet this requirement if one of the following is performed:

- you provide your name and address, and certify, under penalties of perjury, that you are not a United States person (this certification may be made on an IRS Form W-8 (or successor form)); or
- a financial institution holding the preferred securities on your behalf certifies, under penalties of perjury, that:
  - (a) you provided it with a statement described above; and
  - (b) the financial institution furnishes the paying agent with a copy of the statement.

Under final Treasury regulations (the "Final Regulations"), the statement requirement referred to in (1) above may also be satisfied with other documentary evidence for interest paid after December 31, 2000 with respect to an offshore account or through certain foreign intermediaries.

If you cannot satisfy the requirements of the portfolio interest exemption described in (1) above, distributions of interest (including any OID) and premium, in any, made to you with respect to the preferred securities, will be subject to a 30% United States withholding tax unless you provide OGE Energy or its paying agent, as the case may be, with one of the following properly executed forms:

- IRS Form 1001 (or successor form) claiming an exemption from, or a reduction of, this withholding tax under the benefit of a tax treaty; or
- IRS Form 4224 (or successor form) stating that distributions of interest with respect to preferred securities (or the junior subordinated debt securities) is not subject to this withholding tax because it is effectively connected with your conduct of a trade or business in the United States.

Under the Final Regulations effective for payments after December 31, 2000, you will generally be required to provide IRS Form W-8 in lieu of IRS Form 1001 and IRS Form 4224, although alternative documentation may be applicable in certain situations.

If you are engaged in a trade or business in the United States and interest on the preferred securities (or junior subordinated debt securities) is effectively connected with the conduct of your trade or business, you will be subject to United States federal income tax on such interest on a net income basis in the same manner as if you were a United States person. However, you will not be subject to withholding described above.

You will generally not be subject to United States federal income tax on any gain you realize upon the sale or other disposition of the preferred securities (or the junior subordinated debt securities) unless:

- the gain is effectively connected with your trade or business in the United States; or
- you are an individual and you are present in the United States for 183 days or more in the taxable year of such sale, exchange or retirement and certain other conditions are met.

In addition, in either case, if you are a foreign corporation, you may be subject to a branch profits tax equal to 30% (or lesser rate under an applicable tax treaty) of your effectively connected earnings

and profits for the taxable year, subject to adjustments. For this purpose, interest and gain with respect to the preferred securities would be included in your earnings and profits.

#### INFORMATION REPORTING AND BACKUP WITHHOLDING

Income on the preferred securities held of record by United States persons (other than corporations and other exempt holders) will be reported annually to such holders and to the IRS. Such income will be reported to you on Forms 1099, which we intend to mail to the holders of record by January 31 following each calendar year.

"Backup withholding" at a rate of 31% will apply to payments of interest to non-exempt United States persons unless you:

- furnish your taxpayer identification number in the manner prescribed in applicable Treasury regulations;
- certify that such number is correct;
- certify as to no loss of exemption from backup withholding; and
- meet certain other conditions.

In general, no information reporting or backup withholding will be required with respect to payments made by the trust or any paying agent to non-United States persons if a statement described in (1) under "Non-United States Holders" has been received and the payor does not have actual knowledge that you are a United States person.

In addition, backup withholding and information reporting will apply to the proceeds from disposition of preferred securities (or junior subordinated debt securities) within the United States or conducted outside the United States through certain United States related financial intermediaries unless the statement described in (1) under "Non-United States Holders" has been received (and the payor does not have actual knowledge that you are a United States person) or you otherwise establish an exemption.

Any amounts withheld from you under the backup withholding rules generally will be allowed as a refund or a credit against your United States federal income tax liability, provided the required information is furnished to the IRS.

## PLAN OF DISTRIBUTION

The trust may offer the preferred securities in one or more of the following ways from time to time:

- to or through underwriters or dealers;
- by itself directly;
- through agents; or
- through a combination of any of these methods of sale.

The prospectus supplement relating to an offering of preferred securities will set forth the terms of that offering, including:

- the name or names of any underwriters, dealers or agents;
- the purchase price of the preferred securities and the proceeds to OGE Energy from the sale;
- any underwriting discounts and commissions or agency fees and other items constituting underwriters' or agents' compensation;
- the initial public offering price;
- any discounts or concessions to be allowed or reallocated or paid to dealers; and
- any securities exchanges on which such preferred securities may be listed.

Any initial public offering prices, discounts or concessions allowed or reallocated or paid to dealers may be changed from time to time.

If underwriters are used in an offering of preferred securities, those preferred securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The securities may be either offered to the public through underwriting syndicates represented by one or more managing underwriters or by one or more underwriters without a syndicate. Unless otherwise set forth in the prospectus supplement, the underwriters will not be obligated to purchase preferred securities unless specified conditions are satisfied, and if the underwriters do purchase any preferred securities, they will purchase all preferred securities.

In connection with underwritten offerings of the preferred securities and in accordance with applicable law and industry practice, underwriters may over-allot or effect transactions that stabilize, maintain or otherwise affect the market price of the preferred securities at levels above those that might otherwise prevail in the open market, including by entering stabilizing bids, effecting syndicate covering transactions or imposing penalty bids, each of which is described below.

- A stabilizing bid means the placing of any bid, or the effecting of any purchase, for the purpose of pegging, fixing or maintaining the price of a security.
- A syndicate covering transaction means the placing of any bid on behalf of the underwriting syndicate or the effecting of any purchase to reduce a short position created in connection with the offering.
- A penalty bid means an arrangement that permits the managing underwriter to reclaim a selling concession from a syndicate member in connection with the offering when offered securities originally sold by the syndicate member are purchased in syndicate covering transactions.

These transactions may be effected on the NYSE, in the over-the-counter market, or otherwise. Underwriters are not required to engage in any of these activities, or to continue such activities if commenced.

If dealers are used in the sale of preferred securities, OGE Energy will sell those preferred securities to the dealers as principals. The dealers may then resell the preferred securities to the public at varying prices to be determined by the dealers at the time of resale. The names of the dealers and the terms of the transaction will be set forth in the prospectus supplement relating to that transaction.

Preferred securities may be sold directly by OGE Energy to one or more institutional purchasers, or through agents designated by OGE Energy from time to time, at a fixed price or prices, which may be changed, or at varying prices determined at the time of sale. Any agent involved in the offer or sale of the preferred securities in respect of which this prospectus is delivered will be named, and any commissions payable by OGE Energy to that agent will be set forth, in the prospectus supplement relating to that offering. Unless otherwise indicated in the prospectus supplement, any agent will be acting on a best efforts basis for the period of its appointment.

If so indicated in the applicable prospectus supplement, OGE Energy will authorize agents, underwriters or dealers to solicit offers from certain types of institutions to purchase preferred securities from the trust at the public offering price set forth in the prospectus supplement pursuant to delayed delivery contracts providing for payment and delivery on a specified date in the future. Those contracts will be subject only to those conditions set forth in the prospectus supplement and the prospectus supplement will set forth the commission payable for solicitation of the contracts.

This prospectus together with any applicable prospectus supplement may also be used in connection with offers and sales of the preferred securities in market-making transactions at negotiated prices related to prevailing market prices at the time of sale.

Underwriters, dealers and agents may be entitled, under agreements with OGE Energy and the trust, to indemnification by OGE Energy relating to material misstatements and omissions. Underwriters, dealers and agents may engage in transactions with, or perform services for, OGE Energy and affiliates of OGE Energy in the ordinary course of business.

Each series of preferred securities will be a new issue of securities and will have no established trading market. Any underwriters to whom preferred securities are sold for public offering and sale may make a market in those preferred securities, but the underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The preferred securities may or may not be listed on a national securities exchange. No assurance can be given that there will be a market for the preferred securities.

## ERISA CONSIDERATIONS

A fiduciary of a pension, profit-sharing or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, should consider the fiduciary standards of ERISA in the context of the ERISA plan's particular circumstances before authorizing an investment in the preferred securities of the trust. Among other factors, the fiduciary should consider whether such an investment is in accordance with the documents governing the ERISA plan and whether the investment is appropriate for the ERISA plan in view of its overall investment policy and diversification of its portfolio.

ERISA and the Code prohibit ERISA plans, as well as individual retirement accounts and Keogh plans governed by section 4975 of the Code, from engaging in certain transactions involving "plan assets" with parties that are "parties in interest" under ERISA or "disqualified persons" under the Code relating to the plan. The U.S. Department of Labor has issued a final regulation with regard to whether the underlying assets of an entity in which employee benefit plans acquire equity interests are deemed to be plan assets.

Under such regulation, for purposes of ERISA and section 4975 of the Code, the assets of the trust would be deemed to be "plan assets" of a plan whose assets were used to purchase preferred securities of the trust if the preferred securities of the trust were considered to be equity interests in the trust and no exception to plan asset status were applicable under such regulation.

If the assets of the trust were deemed to be plan assets of plans that are holders of the preferred securities of the trust, a plan's investment in the preferred securities of the trust might be deemed to constitute a delegation under ERISA of the duty to manage plan assets by a fiduciary investing in preferred securities of the trust. Also, OGE Energy might be considered a "party in interest" or "disqualified person" relating to plans whose assets were used to purchase preferred securities of the trust. If this were the case, an investment in preferred securities of the trust by a plan might constitute, or in the course of the operation of the trust give rise to, a prohibited transaction under ERISA or the Code. In particular, it is likely that under such circumstances a prohibited extension of credit to OGE Energy would be considered to occur under ERISA and the Code.

In addition, OGE Energy might be considered a "party in interest" or "disqualified person" for certain plans for reasons unrelated to the operation of the trust, e.g., because of the provision of services by OGE Energy or an affiliate to the plan. A purchase of preferred securities of the trust by any such plan would be likely to result in a prohibited extension of credit to OGE Energy, without regard to whether the assets of the trust constituted plan assets.

Because of the possibility that a prohibited extension of credit could occur as a result of the purchase or holding of the preferred securities of the trust by a plan, the preferred securities of the trust may not be purchased or held by any plan or any person investing "plan assets" of any plan, unless such purchaser or holder is eligible for the exemptive relief available under:

- Prohibited Transaction Class Exemption 96-23 for transactions determined by in-house asset managers,
- PTCE 95-60 for transactions involving insurance company general accounts,
- PTCE 91-38 for transactions involving bank collective investment funds,
- PTCE 90-1 for transactions involving insurance company separate accounts, or
- PTCE 84-14 for transactions determined by independent qualified asset managers.



Any purchaser of the preferred securities of the trust or any interest therein will be deemed to have represented to the trust that either

- (a) it is not a plan and is not purchasing such securities or interest therein on behalf of or with "plan assets" of any plan or
- (b) its purchase and holding of the preferred securities of the trust or interest therein is eligible for the exemptive relief available under PTCE 96-23, 95-60, 91-38, 90-1 or 84-14.

Due to the complexity of these rules and the penalties imposed upon persons involved in prohibited transactions, it is important that any person considering the purchase of preferred securities of the trust with plan assets consult with its counsel regarding the consequences under ERISA and the Code of the acquisition and ownership of preferred securities and the availability of exemptive relief under the class exemptions listed above. In *JOHN HANCOCK MUTUAL LIFE INSURANCE CO. V. HARRIS TRUST AND SAVINGS BANK*, 114 S.Ct. 517 (1993), the Supreme Court ruled that assets held in an insurance company's general account may be deemed to be "plan assets" for ERISA purposes under certain circumstances. The issues raised in *HARRIS TRUST* have also been the subject of legislative action, and have been addressed in proposed regulations issued by the U.S. Department of Labor in December 1997.

#### LEGAL MATTERS

Gardner, Carton & Douglas and Rainey, Ross, Rice & Binns will act as legal counsel to OGE Energy. Richards, Layton & Finger, Wilmington, Delaware, or counsel to be identified in the applicable prospectus supplement, will act as legal counsel to the trust. Jones, Day, Reavis and Pogue, Chicago, Illinois, will act as legal counsel to the underwriters.

#### EXPERTS

The consolidated financial statements and schedule of OGE Energy included in OGE Energy's Form 10-K Annual Report for the fiscal year ended December 31, 1998, to the extent and for the periods indicated in their reports included in said Form 10-K, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

The consolidated financial statements of Tejas Transok Holding, L.L.C. included in OGE Energy's Form 8-K Current Report dated July 13, 1999, as amended September 14, 1999, to the extent and for the periods indicated in their report included in said Form 8-K, have been audited by Arthur Andersen LLP, independent public accountants, as indicated in their reports with respect thereto, and are incorporated by reference herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

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YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED OR INCORPORATED BY  
REFERENCE IN THIS PROSPECTUS SUPPLEMENT AND THE ACCOMPANYING PROSPECTUS. NO ONE  
HAS BEEN AUTHORIZED TO PROVIDE YOU WITH DIFFERENT INFORMATION. YOU SHOULD NOT  
ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS SUPPLEMENT OR THE  
ATTACHED PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT  
COVER OF THE DOCUMENT. SECURITIES ARE NOT BEING OFFERED IN ANY STATE OR  
JURISDICTION WHERE THE OFFER IS NOT PERMITTED.

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TABLE OF CONTENTS

PROSPECTUS SUPPLEMENT

OGE Energy Corp.....	S-2
Selected Financial Data.....	S-3
Ratio of Earnings to Fixed Charges....	S-3
Use of Proceeds.....	S-4
Accounting Treatment.....	S-4
OGE Energy Capital Trust I.....	S-4
Risk Factors.....	S-5
Description of Securities.....	S-8
Certain Terms of the Preferred Securities.....	S-8
Certain Terms of the Junior Subordinated Debt Securities.....	S-11
Book-Entry Issuance.....	S-13
Underwriting.....	S-14

PROSPECTUS

Summary Information-Q&A.....	2
Where You Can Find More Information...	5
Use of Proceeds.....	5
Description of Preferred Securities...	6
Description of the Junior Subordinated Debt Securities.....	13
Description of the Guarantee.....	19
Effect of Obligations Under the Junior Subordinated Debt Securities and the Guarantee.....	22
United States Federal Income Tax Consequences.....	23
Plan of Distribution.....	29
ERISA Considerations.....	31
Legal Matters.....	32
Experts.....	32

PREFERRED SECURITIES

OGE ENERGY  
CAPITAL TRUST I

% PREFERRED SECURITIES

(LIQUIDATION AMOUNT \$25 PER PREFERRED SECURITY)

-----  
FULLY AND UNCONDITIONALLY GUARANTEED, TO THE EXTENT SET FORTH HEREIN, BY  
OGE ENERGY CORP.

-----  
PROSPECTUS SUPPLEMENT  
, 1999  
-----

LEHMAN BROTHERS  
A.G. EDWARDS & SONS, INC.  
CIBC WORLD MARKETS  
MERRILL LYNCH & CO.  
MORGAN STANLEY  
DEAN WITTER  
PRUDENTIAL SECURITIES  
-----  
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PART II  
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The expenses relating to this registration will be borne by OGE Energy Corp. Except for the Securities and Exchange Commission registration fee, the following expenses are estimates:

Securities and Exchange Commission registration fee.....	\$ 55,600
Rating Agency fee.....	100,000*
NYSE Listing fee.....	60,000*
Legal fees and expenses.....	50,000*
Accounting fees and expenses.....	35,000*
Transfer Agent and Trustees fees and expenses.....	30,000*
Printing fees and expenses.....	200,000*
Miscellaneous.....	19,400*
	-----
Total.....	\$ 550,000

- - - - -

\* Estimated

ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Provisions of the Annotated Oklahoma Statutes provide that OGE Energy may, and in some circumstances must, indemnify the directors and officers of OGE Energy against liabilities and expenses incurred by any such person by reason of the fact that such person was serving in such capacity subject to certain limitations and conditions set forth in the statutes. OGE Energy's Restated Certificate of Incorporation contains substantially similar provisions that require such indemnification. The Restated Certificate of Incorporation is filed as Exhibit 3.01 to OGE Energy's Form 10-K for the Fiscal year ended December 31, 1996, File No. 001-12579 and incorporated herein by this reference. OGE Energy's Restated Certificate of Incorporation also contains provisions limiting the liability of OGE Energy's directors in certain instances. OGE Energy has an insurance policy covering its directors and officers against certain personal liability, which may include liabilities under the Securities Act of 1933, as amended (the "Act").

The Declaration of each Trust provides that OGE Energy Corp. shall indemnify the Property Trustee or any of its affiliates, the Delaware Trustee or any of its affiliates, or any officers, directors, shareholders, members, partners, employees, representatives, custodians, nominees or agents of the Property Trustee and the Delaware Trustee (each, a "Fiduciary Indemnified Person") for, and hold each Fiduciary Indemnified Person harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties under such Declaration.

The Declaration of each Trust also provides that OGE Energy Corp. will indemnify, to the full extent permitted by law, any Regular Trustee, affiliate of any Regular Trustee or any officers, directors, shareholders, members, partners, employees, representatives or agents of any Regular Trustee or any affiliate thereof; or any officer, employee or agent of such Trust or its affiliates (each, a "Debenture Issuer Indemnified Person") who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such Trust) by reason of the fact that he is or was a Debenture Issuer Indemnified Person against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action.

ITEM 16. EXHIBITS

See Index to Exhibits.

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:
  - (i) to include any prospectus required by Section 10(a)(3) or the Securities Act;
  - (ii) to reflect in the prospectus any facts or events arising after the effective date of this 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 this registration statement. Notwithstanding the foregoing, any increase or decrease in the 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% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
  - (iii) to include any material information with respect to the plan of distribution not previously disclosed in this registration statement or any material change to such information in this registration statement;

provided, however, that paragraphs (1)(i) and (1)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus 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.
- (4) For purposes of determining any liability under the Securities Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Exchange Act) 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.
- (5) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant 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 registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.
- (6) For purposes of determining any liabilities under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrants pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, OGE Energy Corp. 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 Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City and State of Oklahoma on the 12th day of October, 1999.

OGE ENERGY CORP.

/s/ JAMES R. HATFIELD

-----  
James R. Hatfield  
VICE PRESIDENT AND TREASURER

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 1 to the Registration Statement has been signed by the following persons in the capacities indicated on the 12th day of October, 1999.

* ----- Steven E. Moore	Chairman, President and Chief Executive Officer (Principal Executive Officer)
/s/ JAMES R. HATFIELD ----- James R. Hatfield	Principal Financial Officer
/s/ DONALD R. ROWLETT ----- Donald R. Rowlett	Principal Accounting Officer
* ----- Herbert H. Champlin	Director
* ----- Luke R. Corbett	Director
* ----- William E. Durrett	Director
* ----- Martha W. Griffin	Director
* ----- H.L. Hembree, III	Director
* ----- Robert Kelley	Director
* ----- Bill Swisher	Director
* ----- Ronald H. White, M.D.	Director

\*By: /s/ JAMES R. HATFIELD  
-----  
James R. Hatfield  
(ATTORNEY-IN-FACT)

Pursuant to the requirements of the Securities Act of 1933, as amended, OGE Energy Capital Trust I and OGE Energy Capital Trust II each 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 Amendment No. 1 to the Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Oklahoma City and State of Oklahoma on the 12th day of October, 1999.

OGE ENERGY CAPITAL TRUST I

By:       /s/ A. M. STRECKER  
-----  
          A. M. Strecker  
          TRUSTEE

By:       /s/ JAMES R. HATFIELD  
-----  
          James R. Hatfield  
          TRUSTEE

OGE ENERGY CAPITAL TRUST II

By:       /s/ A.M. STRECKER  
-----  
          A.M. Strecker  
          TRUSTEE

By:       /s/ JAMES R. HATFIELD  
-----  
          James R. Hatfield  
          TRUSTEE

# INDEX TO EXHIBITS

EXHIBIT	DESCRIPTION
1.01	Form of Underwriting Agreement for Trust Preferred Securities--filed herewith
4.01	Copy of Trust Indenture, dated October 1, 1995, from OG&E to Boatmen's First National Bank of Oklahoma, Trustee. (Filed as Exhibit 4.29 to Registration Statement No. 33-61821 and incorporated by reference herein.)
4.02	Copy of Supplemental Trust Indenture No. 1, dated October 16, 1995, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K Report dated October 23, 1995, File No. 1-1097, and incorporated by reference herein.)
4.03	Supplemental Indenture No. 2, dated as of July 1, 1997, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 of OG&E's Form 8-K filed on July 17, 1997 (File No. 1-1097) and incorporated by reference herein.)
4.04	Supplemental Indenture No. 3, dated as of April 1, 1998, being a supplemental instrument to Exhibit 4.01 hereto. (Filed as Exhibit 4.01 to OG&E's Form 8-K filed on April 16, 1998 (File No. 1-1097) and incorporated by reference herein.)
4.05	Form of Indenture with respect to the subordinated debt securities--filed herewith
4.06	Form of Supplemental Indenture with respect to the subordinated debt securities--filed herewith
4.07	Form of Subordinated debt security to be issued to each trust (included in Exhibit 4.06)
4.08	Certificate of Trust of OGE Energy Capital Trust I--previously filed
4.09	Certificate of Trust of OGE Energy Capital Trust II--previously filed
4.10	Declaration of Trust of OGE Energy Capital Trust I--previously filed
4.11	Declaration of Trust of OGE Energy Capital Trust II--previously filed
4.12	Form of Amended and Restated Declaration of Trust for each trust (including the forms of preferred security and common security to be issued thereunder)--filed herewith
4.13	Form of Guarantee with respect to the preferred securities of each trust--filed herewith
5.01	Opinion and consent of Rainey, Ross, Rice & Binns as to the validity of the subordinated debt securities and guarantees of OGE Energy Corp. being registered--previously filed
5.02	Opinion and consent of Richards, Layton & Finger as to the validity of the trust preferred securities being registered--previously filed
8.01	Opinion and consent of Gardner, Carton & Douglas regarding certain tax matters--previously filed
12.01	Computation in support of ratio of earnings to fixed charges--previously filed
23.01	Consent of Rainey, Ross, Rice & Binns (included in Exhibit 5.01)
23.02	Consent of Richards, Layton & Finger (included in Exhibit 5.02)
23.03	Consent of Arthur Andersen LLP--filed herewith
23.04	Consent of Gardner, Carton & Douglas (included in Exhibit 8.01)
24.1	Power of Attorney--previously filed
25.1	Form T-1 Statement of eligibility and qualification under the Trust Indenture Act of 1939 (a "Form T-1") of Bank of Oklahoma, N.A. as trustee under the indenture with respect to the subordinated debt securities--previously filed

EXHIBIT	DESCRIPTION
25.2	Form T-1 of Wilmington Trust Company as trustee under the declaration of trust of OGE Energy Capital Trust I--previously filed
25.3	Form of T-1 of Wilmington Trust Company as trustee under the declaration of trust of OGE Energy Capital Trust II--previously filed
25.4	Form of T-1 of Wilmington Trust Company as trustee under the guarantee for the benefit of holders of trust preferred securities of OGE Energy Capital Trust I--previously filed
25.5	Form of T-1 of Wilmington Trust Company as trustee under the guarantee for the benefit of holders of trust preferred securities of OGE Energy Capital Trust II--previously filed



Preferred Securities  
OGE ENERGY CAPITAL TRUST I  
UNDERWRITING AGREEMENT

New York, New York  
Dated the date set forth  
In Schedule I hereto

To the Representatives  
named in Schedule I  
hereto, of the Underwriters  
named in Schedule II hereto

Ladies and Gentlemen:

OGE Energy Capital Trust I, a Delaware statutory business trust (the "Trust"), proposes to issue and sell to you and the other underwriters named in Schedule II hereto (the "Underwriters"), for whom you are acting as representatives (the "Representatives"), the aggregate liquidation amount identified in Schedule I hereto of the Trust's preferred securities (the "Preferred Securities") guaranteed (the "Guarantee"; together with the Preferred Securities, the "Securities") by the Company (as defined herein) to the extent set forth in the Guarantee Agreement (the "Guarantee Agreement") identified in such Schedule I, to be entered into between the Company and the guarantee trustee (the "Guarantee Trustee") identified therein. OGE Energy Corp., an Oklahoma corporation (the "Company"), will be the owner of all of the beneficial ownership interests represented by common securities (the "Common Securities") of the Trust. Concurrently with the issuance of the Securities and the Company's purchase of all of the Common Securities of the Trust, the Trust will invest the proceeds of each in the Company's debt securities identified in Schedule I hereto (the "Debentures"). The Debentures are to be issued under the indenture (the "Indenture") identified in such Schedule I, between the Company and the indenture trustee (the "Indenture Trustee") identified therein. If the firm or firms listed in Schedule II hereto include only the firm or firms listed in Schedule I hereto, then the terms "Underwriters" and "Representatives" shall each be deemed to refer to such firm or firms.

1. REPRESENTATIONS AND WARRANTIES. The Company represents and warrants to each Underwriter that:

(a) The Company meets the requirements for the use of Form S-3 under the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations promulgated thereunder (the "Rules"), and has carefully prepared and filed with the Securities and Exchange Commission (the "Commission") a registration statement on Form S-3 (the file number of which is set forth in Schedule I hereto), which has become

effective, for the registration of the Securities under the Securities Act. The registration statement, as amended at the date of this Agreement, meets the requirements set forth in Rule 415(a)(1)(x) under the Securities Act and complies in all other material respects with such rule. The Company proposes to file with the Commission pursuant to Rule 424 under the Securities Act ("Rule 424") a supplement to the form of prospectus included in the registration statement relating to the initial offering of the Securities and the plan of distribution thereof and has previously advised you of all further information (financial and other) with respect to the Company to be set forth therein. A second registration statement (the "462(b) Registration Statement") may also be prepared by the Company in conformity with the Securities Act and the Rules and Regulations and if so prepared, will be filed with the Commission under the Securities Act pursuant to Rule 462(b) of the Rules and Regulations on the date of this Agreement. The term "Registration Statement" means the initial registration statement and any 462(b) Registration Statement, as amended at the date of this Agreement, including the exhibits thereto, financial statements, and all documents incorporated therein by reference pursuant to Item 12 of Form S-3 (the "Incorporated Documents"), and such prospectus as then amended or supplemented, including the Incorporated Documents, is hereinafter referred to as the "Basic Prospectus"; and such supplemented form of prospectus, in the form in which it shall be filed with the Commission pursuant to Rule 424 (including the Basic Prospectus as so supplemented), is hereinafter called the "Final Prospectus." Any preliminary form of the Basic Prospectus which has heretofore been filed pursuant to Rule 424 is hereinafter called the "Interim Prospectus." Any reference herein to the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus shall be deemed to refer to and include the Incorporated Documents which were filed under the Securities Exchange Act of 1934 (the "Exchange Act"), on or before the date of this Agreement or the issue date of the Basic Prospectus, any Interim Prospectus or the Final Prospectus, as the case may be; and any reference herein to the terms "amend", "amendment" or "supplement" with respect to the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus shall be deemed to refer to and include the filing of any Incorporated Documents under the Exchange Act after the date of this Agreement or the issue date of the Basic Prospectus, any Interim Prospectus or the Final Prospectus, as the case may be, and deemed to be incorporated therein by reference.

(b) (i) As of the date hereof, (ii) when the Final Prospectus is first filed with the Commission pursuant to Rule 424, (iii) when, before the Closing Date (hereinafter defined), any amendment to the Registration Statement becomes effective, (iv) when, before the Closing Date, any Incorporated Document is filed with the Commission, (v) when any supplement to the Final Prospectus is filed with the Commission and (vi) at the Closing Date, the Registration Statement, the Final Prospectus and any such amendment or supplement will comply in all material respects with the applicable requirements of the Securities Act and the Rules, and the Incorporated Documents will comply in all material respects with the requirements of the Exchange Act or the Securities Act, as applicable, and the rules and regulations adopted by the Commission thereunder; on the date hereof and on the Closing Date, the Indenture shall have been qualified under and will comply in all material respects with the Trust Indenture Act of 1939, as amended (the "Trust

Indenture Act"); on the date it became effective, the Registration Statement did not, and, on the date that any post-effective amendment to the Registration Statement becomes effective, the Registration Statement as amended by such post-effective amendment did not or will not, as the case may be, 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; on the date the Final Prospectus is filed with the Commission pursuant to Rule 424 and on the Closing Date, the Final Prospectus, as it may be amended or supplemented, will not include an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading; and on said dates, the Incorporated Documents will comply in all material respects with the applicable provisions of the Exchange Act and rules and regulations of the Commission thereunder, and, when read together with the Final Prospectus, or the Final Prospectus as it may be then amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading; PROVIDED THAT the foregoing representations and warranties in this paragraph (b) shall not apply to (i) statements or omissions made in reliance upon and in conformity with written information furnished to the Company by or through the Representatives on behalf of any Underwriter specifically for use in connection with the preparation of the Registration Statement or the Final Prospectus, as they may be amended or supplemented, (ii) information relating to The Depository Trust Company, Cedelbank and Euroclear, or (iii) any statements in or omissions from the statements of eligibility and qualification on Form T-1 of the Indenture Trustee, the Property Trustee (the "Property Trustee") identified in Schedule I hereto and the Guarantee Trustee under the Trust Indenture Act (the "Forms T-1").

(c) The Basic Prospectus and any Interim Prospectus, as of their respective dates, complied in all material respects with the requirements of the Securities Act and of the Rules and did not include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Commission has not issued an order preventing or suspending the use of the Basic Prospectus or any Interim Prospectus.

(d) The independent public accountants whose report appears in the Company's most recent Annual Report on Form 10-K, which is incorporated by reference in the Final Prospectus, are independent public accountants as required by the Securities Act and the Rules.

(e) The independent public accountants whose report on the historical consolidated financial statements of Tejas Transok Holding, L.L.C. ("Transok") is incorporated by reference in the Final Prospectus, were independent public accountants, as required by the Securities Act and the Rules, during the period of their engagement to examine the financial statements being reported on and at the date of their report.

(f) The audited consolidated financial statements of the Company, and the historical consolidated financial statements of Transok, in the Final Prospectus and the Registration Statement present fairly on a consolidated basis the financial position, the results of operations, changes in common stock and other stockholder's equity and cash flows of the Company and its subsidiaries, or of Transok and its subsidiaries, as the case may be, as of the respective dates and for the respective periods indicated, all in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved. The unaudited consolidated financial statements of the Company and of Transok and its subsidiaries included in the Final Prospectus and the Registration Statement and the related notes are true, complete and correct, subject to normally recurring changes resulting from year-end audit adjustments, and have been prepared in accordance with the instructions to Form 10-Q or Form 8-K, as the case may be.

(g) Except as described in or contemplated by the Registration Statement and the Final Prospectus, there has not been any material adverse change in or any adverse development which materially affects the business, properties, financial condition or results of the Company and its subsidiaries taken as whole, from the dates as of which information is given in the Registration Statement and Final Prospectus.

(h) This Agreement has been duly and validly authorized, executed and delivered by the Company; the Guarantee Agreement has been duly and validly authorized by the Company and, when duly executed and delivered by the proper officers of the Company (assuming due execution and delivery by the Guarantee Trustee) will constitute a valid and legally binding agreement of the Company enforceable against the Company in accordance with its terms; the Indenture has been duly and validly authorized and, when duly executed and delivered by the proper officers of the Company and (assuming due execution and delivery by the Indenture Trustee) constitutes a valid and legally binding agreement of the Company, enforceable against the Company in accordance with its terms; and the Debentures have been duly and validly authorized, and, when validly authenticated, issued and delivered in accordance with the Indenture against payment of the purchase price therefor as contemplated by the Final Prospectus, will be validly issued and outstanding obligations of the Company entitled to the benefits of the Indenture; and the Debentures and the Guarantee, when issued and delivered, will conform to the descriptions thereof contained in the Final Prospectus.

(i) The Company does not have any direct or indirect subsidiaries that have business or properties that are material to the business and properties of the Company and its subsidiaries taken as a whole except those named on Exhibit A to this Agreement (the "Named Subsidiaries").

(j) The Company and the Named Subsidiaries have been duly organized, are validly existing and in good standing under the laws of their respective jurisdictions of organization, are duly qualified to do business and in good standing as foreign corporations or limited liability companies, as the case may be, in each jurisdiction in which their respective ownership of property or the conduct of their respective businesses

requires such qualification or registration and in which the failure to qualify or register would be reasonably likely, individually or in the aggregate, to have a material adverse effect on the condition, financial or otherwise, or on the earnings, results of operations, properties, business affairs or business prospects, whether or not arising in the ordinary course of business, of the Company and its subsidiaries taken as a whole (a "Material Adverse Effect"). Except as may be disclosed in the Registration Statement and the Final Prospectus, all outstanding shares of capital stock or other capital interests of the Named Subsidiaries are owned by the Company or a subsidiary of the Company, free and clear of any lien, pledge and encumbrance or any claim of any third party and are duly authorized, validly issued and outstanding, fully paid and non-assessable.

(k) None of the Company or the Named Subsidiaries is in violation of its certificate of incorporation, by-laws or similar governing instrument or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease or other agreement or instrument to which it is a party or by which it may be bound, or to which any of its property or assets is subject (collectively, "Agreements and Instruments") except for such defaults that would not result in a Material Adverse Effect; and the execution, delivery and performance of this Agreement, the Guarantee Agreement, the Indenture and the Debentures by the Company, the purchase of the Common Securities by the Company from the Trust, and the consummation of the transactions contemplated herein and in the Registration Statement do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to, the Agreements and Instruments (except for such conflicts, breaches, defaults or liens, charges or encumbrances that would not result in a Material Adverse Effect), nor will such action result in any violation of the provisions of the certificate of incorporation, by-laws, or similar governing instrument of the Company or any of its subsidiaries, or any applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of its subsidiaries or any of their respective assets, properties or operations. As used herein, a "Repayment Event" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company, other than such events or conditions that are contemplated by the terms of this Agreement and the Indenture.

(l) Other than as disclosed in the Registration Statement, there is no action, suit, proceeding, inquiry or investigation before or brought by any court or governmental agency or body, domestic or foreign, now pending, or, to the knowledge of the Company, threatened, against or affecting the Company or any of its subsidiaries, that is required to be disclosed in the Registration Statement or that might reasonably be expected to result in a Material Adverse Effect, or that might reasonably be expected to materially and

adversely affect its properties or assets or the consummation of the transactions contemplated in this Agreement or the performance by the Company of its obligations hereunder. The aggregate of all pending legal or governmental proceedings to which the Company or any of its subsidiaries is a party or of which any of their respective properties or assets is the subject which are not described in the Registration Statement, including ordinary routine litigation incidental to the business, could not reasonably be expected to result in a Material Adverse Effect.

(m) There are no contracts or documents which are required to be described in the Registration Statement, the Final Prospectus or the documents incorporated by reference therein or to be filed as exhibits thereto which have not been so described and filed as required.

(n) Each of the Company and its Named Subsidiaries possess such permits, licenses, approvals, consents and other authorizations issued by the appropriate federal, state, local or foreign regulatory agencies or bodies necessary to conduct in all material respects the businesses now operated by the Company and its Named Subsidiaries and as described in the Registration Statement and Prospectus (collectively, "Governmental Licenses"); each of the Company and its Named Subsidiaries are in compliance with the terms and conditions of all such Governmental Licenses, except where the failure so to comply would not, singly or in the aggregate, have a Material Adverse Effect; all of the Governmental Licenses are in full force and effect, except when the invalidity of such Governmental Licenses or the failure of such Governmental Licenses to be in full force and effect would not have a Material Adverse Effect; and the Company has not received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a Material Adverse Effect.

(o) The Company and its Named Subsidiaries have good and sufficient title to all real property, principal plants and all other property owned by them and which is material to their operations, in each case, free and clear of all mortgages, pledges, liens, security interests, claims, restrictions or encumbrances of any kind except such as (i) are described in the Final Prospectus or (ii) do not, singly or in the aggregate, materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or any of its Named Subsidiaries; and all of the leases and subleases material to the business of the Company and its Named Subsidiaries, and under which the Company and its Named Subsidiaries hold properties described in the Prospectus, are in full force and effect, and none of the Company or any of its Named Subsidiaries has notice of any material claim of any sort that has been asserted by anyone adverse to the rights of the Company or any of its Named Subsidiaries under any of the leases or subleases mentioned above, or affecting or questioning the rights of the Company or any of its Named Subsidiaries to the continued possession of the leased or subleased premises under any such lease or sublease.

(p) The certificates delivered pursuant to paragraph (h) of Section 7 hereof and all other documents delivered by the Company or its representatives in connection

with the issuance and sale of the Securities were on the dates on which they were delivered, or will be on the dates on which they are to be delivered, in all material respects true and complete.

2. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE COMPANY AND THE TRUST. The Company and the Trust, jointly and severally, represent, warrant and agree that:

(a) The Trust has been duly created, is validly existing as a statutory business trust and in good standing under the Business Trust Act of the State of Delaware (the "Delaware Business Trust Act") with the trust power and authority to own property and conduct its business as described in the Registration Statement and the Final Prospectus, and has conducted and will conduct no business other than the transactions contemplated by this Agreement as described in the Registration Statement and the Final Prospectus; the Trust is not and will not be a party to or bound by any agreement or instrument other than this Agreement, the Declaration of Trust of the Trust identified in Schedule I hereto, among the Company, as Sponsor, and the regular trustees identified in Schedule I hereto (the "Regular Trustees"), the Property Trustee and the Delaware Trustee identified in Schedule I hereto (the "Delaware Trustee" and, together with the Regular Trustees and the Property Trustee, the "Trustees"), and the Amended and Restated Declaration of Trust of the Trust (the "Declaration") identified in Schedule I hereto, among the Company, as Sponsor, and the Trustees; the Trust has no and will not have any liabilities or obligations other than those arising out of the transactions contemplated by this Agreement, such Declaration of Trust and the Declaration and described in the Final Prospectus; and the Trust is not a party to or subject to any action, suit or proceeding of any nature.

(b) The Declaration is duly and validly authorized and, when duly executed and delivered by the Company, as Sponsor, and the Trustees, and (assuming due authorization, execution and delivery of the Declaration by the Property Trustee and the Delaware Trustee), will constitute a valid and legally binding agreement of the Company and the Trust, and will conform to the description thereof contained in the Final Prospectus.

(c) All of the outstanding beneficial ownership interests in the Trust have been, and the Preferred Securities and the Common Securities, upon issuance and delivery and payment therefor in the manner described herein, will be, duly authorized, validly issued and outstanding, fully paid and non-assessable and will conform to the descriptions of the Preferred Securities and the Common Securities contained in the Final Prospectus.

(d) This Agreement has been duly and validly authorized, executed and delivered by the Trust.

(e) The execution, delivery and performance of this Agreement, the Declaration, the Common Securities and the Preferred Securities by the Trust, the purchase of the Debentures by the Trust from the Company, the distribution of the Debentures upon the liquidation of the Trust in the circumstances contemplated by the

Declaration and described in the Final Prospectus, and the consummation by the Trust of the transactions contemplated hereby and by the Declaration (the "Trust Transactions") will not result in a violation of any order, rule or regulation of any court or governmental agency having jurisdiction over the Trust or its property. Except as set forth in the Final Prospectus or as required by the Securities Act, the Exchange Act, the Trust Indenture Act and applicable state securities laws, no consent, authorization or order of, or filing or registration with, any court or governmental agency is required for the Trust Transactions.

(f) Neither the Company nor the Trust is required to be registered as an "investment company" under the Investment Company Act of 1940, as amended.

### 3. SALE AND PURCHASE OF THE PREFERRED SECURITIES.

(a) The Trust agrees to sell to each Underwriter, and each Underwriter, on the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein stated, agrees to purchase from the Trust, at a purchase price equal to \_\_\_\_% of the liquidation amount of the Preferred Securities (plus accrued distributions), the number of Preferred Securities set forth opposite the name of such Underwriter in Schedule II hereto. The obligations of the Underwriters under this Agreement are several and not joint.

(b) As compensation to the Underwriters, the Company shall, on the Closing Date pay to the Representatives for the accounts of the several Underwriters commissions (as described in Schedule I hereto) on the aggregate liquidation amount of the Preferred Securities sold by the Trust on the Closing Date.

### 4. DELIVERY AND PAYMENT.

(a) Delivery by the Trust of the Preferred Securities to the Representatives for the respective accounts of the several Underwriters and payment by the Underwriters therefor by wire transfer in federal (same day) funds to such account as the Company shall specify on behalf of the Trust, shall take place at the office, on the date and at the time specified in Schedule I hereto, which date and time may be postponed by agreement between the Representatives and the Company or as provided in Section 10 hereof (such date and time of delivery and payment for the Preferred Securities being herein called the "Closing Date").

(b) The Preferred Securities will be in the form of one or more global Securities registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC").

(c) On the Closing Date, the Company shall pay, or cause to be paid, the commissions payable on the Closing Date to the Representatives for the accounts of the Underwriters under Section 3 by wire transfer in federal (same day) funds to such account as the Representatives shall specify.



5. OFFERING BY UNDERWRITERS. The Company and the Trust hereby confirm that the Underwriters and dealers have been authorized to distribute or cause to be distributed any Interim Prospectus and are authorized to distribute the Final Prospectus (as from time to time amended or supplemented if the Company furnishes amendments or supplements thereto to the Underwriters). The Representatives agree that, as soon as the Representatives believe the offering of the Preferred Securities has been terminated, the Representatives will so advise the Company and the Trust.

6. AGREEMENTS. Each of the Company and the Trust agrees with the several Underwriters:

(a) To prepare the 462(b) Registration Statement, if necessary, in a form approved by the Representatives and to file such 462(b) Registration Statement with the Commission on the date hereof; to cause the Final Prospectus to be filed with the Commission pursuant to Rule 424 as required thereby and promptly to advise the Representatives (A) when the Final Prospectus shall have been filed with the Commission pursuant to Rule 424, (B) when any amendment to the Registration Statement relating to the Securities shall have become effective, (C) of any request by the Commission for any amendment of the Registration Statement, the Final Prospectus, the Basic Prospectus or any Interim Prospectus, or for any additional information, (D) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the qualification of the Declaration, the Guarantee Agreement or the Indenture or the institution or threatening of any proceedings for that purpose and (E) of the receipt by the Company or the Trust of any notification with respect to the suspension of the qualification of the Securities or the Debentures for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; after the date of this Agreement and prior to the termination of the offering of the Preferred Securities, not to file any amendment of the Registration Statement or amendment or supplement to the Final Prospectus (except an amendment or supplement to the Final Prospectus that is deemed to be incorporated by reference in the Final Prospectus pursuant to Item 12 of Form S-3) without the consent of the Representatives and to use its best efforts to prevent the issuance of any such stop order and, if issued, to obtain as soon as possible the withdrawal thereof; prior to receipt of the advice to be given by the Representatives pursuant to Section 5, not to file any document that would be deemed to be incorporated by reference in the Final Prospectus pursuant to Item 12 of Form S-3 without delivering to the Representatives a copy of the document proposed to be so filed, such delivery to be made at least 24 hours prior to such filing, and to consult with the Representatives as to any comments that the Representatives make in a timely manner with respect to the document so delivered.

(b) Subject to the last sentence of the immediately preceding paragraph, if, at any time when a prospectus relating to the Securities is required to be delivered under the Securities Act, any event occurs as a result of which the Final Prospectus as then amended or supplemented would include any 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, not misleading, or if it shall be necessary at any time to amend or supplement the Final Prospectus to comply with the Securities Act or the Rules, to promptly prepare and file with the Commission an amendment or supplement that will correct such statement or omission or an amendment that will effect such compliance and to use its best efforts to cause any amendment of the Registration Statement containing an amended Final Prospectus to be made effective as soon as possible.

(c) To deliver to the Representatives, without charge, (i) signed copies of the Registration Statement relating to the Securities and of any amendments thereto (including all exhibits filed with, or incorporated by reference in, any such document) and (ii) as many conformed copies of the Registration Statement and of any amendments thereto which shall become effective on or before the Closing Date (excluding exhibits) as the Representatives may reasonably request.

(d) During such period as a prospectus is required by law to be delivered by an Underwriter or dealer, to deliver, without charge to the Representatives and to Underwriters and dealers, at such office or offices as the Representatives may designate, as many copies of the Basic Prospectus, any Interim Prospectus and the Final Prospectus as the Representatives may reasonably request.

(e) To make generally available to the Company's security holders and to the Representatives as soon as practicable an earnings statement (which need not be audited) of the Company and its subsidiaries, covering a period of at least 12 months beginning after the date the Final Prospectus is filed with the Commission pursuant to Rule 424, which will satisfy the provisions of Section 11(a) of the Securities Act.

(f) To furnish such information, execute such instruments and take such actions as may be required to qualify the Securities and the Debentures for offering and sale under the laws of such jurisdictions as the Representatives may designate and to maintain such qualifications in effect so long as required for the distribution of the Preferred Securities; PROVIDED, HOWEVER, that neither the Company nor the Trust shall be required to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to general or unlimited service of process in any jurisdiction where it is not now so subject.

(g) So long as any Preferred Securities are outstanding, to furnish or cause to be furnished to the Representatives copies of all annual reports and current reports filed with the Commission on Forms 10-K, 10-Q and 8-K, or such other similar forms as may be designated by the Commission.

(h) To use its best efforts to cause the listing of the Preferred Securities on the New York Stock Exchange, Inc. (the "NYSE") to be approved as soon as possible.

(i) For a period beginning at the time of execution of this Agreement and ending 30 business days thereafter, without the prior consent of Lehman Brothers Inc.,

not to directly or indirectly offer, sell, offer to sell, grant any option for the sale of or otherwise dispose of any Preferred Securities or Debentures or any securities convertible or exchangeable into, or exercisable for Preferred Securities or Debentures, or any debt securities substantially similar to the Debentures or any equity securities substantially similar to the Preferred Securities.

(j) To use its best efforts to do and perform all things to be done and performed hereunder prior to each Closing Date and to satisfy all conditions precedent to the delivery of the Preferred Securities to be purchased hereunder.

(k) So long as the Preferred Securities are outstanding, to take such steps as shall be necessary to ensure that neither the Company nor the Trust shall become subject to registration as an "investment company" under the Investment Company Act of 1940, as amended.

7. CONDITIONS TO THE OBLIGATIONS OF THE UNDERWRITERS. The obligations of the Underwriters to purchase the Securities shall be subject to the accuracy in all material respects of the representations and warranties on the part of the Company and the Trust contained herein as of the date hereof and the Closing Date, to the accuracy of any material statements made in any certificates, opinions, affidavits, written statements or letters furnished to the Representatives or to Jones, Day, Reavis & Pogue ("Underwriters' Counsel") pursuant to this Agreement, to the performance by the Company and the Trust of their respective obligations hereunder and to the following additional conditions:

(a) The Final Prospectus shall have been filed with the Commission pursuant to Rule 424 not later than 5:00 p.m., New York City time, on the second business day following the date of this Agreement or such later date and time as shall be consented to in writing by the Representatives.

(b) No order suspending the effectiveness of the Registration Statement, as amended from time to time, or suspending the qualification of the Declaration, the Guarantee Agreement or the Indenture, shall be in effect and no proceedings for such purpose shall be pending before or threatened by the Commission and any requests for additional information on the part of the Commission (to be included in the Registration Statement or the Final Prospectus or otherwise) shall have been complied with to the reasonable satisfaction of the Representatives.

(c) Since the respective dates as of which information is given in the Registration Statement and the Final Prospectus, there shall not have been any change or decrease specified in the letter or letters referred to in paragraph (j) (k), (l) or (m) of this Section 7 which, in the judgment of the Representatives, makes it impracticable or inadvisable to proceed with the offering and delivery of the Preferred Securities as contemplated by the Registration Statement and the Final Prospectus.

(d) The Company shall have furnished to the Representatives the opinion of Gardner, Carton & Douglas, counsel to the Company, dated the Closing Date, to the effect that:

(i) The Company has been duly organized and is legally existing and in good standing under the laws of the jurisdiction of its incorporation with all requisite corporate power and authority to own and operate its properties and to conduct its business as described in the Final Prospectus.

(ii) The statements made in the Final Prospectus under the captions "Description of Securities," "Certain Terms of the Preferred Securities," "Certain Terms of the Junior Subordinated Debt Securities," "Description of Preferred Securities," "Description of the Junior Subordinated Debt Securities," "Description of the Guarantee" and "Effect of Obligations Under the Junior Subordinated Debt Securities and the Guarantee" insofar as such statements purport to constitute summaries of the terms of the Preferred Securities, the Debentures and the Guarantee, constitute accurate summaries of the terms of the Preferred Securities, the Debentures and the Guarantee in all material respects.

(iii) The Indenture has been duly authorized, executed and delivered by the Company, has been duly qualified under the Trust Indenture Act and constitutes a legal, valid and binding instrument enforceable against the Company in accordance with its terms; and the Debentures have been duly authorized, executed and issued by the Company, and assuming due authentication by the Indenture Trustee and upon payment and delivery as contemplated by the Final Prospectus, will constitute legal, valid and binding obligations of the Company entitled to the benefits of the Indenture; and the Guarantee Agreement has been duly authorized, executed and delivered by the Company, has been duly qualified under the Trust Indenture Act and, assuming due authorization, execution and delivery by the Guarantee Trustee, will constitute a legal, valid and binding obligation of the Company; provided however, that the foregoing is 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 by an implied covenant of good faith and fair dealing.

(iv) No consent, approval, authorization or order of any court or governmental agency or body is required for the consummation of the transactions contemplated by this Agreement, except for (1) such consents, approvals, authorizations or orders as have been obtained under the Securities Act and such as may be required under the Exchange Act and the blue sky laws of any jurisdiction in connection with the purchase and distribution of the Securities by the Underwriters, and (2) the qualification of the Indenture, the Declaration and the Guarantee Agreement under the Trust Indenture Act, which has been obtained.

(v) Such counsel does not know of any contracts or other documents which are required to be filed as exhibits to the Registration Statement by the Securities Act or by the Rules which have not been filed as exhibits to the Registration Statement or incorporated therein by reference as permitted by the Rules.

(vi) To the best of such counsel's knowledge, neither the Company nor either of its Named Subsidiaries is in violation of its corporate charter or by-laws, or in default under any material agreement, indenture or instrument known to such counsel, the effect of which violation or default would be material to the Company and its subsidiaries taken as a whole.

(vii) This Agreement and the Declaration have been duly authorized, executed and delivered by the Company; the execution, delivery and performance of this Agreement, the Declaration, the Indenture and the Guarantee Agreement (collectively the "Transaction Documents") by the Company and the Trust will not conflict with, or result in the creation or imposition of any material lien, charge or encumbrance upon any of the assets of the Company or its Named Subsidiaries pursuant to the terms of, or constitute a default under, any material agreement, indenture or instrument known to such counsel and to which the Company or either of its Named Subsidiaries is a party or is bound, or result in a violation of the corporate charter or by-laws of the Company or either of its Named Subsidiaries or any order, rule or regulation known to such counsel of any court or governmental agency having jurisdiction over the Company, its Named Subsidiaries or any of their respective properties, the effect of which would be material to the Company and its subsidiaries taken as a whole.

(viii) The Registration Statement has become effective under the Securities Act, and, to the best of the knowledge of such counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceeding for that purpose is pending or threatened by the Commission.

(ix) The Registration Statement, the Final Prospectus and each amendment thereof or supplement thereto (except that no opinion need be expressed as to the financial statements or other financial or statistical data or the Forms T-1 included or incorporated by reference therein) comply as to form in all material respects with the requirements of the Securities Act and the Rules.

(x) Authorization for the listing of the Preferred Securities on the NYSE has been given, subject to official notice of issuance and evidence of satisfactory distribution.

(xi) Such counsel does not know of any litigation or any governmental proceeding pending or threatened against the Company or any of its subsidiaries which would affect the subject matter of this Agreement or is

required to be disclosed in the Final Prospectus which is not disclosed and correctly summarized therein.

(xii) To such counsel's knowledge, the Trust is not a party to or otherwise bound by any agreement other than those described in the Final Prospectus.

(xiii) The Trust is not subject to registration as an "investment company" under the Investment Company Act of 1940, as amended.

Such opinion shall also contain a statement that although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Final Prospectus (except as to those matters stated in paragraph (ii) of such opinion), such counsel has no reason to believe that (i) the Registration Statement, as of its effective date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading or (ii) the Final Prospectus contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no opinion need be expressed as to (a) the financial statements or other financial or statistical data, (b) information relating to The Depository Trust Company, Cedelbank and Euroclear, or (c) the Forms T-1 included or incorporated by reference therein).

In rendering such opinion, such counsel may rely upon opinions of local counsel satisfactory to the Representatives for matters governed by Oklahoma law and may rely as to matters of fact, to the extent he or she deems proper, upon certificates or affidavits of officers of the Company, the Trustees, the Guarantee Trustee or the Indenture Trustee and public officials. Such counsel may rely on a certificate of the Indenture Trustee and the Guarantee Trustee with respect to the execution of the Debentures and the Guarantee, respectively, by the Company, the authentication of the Debentures by the Indenture Trustee, and the execution of the Guarantee by the Guarantee Trustee.

(e) The Company shall have furnished to the Representatives the opinion of Rainey, Ross, Rice & Binns, counsel to the Company, dated the Closing Date, to the effect that:

(i) The Company has been duly organized and is legally existing and in good standing under the laws of the jurisdiction of its incorporation with all requisite corporate power and authority to own and operate its properties and to conduct its business as described in the Final Prospectus.

(ii) The statements made in the Final Prospectus under the captions "Description of Securities," "Certain Terms of the Preferred Securities," "Certain Terms of the Junior Subordinated Debt Securities," "Description of Preferred Securities," "Description of the Junior Subordinated Debt Securities," "Description of the Guarantee" and "Effect of Obligations Under the Junior Subordinated Debt Securities and the Guarantee" insofar as such statements

purport to constitute summaries of the terms of the Preferred Securities, the Debentures and the Guarantee, constitute accurate summaries of the terms of the Preferred Securities, the Debentures and the Guarantee in all material respects.

(iii) The Indenture has been duly authorized, executed and delivered by the Company and constitutes a legal, valid and binding instrument enforceable against the Company in accordance with its terms; and the Debentures have been duly authorized, executed and issued by the Company, and assuming due authentication by the Indenture Trustee and upon payment and delivery as contemplated by the Final Prospectus, will constitute legal, valid and binding obligations of the Company entitled to the benefits of the Indenture; and the Guarantee Agreement has been duly authorized, executed and delivered by the Company, has been duly qualified under the Trust Indenture Act and, assuming due authorization, execution and delivery by the Guarantee Trustee, will constitute a legal, valid and binding obligation of the Company; provided however, that the foregoing is 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 by an implied covenant of good faith and fair dealing.

(iv) No consent, approval, authorization or order of any Oklahoma court or governmental agency or body is required for the consummation of the transactions contemplated by this Agreement, except for (1) such consents, approvals, authorizations or orders as have been obtained under the Securities Act and such as may be required under the Exchange Act and the blue sky laws of the State of Oklahoma in connection with the purchase and distribution of the Securities by the Underwriters, and (2) the qualification of the Indenture, the Declaration and the Guarantee Agreement under the Trust Indenture Act, which has been obtained.

(v) Such counsel does not know of any contracts or other documents which are required to be filed as exhibits to the Registration Statement by the Securities Act or by the Rules which have not been filed as exhibits to the Registration Statement or incorporated therein by reference as permitted by the Rules.

(vi) To the best of such counsel's knowledge, neither the Company nor either of its Named Subsidiaries is in violation of its corporate charter or by-laws, or in default under any material agreement, indenture or instrument known to such counsel, the effect of which violation or default would be material to the Company and its subsidiaries taken as a whole.

(vii) This Agreement and the Declaration have been duly authorized, executed and delivered by the Company; the execution, delivery and performance of this Agreement, the Declaration, the Indenture and the Guarantee

Agreement (collectively the "Transaction Documents") by the Company and the Trust will not conflict with, or result in the creation or imposition of any material lien, charge or encumbrance upon any of the assets of the Company or its Named Subsidiaries pursuant to the terms of, or constitute a default under, any material agreement, indenture or instrument known to such counsel and to which the Company or either of its Named Subsidiaries is a party or is bound, or result in a violation of the corporate charter or by-laws of the Company or either of its Named Subsidiaries or any order, rule or regulation known to such counsel of any court or governmental agency having jurisdiction over the Company, its Named Subsidiaries or any of their respective properties, the effect of which would be material to the Company and its subsidiaries taken as a whole.

(viii) Such counsel does not know of any litigation or any governmental proceeding pending or threatened against the Company or any of its subsidiaries which would affect the subject matter of this Agreement or is required to be disclosed in the Final Prospectus which is not disclosed and correctly summarized therein.

(ix) To such counsel's knowledge, the Trust is not a party to or otherwise bound by any agreement other than those described in the Final Prospectus.

Such opinion shall also contain a statement that although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Registration Statement and the Final Prospectus (except as to those matters stated in paragraph (ii) of such opinion), such counsel has no reason to believe that (i) the Registration Statement, as of its effective date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading or (ii) the Final Prospectus contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no opinion need be expressed as to (a) the financial statements or other financial or statistical data, (b) information relating to The Depository Trust Company, Cedelbank and Euroclear, or (c) the Forms T-1 included or incorporated by reference therein).

In rendering such opinion, such counsel may rely as to matters of fact, to the extent he or she deems proper, upon certificates or affidavits of officers of the Company, the Trustees, the Guarantee Trustee or the Indenture Trustee and public officials. Such counsel may rely on a certificate of the Indenture Trustee and the Guarantee Trustee with respect to the execution of the Debentures and the Guarantee, respectively, by the Company, the authentication of the Debentures by the Indenture Trustee, and the execution of the Guarantee by the Guarantee Trustee.

(f) Richards, Layton & Finger, special Delaware counsel for the Company and the Trust, shall have furnished to the Representatives its opinion, on certain matters



of Delaware law relating to the validity of the Preferred Securities, dated the Closing Date, to the effect that:

(i) The Trust has been duly created and is validly existing in good standing as a business trust under the Delaware Business Trust Act and, under the Declaration and the Act, has the trust power and authority to own property and to conduct its business as described in the Final Prospectus and to enter into and perform its obligations under each of this Agreement, the Preferred Securities and the Common Securities.

(ii) The Common Securities have been duly authorized by the Declaration and, when issued and delivered by the Trust to the Company against payment therefor as described in the Declaration and the Final Prospectus, will be validly issued and will represent undivided beneficial ownership interests in the assets of the Trust; under the Delaware Business Trust Act and the Declaration the issuance of the Common Securities is not subject to preemptive rights.

(iii) The Preferred Securities have been duly authorized by the Declaration and, when issued and delivered against payment of the consideration as set forth in the Declaration and the Final Prospectus, the Preferred Securities will be validly issued and (subject to the terms of the Declaration) will represent fully paid and non-assessable undivided beneficial ownership interests in the Trust, and the holders of the Preferred Securities will be entitled to the benefits of the Declaration (subject to the limitations set forth in clause (v) below) and will be entitled to the same limitation of personal liability under Delaware law as extended to stockholders of private corporations for profit (such counsel may note that the holders of Preferred Securities will be required to make payment or provide indemnity or security as set forth in the Declaration).

(iv) Under the Delaware Business Trust Act and the Declaration, the execution and delivery by the Trust of this Agreement has been duly authorized by all requisite trust action on the part of the Trust.

(v) Assuming the Declaration has been duly authorized by the Company and has been duly executed and delivered by the Company and the Regular Trustees, and assuming due authorization, execution and delivery of the Declaration by the Property Trustee and the Delaware Trustee, the Declaration constitutes a valid and binding obligation of the Company and the Regular Trustees, enforceable against the Company and the Regular Trustees in accordance with its terms; provided however, that the foregoing is subject to the effects of bankruptcy, insolvency, moratorium, receivership, reorganization, liquidation, fraudulent conveyance or transfer, and other similar laws relating to or affecting creditors' rights generally, principles of equity, including applicable law relating to fiduciary duties (regardless of whether considered and applied in a proceeding in equity or at law) and the effect of applicable public policy on the enforceability of provisions relating to indemnification and contribution.

(vi) The issuance and sale by the Trust of the Preferred Securities, the purchase by the Trust of the Debentures, the execution, delivery and performance by the Trust of this Agreement, the consummation by the Trust of the transactions contemplated by this Agreement and compliance by the Trust with its obligations thereunder will not violate (i) any of the provisions of the Certificate of Trust or the Declaration or (ii) any Delaware law or administrative regulation applicable to the Trust.

(vii) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any Delaware court or Delaware governmental authority or agency is necessary or required in connection with the due authorization, execution and delivery of this Agreement or the offering, issuance, sale or delivery of the Preferred Securities, other than the filing of the Certificate of Trust with the Secretary of State.

In rendering such opinion, such counsel may state that its opinion is limited to matters governed by the law of the State of Delaware.

(g) Gardner, Carton & Douglas, special tax counsel to the Company and the Trust, shall have furnished to the Representatives its opinion, dated the Closing Date, to the effect that:

(i) Subject to the qualifications set forth in the opinion and the Final Prospectus, under current law and assuming full compliance with the terms of the Declaration and based upon certain facts and assumptions set forth in such opinion the Trust will be characterized as a grantor trust for United States federal income tax purposes and not as an association taxable as a corporation;

(ii) Subject to the qualifications set forth in the opinion and the Final Prospectus, under current law and based on certain representations, facts and assumptions set forth in the opinion, the Debentures will be classified as indebtedness for United States federal income tax purposes; and

(iii) Subject to the qualifications set forth in the opinion and the Final Prospectus, the statements made in the Final Prospectus under the caption "Certain United States Federal Income Tax Consequences" insofar as they purport to constitute summaries of matters of United States federal tax law and regulations or legal conclusions with respect thereto, constitute accurate summaries of the matters described therein in all material respects.

(h) The Representatives shall have received from the Underwriters' Counsel such opinion or opinions, dated the Closing Date, with respect to the issuance and sale of the Preferred Securities, the Guarantee, the Debentures, the Registration Statement, the Final Prospectus and other related matters as the Representatives may reasonably require,

and the Company and the Trust shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(i) The Company shall have furnished to the Representatives a certificate of its Chief Executive Officer, its President or any Vice President and its Chief Financial Officer or its Treasurer, dated the Closing Date, to the effect that, to the best of their knowledge after due inquiry:

(i) The representations and warranties of the Company in this Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date.

(ii) No stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or threatened.

(iii) Insofar as it relates to the Trust, (x) the Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (y) the Final Prospectus does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (z) since the effective date of the Registration Statement there has not occurred any event required to be set forth in an amended or supplemented prospectus which has not been so set forth.

(j) The Trust shall have furnished to the Representatives a certificate of its Regular Trustees, dated the applicable Closing Date, to the effect that, to the best of their knowledge after due inquiry:

(i) The representations and warranties of the Trust in this Agreement are true and correct in all material respects on and as of such Closing Date with the same effect as if made on such Closing Date, and the Trust has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to such Closing Date.

(ii) No stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or threatened.

(iii) (x) The Registration Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, (y) the Final

Prospectus does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (z) since the effective date of the Registration Statement there has not occurred any event required to be set forth in an amended or supplemented prospectus which has not been so set forth.

(k) At the date of execution of this Agreement, a nationally recognized firm of independent public accountants shall have furnished to the Representatives a letter, dated the date of this Agreement, in form and substance satisfactory to the Representatives, which states in effect that:

(i) In their opinion, any consolidated financial statements of the Company and its subsidiaries, and the supporting schedules, included in the Registration Statement and the Final Prospectus and audited by them comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the related published rules and regulations thereunder.

(ii) On the basis of a reading of the unaudited consolidated financial statements of the Company and its subsidiaries, if any, included in the Registration Statement and the Final Prospectus and of the latest unaudited consolidated financial statements made available by the Company, carrying out certain specified procedures (but not an audit in accordance with generally accepted auditing standards), a reading of the minutes of the meetings of the directors of the Company, and inquiries of certain officials of the Company and its subsidiaries, who have responsibility for financial and accounting matters of the Company and its subsidiaries, as to transactions and events subsequent to the date of the most recent audited consolidated financial statements included in the Registration Statement and the Final Prospectus, nothing came to their attention that caused them to believe that:

(A) any material modifications should be made to the unaudited consolidated financial statements of the Company and its subsidiaries included in the Registration Statement and the Final Prospectus for them to be in conformity with generally accepted accounting principles; and such financial statements do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the published instructions, rules and regulations thereunder.

(B) the unaudited capsule information of the Company and its subsidiaries included in the Registration Statement and the Final Prospectus does not agree with the amounts set forth in the unaudited consolidated financial statements of the Company from which it was derived or was not determined on a basis substantially consistent with that of the corresponding financial information in the latest audited financial

statements of the Company included in the Registration Statement and the Final Prospectus.

(C) (I) as of the latest date as of which the Company and its subsidiaries have monthly financial statements, there was any decrease in the capital stock, additional paid-in capital or retained earnings, or increase in long-term indebtedness of the Company and its subsidiaries, as compared with the amounts shown in the most recent consolidated statement of financial condition of the Company and its subsidiaries included in the Registration Statement and the Final Prospectus or (II) with respect to the period subsequent to the date of the most recent financial statements included in the Registration Statement and the Final Prospectus and extending through the latest date as of which the Company and its subsidiaries have monthly financial statements, there was any decline in consolidated revenues or net income as compared with the comparable period of the prior fiscal year;

(D) as of a specified date not more than three business days prior to the date of the letter, there was any decrease in the capital stock or additional paid-in capital, or increase in long-term indebtedness of the Company and its subsidiaries as compared with the amounts shown in the most recent consolidated statement of financial condition of the Company and its subsidiaries included in the Registration Statement and the Final Prospectus;

except in all instances for increases or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by the Company as to the significance thereof, unless said explanation is not deemed necessary by the Representatives.

(iii) (x) They have read the pro forma financial statements included in the Registration Statement and the Final Prospectus, (y) they have made inquiries of certain officials of the Company who have responsibility for financial and accounting matters of the Company as to the basis for their determination of the pro forma adjustments and whether such pro forma financial statements comply as to form in all material respects with the applicable accounting requirements of Rule 11-02 of Regulation S-X and (z) they have proved the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts; and as a result thereof, nothing came to their attention that caused them to believe that such pro forma financial statements do not so comply with Rule 11-02 of Regulation S-X and that such pro forma adjustments have not been properly applied to the historical amounts in the compilation of those statements.

(iv) They have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is expressed in dollars, or percentages derived

from dollar amounts, and has been obtained from the general accounting records of the Company) set forth in the Registration Statement, as amended, and the Final Prospectus, as amended or supplemented, and in Exhibit 12 to the Registration Statement, including specified information, if any, included or incorporated from the Company's Annual Report on Form 10-K incorporated therein or specified information, if any, included or incorporated from any of the Company's Quarterly Reports on Form 10-Q or its Current Reports on Form 8-K incorporated therein, agrees with the accounting records of the Company and its subsidiaries or computations made therefrom, excluding any questions of legal interpretation.

(l) At the Closing Date, the nationally recognized firm of independent public accountants that furnished the letter referred to in paragraph (k) of this Section 7 shall have furnished to the Representatives a letter dated the Closing Date, which shall confirm, on the basis of a review in accordance with the procedures set forth in the letter, that nothing has come to their attention that would require any change in the letter referred to in paragraph (k) of this Section 7 if it were required to be dated and delivered at the Closing Date.

(m) At the date of execution of this Agreement, a nationally recognized firm of independent public accountants shall have furnished to the Representatives a letter, dated the date of this Agreement, in form and substance satisfactory to the Representatives, which states in effect that:

(i) In their opinion, any consolidated financial statements of Transok and its subsidiaries, and the supporting schedules, included in the Registration Statement and the Final Prospectus and audited by them comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the Exchange Act and the related published rules and regulations thereunder.

(ii) On the basis of a reading of the unaudited consolidated financial statements of Transok and its subsidiaries, if any, included in the Registration Statement and the Final Prospectus and of the latest unaudited consolidated financial statements made available by Transok, carrying out certain specified procedures (but not an audit in accordance with generally accepted auditing standards), a reading of the minutes of the meetings of the members of Transok, and inquiries of certain officials of Transok and its subsidiaries, who have responsibility for financial and accounting matters of Transok and its subsidiaries, as to transactions and events subsequent to the date of the most recent audited consolidated financial statements included in the Registration Statement and the Final Prospectus, nothing came to their attention that caused them to believe that:

(A) any material modifications should be made to the unaudited consolidated financial statements of Transok and its subsidiaries included

in the Registration Statement and the Final Prospectus for them to be in conformity with generally accepted accounting principles; and such financial statements do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act and the published instructions, rules and regulations thereunder.

(B) any unaudited capsule information of Transok and its subsidiaries included in the Registration Statement and the Final Prospectus does not agree with the amounts set forth in the unaudited consolidated financial statements of Transok from which it was derived or was not determined on a basis substantially consistent with that of the corresponding financial information in the latest audited financial statements of Transok included in the Registration Statement and the Final Prospectus.

(C) (I) as of the latest date as of which Transok and its subsidiaries have monthly financial statements, there was any decrease in the capital stock, additional paid-in capital or retained earnings, or increase in long-term indebtedness of Transok and its subsidiaries, as compared with the amounts shown in the most recent consolidated statement of financial condition of Transok and its subsidiaries included in the Registration Statement and the Final Prospectus or (II) with respect to the period subsequent to the date of the most recent financial statements included in the Registration Statement and the Final Prospectus and extending through the latest date as of which Transok and its subsidiaries have monthly financial statements, there was any decline in consolidated revenues or net income as compared with the comparable period of the prior fiscal year;

(D) as of a specified date not more than three business days prior to the date of the letter, there was any decrease in the capital interests or additional paid-in capital, or increase in long-term indebtedness of Transok and its subsidiaries as compared with the amounts shown in the most recent consolidated statement of financial condition of Transok and its subsidiaries included in the Registration Statement and the Final Prospectus;

except in all instances for increases or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by the Company as to the significance thereof, unless said explanation is not deemed necessary by the Representatives.

(iii) They have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is expressed in dollars, or percentages derived from dollar amounts, and has been obtained from the general accounting records of Transok) set forth in the Registration Statement, as amended, and the Final

Prospectus, as amended or supplemented, and in Exhibit 12 to the Registration Statement, including specified information, if any, included or incorporated from the Company's Annual Report on Form 10-K incorporated therein or specified information, if any, included or incorporated from any of the Company's Quarterly Reports on Form 10-Q or its Current Reports on Form 8-K incorporated therein, agrees with the accounting records of the Company and its subsidiaries or computations made therefrom, excluding any questions of legal interpretation.

(n) At the Closing Date, the nationally recognized firm of independent public accountants that furnished the letter referred to in paragraph (m) of this Section 7 shall have furnished to the Representatives a letter dated the Closing Date, which shall confirm, on the basis of a review in accordance with the procedures set forth in the letter, that nothing has come to their attention that would require any change in the letter referred to in paragraph (m) of this Section 7 if it were required to be dated and delivered at the Closing Date.

(o) Subsequent to the execution of this Agreement, there shall not have been any decrease in or suspension of the ratings of any of the Company's debt securities by Moody's Investors Service, Inc. or Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

(p) Prior to the Closing Date, the Company shall have furnished to the Representatives such further information, certificates and documents as the Representatives or Underwriters' Counsel may reasonably request.

If any of the conditions specified in this Section 7 shall not have been fulfilled when and as required by this Agreement, or if any of the certificates or opinions furnished to the Representatives or Underwriters' Counsel pursuant to this Section 7 shall not be in all material respects reasonably satisfactory in form and substance to the Representatives and to Underwriters' Counsel, this Agreement and all obligations of the Underwriters hereunder may be cancelled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancellation shall be given to the Company in writing, or by telegraph confirmed in writing.

#### 8. EXPENSES.



(a) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, the Company will pay all costs and expenses incident to the performance of the obligations of the Company and the Trust hereunder, including, without limiting the generality of the foregoing, all costs, taxes and expenses incident to the issuance, sale and delivery of the Preferred Securities to the Underwriters, all fees and expenses of the Company's counsel and accountants, all costs and expenses incident to the preparing, printing and filing of the Registration Statement (including all exhibits thereto), any Interim Prospectus, the Basic Prospectus, the Final Prospectus and any amendments thereof or supplements thereto and the Declaration, the Guarantee Agreement and the Indenture, and the rating of the Preferred Securities by one or more rating agencies, all costs and expenses (including fees of Underwriters' Counsel and their disbursements) incurred in connection with blue sky qualifications, advising on the legality of the Securities for investment, the filing requirements, if any, of the National Association of Securities Dealers, Inc. in connection with its review of corporate financings, the fee for listing the Securities on the NYSE, the fees and expenses of the Property Trustee, the Guarantee Trustee and the Indenture Trustee and all costs and expenses of the printing and distribution of all documents in connection with such offering. Except as provided in this Section 8, the Company will have no responsibility to the Underwriters for the Underwriters' own costs and expenses, including the fees of Underwriters' Counsel and any advertising expenses in connection with any offer the Underwriters may make.

(b) If the sale of the Preferred Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 7 hereof is not satisfied or because of any refusal, inability or failure on the part of the Company or the Trust to perform any agreement herein or comply with any provision hereof, the Company will, subject to demand by the Representatives, reimburse the Underwriters for all out-of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Preferred Securities.

#### 9. INDEMNIFICATION.

(a) The Company agrees to indemnify and hold harmless each Underwriter and each person who controls such Underwriter within the meaning of the Securities Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, as originally filed or in any amendment thereof, or in any Interim Prospectus, the Basic Prospectus or the Final Prospectus, or in any amendment thereof 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 agrees to reimburse each such indemnified party for any legal or other expenses reasonably incurred by them in connection with

investigating or defending any such loss, claim, damage, liability or action; PROVIDED, HOWEVER, that (i) the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement made therein or omission or alleged omission therefrom (a) in reliance upon and in conformity with written information furnished to the Company as herein stated by the Representatives on behalf of any Underwriter specifically for use in connection with the preparation thereof or (b) relating to The Depository Trust Company, Cedelbank and Euroclear, and (ii) such indemnity with respect to the Basic Prospectus or any Interim Prospectus shall not inure to the benefit of any Underwriter (or any person controlling such Underwriter) from whom the person asserting any such loss, claim, damage or liability purchased the Securities which are the subject thereof if such person did not receive a copy of the Final Prospectus at or prior to the confirmation of the sale of such Securities to such person in any case where such delivery is required by the Securities Act and the untrue statement or omission of a material fact contained in the Basic Prospectus or any Interim Prospectus was corrected in the Final Prospectus, unless such failure to deliver the Final Prospectus was a result of noncompliance by the Company with Section 6(d) hereof. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Underwriter severally agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signs the Registration Statement, the Trust and each Trustee, and each person, if any, who controls the Company or the Trust within the meaning of the Securities Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, the Basic Prospectus, any Interim Prospectus or the Final Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or the 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 the same was made therein in reliance upon and in conformity with written information furnished to the Company as herein stated by the Representatives on behalf of such Underwriter specifically for use in the preparation thereof, and agrees to reimburse each such indemnified party for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. The names of the underwriters set forth on the cover page and in the second, sixth, seventh, eighth (last two sentences only), tenth, eleventh and twelfth paragraphs under the heading "Underwriting" in the Final Prospectus constitute the only information furnished to the Company in writing by or on behalf of the several Underwriters for inclusion in the Registration Statement and the Final Prospectus, as the case may be, and you, as the Representatives, confirm that such statements are correct.

(c) Promptly after receipt by an indemnified party under this Section 9 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 9, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 9. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein, and to the extent that it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense thereof, with counsel satisfactory to such indemnified party; PROVIDED, HOWEVER, if the defendants in any such action include both the indemnified party and the indemnifying party and either (i) the indemnifying party or parties and the indemnified party or parties mutually agree or (ii) representation of both the indemnifying party or parties and the indemnified party or parties by the same counsel is inappropriate under applicable standards of professional conduct due to actual or potential differing interests between them, the indemnified party or parties shall have the right to select separate counsel to assume such legal defenses and to otherwise participate in the defense of such action on behalf of such indemnified party or parties. Upon receipt of notice from the indemnifying party to such indemnified party of its election so to assume the defense of such action and approval by the indemnified party of counsel, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses subsequently incurred by such indemnified party in connection with the defense thereof unless (i) the indemnified party shall have employed counsel in connection with the assumption of legal defenses in accordance with the proviso to the next preceding sentence (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel, approved by the Representatives in the case of subparagraph (a) representing the indemnified parties under subparagraph (a), as the case may be, who are parties to such action), (ii) the indemnifying party shall not have employed counsel satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of commencement of the action or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party.

(d) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in subparagraph (a) of this Section 9 is due in accordance with its terms but is for any reason held by a court to be unavailable from the Company on grounds of policy or other similar grounds, the Company and the Underwriters shall contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) to which the Company, the Trust and one or more of the Underwriters may be subject in such proportion so that the Underwriters are responsible for that portion represented by the percentage that the underwriting commission appearing on the cover page of the Final Prospectus bears to the public offering price appearing thereon and the Company is responsible for the balance; PROVIDED, HOWEVER, that (i) in no case shall any Underwriter (except as may be provided in any agreement among underwriters) be

responsible for any amount in excess of the underwriting commission applicable to the Preferred Securities purchased by such Underwriter hereunder and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 9, each person who controls an Underwriter within the meaning of the Securities Act shall have the same rights to contribution as such Underwriter, and each person who controls the Company within the meaning of either the Securities Act or the Exchange Act, each officer of the Company who shall have signed the Registration Statement each director of the Company, the Trust and each Trustee shall have the same rights to contribution as the Company, subject in each case to clauses (i) and (ii) of this subparagraph (d). Any party entitled to contribution will, promptly after receipt of notice of commencement of any action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this subparagraph (d), notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any other obligation it or they may have hereunder or otherwise than under this subparagraph (d).

10. **DEFAULT BY AN UNDERWRITER.** If, on the Closing Date, any one or more Underwriters shall fail to purchase and pay for all of the Preferred Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the aggregate liquidation amount of Preferred Securities set forth opposite their names in Schedule II hereto bear to the aggregate liquidation amount of Firm Securities set opposite the names of the remaining Underwriters) the Firm Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase on the Closing Date; PROVIDED, HOWEVER, that in the event that the aggregate liquidation amount of Preferred Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase on the Closing Date shall exceed 10% of the aggregate liquidation amount of Preferred Securities, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Preferred Securities, and if such non-defaulting Underwriters do not purchase all the Preferred Securities, this Agreement will terminate without liability to any non-defaulting Underwriters or the Company or the Trust. In the event of a default by any Underwriter as set forth in this Section 10, the Closing Date shall be postponed for such period, not exceeding seven days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Final Prospectus or in any other documents or arrangements may be effected. Nothing herein contained shall relieve any defaulting Underwriter of its liability, if any, to the Company or the Trust and any non-defaulting Underwriter for damages occasioned by its default hereunder.

11. **TERMINATION.** This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company at or prior to delivery of and payment for all of the Preferred Securities, if, prior to such time (i) trading in securities generally on the NYSE or the over-the-counter market shall have been suspended or limited or minimum

prices shall have been established on the NYSE or the NASDAQ Stock Market, (ii) a banking moratorium shall have been declared either by federal, New York State or Oklahoma authorities, (iii) any new restriction materially affecting the distribution of the Preferred Securities shall have become effective; (iv) trading in any securities of the Company shall have been suspended or halted by any national securities exchange, the National Association of Securities Dealers, Inc. or the Commission, (v) the United States becomes engaged in hostilities or there is an escalation in hostilities involving the United States or there is a declaration of a national emergency or war by the United States, or (vi) there shall have been such a material adverse change in national or international political, financial or economic conditions, national or international equity markets or currency exchange rates or controls as to make it, in the judgment of the Representatives, inadvisable or impracticable to proceed with the payment for and delivery of the Preferred Securities.

12. REPRESENTATIONS AND INDEMNITIES TO SURVIVE DELIVERY. The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers (as such officers) or the Trust and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of any Underwriter or the Company or the Trust or any of their respective officers, directors or trustees or any controlling person within the meaning of the Securities Act, and will survive delivery of the payment for the Preferred Securities.

13. NOTICES. All communications hereunder will be in writing, and, if sent to the Representatives will be mailed, delivered, telegraphed or telexed and confirmed to them, at the address specified in Schedule I hereto; or, if sent to the Trust or the Company, will be mailed, delivered, telegraphed or telexed and confirmed to the Trust or the Company at OGE Energy Corp., 321 North Harvey, Oklahoma City, Oklahoma 73101, Attention: President.

14. SUCCESSORS. This Agreement will inure to the benefit of and be binding upon the parties hereto and their successors and, to the extent and only to the extent stated in Section 9 hereof, the officers and directors and controlling persons referred to in Section 9 hereof, and except as provided in Section 9 hereof, no person other than the parties hereto and their respective successors will have any right or obligation hereunder.

15. APPLICABLE LAW. This Agreement will be governed by and construed in accordance with the laws of the State of Oklahoma.

[SIGNATURE PAGE FOLLOWS]

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the several Underwriters.

Very truly yours,

OGE ENERGY CAPITAL TRUST I

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

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

OGE ENERGY CORP.

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

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

LEHMAN BROTHERS INC.

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

Acting on behalf of the Representatives named in Schedule I annexed hereto and the several Underwriters named in Schedule II annexed hereto.

EXHIBIT A

Subsidiaries of the Company

Enogex Inc.

Oklahoma Gas and Electric Company

A-1

SCHEDULE I

Date of Underwriting Agreement:

Registration Statement No. 333-\_\_\_\_\_

Representative and Address:   Lehman Brothers Inc.  
                                      c/o Lehman Brothers Inc.  
                                      3 World Financial Center  
                                      New York, New York 10285

Declaration of Trust, Declaration, Title, Purchase Price and Description of Preferred Securities:

Declaration of Trust:

Declaration of Trust, dated \_\_\_\_\_

Declaration:

The Amended and Restated Declaration of Trust dated as of \_\_\_\_\_, 1999, among the Company and the Trustees.

Title:

\_\_\_\_\_ % Preferred Securities, Series \_\_\_\_.

Aggregate liquidation amount of Preferred Securities:

\$\_\_\_\_\_.

Price to public:

\_\_\_\_\_ % of liquidation amount (plus accrued distributions).

Distribution rate:

\_\_\_\_\_ %.

Distribution Payment Dates:

March 31, June 30, September 30 and December 31 of each year beginning on \_\_\_\_\_, 1999.



Redemption provisions:

As set forth in the Final Prospectus.

Indenture, Title, Purchase Price and Description of Debentures:

Indenture:

Indenture, dated as of \_\_\_\_\_, 1999, between the Company and \_\_\_\_\_, as supplemented by First Supplemental Indenture dated as of \_\_\_\_\_, 1999.

Title:

\_\_\_\_\_% Subordinated Deferrable Interest Debentures due 20\_\_.

Principal Amount:

\$\_\_\_\_\_.

Price to Trust:

\_\_\_\_\_% of principal amount (plus accrued distributions).

Interest rate:

\_\_\_\_\_%

Interest Payment Dates:

March 31, June 30, September 30 and December 31 of each year beginning \_\_\_\_\_.

Maturity:

\_\_\_\_\_, 20\_\_.

Redemption provisions:

As set forth in the Final Prospectus.

Guarantee Agreement:

Guarantee Agreement, dated as of \_\_\_\_\_, 1999, between the Company and \_\_\_\_\_.

Commission payable by Company on Preferred Securities:

\$\_\_\_\_\_ per Preferred Security (except that, with respect to sales of Preferred Securities to certain institutions, the commission will be \$\_\_\_\_\_ per Preferred Security).

Closing Date, Time and Location:

Date: \_\_\_\_\_  
Time: 10:00 a.m.  
Location: Gardner, Carton & Douglas  
Suite 3400  
Quaker Tower  
321 North Clark Street  
Chicago, Illinois 60610-4795

SCHEDULE II

UNDERWRITERS	NUMBER OF PREFERRED SECURITIES
1. Lehman Brothers Inc. . . . .	_____
2. A.G. Edwards & Sons, Inc.. . . . .	_____
3. CIBC World Markets Corp. . . . .	_____
4. Merrill, Lynch, Pierce, Fenner & Smith Incorporated. . . . .	_____
5. Morgan Stanley & Co. Incorporated. . . . .	_____
6. Prudential Securities Incorporated . . . . .	_____
Total. . . . .	_____ \$ _____ _____

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OGE ENERGY CORP.,

AS ISSUER

TO

BANK OF OKLAHOMA, NATIONAL ASSOCIATION

AS TRUSTEE

-----

INDENTURE

SUBORDINATED DEBT SECURITIES

DATED AS OF \_\_\_\_\_, 1999

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# TABLE OF CONTENTS

	PAGE
ARTICLE ONE	
DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION.....	1
Section 101. Definitions.....	1
"Act", .....	2
"Affiliate".....	2
"Authenticating Agent".....	2
"Bankruptcy Law".....	2
"Board of Directors".....	2
"Board Resolution".....	2
"Business Day".....	2
"Capitalized Lease Obligation".....	2
"Capital Stock".....	2
"Commission".....	3
"Common Depositary".....	3
"Company".....	3
"Company Request" or "Company Order".....	3
"Corporate Trust Office".....	3
"Covenant Defeasance".....	3
"Custodian".....	3
"Default".....	3
"Defaulted Interest".....	3
"Defeasance".....	3
"Dollars" and "\$".....	3
"Event of Default".....	3
"Exchange Act".....	3
"GAAP".....	3
"Holder or Securityholder".....	4
"Indebtedness".....	4
"Indenture".....	4
"Interest",.....	4
"Interest Payment Date",.....	4
"Lien".....	4
"Maturity".....	4
"Officer".....	5
"Officer's Certificate".....	5
"Opinion of Counsel".....	5
"Original Issue Discount Security".....	5
"Outstanding",.....	5
"Paying Agent".....	6
"Person".....	6

"Place of Payment",.....	6
"Redemption Date",.....	6
"Redemption Price",.....	6
"Registered Security".....	6
"Regular Record Date".....	6
"Responsible Officer",.....	6
"Securities".....	6
"Security Register" and "Security Registrar".....	6
"Senior Indebtedness".....	7
"Significant Subsidiary".....	7
"Special Record Date".....	7
"Stated Maturity",.....	7
"Subsidiary".....	7
"Trust Indenture Act".....	7
"Trustee".....	7
"U.S. Depositary".....	7
"U.S. Government Obligations".....	8
"Vice President",.....	8
Section 102. Compliance Certificates and Opinions.....	8
Section 103. Form of Documents Delivered to Trustee.....	9
Section 104. Acts of Holders.....	9
Section 105. Notices, Etc., to Trustee and Company.....	10
Section 106. Notice to Holders; Waiver.....	11
Section 107. Conflict with Trust Indenture Act.....	11
Section 108. Effect of Headings and Table of Contents.....	11
Section 109. Successors and Assigns.....	12
Section 110. Separability Clause.....	12
Section 111. Benefits of Indenture.....	12
Section 112. Governing Law.....	12
Section 113. Legal Holidays.....	12
Section 114. No Recourse Against Others.....	12
ARTICLE TWO SECURITY FORMS.....	13
Section 201. Forms Generally.....	13
Section 202. Form of Face of Security.....	13
Section 203. Form of Reverse of Security.....	15
Section 204. Form of Trustee's Certificate of Authentication.....	20
Section 205. Securities in Global Form.....	20
Section 206. CUSIP Number.....	21
Section 207. Form of Legend for the Securities in Global Form.....	21
ARTICLE THREE SECURITIES.....	21
Section 301. Amount Unlimited; Issuable in Series.....	21

Section 302.	Denominations.....	24
Section 303.	Execution, Authentication, Delivery and Dating.....	24
Section 304.	Temporary Securities.....	26
Section 305.	Registration, Registration of Transfer and Exchange.....	26
Section 306.	Mutilated, Destroyed, Lost and Stolen Securities.....	28
Section 307.	Payment of Interest; Interest Rights Preserved.....	29
Section 308.	Persons Deemed Owners.....	30
Section 309.	Cancellation.....	31
Section 310.	Computation of Interest.....	31
ARTICLE FOUR	SATISFACTION AND DISCHARGE.....	31
Section 401.	Satisfaction and Discharge of Indenture.....	31
Section 402.	Application of Trust Money.....	32
ARTICLE FIVE	REMEDIES.....	32
Section 501.	Events of Default.....	32
Section 502.	Acceleration of Maturity; Rescission and Annulment.....	34
Section 503.	Collection of Indebtedness and Suits for Enforcement by Trustee.....	35
Section 504.	Trustee May File Proofs of Claim.....	36
Section 505.	Trustee May Enforce Claims Without Possession of Securities.....	37
Section 506.	Application of Money Collected.....	37
Section 507.	Limitation on Suits.....	37
Section 508.	Unconditional Right of Holders to Receive Principal, Premium and Interest.....	38
Section 509.	Restoration of Rights and Remedies.....	38
Section 510.	Rights and Remedies Cumulative.....	38
Section 511.	Delay or Omission Not Waiver.....	39
Section 512.	Control by Holders.....	39
Section 513.	Waiver of Past Defaults.....	39
Section 514.	Undertaking for Costs.....	40
ARTICLE SIX	THE TRUSTEE.....	40
Section 601.	Certain Duties and Responsibilities of the Trustee.....	40
Section 602.	Notice of Defaults.....	40
Section 603.	Certain Rights of Trustee.....	41
Section 604.	Not Responsible for Recitals or Issuance of Securities.....	42
Section 605.	May Hold Securities.....	42
Section 606.	Money Held in Trust.....	42
Section 607.	Compensation and Reimbursement.....	42
Section 608.	Disqualification; Conflicting Interests.....	43
Section 609.	Corporate Trustee Required; Eligibility.....	43
Section 610.	Resignation and Removal; Appointment of Successor.....	44
Section 611.	Acceptance of Appointment by Successor.....	45

Section 612.	Merger, Conversion, Consolidation or Succession to Business.....	46
Section 613.	Preferential Collection of Claims Against Company.....	46
Section 614.	Appointment of Authenticating Agent.....	46
ARTICLE SEVEN	HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY.....	48
Section 701.	Company to Furnish Trustee Names and Addresses of Holders.....	48
Section 702.	Preservation of Information; Communications to Holders.....	49
Section 703.	Reports by Trustee.....	50
Section 704.	Reports by Company.....	50
ARTICLE EIGHT	CONSOLIDATION, MERGER, LEASE, SALE OR TRANSFER.....	51
Section 801.	When Company May Merge, Etc.....	51
Section 802.	Opinion of Counsel.....	52
Section 803.	Successor Corporation Substituted.....	52
ARTICLE NINE	SUPPLEMENTAL INDENTURES.....	52
Section 901.	Supplemental Indentures Without Consent of Holders.....	52
Section 902.	Supplemental Indentures with Consent of Holders.....	53
Section 903.	Execution of Supplemental Indentures.....	54
Section 904.	Effect of Supplemental Indentures.....	55
Section 905.	Conformity with Trust Indenture Act.....	55
Section 906.	Reference in Securities to Supplemental Indentures.....	55
ARTICLE TEN	COVENANTS.....	55
Section 1001.	Payments of Securities.....	55
Section 1002.	Maintenance of Office or Agency.....	55
Section 1003.	Payment of Taxes and Other Claims.....	56
Section 1004.	Compliance Certificates.....	56
Section 1005.	Commission Reports.....	57
Section 1006.	Waiver of Stay, Extension or Usury Laws.....	57
Section 1007.	Money for Securities Payments to Be Held in Trust.....	58
ARTICLE ELEVEN	REDEMPTION OF SECURITIES.....	59
Section 1101.	Applicability of Article.....	59
Section 1102.	Election to Redeem; Notice to Trustee.....	59
Section 1103.	Selection by Trustee of Securities to Be Redeemed.....	59
Section 1104.	Notice of Redemption.....	60
Section 1105.	Deposit of Redemption Price.....	61
Section 1106.	Securities Payable on Redemption Date.....	61



Section 1107.	Securities Redeemed in Part.....	61
ARTICLE TWELVE	SINKING FUNDS.....	62
Section 1201.	Applicability of Article.....	62
Section 1202.	Satisfaction of Sinking Fund Payments with Securities.....	62
Section 1203.	Redemption of Securities for Sinking Fund.....	62
ARTICLE THIRTEEN	DEFEASANCE AND COVENANT DEFEASANCE.....	63
Section 1301.	Applicability of Article; Company's Option to Effect Defeasance or Covenant Defeasance.....	63
Section 1302.	Defeasance and Discharge.....	63
Section 1303.	Covenant Defeasance.....	64
Section 1304.	Conditions to Defeasance or Covenant Defeasance.....	64
Section 1305.	Deposited Money and Government Obligations To Be Held In Trust.....	66
ARTICLE FOURTEEN	SUBORDINATION.....	66
Section 1401.	Agreement of Securityholders that Securities Subordinated to Extent Provided.....	66
Section 1402.	Company not to Make Payments with Respect to Securities in Certain Circumstances.....	67
Section 1403.	Securities Subordinated to Prior Payment of all Senior Indebtedness on Dissolution, Liquidation or Reorganization of Company.....	68
Section 1404.	Securityholders to be Subrogated to Right of Holders of Senior Indebtedness.....	68
Section 1405.	Obligation of the Company Unconditional.....	69
Section 1406.	Trustee Entitled to Assume Payments Not Prohibited in Absence of Notice.....	69
Section 1407.	Application by Trustee of Monies Deposited With It.....	70
Section 1408.	Subordination Rights not Impaired by Acts or Omissions of Company or Holders of Senior Indebtedness.....	70
Section 1409.	Securityholders Authorize Trustee to Effectuate Subordination of Securities.....	70
Section 1410.	Right of Trustee to Hold Senior Indebtedness.....	71
Section 1411.	Article Fourteen Not to Prevent Events of Default.....	71
ARTICLE FIFTEEN	MISCELLANEOUS.....	71
Section 1501.	Miscellaneous.....	71

OGE ENERGY CORP.

RECONCILIATION AND TIE BETWEEN TRUST INDENTURE ACT OF 1939  
AND INDENTURE DATED AS OF \_\_\_\_\_, 1999

TRUST INDENTURE SECTION ACT SECTION	INDENTURE
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).....	Not Applicable
(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).....	102
Section 315(a).....	601(a)
(b).....	602
(c).....	601(b)
(d).....	601(c)
(d)(1).....	601(a)
(d)(2).....	601(c)
(d)(3).....	601(c)
(e).....	514

Section 316(a)(1)(A).....512  
(a)(1)(B).....502, 513  
(a)(2).....Not Applicable  
(b).....508  
Section 317(a)(1).....503  
(a)(2).....504  
(b).....1009  
Section 318(a).....107

- -----  
NOTE: THIS RECONCILIATION AND TIE SHALL NOT, FOR ANY PURPOSE,  
BE DEEMED TO BE A PART OF THIS INDENTURE.

INDENTURE, dated as of \_\_\_\_\_, 1999, between OGE ENERGY CORP., a corporation duly organized and existing under the laws of the State of Oklahoma (herein called the "Company"), having its principal office at 321 North Harvey, Oklahoma City, Oklahoma 73102, and Bank of Oklahoma, National Association, a national banking association, as Trustee (herein called the "Trustee").

#### 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 unsecured debentures, notes or other evidences of indebtedness (herein called the "Securities"), to be issued in one or more series as in this Indenture provided.

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 covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of a 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:

(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 which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with GAAP;

(d) the word "including" (and with correlative meaning "include") means including, without limiting the generality of, any description preceding such term; and

(e) 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.

"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.

"Authenticating Agent" means any Person authorized by the Trustee to act on behalf of the Trustee to authenticate Securities.

"Bankruptcy Law" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"Board of Directors" means the board of directors of the Company; provided, however, that when the context refers to actions or resolutions of the Board of Directors, then the term "Board of Directors" shall also mean any duly authorized committee of the Board of Directors of the Company or Officer authorized with respect to any particular matter to exercise the power of the Board of Directors of the Company.

"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 to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Business Day" when used with respect to any Place of Payment, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in that Place of Payment are authorized or obligated by law or regulation to close.

"Capitalized Lease Obligation" means an obligation under a lease that is required to be capitalized for financial reporting purposes in accordance with GAAP. The amount of Indebtedness represented by such obligation shall be the capitalized amount of such obligations determined in accordance with such principles.

"Capital Stock" of any Person shall mean any and all shares, interests, participations or other equivalents of or interests in (however designated) equity of such Person, including any preferred stock, but excluding any debt securities convertible into such equity.

"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.

"Common Depositary" has the meaning specified in Section 304.

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

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

"Corporate Trust Office" means the office of the Trustee in Oklahoma City, Oklahoma at which at any particular time its corporate trust business shall be principally administered, which office at the date hereof is located at Commerce Banking Center, 9520 North May Avenue, Oklahoma City, Oklahoma 73120.

"Covenant Defeasance" has the meaning specified in Section 1303.

"Custodian" means any receiver, trustee, assignee, liquidator, sequestrator or similar official under any Bankruptcy Law.

"Default" means any event which is, or after notice or passage of time or both would be, an Event of Default.

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

"Defeasance" has the meaning specified in Section 1302.

"Dollars" and "\$" means lawful money of the United States of America.

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

"Exchange Act" means the Securities and Exchange Act of 1934, as amended from time to time, and the rules and regulations promulgated thereunder.

"GAAP" means such accounting principles that are generally accepted in the United States of America as of the date of any computation required hereunder.

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

"Indebtedness" of any Person means, without duplication, (i) the principal of and premium, if any, in respect of (A) indebtedness of such Person for money borrowed and (B) indebtedness evidenced by notes, debentures, bonds or other similar instruments for the payment of which such Person is responsible or liable; (ii) all Capitalized Lease Obligations of such Person; (iii) all obligations of such Person issued or assumed as the deferred purchase price of property, all conditional sale obligations and all obligations under any title retention agreement (but excluding trade accounts payable arising in the ordinary course of business); (iv) all obligations of such Person for the reimbursement of any obligor on any letter of credit, banker's acceptance or similar credit transaction (other than obligations with respect to letters of credit securing obligations (other than obligations described in (i) through (iii) above) entered into in the ordinary course of business of such Person to the extent such letters of credit are not drawn upon or, if and to the extent drawn upon, such drawing is reimbursed no later than the third Business Day following receipt by such Person of a demand for reimbursement following payment on the letter of credit); (v) all obligations of the type referred to in clauses (i) through (iv) of other Persons and all dividends of other Persons for the payment of which, in either case, such Person is responsible or liable as obligor, guarantor or otherwise; and (vi) all obligations of the type referred to in clauses (i) through (v) of other Persons secured by any Lien on any property or asset of such Person (whether or not such obligation is assumed by such Person), the amount of such obligation being deemed to be the lesser of the value of such property or assets or the amount of the obligation so secured.

"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 and shall include the terms of particular series of Securities established as contemplated by Section 301.

"Interest", when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity.

"Interest Payment Date", when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

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

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

"Officer" means the Chairman of the Board, the Chief Executive Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Assistant Secretary of the Company.

"Officer's Certificate" means a certificate signed by an officer and delivered to the Trustee.

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

"Original Issue Discount Security" means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502.

"Outstanding", when used with respect to Securities or Securities of any series, means, as of the date of determination, all such Securities theretofore authenticated and delivered under this Indenture, except:

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

(ii) Securities, or portions thereof, for whose payment or redemption money in the necessary amount has been theretofore 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;

(iii) Securities which have been paid pursuant to Section 306 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; and

(iv) Securities which have been defeased pursuant to Section 1302;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, (a) the principal amount of an Original Issue Discount Security that shall be deemed to be outstanding for such purposes shall be that portion of the principal amount thereof that could be declared to be due and payable upon the occurrence of an Event of Default and the continuation thereof pursuant to the terms of such Original Issue Discount Security as of the date of such determination and (b) Securities owned by the Company or any other obligor



upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustee knows to be so owned shall be so disregarded.

Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor.

"Paying Agent" means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Securities on behalf of the Company. The Company may act as Paying Agent with respect to any Securities issued hereunder.

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

"Place of Payment", when used with respect to the Securities of any series, means the place or places where the principal of (and premium, if any) and interest on the Securities of that series are payable as specified as contemplated by Section 301.

"Redemption Date", when used with respect to any Security of any series 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 of any series to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

"Registered Security" means any Security issued hereunder and registered in the Security Register.

"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.

"Responsible Officer", when used with respect to the Trustee, means any officer of the Trustee in its Corporate Trust Office 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 stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture.

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

"Senior Indebtedness" means, with respect to the Company, Indebtedness of the Company, except for (1) any such Indebtedness that is by its terms subordinated to or pari passu with the Securities and (2) any Indebtedness (including all other debt securities and guarantees in respect of those debt securities) initially issued to any other trust, or a trustee of such trust, partnership or other entity affiliated with the Company that is, directly or indirectly, a financing vehicle of the Company in connection with the issuance by such entity of preferred securities or other similar securities.

"Significant Subsidiary" means a Subsidiary or Subsidiaries of the Company possessing assets (including the assets of its own Subsidiaries but without regard to the Company or any other Subsidiary) having a book value, in the aggregate, equal to not less than 10% of the book value of the aggregate assets of the Company and its Subsidiaries calculated on a consolidated basis.

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

"Stated Maturity", when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries, or by such Person and one or more of its Subsidiaries, or (ii) any partnership, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Company.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended, as in force at the date as of which this Indenture was executed; provided, however, that in the event that such Act is amended after such date, "Trust Indenture Act" means the Trust Indenture Act of 1939 as so amended.

"Trustee" means the Person named as the "Trustee" in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "Trustee" shall mean or include each Person who is then a Trustee hereunder, 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. Depositary" means, with respect to the Securities of any series issuable or issued in whole or in part in the form of one or more permanent global Securities, the Person designated as U.S. Depositary by the Company pursuant to Section 301, which must be a clearing agency

registered under the Exchange Act until a successor U.S. Depositary shall have become such pursuant to the applicable provisions of this Indenture, and thereafter "U.S. Depositary" shall mean or include each Person who is then a U.S. Depositary hereunder, and if at any time there is more than one such Person, "U.S. Depositary" as used with respect to the Securities of any series shall mean the U.S. Depositary with respect to the Securities of that series.

"U.S. Government Obligations" means securities which are (i) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally guaranteed by the full faith and credit of the United States of America which, in either case, are not callable or redeemable at the option of the issuer thereof or otherwise subject to prepayment, and shall also include a depository receipt issued by a New York Clearing House bank or trust company as custodian with respect to any such U.S. Government obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a 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 or from any amount held by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of 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, other than an action permitted by Sections 205 and 704 hereof, the Company shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

(a) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

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

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

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 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 his 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.

(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 agents 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 ownership of Registered Securities shall be proved by the Security Register.

(d) 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.

(e) If the Company shall solicit from the Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of such record date; provided that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than six months after the record date.

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

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(a) 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 and received by the Trustee at its Corporate Trust Office, Attention: Corporate Trust Department, or

(b) 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: Secretary, or at any other address previously furnished in writing to the Trustee by the Company.

SECTION 106. Notice to Holders; Waiver.

Where this Indenture or any Security provides for notice to Holders of any event, such notice shall be deemed sufficiently given (unless otherwise herein or in such Security expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at his address as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, 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 any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders or the validity of the proceedings to which such notice relates. Where this Indenture or any Security 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.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication.

SECTION 107. Conflict with Trust Indenture Act.

If any provision hereof limits, qualifies or conflicts with another provision hereof which is required to be included in this Indenture by any of the provisions of the Trust Indenture Act, such required 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 shall 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.

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

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 and the Holders, 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 (other than the choice of law provisions) of the State of Oklahoma.

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 at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities) payment of interest or principal (and premium, if any) need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day, or on such other day as may be set out in an indenture supplemental hereto or in the Officer's Certificate delivered pursuant to Section 301, at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, provided that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be.

SECTION 114. No Recourse Against Others.

A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under the Securities or this Indenture or for any claim based on, in respect of or by reason of such obligations or their creation. Each Securityholder, by accepting a Security, waives and releases all such liability. Such waivers and releases are part of the consideration for the issuance of the Securities.

ARTICLE TWO  
SECURITY FORMS

SECTION 201. Forms Generally.

The Securities of each series shall be in substantially the form set forth in this Article, or in such other form as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the Officers executing such Securities, as evidenced by their execution of the 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 Trustee's certificates of authentication shall be in substantially the form set forth in this Article.

The definitive Securities shall be photocopied, printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the Officers executing such Securities, as evidenced by their execution of such Securities.

SECTION 202. Form of Face of Security.

[If the Security is an Original Issue Discount Security, insert--FOR PURPOSES OF SECTION 1272 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE"), THE AMOUNT OF ORIGINAL ISSUE DISCOUNT (AS DEFINED IN SECTION 1273(a)(1) OF THE CODE AND TREASURY REGULATION SECTION 1.1273-1(a) WITH RESPECT TO THIS SECURITY IS \_\_\_\_\_, THE ISSUE PRICE (AS DEFINED IN TREASURY REGULATION SECTION 1.1273-2) OF THIS SECURITY IS \_\_\_\_\_, THE ISSUE DATE (AS DEFINED IN SECTION 1275(a)(2) OF THE CODE AND TREASURY REGULATION SECTION 1.1273-2) OF THIS SECURITY IS \_\_\_\_\_ AND THE YIELD TO MATURITY OF THIS SECURITY IS \_\_\_\_\_.]

OGE ENERGY CORP.

.....

No. \_\_\_\_\_ [\$] \_\_\_\_\_

OGE ENERGY CORP., a corporation duly organized and existing under the laws of Oklahoma (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 \_\_\_\_\_. [If the Security is to bear interest prior to Maturity, insert--, and to pay interest thereon from \_\_\_\_\_ or from the most recent Interest Payment Date to which interest has been paid or duly provided for, [semi-annually] [quarterly] [monthly] on \_\_\_\_ and \_\_\_\_ in each year, commencing \_\_\_\_\_ at the rate of \_\_\_\_\_% per annum, until the principal hereof is paid or made available for payment. [If applicable insert--, and (to the extent that the payment of such interest shall be legally enforceable) at the rate of \_\_\_\_\_% per annum on any overdue principal and premium and on any overdue installment of interest]. The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Security (or one or more predecessor securities) is registered at the close of business on the Regular Record Date for such interest, which shall be the \_\_\_\_\_ of \_\_\_\_\_ (whether or not a Business Day), as the case may be, next preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for will 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 of this series 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 of this series may be listed, and upon such notice as may be required by such exchange, all as more fully provided in said Indenture].

[If the Security is not to bear interest prior to Maturity, insert--The principal of this Security shall not bear interest except in the case of a default in payment of principal upon acceleration, upon redemption or at Stated Maturity and in such case the overdue principal of this Security shall bear interest at the rate of \_\_\_\_\_% per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such default in payment to the date payment of such principal has been made or duly provided for. Interest on any overdue principal shall be payable on demand. Any such interest on any overdue principal that is not so paid on demand shall bear interest at the rate of \_\_\_\_\_% per annum (to the extent that the payment of such interest shall be legally enforceable), which shall accrue from the date of such demand for payment to the date payment of such interest has been made or duly provided for, and such interest shall also be payable on demand.]

Payment of the principal of (and premium, if any) and [if applicable, insert--any such] interest on this Security will be made at the office or agency of the Company maintained for that purpose in Oklahoma City, Oklahoma, in \_\_\_\_\_ Dollars [if applicable, insert--; provided, however, that at the option of the Company payment of interest may be made by check mailed to the address of the Person entitled thereto as such address shall appear in the Security Register].

Reference is hereby made to the further provisions of this Security set forth 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.

OGE ENERGY CORP.

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

Attest:

(SEAL)

SECTION 203. Form of Reverse of Security.

This Security is one of a duly authorized issue of securities of the Company (herein called the "Securities"), issued and to be issued in one or more series under an Indenture, dated as of \_\_\_\_\_, 1999 (herein called the "Indenture"), between the Company and Bank of Oklahoma, National Association, as Trustee (herein called the "Trustee," which term includes any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights, limitations of rights, duties and immunities thereunder of the Company, the Trustee and the Holders of the Securities and of the terms upon which the Securities are, and are to be, authenticated and delivered. This Security is one of the series designated on the face hereof [, limited in aggregate principal amount to \$\_\_\_\_\_].

[If applicable, insert--The Securities of this series are subject to redemption upon not less than 30 nor more than 45 days' notice by first class mail, [if applicable, insert--(1) on \_\_\_\_\_ in any year commencing with the year \_\_\_\_\_ and ending with the year \_\_\_\_\_ through operation of the sinking fund for this series at a Redemption Price equal to 100% of the principal amount, and (2)] at any time [on or after \_\_\_\_\_, \_\_\_\_\_], as a whole or in part, at the election of the Company, at the following Redemption Prices (expressed as percentages of the principal amount):

If redeemed [on or before \_\_\_\_\_, \_\_\_\_\_%, and if redeemed] during the 12-month period beginning \_\_\_\_\_ of the years indicated,

Year	Redemption Price	Year	Redemption Price
----	-----	----	-----

and thereafter at a Redemption Price equal to \_\_\_\_% of the principal amount, together in the case of any such redemption [if applicable, insert -- (whether through operation of the sinking fund or otherwise)] with accrued and unpaid interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more predecessor securities, of record at the close of business on the Relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[If applicable, insert -- The Securities of this series are subject to redemption upon not less than 30 nor more than 45 days' notice by first class mail, (1) on \_\_\_\_\_ in any year commencing with the year \_\_\_\_\_ and ending with the year \_\_\_\_\_ through operation of the sinking fund for this series at the Redemption Prices for redemption through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below, and (2) at any time [on or after \_\_\_\_\_], as a whole or in part, at the election of the Company, at the Redemption Prices for redemption otherwise than through operation of the sinking fund (expressed as percentages of the principal amount) set forth in the table below:

If redeemed during a 12-month period beginning \_\_\_\_\_ of the years indicated.

	Redemption Price For Redemption Through Operation of the Sinking Fund	Redemption Price for Redemption Otherwise Than Through Operation of the Sinking Fund
Year ----	-----	-----

and thereafter at a Redemption Price equal to \_% of the principal amount, together in the case of any such redemption (whether through operation of the sinking fund or otherwise) with accrued and unpaid interest to the Redemption Date, but interest installments whose Stated Maturity is on or prior to such Redemption Date will be payable to the Holders of such Securities, or one or more predecessor securities, of record at the close of business on the relevant Record Dates referred to on the face hereof, all as provided in the Indenture.]

[Notwithstanding the foregoing, the Company may not, prior to \_\_\_\_\_, redeem any Securities of this series as contemplated by [clause (2) of] the preceding paragraph as a part of, or in anticipation of, any refunding operation by the application, directly or indirectly, of moneys borrowed having an interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than \_\_\_\_% per annum.]

[The sinking fund for this series provides for the redemption on \_\_\_\_\_ in each year beginning with the year \_\_\_\_\_ and ending with the year \_\_\_\_\_ of [not less than] \$\_\_\_\_\_ [("mandatory sinking fund") and not more than \$\_\_\_\_\_] aggregate principal amount of Securities of this series.] [Securities of this series acquired or redeemed by the Company otherwise than through [mandatory] sinking fund payments may be credited against subsequent [mandatory] sinking fund payments otherwise required to be made-- in the [inverse] order in which they become due.]

[In the event of redemption of this Security in part only, a new Security or Securities of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.]

[If the Security is not an Original Issue Discount Security, insert -If any Event of Default with respect to 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 and with the effect provided in the Indenture.] [If the Security is an Original Issue Discount Security, insert -If an Event of Default with respect to Securities of this series shall occur and be continuing, an amount of principal of the Securities of this series may be declared due and payable in the manner and with the effect provided in the Indenture. Such amount shall be equal to--insert formula for determining the amount.] Upon payment (i) of the amount of principal so declared due and payable and (ii) of interest on any overdue principal and overdue interest (in each case to the extent that the payment of such interest shall be legally enforceable), all of the Company's obligations in respect of the payment of the principal of and interest, if any, on the Securities of this series shall terminate.

This Security is a general unsecured obligation of the Company and will be subordinate in right of payment to all existing and future Senior Indebtedness of the Company.

[This Security is subject to Defeasance as described in the Indenture.]

The Indenture may be modified by the Company and the Trustee without consent of any Holder with respect to certain matters as described in the Indenture. In addition, the Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Company and the rights of the Holders of the Securities of each series to be affected under the Indenture at any time by the Company and the Trustee with the consent of the Holders of a majority in principal amount of the Securities at the time Outstanding of each series to be affected. The Indenture also contains provisions permitting the Holders of a majority 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 bind such Holder and all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange hereof 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 premium, if any) 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 Security Register, upon surrender of this Security for

registration of transfer at the office or agency of the Company in any place where the principal of (and premium, if any) and interest on this Security are payable, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security Registrar duly executed by the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Securities of this series, of authorized denominations and for the same Stated Maturity and aggregate principal amount, will be issued to the designated transferee or transferees.

The Securities of this series are issuable only in registered form without coupons in denominations of [\$1,000] and any integral multiple thereof. As provided in the Indenture and subject to certain limitations therein set forth, Securities of this series are exchangeable for a like aggregate principal amount of Securities of this series of a different authorized denomination, as requested by the Holder surrendering the same.

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 be overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture imposes certain limitations on the ability of the Company to, among other things, merge or consolidate with any other Person or sell, assign, transfer or lease all or substantially all of its properties or assets [If other covenants are applicable pursuant to the provisions of Section 301, insert here]. All such covenants and limitations are subject to a number of important qualifications and exceptions. The Company must report periodically to the Trustee on compliance with the covenants in the Indenture.

A director, officer, employee or stockholder, as such, of the Company shall not have any liability for any obligations of the Company under this Security or the Indenture or for any claim based on, in respect of or by reason of, such obligations or their creation. Each Holder, by accepting a Security, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of this Security.

[If applicable, insert -- Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures ("CUSIP"), the Company has caused CUSIP numbers to be printed on the Securities of this series as a convenience to the Holders of the Securities of this series. No representation is made as to the correctness or accuracy of such numbers as printed on the Securities of this series and reliance may be placed only on the other identification numbers printed hereon.]

All capitalized terms used in this Security without definition which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

## ASSIGNMENT FORM

To assign this Security, fill in the form below: (I) or (we) assign  
and transfer this Security to

(Insert assignee's social security or tax I.D. number)

(Print or type assignee's name, address and zip code)

and irrevocably appoint \_\_\_\_\_  
agent to transfer this Security on the books of the Company. The agent may  
substitute another to act for him.

Dated: \_\_\_\_\_ Your Signature: \_\_\_\_\_  
(Sign exactly as your name  
appears on the other side  
of this Security)

Signature Guaranty:

[Signatures must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Transfer Agent, which requirements will include membership or participation in STAMP or such other "signature guarantee program" as may be determined by the Transfer Agent in addition to, or in substitution for, STAMP, all in accordance with the Exchange Act.]

Social Security Number or Taxpayer Identification Number: \_\_\_\_\_

SECTION 204. Form of Trustee's Certificate of Authentication.

Dated:\_\_\_\_\_

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

BANK OF OKLAHOMA, NATIONAL ASSOCIATION, As  
Trustee

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

SECTION 205. Securities in Global Form.

If Securities of a series are issuable in global form, as contemplated by Section 301, then, notwithstanding the provisions of Section 302, any such Security shall represent such of the Outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities from time to time endorsed thereon and that the aggregate amount of Outstanding Securities represented thereby may from time to time be reduced to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made in such manner and upon instructions given by such Person or Persons as shall be specified therein or in the Company Order to be delivered to the Trustee pursuant to Section 303 or Section 304. Subject to the provisions of Section 303 and, if applicable, Section 304, the Trustee shall deliver and redeliver any Security in permanent global form in the manner and upon instructions given by the Person or Persons specified therein or in the applicable Company Order. If a Company Order pursuant to Section 303 or 304 has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 102 and need not be accompanied by an Opinion of Counsel.

The provisions of Section 309 shall apply to any Security represented by a Security in global form if such Security was never issued and sold by the Company and the Company delivers to the Trustee the Security in global form together with written instructions (which need not comply with Section 102 and need not be accompanied by an Opinion of Counsel) with regard to the reduction in the principal amount of Securities represented thereby.

Notwithstanding the provisions of Sections 201 and 307, unless otherwise specified as contemplated by Section 301, payment of principal of, premium, if any, and interest on any Security in permanent global form shall be made to the Person or Persons specified therein.

Notwithstanding the provisions of Section 308 and except as provided in the preceding paragraph, the Company, the Trustee and any agent of the Company and the Trustee shall treat a Person as the Holder of such principal amount of Outstanding Securities represented by a permanent global Security as shall be specified in a written statement of the Holder of such permanent global Security.

SECTION 206. CUSIP Number

The Company in issuing Securities of any series may use a "CUSIP" number, and, if so, the Trustee may use the CUSIP number in notices of redemption or exchange as a convenience to Holders of such series; provided, that any such notice may state that no representation is made as to the correctness or accuracy of the CUSIP number printed on the notice or on the Securities of such series, 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. The Company will promptly notify the Trustee of any change in the CUSIP number of any series of Securities.

SECTION 207. Form of Legend for the Securities in Global Form.

Any Security in global form authenticated and delivered hereunder shall bear a legend in substantially the following form:

"This Security is in global form within the meaning of the Indenture hereinafter referred to and is registered in the name of a Common Depositary or a U.S. Depositary. Unless and until it is exchanged in whole or in part for Securities in certificated form, this Security may not be transferred except as a whole by the Common Depositary or a U.S. Depositary or by a nominee of the Common Depositary or a nominee of the U.S. Depositary as the case may be."

ARTICLE THREE

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 from time to time in one or more series. There shall be established in or pursuant to a Board Resolution, and set forth in an Officer's 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 the series from all other Securities);



(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 Sections 304, 305, 306, 906 or 1107);

(3) whether any Securities of the series are to be issuable in permanent global form with or without coupons and, if so, (i) whether beneficial owners of interests in any such permanent global Security may exchange such interests for Securities of such series and of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in Section 305, and (ii) the name of the Common Depositary (as defined in Section 304) or the U.S. Depositary, as the case may be, with respect to any global Security;

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

(5) the rate or rates at which the Securities of the series shall bear interest, if any, the date or dates from which such interest shall accrue, the Interest Payment Dates on which such interest shall be payable and the Regular Record Date for the interest payable on any Interest Payment Date and, if applicable to such series of Securities, the basis points and United States Treasury rate(s) and any other rates or formula to be used in calculating the reset rate;

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

(7) the right of the Company, if any, to defer any payment of principal of or interest on the Securities of the series, and the maximum length of any such deferral period;

(8) the period or periods within which, the price or prices at which and the terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Company, pursuant to any sinking fund or otherwise;

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

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

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

(12) additional Events of Default with respect to Securities of the series, if any, other than those set forth herein;

(13) if either or both of Section 1302 and Section 1303 shall be inapplicable to the Securities of the series (provided that if no such inapplicability shall be specified, then both Section 1302 and Section 1303 shall be applicable to the Securities of the series);

(14) if other than U.S. dollars, the currency or currencies or units based on or related to currencies in which the Securities of such series shall be denominated and in which payments of principal of, and any premium and interest on, such Securities shall or may be payable; provided, however, that prior to the issuance of any such Securities, the Company shall have obtained the written consent of the Trustee, which consent may be withheld in the sole discretion of the Trustee, to the currency, currencies, or currency units so established;

(15) additional covenants with respect to Securities of the series, if any, other than those set forth herein;

(16) if other than the Trustee, the identity of the Registrar and any Paying Agent; and

(17) any other terms of the series (which terms shall not be inconsistent with the provisions of this Indenture).

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 such Board Resolution and set forth in such Officer's Certificate 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 Officer's Certificate setting forth, or providing the manner for determining, the terms of the Securities of such series.

SECTION 302. Denominations.

The Securities of each series shall be issuable in registered form without coupons in such denominations as shall be specified as contemplated by Section 301. In the absence of any such provisions with respect to the Securities of any series, the Securities of such series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 303. Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by 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. The seal of the Company may be in the form of a facsimile thereof and may be impressed, affixed, imprinted or otherwise reproduced on the Securities. Typographical and other minor errors or defects in any such reproduction of the seal or any such signature shall not affect the validity or enforceability of any Security that has been duly authenticated and delivered by the Trustee.

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 or did not hold such offices at the date 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 the Company Order shall authenticate and make such Securities available for delivery. If the form or terms of the Securities of the series have been established in 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 Sections 315(a) through (d) of the Trust Indenture Act) shall be fully protected in relying upon, an Opinion of Counsel stating,

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

(b) if the terms of such Securities have been established by or pursuant to Board Resolution as permitted by Section 301, that such terms have been established in conformity with the provisions of this Indenture;

(c) 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, except to the extent enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally and by the effect of general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law); and

(d) that no consent, approval, authorization, order, registration or qualification of or with any court or any governmental agency or body having jurisdiction over the Company is required for the execution and delivery of such Securities by the Company, except such as have been obtained (except that no opinion need be expressed as to state securities or Blue Sky laws).

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 and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustee, or in the written opinion of counsel to the Trustee (which counsel may be an employee of the Trustee) such authentication may not lawfully be made or would involve the Trustee in personal liability.

Notwithstanding the provisions of Section 301 and of the immediately 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 Officer's Certificate otherwise required pursuant to Section 301 or the Company Order and Opinion of Counsel otherwise required pursuant to the immediately preceding paragraph at or prior to the time of authentication of each Security of such series if such documents are delivered at or prior to the authentication upon original issuance of the first Security of such series to be issued.

If the Company shall establish pursuant to Section 301 that the Securities of a series are to be issued in the form of one or more global Securities, then the Company shall execute and the Trustee shall, in accordance with this Section and the Company Order with respect to the authentication and delivery of such series, authenticate and deliver one or more global Securities that (i) shall be in an aggregate amount equal to the aggregate principal amount specified in such Company Order, (ii) shall be registered in the name of the Common Depositary or U.S. Depositary, as the case may be, therefor or its nominee, and (iii) shall be made available for delivery by the Trustee to such depositary or pursuant to such depositary's instruction.

Each depositary designated pursuant to Section 301 must, at the time of its designation and at all times while it serves as depositary, be a clearing agency registered under the Exchange Act and any other applicable statute or regulation.

Unless otherwise provided for in the form of Security, 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 and is entitled to the benefits of this Indenture.

#### 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 make available for delivery, 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.

In the case of Securities of any series, such temporary Securities may be in global form, representing all or a portion of the Outstanding Securities of such series.

Except in the case of temporary Securities in global form (which shall be exchanged in accordance with the provisions of Section 305), 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 the office or agency of the Company in a Place of Payment for that series, 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 make available for delivery in exchange therefor a like principal amount of definitive Securities of the same series of authorized denominations and of like tenor. 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.

If temporary Securities of any series are issued in global form, any such temporary global Security shall, unless otherwise provided therein, be delivered to the office of a depositary or common depositary (the "Common Depositary") for credit to the respective accounts of the beneficial owners of such Securities (or to such other accounts as they may direct).

#### 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 of the Company in a Place of Payment being herein sometimes collectively referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities and of registration of transfers of Securities. The Trustee is hereby appointed "Security Registrar" for the purpose of registering Securities and transfers of Securities as herein provided.

Upon surrender for registration of transfer of any Security of any series at the office or agency of the Company in Place of Payment for that series, the Company shall execute, and the Trustee shall authenticate and make available for delivery, 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 and Stated Maturity.

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 and Stated Maturity, 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 make available for delivery, the Securities which the Holder making the exchange is entitled to receive.

Notwithstanding the foregoing, except as otherwise specified as contemplated by Section 301, any permanent global Security shall be exchangeable only as provided in this paragraph. If the beneficial owners of interests in a permanent global Security are entitled to exchange such interests for Securities of such series and of like tenor and principal amount of another authorized form and denomination, as specified and as subject to the conditions contemplated by Section 301, then without unnecessary delay but in any event not later than the earliest date on which such interests may be so exchanged, the Company shall deliver to the Trustee definitive Securities of that series in aggregate principal amount equal to the principal amount of such permanent global Security, executed by the Company. On or after the earliest date on which such interests may be so exchanged, such permanent global Securities shall be surrendered from time to time by the Common Depositary or the U.S. Depositary, as the case may be, and in accordance with instructions given to the Trustee and the Common Depositary or the U.S. Depositary, as the case may be (which instructions shall be in writing but need not comply with Section 102 or be accompanied by an opinion of Counsel), as shall be specified in the Company Order with respect thereto to the Trustee, as the Company's agent for such purpose, to be exchanged, in whole or in part, for definitive Securities of the same series without charge. The Trustee shall authenticate and make available for delivery, in exchange for each portion of such surrendered permanent global Security, a like aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such permanent global Security to be exchanged which shall be in the form of the Securities of such series; provided, however, that no such exchanges may occur during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption under Section 1103 and ending at the close of business on the day of such mailing. Promptly following any such exchange in part, such permanent global Security shall be returned by the Trustee to the Common Depositary or the U.S. Depositary, as the case may be, or such other Common Depositary or U.S. Depositary referred to above in accordance with the written instructions of the Company referred to above. If a Security in the form specified for such series is issued in exchange for any portion of a permanent global Security after the close of business at the office or agency where such exchange occurs on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of interest or Defaulted Interest, as the case

may be, such interest or Defaulted Interest will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Security in the form specified for such series, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the Person to whom interest in respect of such portion of such permanent global Security is payable in accordance with the provisions of this Indenture.

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 Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

Unless otherwise provided in the Securities to be transferred or exchanged, 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 1107 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Securities of that series selected for redemption under Section 1103 and ending at the close of business on the day of such mailing, or (ii) to register the transfer of or exchange any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

#### 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 upon its request 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.

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 Section 307 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 his address as it appears in the Security 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 such Securities may be listed, and 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 Section 307, 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, 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 may 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 premium, if any) and (subject to Section 307) interest on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

None of the Company, the Trustee or any agent of the Company or the Trustee shall have any responsibility or liability for any aspect of the records relating to or payments made on account of a beneficial ownership interest of a Security in global form, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest. Notwithstanding the foregoing, with respect to any Security in global form, nothing herein shall prevent the Company or the Trustee or any agent of the Company or the Trustee from giving effect to any written certification, proxy or other authorization furnished by any Common Depositary (or its nominee), as a Holder, with respect to such Security in global form or impair, as between such Common Depositary and owners of beneficial interests in such Security in global form, the operation of customary practices governing the exercise of the right of such Common Depositary (or its nominee) as holder of such Security in global form.

SECTION 309. Cancellation.

All Securities surrendered for payment, redemption, registration of transfer or exchange or for credit against any sinking fund payment 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 shall be held by the Trustee and may be destroyed (and, if so destroyed, certification of their destruction shall be delivered to the Company if requested in writing to do so, unless, by a Company Order, the Company shall direct that cancelled Securities be returned to it).

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 year of twelve 30-day months.

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 or in the form of Security for such series), when the Trustee, upon Company Request 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 has 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 1007) 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 with the Trustee as trust funds in trust for the purpose an amount sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to the Trustee for cancellation, for principal (and premium, if any) and interest 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 Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for herein 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, the obligations of the Company to any Authenticating Agent under Section 614 and, if money 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 1007 shall survive.

SECTION 402. Application of Trust Money.

Subject to the provisions of the last paragraph of Section 1007, all money 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 premium, if any) and interest for whose payment such money has been deposited with or received by 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 (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or to 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) the Company defaults in the payment of interest on any Security of that series when such interest becomes due and payable and the default continues for a period of 30 days; provided, however that if the Company is permitted by the terms of the Securities of the applicable series to defer the payment in question, the date on which such payment is due and payable shall be the date on which the Company is required to make payment following such deferral, if such deferral has been elected pursuant to the terms of the Securities; or

(2) the Company defaults in the payment of the principal of (or premium, if any, on) any Security of that series when the same becomes due and payable at Maturity, upon redemption (including redemptions under Article Eleven), or otherwise; provided, however, that if the Company is permitted by the terms of the Securities of the applicable series to defer the payment in question, the date on which such payment is due and payable shall be the date on which the Company is required to make payment following such deferral, if such deferral has been elected pursuant to the terms of the Securities; or

(3) the Company fails to observe or perform any of its other covenants, warranties or agreements in the Securities of that series or this Indenture (other than a covenant, agreement or warranty a default in whose performance or whose breach is elsewhere in this Section specifically dealt with or which has expressly been included in this Indenture solely for the benefit of one or more series of Securities other than that series), and the failure to observe or perform continues for the period and after the notice specified in the last paragraph of this Section; or

(4) the Company defaults in the payment of any Indebtedness at the maturity or acceleration thereof (after giving effect to any applicable grace period) or upon the acceleration thereof as a result of such Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise become due and payable, and such default in payment is not cured or such acceleration shall not be rescinded or annulled within 10 days after written notice to the Company from the Trustee or to the Company and to the Trustee from the Holders of at least 10% in aggregate principal amount of the Securities of that series at the time outstanding; provided that it shall not be an Event of Default if the principal amount of Indebtedness (other than Indebtedness represented by Securities issued pursuant to this Indenture) which is not paid at maturity or the maturity of which is accelerated is less than the amount equal to 1% of the Company's consolidated total assets (determined as of its most recent fiscal year-end); provided further that if, prior to a declaration of acceleration of the maturity of the Securities of that series or the entry of judgment in favor of the Trustee in a suit pursuant to Section 503, such default shall be remedied or cured by the Company or waived by the holders of such Indebtedness, then the Event of Default hereunder by reason thereof shall be deemed likewise to have been thereupon remedied, cured or waived without further action upon the part of either the Trustee or any of the Holders of the Securities of that series, and provided further, that, subject to Sections 601 and 602, the Trustee shall not be charged with knowledge of any such default unless written notice of such default shall have been given to the Trustee by the Company, by a holder or an

agent of a holder of any such Indebtedness, by the trustee then acting under any indenture or other instrument under which such default shall have occurred, or by the Holders of at least five percent in aggregate principal amount of the Securities of that series at the time outstanding; or

(5) the Company pursuant to or within the meaning of any Bankruptcy Law (A) commences a voluntary case or proceeding under any Bankruptcy Law with respect to itself, (B) consents to the entry of a judgment, decree or order for relief against it in an involuntary case or proceeding under any Bankruptcy Law, (C) consents to or acquiesces in the institution of bankruptcy or insolvency proceedings against it, (D) applies for, consents to or acquiesces in the appointment of or taking possession by a Custodian of the Company or for any material part of its property, (E) makes a general assignment for the benefit of its creditors or (F) takes any corporate action in furtherance of or to facilitate, conditionally or otherwise, any of the foregoing; or

(6) (i) a court of competent jurisdiction enters a judgment, decree or order for relief in respect of the Company in an involuntary case or proceeding under any Bankruptcy Law which shall (A) approve as properly filed a petition seeking reorganization, arrangement, adjustment or composition in respect of the Company, (B) appoint a Custodian of the Company or for any material part of its property or (C) order the winding-up or liquidation of its affairs, and such judgment, decree or order shall remain unstayed and in effect for a period of 60 consecutive days; or (ii) any bankruptcy or insolvency petition or application is filed, or any bankruptcy or insolvency proceeding is commenced against the Company and such petition, application or proceeding is not dismissed within 60 days; or (iii) a warrant of attachment is issued against any material portion of the property of the Company which is not released within 60 days of service; or

(7) any other Event of Default provided with respect to Securities of that series.

A Default under clause (3) above is not an Event of Default until the Trustee or the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series notify the Company of the Default and the Company does not cure the Default within 60 days after receipt of the notice. The notice must specify the Default, demand that it be remedied and state that the notice is a "Notice of Default." When a Default under clause (3) above is cured within such 60-day period, it ceases.

#### SECTION 502. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default with respect to Securities of any series (other than an Event of Default specified in clause (5) or (6) of Section 501) occurs and is continuing, the Trustee by notice in writing to the Company, or the Holders of at least 25% in aggregate principal amount of the Outstanding Securities of that series by notice in writing to the Company and the Trustee, may declare the unpaid principal of and accrued interest to the date of acceleration (or, if the Securities of that series are Original Issue Discount Securities, such portion of the principal amount as may be specified in the terms of that series) on all the Outstanding Securities of that series to be due and payable immediately and, upon any such declaration, the Outstanding

Securities of that series (or specified principal amount) shall become and be immediately due and payable.

If an Event of Default specified in clause (5) or (6) of Section 501 occurs, all unpaid principal of and accrued interest on the Outstanding Securities of that series (or specified principal amount) shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder of any Security of that series.

Upon payment of all such principal and interest, all of the Company's obligations under the Securities of that series and (upon payment of the Securities of all series) this Indenture shall terminate, except obligations under Section 607.

The Holders of a majority in principal amount of the Outstanding Securities of that series by notice to the Trustee may rescind an acceleration and its consequences if (i) all existing Events of Default, other than the nonpayment of the principal and interest of the Securities of that series that has become due solely by such declaration of acceleration, have been cured or waived, (ii) to the extent the payment of such interest is lawful, interest on overdue installments of interest and overdue principal that has become due otherwise than by such declaration of acceleration have been paid, (iii) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction and (iv) all payments due to the Trustee and any predecessor Trustee under Section 607 have been made.

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 on any Security of any series when such interest becomes due and payable and such default continues for a period of 30 days, or
- (2) default is made in the payment of the principal of (or premium, if any, on) any Security of any series 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 premium, if any) and interest and, to the extent that payment of such interest shall be legally enforceable, interest on any overdue principal (and premium, if any) and on any overdue interest, at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the reasonable costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and

may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

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 effectual 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 secure any other proper remedy.

#### SECTION 504. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal (and premium, if any) and interest owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel) and of the Holders allowed in such judicial proceedings, and

(ii) 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.

Nothing herein contained 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.

Any money collected by the Trustee pursuant to this Article in respect of the Securities of any series 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 premium, if any) or interest, upon presentation of the Securities in respect of which moneys have been collected 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 applicable to such series;

Second: To the payment of the amounts then due and unpaid for principal of (and premium, if any) and interest on the Securities of such series 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 of such series for principal (and premium, if any) and interest, respectively; and

Third: To the Company.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 506. At least fifteen (15) days before such record date, the Trustee shall mail to each Holder and the Company a notice that states the record date, the payment date and the amount to be paid.

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 the 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 of Securities of any series shall have any right in any manner whatever by virtue of, or by availing himself of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Securities of the affected series.

SECTION 508. Unconditional Right of Holders to Receive Principal, Premium 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 premium, if any) and (subject to Section 307) interest on such Security on the Stated Maturity or Maturities 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 Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding has 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 Securities 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, with respect to the Securities of such series, provided that:

- (1) such direction shall not be in conflict with any rule of law or with this Indenture;
- (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and
- (3) subject to Section 601, the Trustee need not take any action which might involve the Trustee in personal liability or be unduly prejudicial to the Holders not joining therein.

SECTION 513. Waiver of Past Defaults.

The Holders of not less than a majority in principal amount of the Outstanding Securities of any series may by written notice to the Trustee on behalf of the Holders of all the Securities of such series waive any Default or Event of Default with respect to such series and its consequences, except a Default or Event of Default

- (1) in respect of the payment of the principal of (or premium, if any) or interest on any Security of such series, or
- (2) in respect of a covenant or other 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 or Event of Default shall cease to exist and shall be deemed to have been cured, for every purpose of this Indenture and the Securities of such series; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

SECTION 514. Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Security by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in principal amount of the Outstanding Securities of any series, or to any suit instituted by any Holder for the enforcement of the payment of the principal of (or premium, if any) or interest on any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

ARTICLE SIX

THE TRUSTEE

SECTION 601. Certain Duties and Responsibilities of the Trustee.

(a) Except during the continuance of an Event of Default, the Trustee's duties and responsibilities under this Indenture shall be governed by Section 315(a) of the Trust Indenture Act.

(b) In case an Event of Default has occurred and is continuing, and is known to the Trustee, the Trustee shall exercise the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) None of the provisions of Section 315(d) of the Trust Indenture Act shall be excluded from this Indenture.

SECTION 602. Notice of Defaults.

Within 30 days after the occurrence of any Default or Event of Default with respect to the Securities of any series, the Trustee shall give to all Holders of Securities of such series, as their names and addresses appear in the Security Register, notice of such Default or Event of Default known to the Trustee, unless such Default or Event of Default shall have been cured or waived; provided, however, that, except in the case of a Default or Event of Default in the payment of the

principal of (or premium, if any) or interest on any Security of such series or in the payment of any sinking fund installment with respect to Securities of such series, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee or directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series.

SECTION 603. Certain Rights of Trustee.

Subject to the provisions of the Trust Indenture Act:

(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 Officer's Certificate;

(d) the Trustee may consult with counsel 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 security or indemnity to its reasonable satisfaction against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) prior to the occurrence of an Event of Default with respect to the Securities of any series and after the curing or waiving of all such Events of Default which may have occurred, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval or other paper or document, or the books and records of the Company, unless requested in writing to do so by the Holders of a majority in principal amount of the Outstanding Securities of any series; provided, however, that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is not, in the opinion of the Trustee, reasonably assured to the Trustee by the security afforded to it by the terms of this Indenture, the Trustee may require reasonable indemnity against such costs, expenses or liabilities as a condition to so proceeding; the

reasonable expense of every such investigation shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand;

(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 required 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 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.

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

The recitals herein and in the Securities, except the Trustee's certificates of authentication, shall be taken as the statements of the Company, and the Trustee or any Authenticating Agent assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

SECTION 605. May Hold Securities.

The Trustee, any Authenticating Agent, any Paying Agent, any Security 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, Authenticating Agent, Paying Agent, Security Registrar or such other agent.

SECTION 606. Money Held in Trust.

Money held by the Trustee in trust hereunder (including amounts held by the Trustee as Paying Agent) 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 upon in writing with the Company.

SECTION 607. Compensation and Reimbursement.

The Company agrees

(1) to pay to the Trustee from time to time reasonable compensation 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 for, and to hold it harmless against, any loss, liability, damage, claim or expense, including taxes (other than taxes based upon or determined or measured by the income of the Trustee), incurred without gross negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

When the Trustee incurs expenses or renders services in connection with an Event of Default specified in Section 501(5) or Section 501(6), the expenses (including the reasonable charges and expenses of its counsel) and the compensation for the services are intended to constitute expenses of administration under any applicable federal or state bankruptcy, insolvency or other similar law.

The provisions of this Section 607 shall survive this Indenture.

**SECTION 608. Disqualification; Conflicting Interests.**

The Trustee shall be disqualified only where such disqualification is required by Section 310(b) of the Trust Indenture Act. Nothing shall prevent the Trustee from filing with the Commission the application referred to in the second to last paragraph of Section 310(b) of the Trust Indenture Act.

**SECTION 609. Corporate Trustee Required; Eligibility.**

There shall at all times be a Trustee hereunder which shall be eligible to act as Trustee under Section 310(a)(1) of the Trust Indenture Act having a combined capital and surplus of at least \$50,000,000 subject to supervision or examination by federal or State authority. If such corporation 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 corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Neither the Company nor any Person directly or indirectly controlling, controlled by, or under common control with the Company may serve as Trustee. If at any time the Trustee 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 in accordance with the applicable requirements of 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 the instrument of acceptance by a successor Trustee required by Section 611 shall not have been delivered to the Trustee within 30 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 310(b) of the Trust Indenture Act 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 of a Security who has been a bona fide Holder of a Security for at least six months; 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;

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 315(e) of the Trust Indenture Act, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of himself 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) and shall comply with the applicable requirements of Section 611. 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 in accordance with the applicable requirements of Section 611, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company with respect to such Securities. 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 required by Section 611, 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 by mailing written notice of such event by first-class mail, postage prepaid, to all Holders of Securities of such series as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

SECTION 611. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed 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; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its 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.

(b) 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.

(c) 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 paragraph (a) or (b) of this Section, as the case may be.

(d) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under the Trust Indenture Act.

#### 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, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided 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.

The Trustee shall comply with Section 311(a) of the Trust Indenture Act, excluding any creditor relationship listed in Section 311(b) of the Trust Indenture Act. A Trustee who has resigned or been removed shall be subject to Section 311(a) of the Trust Indenture Act to the extent indicated therein.

#### SECTION 614. Appointment of Authenticating Agent.

At any time when any of the Securities remain outstanding the Trustee may appoint an Authenticating Agent or Agents with respect to one or more series of Securities which shall be

authorized to act on behalf of, and subject to the direction of, the Trustee to authenticate Securities of such series issued upon exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any State thereof or the District of Columbia, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by federal or State authority. If such Authenticating Agent 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 Authenticating Agent 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 an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent 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 Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall mail written notice of such appointment by first-class mail, postage prepaid, to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, as their names and addresses appear in the Security Register. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Company agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section.

If an appointment with respect to one or more series is made pursuant to this Section, the Securities of such series may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

Form of Authenticating Agent's  
Certificate of Authentication

Dated: \_\_\_\_\_

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

BANK OF OKLAHOMA, NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_  
As Authenticating Agent

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

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) semi-annually, not later than January 1 and July 1 in each year, a list, in such form as the Trustee may reasonably require, of the names and addresses of the Holders as of the preceding December 15 or June 15, as the case may be; 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;

provided, however, that so long as the Trustee is the Security Registrar, no such list shall be required to be furnished.

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 Security Registrar. The Trustee may destroy any list furnished to it as provided in Section 701 upon receipt of a new list so furnished.

(b) If three or more Holders (herein referred to as "applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such applicant has owned a Security for a period of at least six months preceding the date of such application, and such application states that the applicants desire to communicate with other Holders with respect to their rights under this Indenture or under the Securities and is accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, then the Trustee shall, within five Business Days after the receipt of such application, at its election, either

(i) afford such applicants access to the information preserved at the time by the Trustee in accordance with Section 702(a); or

(ii) inform such applicants as to the approximate number of Holders whose names and addresses appear in the information preserved at the time by the Trustee in accordance with Section 702(a), and as to the approximate cost of mailing to such Holders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder whose name and address appears in the information preserved at the time by the Trustee in accordance with Section 702(a) a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of mailing, unless within five days after such tender the Trustee shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Holders or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Holders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any agent of either of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with Section 702(b), regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under Section 702(b).

SECTION 703. Reports by Trustee.

(a) Within 60 days after May 15 of each year commencing with the year 2000, the Trustee shall transmit by mail to all Holders of Securities as provided in Section 313(c) of the Trust Indenture Act, a brief report dated as of May 15, if required by and in compliance with Section 313(a) of the Trust Indenture Act.

(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:

(1) file with the Trustee, within 30 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Exchange Act; or, if the Company is not required to file information, documents or reports pursuant to either of said Sections, then it shall file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(2) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations;

(3) transmit by mail to all Holders, as their names and addresses appear in the Security Register, (a) concurrently with furnishing the same to its stockholders but only to the extent the Company is otherwise required to furnish an annual report to its stockholders, the Company's annual report to stockholders, containing certified financial statements, and any other financial reports which the Company generally furnishes to its stockholders, and (b) within 30

days after the filing thereof with the Trustee, such summaries of any other information, documents and reports required to be filed by the Company pursuant to paragraphs (1) and (2) of this Section as may be required by rules and regulations prescribed from time to time by the Commission; and

(4) furnish to the Trustee, on or before May 1 of each year, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of the Company's compliance with all conditions and covenants under this Indenture. For purposes of this paragraph, such compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture. Such certificate need not comply with Section 102.

#### ARTICLE EIGHT

##### CONSOLIDATION, MERGER, LEASE, SALE OR TRANSFER

###### SECTION 801. When Company May Merge, Etc.

The Company shall not consolidate with, or merge with or into any other corporation (whether or not the Company shall be the surviving corporation), or sell, assign, transfer or lease all or substantially all of its properties and assets as an entirety or substantially as an entirety to any Person or group of affiliated Persons, in one transaction or a series of related transactions, unless:

(1) either the Company shall be the continuing Person or the Person (if other than the Company) formed by such consolidation or with which or into which the Company is merged or the Person (or group of affiliated Persons) to which all or substantially all the properties and assets of the Company as an entirety or substantially as an entirety are sold, assigned, transferred or leased shall be a corporation (or constitute corporations) organized and existing under the laws of the United States of America or 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 satisfactory to the Trustee, all the obligations of the Company under the Securities and this Indenture; and

(2) immediately before and after giving effect to such transaction or series of related transactions, no Event of Default, and no Default, shall have occurred and be continuing.

For purposes of this Article Eight, the phrase "ALL OR SUBSTANTIALLY ALL OF ITS PROPERTIES AND ASSETS" shall mean 50% or more of the total assets of the Company as shown on the consolidated balance sheet of the Company as of the end of the calendar year immediately preceding the day of the year in which such determination is made and nothing in this Indenture shall prevent or hinder the Company from selling, transferring or otherwise disposing during any calendar year (in one transaction or a series of transactions) less than 50% of the amount of its

total assets as shown on the consolidated balance sheet of the Company as of the end of the immediately preceding calendar year.

SECTION 802. Opinion of Counsel.

The Company shall deliver to the Trustee prior to the proposed transactions covered by Section 801 an Officer's Certificate and an Opinion of Counsel stating that the transaction(s) and such supplemental indenture comply with this Indenture and that all conditions precedent to the consummation of the transaction(s) under this Indenture have been met.

SECTION 803. Successor Corporation Substituted.

Upon any consolidation by the Company with or merger by the Company into any other corporation or any lease, sale, assignment, or transfer of all or substantially all of the property and assets of the Company in accordance with Section 801, the successor corporation formed by such consolidation or into which the Company is merged or the successor corporation or affiliated group of corporations to which such lease, sale, assignment, or transfer 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 corporation or corporations had been named as the Company herein, and thereafter, except in the case of a lease, the predecessor corporation or corporations shall be relieved of all obligations and covenants under this Indenture and the Securities and in the event of such conveyance or transfer, except in the case of a lease, any such predecessor corporation may be dissolved and liquidated.

ARTICLE NINE

SUPPLEMENTAL INDENTURES

SECTION 901. Supplemental Indentures Without Consent of Holders.

Without notice to or 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 corporation to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities; or

(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 conferred upon the Company; or

(3) to add any additional Events of Default with respect to all or any series of Securities; or

(4) to add or change any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the issuance of Securities in bearer form, registrable or not registrable as to principal, and with or without interest coupons; or

(5) to change or eliminate any of the provisions of this Indenture, provided that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision; or

(6) to secure the Securities; or

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

(8) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 611(b); or

(9) to cure any ambiguity, defect or inconsistency or to correct or supplement any provision herein which may be inconsistent with any other provision herein; or

(10) to make any change that does not materially adversely affect the interests of the Holders of Securities of any series.

Upon request of the Company, accompanied by a Board Resolution authorizing the execution of any such supplemental indenture, and upon receipt by the Trustee of the documents described in (and subject to the last sentence of) Section 903, the Trustee shall join with the Company in the execution of any supplemental indenture authorized or permitted by the terms of this Indenture.

#### SECTION 902. Supplemental Indentures with Consent of Holders.

With the written consent of the Holders of 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 shall, subject to Section 903, 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 principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon or any premium payable upon the redemption thereof or extend the time for payment thereof, or reduce the amount of the principal of an Original Issue Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 502, or change any Place of Payment where, or the coin or currency in which, any Security or any premium or the 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);

(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 is required for any waiver of compliance with certain provisions of this Indenture or Defaults or Events of Default hereunder and their consequences provided for in this Indenture; or

(3) change the redemption provisions (including Article Eleven) hereof in a manner adverse to such Holder; or

(4) modify any of the provisions of this Section or Section 513, except to increase any such percentage 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, however, that this clause shall not be deemed to require the consent of any Holder with respect to changes in the references to "the Trustee" and concomitant changes in this Section, or the deletion of this proviso, in accordance with the requirements of Sections 611(b) and 901(8).

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.

The Trustee shall sign any supplemental indenture authorized pursuant to this Article, subject to the last sentence of this Section 903. 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 Officer's Certificate and 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 as then in effect.

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, and shall if required by the Trustee, 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

SECTION 1001. Payments of Securities.

With respect to each series of Securities, the Company will duly and punctually pay the principal of (and premium, if any) and interest on such Securities in accordance with their terms and this Indenture, and will duly comply with all the other terms, agreements and conditions contained in, or made in the Indenture for the benefit of, the Securities of such series.

SECTION 1002. Maintenance of Office or Agency.

The Company will maintain an office or agency in each Place of Payment where Securities may be surrendered for registration of transfer or exchange or for presentation for payment, where notices and demands to or upon the Company in respect of the Securities and

this Indenture may be served. The Company will give prompt written notice to the Trustee of the location, and any change in 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 address of the Trustee as set forth in Section 105 hereof.

The Company may also from time to time designate one or more other offices or agencies where the Securities may be presented or surrendered for any or all such purposes and may from time to time rescind such designations. 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.

Unless otherwise set forth in, or pursuant to, a Board Resolution or Indenture supplemental hereto with respect to a series of Securities, the Company hereby initially designates the office of Bank of Oklahoma, National Association, Commerce Banking Center, 9520 North May Avenue, Oklahoma City, Oklahoma 73120, as such office of the Company.

SECTION 1003. Payment of Taxes and Other Claims.

The Company will pay or discharge, or cause to be paid or discharged, before the same shall become delinquent, (1) all material taxes, assessments and governmental charges levied or imposed upon the Company or any Subsidiary or upon the income, profits or property of the Company or any Subsidiary, and (2) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a material lien upon the property of the Company or any Subsidiary; provided, however, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings and for which adequate provision has been made.

SECTION 1004. Compliance Certificates.

(a) The Company shall deliver to the Trustee within 90 days after the end of each fiscal year of the Company (which fiscal year currently ends on December 31), an Officer's Certificate stating whether or not the signer knows of any Default or Event of Default by the Company that occurred prior to the end of the fiscal year and is then continuing. If the signer does know of such a Default or Event of Default, the certificate shall describe each such Default or Event of Default and its status and the specific section or sections of this Indenture in connection with which such Default or Event of Default has occurred. The Company shall also promptly notify the Trustee in writing should the Company's fiscal year be changed so that the end thereof is on any date other than the date on which the Company's fiscal year currently ends. The certificate need not comply with Section 102 hereof.

(b) The Company shall deliver to the Trustee, within 10 days after the occurrence thereof, notice of any acceleration which with the giving of notice and the lapse of time would be an Event of Default within the meaning of Section 501(4) hereof.

(c) The Company shall deliver to the Trustee forthwith upon becoming aware of a Default or Event of Default (but in no event later than 10 days after the occurrence of each Default or Event of Default that is continuing), an Officer's Certificate setting forth the details of such Default or Event of Default and the action that the Company proposes to take with respect thereto and the specific section or sections of this Indenture in connection with which such Default or Event of Default has occurred.

SECTION 1005. Commission Reports.

(a) The Company shall file with the Trustee, within 30 days after it files them with the Commission, copies of the quarterly and annual reports and of the information, documents, and other reports (or copies of such portions of any of the foregoing as the Commission may by rules and regulations prescribe) which the Company is required to file with the Commission pursuant to Section 13 or 15(d) of the Exchange Act. If the Company is not subject to the requirement of such Section 13 or 15(d) of the Exchange Act, the Company shall file with the Trustee, within 30 days after it would have been required to file such information with the Commission, financial statements, including any notes thereto and, with respect to annual reports, an auditors' report by an accounting firm of established national reputation and a "Management's Discussion and Analysis of Financial Condition and Results of Operations," both comparable to that which the Company would have been required to include in such annual reports, information, documents or other reports if the Company had been subject to the requirements of such Sections 13 or 15(d) of the Exchange Act. The Company also shall comply with the other provisions of Section 314(a) of the Trust Indenture Act.

(b) So long as the Securities remain outstanding, the Company shall cause its annual report to stockholders and any other financial reports furnished by it to stockholders generally, to be mailed to the Holders at their addresses appearing in the register of Securities maintained by the Security Registrar in each case at the time of such mailing or furnishing to stockholders. If the Company is not required to furnish annual or quarterly reports to its stockholders pursuant to the Exchange Act, the Company shall cause its financial statements, including any notes thereto and, with respect to annual reports, an auditors' report by an accounting firm of established national reputation and a "Management's Discussion and Analysis of Financial Condition and Results of Operations," to be so filed with the Trustee and mailed to the Holders within 90 days after the end of each of the Company's fiscal years and within 45 days after the end of each of the first three quarters of each fiscal year.

(c) The Company shall provide the Trustee with a sufficient number of copies of all reports and other documents and information that the Company may be required to deliver to the Holders under this Section 1005.

SECTION 1006. Waiver of Stay, Extension or Usury 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, and will actively resist any and all efforts to be compelled to take the benefit or advantage of, any stay or extension law or any usury law or other law, which would prohibit or forgive the Company from paying all or any portion of

the principal of and/or interest on the Securities as contemplated herein, wherever enacted, now or at any time hereafter in force, or which may affect the covenants or the performance of this Indenture; and (to the extent that it may lawfully do so) the Company 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.

SECTION 1007. Money for Securities Payments 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 before each due date of the principal of (and premium, if any) 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 (and premium, if any) 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 each due date of the principal of (and premium, if any) or interest on any Securities of that series, deposit with a Paying Agent a sum sufficient to pay the principal (and premium, if any) or interest so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company will promptly notify the Trustee of its action or failure to so act.

The Company will cause each Paying Agent for any series of Securities (other than the Trustee) 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, that such Paying Agent will:

(1) hold all sums held by it for the payment of the principal of (and premium, if any) or interest on Securities of that series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Company (or any other obligor upon the Securities of that series) in the making of any payment of principal (and premium, if any) or interest on the Securities of that series; and

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

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 (and premium, if any) or interest on any Security of any series and remaining unclaimed for two years after such principal (and premium, if any) 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; provided, however, that the Trustee or any such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in a newspaper published in the English language, customarily published on each Business Day and of general circulation in New York, New York, notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such publication, any unclaimed balance of such money then remaining will be repaid to the Company.

#### ARTICLE ELEVEN

##### REDEMPTION OF SECURITIES

###### SECTION 1101. 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 Securities of any series) in accordance with this Article.

###### SECTION 1102. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution. In case of any redemption at the election of the Company of less than all the Securities of any series, the Company shall, at least 45 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Securities of such series to be redeemed. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction.

###### SECTION 1103. Selection by Trustee of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 90 days prior to the Redemption Date by the Trustee, from the Outstanding Securities of such series not previously called for redemption,

substantially pro rata, by lot or by any other method as the Trustee considers fair and appropriate and that complies with the requirements of the principal national securities exchange, if any, on which such Securities are listed, and which may provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of that series or any integral multiple thereof) of the principal amount of Securities of such series of a denomination larger than the minimum authorized denomination for Securities of that series; provided that in case the Securities of such series have different terms and maturities, the Securities to be redeemed shall be selected by the Company and the Company shall give notice thereof to the Trustee.

The Trustee shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of the 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 1104. Notice of Redemption.

Notice of redemption shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 45 days prior to the Redemption Date, to each Holder of Securities to be redeemed, at his address appearing in the Security Register.

All notices of redemption shall state:

(1) the Redemption Date;

(2) the Redemption Price;

(3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities 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, if applicable, that interest thereon will cease to accrue on and after said date;

(5) the place or places where such Securities are to be surrendered for payment of the Redemption Price;

(6) that the redemption is for a sinking fund, if such is the case;

(7) the CUSIP number, if any, of the Securities to be redeemed; and

(8) unless otherwise provided as to a particular series of Securities, if at the time of publication or mailing of any notice of redemption the Company shall not have deposited with the Trustee or Paying Agent and/or irrevocably directed the Trustee or Paying Agent 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 called for redemption, including accrued interest to the Redemption Date, such notice shall state that it is subject to the receipt of the redemption moneys by the Trustee or Paying Agent before the Redemption Date (unless such redemption is mandatory) and such notice shall be of no effect unless such moneys are so received before such date.

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 1105. Deposit of Redemption Price.

Prior to 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 1007) 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 1106. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, 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 (unless the Company shall default in the payment of the Redemption Price and accrued interest) 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 Regular or Special 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, the principal (and premium, if any) shall, until paid, bear interest from the Redemption Date at the rate prescribed therefor in the Security.

SECTION 1107. Securities Redeemed in Part.

Any Security which is to be redeemed only in part shall be surrendered at an office or agency of the Company 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 his 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 the same series and Stated Maturity, 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.

## ARTICLE TWELVE

### SINKING FUNDS

#### SECTION 1201. Applicability of Article.

The provisions of this Article shall be applicable to any sinking fund for the retirement of Securities of a series, except as otherwise specified as contemplated by Section 301 for Securities of such series.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a "Mandatory Sinking Fund Payment," and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an "Optional Sinking Fund Payment." If provided for by the terms of Securities of any series, the cash amount of any sinking fund payment may be subject to reduction as provided in Section 1202. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

#### SECTION 1202. Satisfaction of Sinking Fund Payments with Securities.

The Company (1) may deliver Securities of a series (other than any Securities previously called for redemption) and (2) may apply as a credit Securities of a series which have been redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any sinking fund payment with respect to the Securities of such series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; provided that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustee at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such sinking fund payment shall be reduced accordingly.

#### SECTION 1203. Redemption of Securities for Sinking Fund.

Not less than 45 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustee an Officer's Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash and the portion thereof, if any, which is to be satisfied by delivering and crediting Securities of that series pursuant to Section 1202 and

will also deliver to the Trustee any Securities to be so delivered. Not less than 30 days before each such sinking fund payment date the Trustee shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 1103 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 1104. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 1106 and 1107.

#### ARTICLE THIRTEEN

##### DEFEASANCE AND COVENANT DEFEASANCE

SECTION 1301. Applicability of Article; Company's Option to Effect Defeasance or Covenant Defeasance.

Unless pursuant to Section 301 provision is made for the inapplicability of either or both of (a) Defeasance of the Securities of a series under Section 1302 or (b) Covenant Defeasance of the Securities of a series under Section 1303, then the provisions of such Section or Sections, as the case may be, together with the other provisions of this Article, shall be applicable to the Securities of such series, and the Company may at its option by Board Resolution, at any time, with respect to the Securities of such series, elect to have either Section 1302 (unless inapplicable) or Section 1303 (unless inapplicable) be applied to the Outstanding Securities of such series upon compliance with the applicable conditions set forth below in this Article.

SECTION 1302. Defeasance and Discharge.

Upon the Company's exercise of the option provided in Section 1301 to defease the Outstanding Securities of a particular series, the Company shall be discharged from its obligations with respect to the Outstanding Securities of such series on the date the applicable conditions set forth in Section 1304 are satisfied (hereinafter, "Defeasance"). Defeasance shall mean that the Company shall be deemed to have paid and discharged the entire indebtedness represented by the Outstanding Securities of such series and to have satisfied all its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustee, at the expense of the Company, shall execute proper instruments acknowledging the same); provided, however, that the following rights, obligations, powers, trusts, duties and immunities shall survive until otherwise terminated or discharged hereunder: (A) the rights of Holders of Outstanding Securities of such series to receive, solely from the trust fund provided for in Section 1304, payments in respect of the principal of (and premium, if any) and interest on such Securities when such payments are due, (B) the Company's obligations with respect to such Securities under Sections 304, 305, 306, 1002 and 1007, (C) the rights, powers, trusts, duties and immunities of the Trustee hereunder and (D) this Article. Subject to compliance with this Article, the Company may exercise its option with respect to Defeasance under this Section 1302 notwithstanding the prior exercise of its option with respect to Covenant Defeasance under Section 1303 in regard to the Securities of such series.

SECTION 1303. Covenant Defeasance.

Upon the Company's exercise of the option provided in Section 1301 to obtain a Covenant Defeasance with respect to the Outstanding Securities of a particular series, the Company shall be released from its obligations under this Indenture (except its obligations under Sections 304, 305, 306, 506, 509, 610, 1001, 1002, 1004, 1006 and 1007) with respect to the Outstanding Securities of such series on and after the date the applicable conditions set forth in Section 1304 are satisfied (hereinafter, "Covenant Defeasance"). Covenant Defeasance shall mean that, with respect to the Outstanding Securities of such series, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in this Indenture (except its obligations under Sections 304, 305, 306, 506, 509, 610, 1001, 1002, 1004, 1006 and 1007), whether directly or indirectly by reason of any reference elsewhere herein or by reason of any reference to any other provision herein or in any other document, and such omission to comply shall not constitute an Event of Default under Section 501(4) with respect to Outstanding Securities of such series, and the remainder of this Indenture and of the Securities of such series shall be unaffected thereby.

SECTION 1304. Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to Defeasance under Section 1302 and Covenant Defeasance under Section 1303 with respect to the Outstanding Securities of a particular series:

(1) the Company shall irrevocably have deposited or caused to be deposited with the Trustee (or another trustee satisfying the requirements of Section 609 who shall agree to comply with the provisions of this Article applicable to it), under the terms of an irrevocable trust agreement in form and substance reasonably satisfactory to such Trustee, as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (A) Dollars in an amount, or (B) U.S. Government Obligations which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than the due date of any payment, money in an amount, or (C) a combination thereof, in each case sufficient, after payment of all federal, state and local taxes or other charges or assessments in respect thereof payable by the Trustee, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, to pay and discharge, and which shall be applied by the Trustee (or other qualifying trustee) to pay and discharge, (i) the principal of (and premium, if any, on) and each installment of principal of (and premium, if any) and interest on the Outstanding Securities of such series on the Stated Maturity of such principal or installment of principal or interest and (ii) any mandatory sinking fund payments or analogous payments applicable to the Outstanding Securities of such series on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities.

(2) No Default or Event of Default with respect to the Securities of such series shall have occurred and be continuing on the date of such deposit or shall occur as a

result of such deposit, and no Default or Event of Default under clause (5) or (6) of Section 501 hereof shall occur and be continuing, at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period).

(3) Such deposit, Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company is a party or by which it is bound.

(4) Such Defeasance or Covenant Defeasance shall not cause any Securities of such series then listed on any national securities exchange registered under the Exchange Act to be delisted.

(5) In the case of an election with respect to Section 1302, the Company shall have delivered to the Trustee either (A) a ruling directed to the Trustee received from the Internal Revenue Service to the effect that the Holders of the Outstanding Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Defeasance had not occurred or (B) an Opinion of Counsel, based on such ruling or on a change in the applicable federal income tax law since the date of this Indenture, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of the Outstanding Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Defeasance had not occurred.

(6) In the case of an election with respect to Section 1303, the Company shall have delivered to the Trustee an Opinion of Counsel or a ruling directed to the Trustee received from the Internal Revenue Service to the effect that the Holders of the Outstanding Securities of such series will not recognize income, gain or loss for federal income tax purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred.

(7) Such Defeasance or Covenant Defeasance shall be effected in compliance with any additional terms, conditions or limitations which may be imposed on the Company in connection therewith pursuant to Section 301.

(8) The Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for relating to either the Defeasance under Section 1302 or the Covenant Defeasance under Section 1303 (as the case may be) have been complied with.

SECTION 1305. Deposited Money and U.S. Government Obligations To Be Held In Trust.

Subject to the provisions of the last paragraph of Section 1007, all money and U.S. Government Obligations (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee--collectively for purposes of this Section 1305, the "Trustee") pursuant to Section 1304 in respect of the Outstanding Securities of a particular series shall be held in trust and applied by the Trustee, in accordance with the provisions of such 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 Holders of such Securities of all sums due and to become due thereon in respect of principal (and premium, if any) and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the U.S. Government Obligations deposited pursuant to Section 1304 or the principal and interest received in respect thereof, other than any such tax, fee or other charge which by law is for the account of the Holders of the Outstanding Securities of such series.

Anything in this Article to the contrary notwithstanding, the Trustee shall deliver to and pay to the Company from time to time upon Company Request any money or U.S. Government Obligations held by it as provided in Section 1304 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee, are in excess of the amount thereof which would then be required to be deposited for the purpose for which such money or U.S. Government Obligations were deposited.

ARTICLE FOURTEEN

SUBORDINATION

SECTION 1401. Agreement of Securityholders that Securities Subordinated to Extent Provided.

The Company, for itself, its successors and assigns, covenants and agrees and each Holder of the Securities by his acceptance thereof likewise covenants and agrees that the payment of the principal of, premium, if any, and interest on each and all of the Securities is hereby expressly subordinated, to the extent and in the manner hereinafter set forth, to the prior payment in full of all Senior Indebtedness. The provisions of this Article shall constitute a continuing offer to all persons who, in reliance upon such provisions, become holders of, or continue to hold, Senior Indebtedness, and such provisions are made for the benefit of the holders of Senior Indebtedness, and such holders are hereby made obligees hereunder the same as if their names were written herein as such, and they and/or each of them may proceed to enforce such provisions.

SECTION 1402. Company not to Make Payments with Respect to Securities in Certain Circumstances.

(a) Upon the maturity of any Senior Indebtedness by lapse of time, acceleration or otherwise, all principal thereof and premium, if any, and interest thereon shall first be paid in full, or such payment duly provided for in cash or in a manner satisfactory to the holder or holders of such Senior Indebtedness, before any payment is made on account of the principal of or premium, if any, or interest on the Securities or to acquire any of the Securities or on account of any sinking fund (except sinking fund payments made in Securities acquired by the Company before the maturity of such Senior Indebtedness).

(b) No payment of principal of, premium, if any, or interest on the Securities may be made if, (i) a default has occurred and is continuing in the payment of principal of or premium, if any, or interest on any Senior Indebtedness of the Company or (ii) if any event of default with respect to Senior Indebtedness of the Company has occurred and is continuing and has resulted in Senior Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable, unless and until the event of default shall have been rescinded or annulled, or (iii) any judicial proceeding is pending with respect to any default in payment or event of default.

(c) In the event that notwithstanding the provisions of this Section 1402 the Company shall make any payment to the Trustee on account of the principal of or premium, if any, or interest on the Securities, or on account of any sinking fund, or the Holders of the Securities shall receive any such payment, after the happening of a default in payment of the principal of or premium, if any, or interest on Senior Indebtedness, then, unless and until such default or event of default shall have been cured or waived or shall have ceased to exist, such payment (subject to the provisions of Section 1406 and 1407) shall be held by the Trustee or the Holders of the Securities, as the case may be, in trust for the benefit of, and shall be paid forthwith over and delivered to, the holders of Senior Indebtedness (pro rata as to each of such holders on the basis of the respective amounts of Senior Indebtedness held by them) or their representative or the trustee under the indenture or other agreement (if any) pursuant to which any instruments evidencing any Senior Indebtedness may have been issued, as their respective interests may appear, for application to the payment of all Senior Indebtedness remaining unpaid to the extent necessary to pay all Senior Indebtedness in full in accordance with the terms of such Senior Indebtedness, after giving effect to any concurrent payment or distribution to or for the holders of Senior Indebtedness. The Company shall give prompt written notice to a Responsible Officer of the Trustee of any fact known to the Company that would prohibit the making of any payment of monies to or by the Trustee in respect of the Securities pursuant to the provisions of this Article Fourteen.

SECTION 1403. Securities Subordinated to Prior Payment of all Senior Indebtedness on Dissolution, Liquidation or Reorganization of Company.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company, then:

(a) the holders of Senior Indebtedness of the Company shall be entitled to receive payment in full of all such Senior Indebtedness, or provision shall be made for such payment in cash or cash equivalents or otherwise in a manner satisfactory to the holders of Senior Indebtedness of the Company before the Securityholders are entitled to receive or retain any payment or distribution of any kind or character, whether in cash, property or securities (including any payment or distribution which may be payable or deliverable by reason of the payment of any other Indebtedness of the Company (including any series of the Securities) subordinated to the payment of the Securities, such payment or distribution being hereinafter referred to as a "Junior Subordinated Payment"), on account of principal of (or premium, if any) or interest on the Securities or on account of the purchase or other acquisition of Securities by the Company and to that end the holders of Senior Indebtedness of the Company shall be entitled to receive, for application to the payment thereof; any payment or distribution of any kind or character, whether in cash, property or securities, including any Junior Subordinated Payment, which may be payable or deliverable in respect of the Securities in any such proceeding.

(b) in the event that notwithstanding the foregoing provisions of this Section 1403, any payment or distribution of assets of the Company of any kind or character, whether in cash, property or securities, shall be received by the Trustee or the Holders of the Securities on account of principal, premium, if any, or interest on the Securities before all Senior Indebtedness is paid in full, or effective provision made for its payment, such payment or distribution (subject to the provisions of Section 1406 and 1407) shall be received and held in trust for and shall be paid over to the holders of the Senior Indebtedness remaining unpaid or unprovided for 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, for application to the payment of such Senior Indebtedness until all such Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution therefor to the holders of such Senior Indebtedness.

SECTION 1404. Securityholders to be Subrogated to Right of Holders of Senior Indebtedness.

Subject to the payment in full of all Senior Indebtedness, the Holders of the Securities shall be subrogated to the rights of the holders of Senior Indebtedness to receive payments or distributions of assets of the Company applicable to the Senior Indebtedness until all amounts owing on the Securities shall be paid in full, and for the purpose of such subrogation no payments or distributions to the holders of the Senior Indebtedness by or on behalf of the Company or by or on behalf of the Holders of the Securities by virtue of this Article which otherwise would have been made to the Holders of the Securities shall, as between the Company

and the Holders of the Securities, be deemed to be payment by the Company to or on account of the Senior Indebtedness, it being understood that the provisions of this Article Fourteen 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 the Senior Indebtedness, on the other hand.

**SECTION 1405. Obligation of the Company Unconditional.**

Nothing contained in this Article Fourteen or elsewhere in this Indenture or in the Securities is intended to or shall impair as between the Company 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, premium, if any, and interest on the Securities as and when the same shall become due and payable in accordance with their terms, or is intended to or shall affect the relative rights of the Holders of the Securities and creditors of the Company other than the holders of the Senior Indebtedness, nor shall anything herein or therein 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 rights, if any, under this Article Fourteen of the holders of Senior Indebtedness in respect of cash, property, or securities of the Company received upon the exercise of any such remedy. Upon any distribution of assets of the Company referred to in this Article Fourteen, the Trustee, subject to the provisions of Section 601, and the Holders of the Securities shall be entitled to rely upon any order or decree made by any court of competent jurisdiction in which such dissolution, winding up, liquidation or reorganization proceedings are pending, or a certificate of the liquidating trustee or agent or other person making any distribution to the Trustee or to the Holders of the Securities, for the purpose of ascertaining the persons entitled to participate in such distribution, the holders of the 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 Fourteen.

**SECTION 1406. Trustee Entitled to Assume Payments Not Prohibited in Absence of Notice.**

The Trustee shall not at any time be charged with knowledge of the existence of any facts which would prohibit the making of any payment of monies to or by the Trustee, unless and until a Responsible Officer of the Trustee shall have received written notice thereof from the Company or from one or more holders of Senior Indebtedness or from any trustee therefor; and, prior to the receipt of any such written notice, the Trustee, subject to the provisions of Section 601, shall be entitled to assume conclusively that no such facts exist.

The Trustee, subject to the provisions of Section 601, shall be entitled to conclusively rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness of the Company or a trustee on behalf of such holder, as the case may, to establish that such notice has been given by a holder of such Senior Indebtedness or a trustee on behalf of any such holder or holders. 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 such Senior Indebtedness to participate in any payment or distribution pursuant to this Article Fourteen, the



Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of such 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 Fourteen, 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 1407. Application by Trustee of Monies Deposited With It.**

Anything in this Indenture to the contrary notwithstanding, any deposit of monies by the Company with the Trustee or any paying agent (whether or not in trust) for the payment of the principal of or premium, if any, or interest on any Securities shall be subject to the provisions of Sections 1401, 1402, 1403 and 1404 except that, if at least two Business Days prior to the date on which by the terms of this Indenture any such monies may become payable for any purpose (including, without limitation, the payment of either the principal of or the interest or premium, if any, on any Security) a Responsible Officer of the Trustee shall not have received with respect to such monies the notice provided for in Section 1406, then, anything herein contained to the contrary notwithstanding, the Trustee shall have full power and authority to receive such monies and to apply the same to the purpose for which they were received, and shall not be affected by any notice to the contrary which may be received by it within two Business Days prior to such date or on or after such date.

**SECTION 1408. Subordination Rights not Impaired by Acts or Omissions of Company or Holders of Senior Indebtedness.**

No right of any present or future holders 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 by any noncompliance by the Company with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

**SECTION 1409. Securityholders Authorize Trustee to Effectuate Subordination of Securities.**

Each Holder of the Securities by his acceptance thereof authorizes and expressly directs the Trustee on his behalf to take such action as may be necessary or appropriate to effectuate the subordination provided in this Article Fourteen and appoints the Trustee his attorney-in-fact for such purpose, including, in the event of any dissolution, winding up, liquidation or reorganization of the Company (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors or otherwise) tending towards liquidation of the business and assets of the Company, the immediate filing of a claim for the unpaid balance of its or his Securities in the form required in said proceedings and cause said claim to be approved. If the Trustee does not file a proper claim or proof of debt in the form required in such proceeding prior to 30 days before the expiration of the time to file such claim or claims, then the

holder or holders of Senior Indebtedness are hereby authorized to and have the right to file an appropriate claim for and on behalf of the holders of said Securities.

SECTION 1410. Right of Trustee to Hold Senior Indebtedness.

The Trustee shall be entitled to all of the rights set forth in this Article Fourteen in respect of any Senior Indebtedness at any time held by it to the same extent as any other holder of Senior Indebtedness, and nothing in Section 613 or elsewhere in this Indenture shall be construed to deprive the Trustee of any of its rights as such holder.

SECTION 1411. Article Fourteen Not to Prevent Events of Default.

The failure to make a payment on account of principal, interest or sinking fund by reason of any provision in this Article Fourteen shall not be construed as preventing the occurrence of an Event of Default under Section 501.

ARTICLE FIFTEEN

MISCELLANEOUS

SECTION 1501. Miscellaneous.

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, all as of the day and year first above written.

OGE ENERGY CORP.

By \_\_\_\_\_  
Name: James R. Hatfield  
Title: Vice President and Treasurer

Attest:

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

BANK OF OKLAHOMA, NATIONAL  
ASSOCIATION

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

FIRST SUPPLEMENTAL INDENTURE

Dated as of \_\_\_\_\_, 1999

between

OGE ENERGY CORP.,

AS ISSUER

and

BANK OF OKLAHOMA, NATIONAL ASSOCIATION

AS TRUSTEE

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# TABLE OF CONTENTS

	PAGE
ARTICLE I	DEFINITIONS.....2
Section 1.1.	Definition of Terms.....2
ARTICLE II	GENERAL TERMS AND CONDITIONS OF THE DEBENTURES.....3
Section 2.1.	Designation and Principal Amount.....3
Section 2.2.	Maturity.....3
Section 2.3.	Form and Payment.....3
Section 2.4.	Global Debenture.....3
Section 2.5.	Interest.....5
Section 2.6.	Preferred Security Holders' Rights.....6
Section 2.7.	Authorized Denominations.....6
ARTICLE III	REDEMPTION OF THE DEBENTURES.....6
Section 3.1.	Special Event Redemption.....6
Section 3.2.	Optional Redemption by Company.....6
Section 3.3.	No Sinking Fund.....7
ARTICLE IV	EXTENSION OF INTEREST PAYMENT PERIOD.....7
Section 4.1.	Extension of Interest Payment Period.....7
Section 4.2.	Notice of Extension.....8
Section 4.3.	Limitation of Transactions.....8
ARTICLE V	EXPENSES.....9
Section 5.1.	Payment of Expenses.....9
Section 5.2.	Payment Upon Resignation or Removal.....9
ARTICLE VI	NOTICE.....10
Section 6.1.	Notice by the Company.....10
ARTICLE VII	COVENANT TO LIST ON EXCHANGE.....11
Section 7.1.	Listing on an Exchange.....11
ARTICLE VIII	FORM OF DEBENTURE.....11
Section 8.1.	Form of Debenture.....11

ARTICLE IX	ORIGINAL ISSUE OF DEBENTURES.....	19
Section 9.1.	Original Issue of Debentures.....	19
ARTICLE X	MISCELLANEOUS.....	19
Section 10.1.	Ratification of Indenture.....	19
Section 10.2.	Trustee Not Responsible for Recitals.....	19
Section 10.3.	Governing Law.....	19
Section 10.4.	Separability.....	19
Section 10.5.	Counterparts.....	20

FIRST SUPPLEMENTAL INDENTURE, dated as of \_\_\_\_\_, 1999 (the "First Supplemental Indenture"), between OGE ENERGY CORP., a corporation duly organized and existing under the laws of the State of Oklahoma, having its principal office at 321 N. Harvey Avenue, Oklahoma City, Oklahoma 73102, (the "Company"), and BANK OF OKLAHOMA, NATIONAL ASSOCIATION, as trustee (the "Trustee").

WHEREAS, the Company executed and delivered the indenture dated as of \_\_\_\_\_, 1999 (the "Indenture"), to the Trustee to provide for the future issuance of the Company's unsecured debentures, notes or other evidence of indebtedness (the "Securities"), to be issued from time to time in one or more series as might be determined by the Company under the Indenture;

WHEREAS, pursuant to the terms of the Indenture, the Company desires to provide for the establishment of a new series of its Securities to be known as its \_\_\_\_% Junior Subordinated Debentures due \_\_\_\_ (the "Debentures"), the form and substance of such Debentures and the terms, provisions and conditions thereof to be set forth as provided in the Indenture and this First Supplemental Indenture;

WHEREAS, OGE Energy Capital Trust I, a Delaware statutory business trust (the "Trust"), has offered to the public \$\_\_\_\_\_ aggregate liquidation amount of its \_\_\_\_% Preferred Securities (the "Preferred Securities"), representing undivided beneficial interests in the assets of the Trust and proposes to invest the proceeds from such offering, together with the proceeds of the issuance and sale by the Trust to the Company of \$\_\_\_\_\_ aggregate liquidation amount of its \_\_\_\_% Common Securities, in \$\_\_\_\_\_ aggregate principal amount of the Debentures; and

WHEREAS, the Company has requested that the Trustee execute and deliver this First Supplemental Indenture and all requirements necessary to make this First Supplemental Indenture a valid instrument in accordance with its terms, and to make the Debentures, when executed by the Company and authenticated and delivered by the Trustee, the valid obligations of the Company, have been performed, and the execution and delivery of this First Supplemental Indenture has been duly authorized in all respects.

NOW THEREFORE, in consideration of the purchase and acceptance of the Debentures by the Holders thereof, and for the purpose of setting forth, as provided in the Indenture, the form and substance of the Debentures and the terms, provisions and conditions thereof, the Company covenants and agrees with the Trustee as follows:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definition of Terms.

Unless the context otherwise requires:

(a) a term defined in the Indenture has the same meaning when used in this First Supplemental Indenture;

(b) a term defined anywhere in this First Supplemental Indenture has the same meaning throughout;

(c) the singular includes the plural and vice versa;

(d) headings are for convenience of reference only and do not affect interpretation;

(e) the following terms have the meanings given to them in the Declaration: (i) Business Day; (ii) Delaware Trustee; (iii) Depositary; (iv) Preferred Security Certificate; (v) Property Trustee; (vi) Regular Trustees; (vii) Special Event; (viii) Tax Event; (ix) Investment Company Event; and (x) Securities;

(f) the following terms have the meanings given to them in this Section 1.1(f):

"Additional Interest" shall have the meaning set forth in Section 2.5.(c)

"Compounded Interest" shall have the meaning set forth in Section 4.1.

"Declaration" means the Amended and Restated Declaration of Trust of OGE Energy Capital Trust I, a Delaware statutory business trust, dated as of \_\_\_\_\_, 1999.

"Deferred Interest" shall have the meaning set forth in Section 4.1.

"Dissolution Event" means that, as a result of the occurrence and continuation of a Special Event or otherwise, the Trust is to be dissolved in accordance with the Declaration, and the Debentures held by the Property Trustee are to be distributed to the holders of the Securities issued by the Trust pro rata in accordance with the Declaration.

"Extended Interest Payment Period" shall have the meaning set forth in Section 4.1.

"Global Debenture" shall have the meaning set forth in Section 2.4.

"Maturity Date" means the date on which the Debentures mature and on which the principal shall be due and payable together with all accrued and unpaid interest thereon including Compounded Interest and Additional Interest, if any.



"Non Book-Entry Preferred Securities" shall have the meaning set forth in Section 2.4.

"Optional Redemption Price" shall have the meaning set forth in Section 3.2(a).

## ARTICLE II

### GENERAL TERMS AND CONDITIONS OF THE DEBENTURES

#### SECTION 2.1. Designation and Principal Amount.

There is hereby authorized a series of Securities designated the "\_\_% Junior Subordinated Debentures due \_\_\_\_\_", limited in aggregate principal amount to \$\_\_\_\_\_ (the "Debentures"), which amount shall be as set forth in any written order of the Company for the authentication and delivery of Debentures pursuant to Section 303 of the Indenture.

#### SECTION 2.2. Maturity.

The Maturity Date will be \_\_\_\_\_, \_\_\_\_.

#### SECTION 2.3. Form and Payment.

Except as provided in Section 2.4, the Debentures shall be issued in fully registered certificated form without interest coupons. Principal and interest on the Debentures issued in certificated form will be payable, the transfer of such Debentures will be registrable and such Debentures will be exchangeable for Debentures bearing identical terms and provisions at the office or agency of the Trustee; provided, however, that payment of interest may be made at the option of the Company by check mailed to the Holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the Holder of any Debentures is the Property Trustee, the payment of the principal of and interest (including Compounded Interest and Additional Interest, if any) on such Debentures held by the Property Trustee will be made at such place and to such account as may be designated by the Property Trustee.

SECTION 2.4. Global Debenture. For purposes of the Debentures only, Section 205 of the Indenture is hereby amended to read in its entirety as provided in this Section 2.4:

(a) In connection with a Dissolution Event,

(i) the Debentures in certificated form may be presented to the Trustee by the Property Trustee in exchange for a global Debenture in an aggregate principal amount equal to the aggregate principal amount of all outstanding Debentures (a "Global Debenture"), to be registered in the name of the Depositary, or its nominee, and delivered by the Trustee to the Depositary for crediting to the accounts of its participants pursuant to the instructions of the Regular Trustees. The Company upon any such presentation shall execute a Global Debenture in such aggregate principal amount and deliver the same to the Trustee for

authentication and delivery in accordance with the Indenture and this First Supplemental Indenture. Payments on the Debentures issued as a Global Debenture will be made to the Depositary; and

(ii) if any Preferred Securities are held in non book-entry certificated form, the Debentures in certificated form may be presented to the Trustee by the Property Trustee and any Preferred Security Certificate which represents Preferred Securities other than Preferred Securities held by the Depositary or its nominee ("Non Book-Entry Preferred Securities") will be deemed to represent beneficial interests in Debentures presented to the Trustee by the Property Trustee having an aggregate principal amount equal to the aggregate liquidation amount of the Non Book-Entry Preferred Securities until such Preferred Security Certificates are presented to the Security Registrar for transfer or reissuance at which time such Preferred Security Certificates will be cancelled and a Debenture, registered in the name of the holder of the Preferred Security Certificate or the transferee of the holder of such Preferred Security Certificate, as the case may be, with an aggregate principal amount equal to the aggregate liquidation amount of the Preferred Security Certificate cancelled, will be executed by the Company and delivered to the Trustee for authentication and delivery in accordance with the Indenture and this First Supplemental Indenture.

(b) Unless and until it is exchanged for the Debentures in registered form, a Global Debenture may be transferred, in whole but not in part, only to another nominee of the Depositary, or to a successor Depositary selected or approved by the Company or to a nominee of such successor Depositary.

(c) If at any time the Depositary notifies the Company that it is unwilling or unable to continue as Depositary or if at any time that the Depositary for such series is required to be registered as under the Securities Exchange Act of 1934, such Depositary shall no longer be registered or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, and a successor Depositary for such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, the Company will execute, and, subject to Article III of the Indenture, the Trustee, upon written notice from the Company, will authenticate and deliver the Debentures in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Debenture in exchange for such Global Debenture. In addition, the Company may at any time determine that the Debentures shall no longer be represented by a Global Debenture. In such event the Company will execute, and subject to Section 301 of the Indenture, the Trustee, upon receipt of an Officer's Certificate evidencing such determination by the Company, will authenticate and deliver the Debentures in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Debenture in exchange for such Global Debenture. Upon the exchange of the Global Debenture for such Debentures in definitive registered form without coupons, in authorized denominations, the Global Debenture shall be cancelled by the Trustee. Such Debentures in definitive registered

form issued in exchange for the Global Debenture 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 instruct the Trustee. The Trustee shall deliver such Securities to the Depositary for delivery to the Persons in whose names such Securities are so registered.

#### SECTION 2.5. Interest.

(a) Each Debenture will bear interest at the rate of \_\_\_\_% per annum (the "Coupon Rate") from the original date of issuance until the principal thereof becomes due and payable, and on any overdue principal and (to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the Coupon Rate, compounded quarterly, payable (subject to the provisions of Article IV) quarterly in arrears on March 31, June 30, September 30 and December 31 of each year (each, an "Interest Payment Date") commencing on December 31, 1999, to the Person in whose name such Debenture or any predecessor Debenture is registered, at the close of business on the regular record date for such interest installment, which, in respect of (i) Debentures of which the Property Trustee is the Holder and the Preferred Securities are in book-entry only form or (ii) a Global Debenture, shall be the close of business on the Business Day next preceding that Interest Payment Date. Notwithstanding the foregoing sentence, if (i) the Debentures are held by the Property Trustee and the Preferred Securities are no longer in book-entry only form or (ii) the Debentures are not represented by a Global Debenture, the regular record date for such interest installment shall be the fifteenth day next preceding the applicable Interest Payment Date.

(b) The amount of interest payable for any full quarterly period will be computed on the basis of a 360-day year of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period will be computed on the basis of a 30-day month and, for periods of less than a month, the actual number of days elapsed per 30-day month. In the event that any date on which interest is payable on the Debentures is not a Business Day, then payment of 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 such date.

(c) If, at any time while the Property Trustee is the Holder of any Debentures, the Trust or the Property Trustee 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 any case, the Company will pay as additional interest ("Additional Interest") on the Debentures held by the Property Trustee, such additional amounts as shall be required so that the net amounts received and retained by the Trust and the Property Trustee after paying such taxes, duties, assessments or other governmental charges will be equal to the amounts the Trust or the Property Trustee, as applicable, would have received had no such taxes, duties, assessments or other government charges been imposed.

## SECTION 2.6. Preferred Security Holders' Rights.

If an Event of Default constituting the failure to pay interest or principal on the Debentures on the date such interest or principal is otherwise payable has occurred and is continuing, then a holder of Preferred Securities may directly institute a proceeding for enforcement of payment to such holder directly of the principal of or interest on the Debentures having a principal amount equal to the aggregate liquidation amount of the Preferred Securities of such holder on or after the respective due date specified in the Debentures. The holders of Preferred Securities will not be able to exercise directly any other remedy available to the holders of the Debentures under this First Supplemental Indenture or under the Indenture.

## SECTION 2.7. Authorized Denominations.

The Debentures are issuable only in registered form without coupons in denominations of \$25 and any integral multiple thereof.

# ARTICLE III

## REDEMPTION OF THE DEBENTURES

### SECTION 3.1. Special Event Redemption.

If a Special Event has occurred and is continuing then, notwithstanding Section 3.2(a) but subject to Section 3.2(b), the Company shall have the right upon not less than 30 days nor more than 60 days notice to the Holders of the Debentures to redeem the Debentures, in whole but not in part, for cash within 90 days following the occurrence of such Special Event at a redemption price equal to 100% of the principal amount to be redeemed plus any accrued and unpaid interest thereon to the date of such redemption (the "Redemption Price"). The Redemption Price shall be paid prior to 12:00 noon, New York time, on the date of such redemption or such earlier time as the Company determines, provided that the Company shall deposit with the Trustee an amount sufficient to pay the Redemption Price by 10:00 a.m., New York time, on the date such Redemption Price is to be paid.

### SECTION 3.2. Optional Redemption by Company.

(a) Subject to the provisions of Section 3.2(b) and to the provisions of Article Eleven of the Indenture, except as otherwise may be specified in this First Supplemental Indenture, the Company shall have the right to redeem the Debentures, in whole or in part, from time to time, on or after \_\_\_\_\_, at a redemption price equal to 100% of the principal amount to be redeemed plus any accrued and unpaid interest thereon to the date of such redemption (the "Optional Redemption Price"). Any redemption pursuant to this paragraph will be made upon not less than 30 days nor more than 60 days notice to the Holder of the Debentures, at the Optional Redemption Price. If the Debentures are only partially redeemed pursuant to this Section 3.2, the Debentures will be redeemed pro rata or by lot or by any other method utilized by the Trustee; provided, that if at the time of redemption the Debentures are registered as a Global Debenture, the Depositary shall determine, in accordance with its procedures, the

principal amount of such Debentures held by each beneficial owner of Debentures to be redeemed. The Optional Redemption Price shall be paid prior to 12:00 noon, New York time, on the date of such redemption or at such earlier time as the Company determines provided that the Company shall deposit with the Trustee an amount sufficient to pay the Optional Redemption Price by 10:00 a.m., New York time, on the date such Optional Redemption Price is to be paid.

(b) If a partial redemption of the Debentures would result in the delisting of the Preferred Securities issued by the Trust from any national securities exchange or other organization on which the Preferred Securities are then listed, the Company shall not be permitted to effect such partial redemption and may only redeem the Debentures in whole.

#### SECTION 3.3. No Sinking Fund.

The Debentures are not entitled to the benefit of any sinking fund.

### ARTICLE IV

#### EXTENSION OF INTEREST PAYMENT PERIOD

##### SECTION 4.1. Extension of Interest Payment Period.

The Company shall have the right, at any time and from time to time during the term of the Debentures, to defer payments of interest for a period not exceeding 20 consecutive quarters by extending the interest payment period to a subsequent Interest Payment Date for such Debentures (the "Extended Interest Payment Period"), during which Extended Interest Payment Period no interest shall be due and payable; provided that no Extended Interest Payment Period may extend beyond the Maturity Date. To the extent permitted by applicable law, interest, the payment of which has been deferred because of the extension of the interest payment period pursuant to this Section 4.1, will bear interest thereon at the Coupon Rate compounded quarterly for each quarter of the Extended Interest Payment Period ("Compounded Interest"). At the end of the Extended Interest Payment Period, the Company shall pay all interest accrued and unpaid on the Debentures, including any Additional Interest and Compounded Interest (together, "Deferred Interest") that shall be payable to the Holders of the Debentures in whose names the Debentures are registered in the Security Register on the record date in respect of the Interest Payment Date occurring at the end of the Extended Interest Payment Period. Before the termination of any Extended Interest Payment Period, the Company may further extend such period, provided that such period together with all previous and further extensions thereof shall not exceed 20 consecutive quarters, or extend beyond the maturity date of the Debentures. Upon the termination of any Extended Interest Payment Period and upon the payment of all Deferred Interest then due, the Company may commence a new Extended Interest Payment Period, subject to the foregoing requirements. No interest shall be due and payable during an Extended Interest Payment Period until the end thereof, except upon a redemption of the Debentures during an Extended Interest Payment Period, but the Company may prepay at any time all or any portion of the interest accrued during an Extended Interest Payment Period.

#### SECTION 4.2. Notice of Extension.

(a) If the Property Trustee is the only registered Holder of the Debentures at the time the Company selects an Extended Interest Payment Period, the Company shall give written notice to the Regular Trustees, the Property Trustee and the Trustee of its selection of such Extended Interest Payment Period one Business Day before the earlier of (i) the next succeeding date on which Distributions on the Securities issued by the Trust are payable, or (ii) the date the Trust is required to give notice of the record date, or the date such Distributions are payable, to the New York Stock Exchange or other applicable self-regulatory organization or to holders of the Preferred Securities issued by the Trust, but in any event at least one Business Day before such record date.

(b) If the Property Trustee is not the only Holder of the Debentures at the time the Company selects an Extended Interest Payment Period, the Company shall give the Holders of the Debentures and the Trustee written notice of its selection of such Extended Interest Payment Period at least 10 Business Days before the earlier of (i) the next succeeding Interest Payment Date, or (ii) the date the Company is required to give notice of the record or payment date of such interest payment to the New York Stock Exchange or other applicable self-regulatory organization or to Holders of the Debentures, but in any event at least two business days prior to the record date.

(c) The quarter in which any notice is given pursuant to paragraphs (a) or (b) of this Section 4.2 shall be counted as one of the 20 quarters permitted in the maximum Extended Interest Payment Period permitted under Section 4.1.

#### SECTION 4.3. Limitation of Transactions.

If (i) the Company shall exercise its right to defer payment of interest as provided in Section 4.1, or (ii) there shall have occurred any Event of Default, as defined in the Indenture, then, during such Extended Interest Payment Period or until such Event of Default shall have been cured, waived or cease to exist, (a) the Company shall not declare or pay any dividend on, make any distributions with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of its capital stock (other than (i) dividends or distributions by way of issuance of the Company's common stock, (ii) payment under the guarantee in respect of the Securities, (iii) dividends in connection with the implementation of a shareholder's rights plan, or the issuing of stock under such a plan or the repurchase of such rights or (iv) purchases or acquisitions of shares of its common stock in connection with the satisfaction by the Company of its obligations under any employee benefit plans or the satisfaction by the Company of its obligations pursuant to any contract or security requiring the Company to purchase shares of its common stock) or make any guarantee payment with respect thereto, and (b) the Company shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any Indebtedness issued by the Company, or any of its subsidiaries or any other Person, which rank *pari passu* with or junior to the Debentures or make any guarantee payments with respect to the foregoing (other than pursuant to the Preferred Security Guaranty).

ARTICLE V

EXPENSES

SECTION 5.1. Payment of Expenses.

In connection with the offering, sale and issuance of the Debentures to the Property Trustee and in connection with the sale of the Securities by the Trust, the Company, in its capacity as borrower with respect to the Debentures, shall:

(a) pay all costs and expenses relating to the offering, sale and issuance of the Debentures, including commissions payable to the underwriters and compensation of the Trustee under the Indenture in accordance with the provisions of Section 607 of the Indenture;

(b) pay all costs and expenses of the Trust (including, but not limited to, costs and expenses relating to the organization of the Trust, the offering, sale and issuance of the Securities (including commissions to the underwriters in connection therewith), the fees and expenses of the Property Trustee and the Delaware Trustee, the costs and expenses relating to the operation of the Trust, including without limitation, costs and expenses of accountants, attorneys, statistical or bookkeeping services, expenses for printing and engraving and computing or accounting equipment, paying agent(s), registrar(s), transfer agent(s), duplicating, travel and telephone and other telecommunications expenses and costs and expenses incurred in connection with the acquisition, financing, and disposition of Trust assets and costs relating to the dissolution of the Trust);

(c) be primarily liable for any indemnification obligations arising with respect to the Declaration; and

(d) pay any and all taxes (other than United States withholding taxes attributable to the Trust or its assets) and all liabilities, costs and expenses with respect to such taxes of the Trust.

SECTION 5.2. Payment Upon Resignation or Removal.

Upon termination of this First Supplemental Indenture or the Indenture or the removal or resignation of the Trustee pursuant to Section 610 of the Indenture, the Company shall pay to the Trustee all amounts accrued to the date of such termination, removal or resignation. Upon termination of the Declaration or the removal or resignation of the Delaware Trustee or the Property Trustee, as the case may be, pursuant to Section 6.6 of the Declaration, the Company shall pay to the Delaware Trustee or the Property Trustee, as the case may be, all amounts accrued to the date of such termination, removal or resignation.

## ARTICLE VI

### NOTICE

#### SECTION 6.1. Notice by the Company.

The Company shall give prompt written notice to a Responsible Officer of the Trustee of any fact known to the Company that would prohibit the making of any payment of monies to or by the Trustee in respect of the Debentures pursuant to the provisions of Article Fourteen of the Indenture. Notwithstanding the provisions of this Article VI or any other provision of the Indenture and this First Supplemental Indenture, the Trustee shall not be charged with knowledge of the existence of any facts that would prohibit the making of any payment of monies to or by the Trustee in respect of the Debentures pursuant to the provisions of this Article VI, unless and until a Responsible Officer of the Trustee shall have received written notice thereof from the Company or a holder or holders of Senior Indebtedness or from any trustee therefor; and before the receipt of any such written notice, the Trustee, subject to the provisions of Section 601 of the Indenture, 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 6.1 at least two 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 (or premium, if any) or interest on any Debenture), 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 purposes for which they were received, and shall not be affected by any notice to the contrary that may be received by it within two Business Days prior to such date.

The Trustee, subject to the provisions of Section 601 of the Indenture, shall be entitled to conclusively rely on the delivery to it of a written notice by a Person representing himself to be a holder of Senior Indebtedness of the Company, as the case may be (or a trustee on behalf of such holder), to establish that such notice has been given by a holder of such Senior Indebtedness or a trustee on behalf of any such holder or holders. 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 such Senior Indebtedness to participate in any payment or distribution pursuant to Article Fourteen of the Indenture, the Trustee may request such Person to furnish evidence to the reasonable satisfaction of the Trustee as to the amount of such 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 Article Fourteen of the Indenture, 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.



ARTICLE VII

COVENANT TO LIST ON EXCHANGE

SECTION 7.1. Listing on an Exchange.

If the Debentures are to be issued as a Global Debenture in connection with the distribution of the Debentures to the holders of the Preferred Securities issued by the Trust upon a Dissolution Event, the Company will use its best efforts to list such Debentures on the New York Stock Exchange, Inc. or on such other exchange as the Preferred Securities are then listed.

ARTICLE VIII

FORM OF DEBENTURE

SECTION 8.1. Form of Debenture.

The Debentures and the Trustee's Certificate of Authentication to be endorsed thereon are to be substantially in the following forms:

(FORM OF FACE OF DEBENTURE)

[IF THE DEBENTURE IS TO BE A GLOBAL DEBENTURE, INSERT - This Debenture is a Global Debenture within the meaning of the Indenture hereinafter referred to and is registered in the name of a Depositary or a nominee of a Depositary. This Debenture is exchangeable for Debentures registered in the name of a person other than the Depositary or its nominee only in the limited circumstances described in the Indenture, and no transfer of this Debenture (other than a transfer of this Debenture as a whole by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary) may be registered except in limited circumstances.

Unless this Debenture is presented by an authorized representative of The Depositary Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any Debenture issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depositary 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.]

No. \_\_\_\_\_

\$ \_\_\_\_\_

CUSIP No. \_\_\_\_\_

OG E ENERGY CORP.

\_\_\_\_\_% JUNIOR SUBORDINATED DEBENTURE  
DUE 2039

OG E ENERGY CORP., an Oklahoma corporation (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 \_\_\_\_\_, 1999, 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 December 31, 1999, at the rate of \_\_\_\_% per annum until the principal hereof shall have become due and payable, and on any overdue principal and premium, if any, and (without duplication and to the extent that payment of such interest is enforceable under applicable law) on any overdue installment of interest at the same rate per annum compounded quarterly. The amount of interest payable on any Interest Payment Date shall be computed on the basis of a 360-day year of twelve 30-day months, and for any period shorter than a full quarterly period for which interest is computed, interest shall be computed on the basis of a 30-day month and, for periods of less than a month, the actual number of days elapsed per 30-day month. In the event that any date on which interest is payable on this Debenture is not a Business Day, then payment of interest 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 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 such date. 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 Debenture (or one or more predecessor securities, as defined in said 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. [IF PURSUANT TO THE PROVISIONS OF THE INDENTURE THE DEBENTURES ARE NO LONGER REPRESENTED BY A GLOBAL DEBENTURE -- which shall be the close of business on the fifteenth day next preceding such Interest Payment Date.] Any such interest installment not punctually paid or duly provided for shall forthwith cease to be payable to the registered Holders on such regular record date and may be paid to the Person in whose name this Debenture (or one or more predecessor securities) is registered at the close of business on a special record date to be fixed by the Trustee for the payment of such defaulted interest, notice whereof shall be given to the registered Holders of this series of Debentures not less than 10 days prior to such special record date, or may be paid at any time in any other lawful manner not inconsistent with the requirements of any securities exchange on which the Debentures may be listed, and upon such notice as may be required by such exchange, all as more fully provided in the Indenture. The principal of (and premium, if any) and the interest on this Debenture shall be payable at the office or agency of the Trustee maintained for that purpose in any coin or currency of the United States of America that at the time of payment is legal tender for payment of public and private debts; provided, however, that

payment of interest may be made at the option of the Company by check mailed to the registered Holder at such address as shall appear in the Security Register. Notwithstanding the foregoing, so long as the Holder of this Debenture is the Property Trustee, the payment of the principal of (and premium, if any) and interest on this Debenture will be made at such place and to such account as may be designated by the Property Trustee.

The indebtedness evidenced by this Debenture is, to the extent provided in the Indenture, subordinate and junior in right of payment to the prior payment in full of all Senior Indebtedness, and this Debenture is issued subject to the provisions of the Indenture with respect thereto. Each Holder of this Debenture, by accepting the same, (a) agrees to and shall be bound by such provisions, (b) authorizes and directs the Trustee on his or her behalf to take such action as may be necessary or appropriate to acknowledge or effectuate the subordination so provided and (c) appoints the Trustee his or her attorney-in-fact for any and all such purposes. Each Holder hereof, by his or her acceptance hereof, hereby waives all notice of the acceptance of the subordination provisions contained herein and in the Indenture by each holder of Senior Indebtedness, whether now outstanding or hereafter incurred, and waives reliance by each such holder upon said provisions.

This Debenture shall not be entitled to any benefit under the Indenture hereinafter referred to, be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by or on behalf of the Trustee.

The provisions of this Debenture are continued on the reverse side hereof and such continued provisions shall for all purposes have the same effect as though fully set forth at this place.

IN WITNESS WHEREOF, the Company has caused this instrument to be executed.

Dated:\_\_\_\_\_

OGE ENERGY CORP.

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

Attest:

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

(FORM OF CERTIFICATE OF AUTHENTICATION)

CERTIFICATE OF AUTHENTICATION

This is one of the Debentures of the series of Debentures described in the within-mentioned Indenture.

By: \_\_\_\_\_  
as Trustee

By: \_\_\_\_\_  
as Authentication Agent

or

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

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

(FORM OF REVERSE OF DEBENTURE)

This Debenture is one of a duly authorized series of Securities of the Company (herein sometimes referred to as the "Securities"), specified in the Indenture, all issued or to be issued in one or more series under and pursuant to an Indenture dated as of \_\_\_\_\_, 1999, duly executed and delivered between the Company and Bank of Oklahoma, National Association, as Trustee (the "Trustee"), as supplemented by the First Supplemental Indenture dated as of \_\_\_\_\_, 1999, between the Company and the Trustee (the Indenture as so supplemented, the "Indenture"), to which Indenture and all indentures supplemental thereto reference is hereby made for a description of the rights, limitations of rights, obligations, duties and immunities thereunder of the Trustee, the Company and the Holders of the Securities. By the terms of the Indenture, the Securities are issuable in series that may vary as to amount, date of maturity, rate of interest and in other respects as provided in the Indenture. This series of Securities is limited in aggregate principal amount as specified in said First Supplemental Indenture.

Except as provided in the next paragraph, the Debentures may not be redeemed by the Company prior to \_\_\_\_\_, \_\_\_\_\_. The Company shall have the right to redeem this Debenture at the option of the Company, without premium or penalty, in whole or in part at any time and from time to time on or after \_\_\_\_\_, \_\_\_\_\_ (an "Optional Redemption"), at a redemption price equal to 100% of the principal amount plus any accrued but unpaid interest, including any Compounded Interest, if any, to the date of such redemption (the "Optional Redemption Price"). Any redemption pursuant to this paragraph will be made upon not less than 30 nor more than 60 days' notice, at the Optional Redemption Price.

If, at any time, a Special Event (as defined below) shall occur or be continuing, the Company shall have the right at any time, upon not less than 30 nor more than 60 days' notice, to redeem the Debentures in whole or in part for cash at the Optional Redemption Price within 90 days following the occurrence of such Special Event.

"Special Event" means a Tax Event or an Investment Company Event.

"Tax Event" means the receipt by the Trust of an opinion of independent tax counsel experienced in such matters, to the effect that, as a result of (a) any amendment to, change in or announced proposed change in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or (b) any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or proposed change, pronouncement or decision is announced on or after the Closing Date, there is more than an insubstantial risk that (i) the Trust is, or will be within 90 days of the date of such opinion, subject to United States federal income tax with respect to income received or accrued on the Debentures, (ii) interest payable by the Company on the Debentures is not, or within 90 days of the date of such opinion, will not be, deductible by the Company, in whole or in part, by the Company for United States federal income tax purposes, or (iii) the Trust is, or will be within 90 days of the date of such opinion, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"Investment Company Event" means the receipt by the Trust of an opinion of counsel, rendered by a law firm having a recognized national securities practice, to the effect that, as a result of the occurrence of a change in law or regulation or a written 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"), there is more than an insubstantial risk that the Trust is or will be considered an "investment company" that is required to be registered under the Investment Company Act, which Change in 1940 Act Law becomes effective on or after \_\_\_\_\_.

Any redemption pursuant to the occurrence of a Tax Event will be made upon not less than 30 days nor more than 60 days notice, at the Optional Redemption Price.

If the Debentures are only partially redeemed by the Company pursuant to an Optional Redemption, the Debentures will be redeemed pro rata or by lot or by any other method utilized by the Trustee; provided that if, at the time of redemption, the Debentures are registered as a Global Debenture, the Depositary shall determine the principal amount of such Debentures held by each beneficial holder thereof to be redeemed in accordance with its procedures.

In the event of redemption of this Debenture in part only, a new Debenture or Debentures of this series for the unredeemed portion hereof will be issued in the name of the Holder hereof upon the cancellation hereof.

In case an Event of Default, as defined in the Indenture, shall have occurred and be continuing, the principal of all of the Debentures may be declared, and upon such declaration shall become, due and payable, in the manner, with the effect and subject to the conditions provided in the Indenture.

The Indenture contains provisions permitting the Company and the Trustee, with the consent of the Holders of not less than a majority in aggregate principal amount of the Debentures of each series affected at the time outstanding, as defined in the Indenture, to execute supplemental indentures for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture or of any supplemental indenture or of modifying in any manner the rights of the Holders of the Debentures; provided, however, that no such supplemental indenture shall (i) 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, without the consent of the Holder of each Debenture so affected, or (ii) reduce the aforesaid percentage of Debentures, the Holders of which are required to consent to any such supplemental indenture, without the consent of the Holders of each Debenture then outstanding and affected thereby. The Indenture also contains provisions permitting the Holders of a majority in aggregate principal amount of the Securities of any series at the time outstanding affected thereby, on behalf of all of the Holders of the Debentures of such series, to waive any Default or Event of Default with respect to such series, and its consequences, except a Default or Event of Default in the payment of the principal of or premium, if any, or interest on any of the Securities of such series or in respect of a provision which under the Indenture cannot be

modified or amended without the consent of the Holder of each Outstanding Security of that series affected. Any such consent or waiver by the registered Holder of this Debenture (unless revoked as provided in the Indenture) shall be conclusive and binding upon such Holder and upon all future Holders and owners of this Debenture and of any Debenture issued in exchange herefor or in place hereof (whether by registration of transfer or otherwise), irrespective of whether or not any notation of such consent or waiver is made upon this Debenture.

No reference herein to the Indenture and no provision of this Debenture or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and premium, if any, and interest on this Debenture at the time and place and at the rate and in the money herein prescribed.

So long as the Company is not in default in the payment of interest on the Debentures, the Company shall have the right at any time during the term of the Debentures from time to time to extend the interest payment period of such Debentures for up to 20 consecutive quarters (an "Extended Interest Payment Period"), at the end of which period the Company shall pay all interest then accrued and unpaid (together with the interest thereon at the rate specified for the Debentures to the extent that payment of such interest is enforceable under applicable law). In the event that the Company exercises this right, then (a) the Company shall not declare or pay dividends on, make distributions with respect to, or redeem, purchase or acquire, or make a liquidation payment with respect to, any of its capital stock (other than (i) dividends or distributions by way of issuance of the Company's common stock, (ii) payment under the guarantee in respect of the Securities, (iii) dividends in connection with the implementation of a shareholder's rights plan, or the issuing of stock under such a plan or the repurchase of such rights or (iv) purchases or acquisitions of shares of its common stock in connection with the satisfaction by the Company of its obligations under any employee benefit plans or the satisfaction by the Company of its obligations pursuant to any contract or security requiring the Company to purchase shares of its common stock) or make any guarantee payment with respect thereto, and (b) the Company shall not make any payment of interest, principal or premium, if any, on or repay, repurchase or redeem any Indebtedness (including guarantees) issued by the Company, any of its subsidiaries or any other Person, that rank pari passu with or junior to such Debentures or make any guarantee payments with respect to the foregoing (other than pursuant to the Preferred Securities Guarantee). Prior to the termination of any such Extended Interest Payment Period, the Company may further extend the interest payment period; provided, that such Extended Interest Payment Period, together with all such previous and further extensions thereof, may not exceed 20 consecutive quarters or extend beyond the maturity date of the Debentures. The Company may prepay at any time all or any portion of the interest accrued during an Extended Interest Payment Period. At the termination of any such Extended Interest Payment Period and upon the payment of all accrued and unpaid interest and any additional amount then due, the Company may commence a new Extended Interest Payment Period, subject to the above requirements.

As provided in the Indenture and subject to certain limitations therein set forth, this Debenture is transferable by the registered Holder hereof on the Security Register of the Company, upon surrender of this Debenture for registration of transfer at the office or agency of the Trustee in Oklahoma City and State of Oklahoma accompanied by a written instrument or

instruments of transfer in form satisfactory to the Company or the Trustee duly executed by the registered Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Debentures of authorized denominations and for the same aggregate principal amount and series will be issued to the designated transferee or transferees. No service charge will be made for any such transfer, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in relation thereto.

Prior to due presentment for registration of transfer of this Debenture, the Company, the Trustee, any paying agent and the Security Registrar may deem and treat the registered Holder hereof as the absolute owner hereof (whether or not this Debenture shall be overdue and notwithstanding any notice of ownership or writing hereon made by anyone other than the Security Registrar) for the purpose of receiving payment of or on account of the principal hereof and premium, if any, and interest due hereon and for all other purposes, and neither the Company nor the Trustee nor any paying agent nor any Security Registrar shall be affected by any notice to the contrary.

No recourse shall be had for the payment of the principal of or the interest on this Debenture, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Indenture, against any incorporator, stockholder, officer or director, past, present or future, as such, of the Company or of any predecessor or successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability being, by the acceptance hereof and as part of the consideration for the issuance hereof, expressly waived and released.

The Indenture imposes certain limitations on the ability of the Company to, among other things, merge or consolidate with any other Person or sell, assign, transfer or lease all or substantially all of its properties or assets. All such covenants and limitations are subject to a number of important qualifications and exceptions. The Company must report periodically to the Trustee on compliance with the covenants in the Indenture.

[The Debentures of this series are issuable only in registered form without coupons in denominations of \$25 and any integral multiple thereof.] [This Global Debenture is exchangeable for Debentures in definitive form only under certain limited circumstances set forth in the Indenture. Debentures of this series so issued 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 [herein and] therein set forth, Debentures of this series (so issued) are exchangeable for a like aggregate principal amount of Debentures of this series of a different authorized denomination, as requested by the Holder surrendering the same.

All terms used in this Debenture that are defined in the Indenture shall have the meanings assigned to them in the Indenture.



ARTICLE IX

ORIGINAL ISSUE OF DEBENTURES

SECTION 9.1. Original Issue of Debentures.

Debentures in the aggregate principal amount of \$\_\_\_\_\_ may, upon execution of this First Supplemental Indenture, be executed by the Company and delivered to the Trustee for authentication, and the Trustee shall thereupon authenticate and deliver said Debentures to or upon the written order of the Company, signed by its Chairman, its President, or any Vice President and its Treasurer or an Assistant Treasurer, without any further action by the Company.

ARTICLE X

MISCELLANEOUS

SECTION 10.1. Ratification of Indenture.

The Indenture, as supplemented by this First Supplemental Indenture, is in all respects ratified and confirmed, and this First Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided.

SECTION 10.2. Trustee Not Responsible for 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 First Supplemental Indenture.

SECTION 10.3. Governing Law.

This First Supplemental Indenture and each Debenture shall be deemed to be a contract made under the internal laws of the State of Oklahoma, and for all purposes shall be construed in accordance with the laws of said State.

SECTION 10.4. Separability.

In case any one or more of the provisions contained in this First Supplemental Indenture or in the Debentures shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this First Supplemental Indenture or of the Debentures, but this First Supplemental Indenture and the Debentures shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein or therein.

SECTION 10.5. Counterparts.

This First 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 First Supplemental Indenture to be duly executed, and their respective corporate seals to be hereunto affixed, on the date or dates indicated in the acknowledgments and as of the day and year first above written.

OGE ENERGY CORP.

By: \_\_\_\_\_  
Name: James R. Hatfield  
Title: Vice President and Treasurer

[Seal]  
Attest:

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

BANK OF OKLAHOMA, NATIONAL  
ASSOCIATION, as Trustee

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

THE FOLLOWING EXHIBIT 4.12 IS THE FORM OF AMENDED AND RESTATED DECLARATION  
OF TRUST TO BE USED BY EACH OGE ENERGY CORP. TRUST

AMENDED AND RESTATED DECLARATION OF TRUST

OGE Energy Capital Trust \_\_

Dated as of \_\_\_\_\_ \_\_, \_\_\_\_

# TABLE OF CONTENTS

	PAGE
2ARTICLE I. INTERPRETATION AND DEFINITIONS.....	1
SECTION 1.1. Interpretation and Definitions.....	1
"Affiliate" .....	2
"Authorized Officer" .....	2
"Beneficial Owners" .....	2
"Business Day" .....	2
"Business Trust Act" .....	2
"Cedel" .....	2
"Certificate" .....	2
"Certificate of Trust" .....	2
"Closing Date" .....	2
"Code" .....	2
"Commission" .....	2
"Common Securities Holder" .....	2
"Common Security" .....	2
"Common Security Certificate" .....	3
"Corporate Trust Office" .....	3
"Covered Person" .....	3
"Debenture Issuer" .....	3
"Debenture Issuer Indemnified Person" .....	3
"Debenture Trustee" .....	3
"Debentures" .....	3
"Delaware Trustee" .....	3
"Depository" .....	3
"Depository Participant" .....	3
"Direct Action" .....	3
"Distribution" .....	3
"Euroclear" .....	3
"Exchange Act" .....	3
"Fiduciary Indemnified Person" .....	3
"Fiscal Year" .....	4
"Global Security" .....	4
"Guarantee" .....	4
"Holder" .....	4
"Indemnified Person" .....	4
"Indenture" .....	4
"Indenture Event of Default" .....	4
"Investment Company" .....	4
"Investment Company Act" .....	4
"Investment Company Event" .....	4
"Legal Action" .....	4

TABLE OF CONTENTS  
(CONTINUED)

	PAGE
"List of Holders"	4
"Majority in Liquidation Amount"	5
"New York Stock Exchange"	5
"Officers' Certificate"	5
"Paying Agent"	5
"Payment Amount"	5
"Person"	5
"Preferred Security"	5
"Preferred Security Certificate"	5
"Property Account"	6
"Property Trustee"	6
"Pro Rata"	6
"Quorum"	6
"Redemption/Distribution Notice"	6
"Redemption Price"	6
"Regular Trustee"	6
"Related Party"	6
"Responsible Officer"	6
"Rule 3a-5"	6
"Securities"	6
"Securities Act"	6
"Special Event"	6
"Sponsor"	6
"Successor Delaware Trustee"	6
"Successor Entity"	7
"Successor Property Trustee"	7
"Successor Security"	7
"Super Majority"	7
"Tax Event"	7
"10% in Liquidation Amount"	7
"Treasury Regulations"	7
"Trust"	7
"Trust Enforcement Event"	7
"Trust Indenture Act"	7
"Trustee" or "Trustees"	7
ARTICLE II. TRUST INDENTURE ACT	8
SECTION 2.1. Trust Indenture Act; Application	8
SECTION 2.2. Lists of Holders of Securities	8
SECTION 2.3. Reports by the Property Trustee	9
SECTION 2.4. Periodic Reports to the Property Trustee	9
SECTION 2.5. Evidence of Compliance with Conditions Precedent	9

TABLE OF CONTENTS  
(CONTINUED)

	PAGE
SECTION 2.6.	Trust Enforcement Events; Waiver.....9
SECTION 2.7.	Trust Enforcement Event; Notice.....11
ARTICLE III.	ORGANIZATION.....11
SECTION 3.1.	Name and Organization.....11
SECTION 3.2.	Office.....11
SECTION 3.3.	Purpose.....12
SECTION 3.4.	Authority.....12
SECTION 3.5.	Title to Property of the Trust.....12
SECTION 3.6.	Powers and Duties of the Regular Trustees.....13
SECTION 3.7.	Prohibition of Actions by the Trust and the Trustees.....15
SECTION 3.8.	Powers and Duties of the Property Trustee.....16
SECTION 3.9.	Certain Duties and Responsibilities of the Property Trustee.....18
SECTION 3.10.	Certain Rights of Property Trustee.....20
SECTION 3.11.	Delaware Trustee.....22
SECTION 3.12.	Execution of Documents.....22
SECTION 3.13.	Not Responsible for Recitals or Issuance of Securities.....22
SECTION 3.14.	Duration of Trust.....22
SECTION 3.15.	Mergers.....22
SECTION 3.16.	Property Trustee May File Proofs of Claim.....24
ARTICLE IV.	SPONSOR.....25
SECTION 4.1.	Responsibilities of the Sponsor.....25
SECTION 4.2.	Indemnification and Expenses of the Trustees.....26
ARTICLE V.	TRUST COMMON SECURITIES HOLDER.....26
SECTION 5.1.	Debenture Issuer's Purchase of Common Securities.....26
SECTION 5.2.	Covenants of the Common Securities Holder.....26
ARTICLE VI.	TRUSTEES.....27
SECTION 6.1.	Number of Trustees.....27
SECTION 6.2.	Delaware Trustee; Eligibility.....27
SECTION 6.3.	Property Trustee; Eligibility.....27
SECTION 6.4.	Qualifications of Regular Trustees and Delaware Trustee Generally.....28
SECTION 6.5.	Initial Regular Trustees.....28
SECTION 6.6.	Appointment, Removal and Resignation of Trustees.....28
SECTION 6.7.	Vacancies among Trustees.....30
SECTION 6.8.	Effect of Vacancies.....30
SECTION 6.9.	Meetings.....30

TABLE OF CONTENTS  
(CONTINUED)

	PAGE
SECTION 6.10.	Delegation of Power.....31
SECTION 6.11.	Merger, Conversion, Consolidation or Succession to Business.....31
ARTICLE VII.	TERMS OF SECURITIES.....31
SECTION 7.1.	General Provisions Regarding Securities.....31
SECTION 7.2.	Distributions.....33
SECTION 7.3.	Redemption of Securities.....34
SECTION 7.4.	Redemption Procedures.....35
SECTION 7.5.	Voting Rights of Preferred Securities.....36
SECTION 7.6.	Voting Rights of Common Securities.....38
SECTION 7.7.	Paying Agent.....39
SECTION 7.8.	Listing.....40
SECTION 7.9.	Transfer of Securities.....40
SECTION 7.10.	Mutilated, Destroyed, Lost or Stolen Certificates.....41
SECTION 7.11.	Deemed Security Holders.....41
SECTION 7.12.	Global Securities.....41
ARTICLE VIII.	DISSOLUTION AND TERMINATION OF TRUST.....43
SECTION 8.1.	Dissolution and Termination of Trust.....43
SECTION 8.2.	Liquidation Distribution Upon Dissolution of the Trust.....44
ARTICLE IX.	LIMITATION OF LIABILITY OF HOLDERS OF SECURITIES, DELAWARE TRUSTEES OR OTHERS.....45
SECTION 9.1.	Liability.....45
SECTION 9.2.	Exculpation.....45
SECTION 9.3.	Fiduciary Duty.....46
SECTION 9.4.	Indemnification.....47
SECTION 9.5.	Outside Businesses.....50
ARTICLE X.	ACCOUNTING.....50
SECTION 10.1.	Fiscal Year.....50
SECTION 10.2.	Certain Accounting Matters.....50
SECTION 10.3.	Banking.....51
SECTION 10.4.	Withholding.....51
ARTICLE XI.	AMENDMENTS AND MEETINGS.....51
SECTION 11.1.	Amendments.....51
SECTION 11.2.	Meetings of the Holders of Securities; Action by Written Consent.....54

TABLE OF CONTENTS  
(CONTINUED)

	PAGE
ARTICLE XII.	REPRESENTATIONS OF PROPERTY TRUSTEE AND DELAWARE TRUSTEE.....55
SECTION 12.1.	Representations and Warranties of the Property Trustee.....55
SECTION 12.2.	Representations and Warranties of the Delaware Trustee.....56
ARTICLE XIII.	MISCELLANEOUS.....56
SECTION 13.1.	Notices.....56
SECTION 13.2.	Governing Law.....57
SECTION 13.3.	Intention of the Parties.....58
SECTION 13.4.	Headings.....58
SECTION 13.5.	Successors and Assigns.....58
SECTION 13.6.	Partial Enforceability.....58
SECTION 13.7.	Counterparts.....58



# CROSS REFERENCE TABLE\*

Section of Trust Indenture Act of 1939, as Amended -----	Section of Agreement -----
310(a).....	6.3
310(b).....	6.3(c); 6.3(d)
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)
312(c).....	Inapplicable
313(a).....	2.3
313(b).....	2.3
313(c).....	2.3
313(d).....	2.3
314(a).....	2.4; 3.6(j)
314(b).....	Inapplicable
314(c).....	2.5
314(d).....	Inapplicable
314(e).....	2.5
314(f).....	Inapplicable
315(a).....	3.9(b);3.10(a)
315(b).....	2.7(a)
315(c).....	3.9(a)
315(d).....	3.9(b)
316(a).....	2.6; 7.5(b); 7.6(c)
316(b).....	Inapplicable
316(c).....	3.6(e)
317(a).....	3.16
317(b).....	3.8(h); 7.7
318(a).....	2.1(c)

\* This Cross-Reference Table does not constitute part of the Agreement and shall not have any bearing upon the interpretation of any of its terms or provisions.

AMENDED AND RESTATED DECLARATION OF TRUST

THIS AMENDED AND RESTATED DECLARATION OF TRUST ("Declaration"), dated as of \_\_\_\_\_, \_\_\_\_\_, by and among OGE Energy Corp., an Oklahoma corporation, as Sponsor, and A. M. Strecker and James R. Hatfield as the initial Regular Trustees, and Wilmington Trust Company, as the initial Property Trustee and the initial Delaware Trustee, not in their individual capacities but solely as Trustees, and the holders, from time to time, of undivided beneficial ownership interests in the Trust to be issued pursuant to this Declaration.

WHEREAS, the Trustees and the Sponsor established OGE Energy Capital Trust \_\_\_\_ (the "Trust"), a business trust under the Business Trust Act (as defined, together with other capitalized terms, herein) pursuant to a Declaration of Trust dated as of September \_\_, 1999 (the "Original Declaration") and a Certificate of Trust (the "Certificate of Trust") filed with the Secretary of State of the State of Delaware on September \_\_, 1999; and

WHEREAS, the sole purpose of the Trust shall be to issue and sell certain securities representing undivided beneficial ownership interests in the assets of the Trust, to invest the proceeds from such sales in the Debentures issued by the Debenture Issuer and to engage in only those activities necessary or incidental thereto; and

WHEREAS, all of the Trustees and the Sponsor, by this Declaration, amend and restate each and every term and provision of the Original Declaration.

NOW, THEREFORE, it being the intention of the parties hereto to continue the Trust as a business trust under the Business Trust Act and that this Declaration constitute the governing instrument of such business trust, the Trustees hereby declare that all assets contributed to the Trust be held in trust for the benefit of the Holders, from time to time, of the Securities representing undivided beneficial ownership interests in the assets of the Trust issued hereunder, subject to the provisions of this Declaration.

ARTICLE I

INTERPRETATION AND DEFINITIONS

SECTION 1.1 INTERPRETATION AND DEFINITIONS.

Unless the context otherwise requires:

(a) capitalized terms used in this Declaration but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;

(b) a term defined anywhere in this Declaration has the same meaning throughout;

(c) all references to "the Declaration" or "this Declaration" are to this Declaration as modified, supplemented or amended from time to time;

(d) all references in this Declaration to Articles, Sections, Recitals and Exhibits are to Articles and Sections of, or Recitals and Exhibits to, this Declaration unless otherwise specified;

(e) unless otherwise defined in this Declaration, a term defined in the Trust Indenture Act has the same meaning when used in this Declaration; and

(f) a reference to the singular includes the plural and vice versa and a reference to any masculine form of a term shall include the feminine form of a term, as applicable.

(g) the following terms have the following meanings:

"Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act or any successor rule thereunder.

"Authorized Officer" of a Person means any Person that is authorized to bind such Person.

"Beneficial Owners" means, for Preferred Securities represented by a Global Security, the person who acquires an interest in the Preferred Securities which is reflected on the records of the Depositary through the Depositary Participants.

"Business Day" means any day, other than a Saturday or Sunday, that is not a day on which banking institutions in the Borough of Manhattan, The City of New York are authorized or required by law, regulation or executive order to close.

"Business Trust Act" means Chapter 38 of Title 12 of the Delaware Code, 12 Del. Code Section 3801 ET SEQ., as it may be amended from time to time, or any successor legislation.

"Cedel" means Cedel, S.A.

"Certificate" means a Common Security Certificate or a Preferred Security Certificate.

"Certificate of Trust" has the meaning specified in the Recitals hereto.

"Closing Date" means the date on which the Preferred Securities are issued and sold.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, or any successor legislation. A reference to a specific section of the Code refers not only to such specific section but also to any corresponding provision of any federal tax statute enacted after the date of this Declaration, as such specific section or corresponding provision is in effect on the date of application of the provisions of this Declaration containing such reference.

"Commission" means the Securities and Exchange Commission.

"Common Securities Holder" means OGE Energy Corp., in its capacity as purchaser and holder of all of the Common Securities issued by the Trust.

"Common Security" has the meaning specified in Section 7.1.

"Common Security Certificate" means a definitive certificate in fully registered form representing a Common Security, substantially in the form of Exhibit B hereto.

"Corporate Trust Office" means the principal office of the Property Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of execution of this Declaration is located at Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19809-0001.

"Covered Person" means (a) any officer, director, shareholder, partner, member, representative, employee or agent of (i) the Trust or (ii) the Trust's Affiliates; and (b) any Holder of Securities.

"Debenture Issuer" means OGE Energy Corp., in its capacity as issuer of the Debentures under the Indenture.

"Debenture Issuer Indemnified Person" means (a) any Regular Trustee; (b) any Affiliate of any Regular Trustee; (c) any officers, directors, shareholders, members, partners, employees, representatives or agents of any Regular Trustee or any Affiliate thereof; or (d) any officer, employee or agent of the Trust or its Affiliates.

"Debenture Trustee" means Bank of Oklahoma, National Association, in its capacity as trustee under the Indenture until a successor is appointed thereunder, and thereafter means such successor trustee.

"Debentures" means the series of debentures to be issued by the Debenture Issuer under the Indenture and held by the Property Trustee.

"Delaware Trustee" has the meaning specified in Section 6.2.

"Depository" means, with respect to Securities 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.

"Depository Participant" means a member of, or participant in, the Depository.

"Direct Action" has the meaning specified in Section 3.8(e).

"Distribution" means a distribution payable to Holders of Securities in accordance with Section 7.2.

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear System.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, or any successor legislation.

"Fiduciary Indemnified Person" has the meaning set forth in Section 9.4(b).

"Fiscal Year" has the meaning specified in Section 10.1.

"Global Security" means a fully registered, global Preferred Security Certificate.

"Guarantee" means the Guarantee Agreement, dated as of \_\_\_\_\_, \_\_\_\_\_, of the Sponsor in respect of the Securities.

"Holder" means any holder of Securities, as registered on the books and records of the Trust; provided, however, that in determining whether the Holders of the requisite liquidation amount of Preferred Securities have voted on any matter provided for in this Declaration, then for the purpose of such determination only (and not for any other purpose hereunder), if the Preferred Securities remain in the form of one or more Global Securities and if the Depositary which is the holder of such Global Securities has sent an omnibus proxy to the Trust assigning voting rights to Depositary Participants to whose accounts the Preferred Securities are credited on the record date, the term "Holders" shall mean such Depositary Participants acting at the direction of the Beneficial Owners.

"Indemnified Person" means a Debenture Issuer Indemnified Person or a Fiduciary Indemnified Person.

"Indenture" means the Indenture, dated as of \_\_\_\_\_, \_\_\_\_\_, between the Debenture Issuer and Bank of Oklahoma, National Association, as Trustee, and as amended and supplemented by the First Supplemental Indenture thereto, dated as of \_\_\_\_\_, \_\_\_\_\_, pursuant to which the Debentures are to be issued.

"Indenture Event of Default" has the meaning given to the term "Event of Default" in the Indenture.

"Investment Company" means an investment company as defined in the Investment Company Act and the regulations promulgated thereunder.

"Investment Company Act" means the Investment Company Act of 1940, as amended from time to time, or any successor legislation.

"Investment Company Event" means the receipt by the Trust of an opinion of counsel, rendered by a law firm having a recognized national securities practice, to the effect that, as a result of the occurrence of a change in law or regulation or a written 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"), there is more than an insubstantial risk that the Trust is or will be considered an "investment company" that is required to be registered under the Investment Company Act, which Change in 1940 Act Law is announced and becomes effective on or after the Closing Date.

"Legal Action" has the meaning specified in Section 3.6(g).

"List of Holders" has the meaning specified in Section 2.2(a).

"Majority in Liquidation Amount" means, except as provided in the terms of the Preferred Securities or by the Trust Indenture Act, Holder(s) of outstanding Securities, voting together as a single class, or, as the context may require, Holders of outstanding Preferred Securities or Holders of outstanding Common Securities, voting separately as a class, who are the record owners of more than 50% of the aggregate liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accumulated and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Securities of the relevant class.

"New York Stock Exchange" means the New York Stock Exchange, Inc. or any successor thereto.

"Officers' Certificate" means, with respect to any Person, a certificate signed on behalf of such Person by two Authorized Officers of such Person. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Declaration 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 on behalf of such Person 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 on behalf of such Person 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 acting on behalf of such Person, such condition or covenant has been complied with; provided, that the term "Officers' Certificate", when used with reference to Regular Trustees who are natural persons shall mean a certificate signed by two of the Regular Trustees which otherwise satisfies the foregoing requirements.

"Paying Agent" has the meaning specified in Section 3.8(h).

"Payment Amount" has the meaning specified in Section 7.2(c).

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Preferred Security" has the meaning specified in Section 7.1.

"Preferred Security Certificate" means a definitive certificate in fully registered form representing a Preferred Security, substantially in the form of Exhibit A.

"Property Account" has the meaning specified in Section 3.8(c).

"Property Trustee" means the Trustee meeting the eligibility requirements set forth in Section 6.3.

"Pro Rata" means pro rata to each Holder of Securities according to the aggregate liquidation amount of the Securities held by the relevant Holder in relation to the aggregate liquidation amount of all Securities outstanding.

"Quorum" means a majority of the Regular Trustees or, if there are only two Regular Trustees, both of them.

"Redemption/Distribution Notice" has the meaning specified in Section 7.4(a) hereto.

"Redemption Price" means the amount for which the Securities will be redeemed, which amount will equal (i) the redemption price paid by the Debenture Issuer to repay or redeem, in whole or in part, the Debentures held by the Trust plus an amount equal to accumulated and unpaid Distributions on such Securities through the date of their redemption or (ii) such lesser amount as will be received by the Trust in respect of the Debentures so repaid or redeemed.

"Regular Trustee" means any Trustee other than the Property Trustee and the Delaware Trustee.

"Related Party" means, with respect to the Sponsor, any direct or wholly owned subsidiary of the Sponsor or any Person that owns, directly or indirectly, 100% of the outstanding voting securities of the Sponsor.

"Responsible Officer" means, with respect to the Property Trustee, any officer with direct responsibility for the administration of this Declaration 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.

"Rule 3a-5" means Rule 3a-5 under the Investment Company Act or any successor rule thereunder.

"Securities" means the Common Securities and the Preferred Securities.

"Securities Act" means the Securities Act of 1933, as amended from time to time, or any successor legislation.

"Special Event" means a Tax Event or an Investment Company Event.

"Sponsor" means OGE Energy Corp., an Oklahoma corporation, or any successor entity in a merger, consolidation, amalgamation or replacement by or conveyance, transfer or lease of its properties substantially as an entirety, in its capacity as sponsor of the Trust.

"Successor Delaware Trustee" has the meaning specified in Section 6.6(b).

"Successor Entity" has the meaning specified in Section 3.15(b)(i).

"Successor Property Trustee" has the meaning specified in Section 6.6(b).

"Successor Securities" has the meaning specified in Section 3.15(b)(i)(b).

"Super Majority" has the meaning specified in Section 2.6(a)(ii).

"Tax Event" means the receipt by the Trust of an opinion of independent tax counsel experienced in such matters, to the effect that, as a result of (a) any amendment to, change in or announced proposed change in the laws (or any regulations thereunder) of the United States or any political subdivision or taxing authority thereof or therein, or (b) any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, which amendment or change is effective or proposed change, pronouncement or decision is announced on or after the Closing Date, there is more than an insubstantial risk that (i) the Trust is, or will be within 90 days of the date of such opinion, subject to United States federal income tax with respect to income received or accrued on the Debentures, (ii) interest payable by the Debenture Issuer on the Debentures is not, or within 90 days of the date of such opinion, will not be, deductible by the Debenture Issuer, in whole or in part, by the Debenture Issuer for United States federal income tax purposes, or (iii) the Trust is, or will be within 90 days of the date of such opinion, subject to more than a de minimis amount of other taxes, duties or other governmental charges.

"10% in Liquidation Amount" means, except as provided in the terms of the Preferred Securities or by the Trust Indenture Act, Holder(s) of outstanding Securities, voting together as a single class, or, as the context may require, Holders of outstanding Preferred Securities or Holders of outstanding Common Securities, voting separately as a class, who are the record owners of 10% or more of the aggregate liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accrued and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Securities of the relevant class.

"Treasury Regulations" means the income tax regulations, including temporary and proposed regulations, promulgated under the Code by the United States Treasury, as such regulations may be amended from time to time (including corresponding provisions of succeeding regulations).

"Trust" has the meaning specified in the Recitals hereto.

"Trust Enforcement Event" in respect of the Securities means an Indenture Event of Default has occurred and is continuing in respect of the Debentures.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time, or any successor legislation.

"Trustee" or "Trustees" means each Person who has signed this Declaration as a trustee, so long as such Person shall continue in office in accordance with the terms hereof, and all other Persons who may from time to time be duly appointed, qualified and serving as Trustees in



accordance with the provisions hereof, and references herein to a Trustee or the Trustees shall refer to such Person or Persons solely in their capacity as trustees hereunder.

## ARTICLE II.

### TRUST INDENTURE ACT

#### SECTION 2.1. TRUST INDENTURE ACT; APPLICATION.

(a) This Declaration is subject to the provisions of the Trust Indenture Act that are required to be part of this Declaration 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 and to the extent that any provision of this Declaration conflicts with the duties imposed by Sections 310 to 317, inclusive, of the Trust Indenture Act, such imposed duties shall control.

(d) The application of the Trust Indenture Act to this Declaration shall not affect the Trust's classification as a grantor trust for United States federal income tax purposes and shall not affect the nature of the Securities as equity securities representing undivided beneficial ownership interests in the assets of the Trust.

#### SECTION 2.2. LISTS OF HOLDERS OF SECURITIES.

(a) Each of the Sponsor and the Regular Trustees on behalf of the Trust shall provide the Property Trustee (i), except while the Preferred Securities are represented by one or more Global Securities, at least one Business Day prior to the date for payment of Distributions, a list, in such form as the Property Trustee may reasonably require, of the names and addresses of the Holders of the Securities ("List of Holders") as of the record date relating to the payment of such Distributions and (ii) at any other time, within 30 days of receipt by the Trust of a written request from the Property Trustee for a List of Holders as of a date no more than 15 days before such List of Holders is given to the Property Trustee; provided that neither the Sponsor nor the Regular Trustees on behalf of the Trust shall 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 Property Trustee by the Sponsor and the Regular Trustees on behalf of the Trust. The Property Trustee shall preserve, in as current a form as is reasonably practicable, all information contained in Lists of Holders given to it or which it receives in the capacity as Paying Agent (if acting in such capacity), provided that the Property Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Property Trustee shall comply with its obligations under, and shall be entitled to the benefits of, Sections 311(a), 311(b) and 312(b) of the Trust Indenture Act.

SECTION 2.3. REPORTS BY THE PROPERTY TRUSTEE.

Within 60 days after May 15 of each year (commencing with the year of the first anniversary of the issuance of the Preferred Securities), the Property 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 Property Trustee shall also comply with the requirements of Section 313(d) of the Trust Indenture Act.

SECTION 2.4. PERIODIC REPORTS TO THE PROPERTY TRUSTEE.

Each of the Sponsor and the Regular 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 the form, in the manner and at the times required by Section 314 of the Trust Indenture Act.

SECTION 2.5. EVIDENCE OF COMPLIANCE WITH CONDITIONS PRECEDENT.

Each of the Sponsor and the Regular Trustees on behalf of the Trust shall provide to the Property Trustee such evidence of compliance with any condition precedent provided for in this Declaration 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. TRUST ENFORCEMENT EVENTS; WAIVER.

(a) The Holders of a Majority in Liquidation Amount of the Preferred Securities may, by vote or written consent, on behalf of the Holders of all of the Preferred Securities, waive any past Trust Enforcement Event in respect of the Preferred Securities and its consequences, provided that, if the underlying Indenture Event of Default:

- (i) is not waivable under the Indenture, the Trust Enforcement Event under the Declaration shall also not be waivable; or
- (ii) requires the consent or vote of greater than a majority in principal amount of the holders of the Debentures (a "Super Majority") to be waived under the Indenture, the related Trust Enforcement Event under the Declaration may only be waived by the vote or written consent of the Holders of at least the proportion in liquidation amount of the Preferred Securities that the relevant Super Majority represents of the aggregate principal amount of the Debentures outstanding.

The foregoing provisions of this Section 2.6(a) shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act and such Section 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Upon such waiver, any such default shall cease to exist, and any Trust Enforcement Event with respect to the Preferred Securities arising therefrom shall be deemed to have been cured, for

every purpose of this Declaration and the Preferred Securities, but no such waiver shall extend to any subsequent or other Trust Enforcement Event with respect to the Preferred Securities or impair any right consequent thereon. Any waiver by the Holders of the Preferred Securities of a Trust Enforcement Event with respect to the Preferred Securities shall also be deemed to constitute a waiver by the Holders of the Common Securities of any such Trust Enforcement Event with respect to the Common Securities for all purposes of this Declaration without any further act, vote, or consent of the Holders of the Common Securities.

(b) The Holders of a Majority in Liquidation Amount of the Common Securities may, by vote or written consent, on behalf of the Holders of all of the Common Securities, waive any past Trust Enforcement Event in respect of the Common Securities and its consequences, provided that, if the underlying Indenture Event of Default:

- (i) is not waivable under the Indenture, except where the Holders of the Common Securities are deemed to have waived such Trust Enforcement Event under the Declaration as provided below in this Section 2.6(b), the Trust Enforcement Event under the Declaration shall also not be waivable; or
- (ii) requires the consent or vote of a Super Majority to be waived under the Indenture, except where the Holders of the Common Securities are deemed to have waived such Trust Enforcement Event under the Declaration as provided below in this Section 2.6(b), the Trust Enforcement Event under the Declaration may only be waived by the vote or written consent of the Holders of at least the proportion in liquidation amount of the Common Securities that the relevant Super Majority represents of the aggregate principal amount of the Debentures outstanding;

provided further, each Holder of Common Securities will be deemed to have waived any Trust Enforcement Event and all Trust Enforcement Events with respect to the Common Securities and the consequences thereof until all Trust Enforcement Events with respect to the Preferred Securities have been cured, waived or otherwise eliminated, and until such Trust Enforcement Events with respect to the Preferred Securities have been so cured, waived or otherwise eliminated, the Property Trustee will be deemed to be acting solely on behalf of the Holders of the Preferred Securities and only the Holders of the Preferred Securities will have the right to direct the Property Trustee in accordance with the terms of the Securities. The foregoing provisions of this Section 2.6(b) shall be in lieu of Sections 316(a)(1)(A) and 316(a)(1)(B) of the Trust Indenture Act and such Sections 316(a)(1)(A) and 316(a)(1)(B) of the Trust Indenture Act are hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act. Subject to the foregoing provisions of this Section 2.6(b), upon such cure, waiver or other elimination, any such default shall cease to exist and any Trust Enforcement Event with respect to the Common Securities arising therefrom shall be deemed to have been cured for every purpose of this Declaration, but no such waiver shall extend to any subsequent or other Trust Enforcement Event with respect to the Common Securities or impair any right consequent thereon.

(c) A waiver of an Indenture Event of Default by the Property Trustee at the direction of the Holders of the Preferred Securities constitutes a waiver of the corresponding Trust Enforcement Event with respect to the Preferred Securities under this Declaration. The foregoing provisions of this Section 2.6(c) shall be in lieu of Section 316(a)(1)(B) of the Trust Indenture Act and such Section 316(a)(1)(B) of the Trust Indenture Act is hereby expressly excluded from this Declaration and the Securities, as permitted by the Trust Indenture Act.

SECTION 2.7. TRUST ENFORCEMENT EVENT; NOTICE.

(a) The Property Trustee shall, within 90 days after the occurrence of a Trust Enforcement Event, transmit by mail, first class postage prepaid, to the Holders of the Securities, notices of all defaults with respect to the Securities actually known to a Responsible Officer of the Property Trustee, unless such defaults have been cured before the giving of such notice (the term "defaults" for the purposes of this Section 2.7(a) being hereby defined to be an Indenture Event of Default, not including any periods of grace provided for therein and irrespective of the giving of any notice provided therein); provided that, except for a default in the payment of principal of (or premium, if any) or interest on any of the Debentures, the Property Trustee shall be protected in withholding such notice if and so long as a Responsible Officer of the Property Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Securities.

(b) The Property Trustee shall not be deemed to have knowledge of any default except:

- or
- (i) a default under Sections 501(1) and 501(2) of the Indenture;
  - (ii) any default as to which the Property Trustee shall have received written notice or of which a Responsible Officer of the Property Trustee charged with the administration of this Declaration shall have actual knowledge.

ARTICLE III.

ORGANIZATION

SECTION 3.1. NAME AND ORGANIZATION.

The Trust hereby continued is named "OGE Energy Capital Trust \_\_," as such name may be modified from time to time by the Regular Trustees following written notice to the Holders of Securities. The Trust's activities may be conducted under the name of the Trust or any other name deemed advisable by the Regular Trustees.

SECTION 3.2. OFFICE.

The address of the principal office of the Trust is c/o OGE Energy Corp., 321 North Harvey, Oklahoma City, Oklahoma 73102. On 10 Business Days' written notice to the Holders of Securities, the Regular Trustees may designate another principal office.

SECTION 3.3. PURPOSE.

The exclusive purposes and functions of the Trust are (a) to issue and sell Securities and use the gross proceeds from such sale to acquire the Debentures, and (b) except as otherwise limited herein, to engage in only those other activities necessary or incidental thereto. The Trust shall not borrow money, issue debt or reinvest proceeds derived from investments, pledge any of its assets or otherwise undertake (or permit to be undertaken) any activity that would cause the Trust not to be classified as a grantor trust for United States federal income tax purposes.

By the acceptance of this Trust, none of the Trustees, the Sponsor, the Holders of the Preferred Securities or Common Securities or the Preferred Securities Beneficial Owners will take any position for United States federal income tax purposes which is contrary to the classification of the Trust as a grantor trust.

SECTION 3.4. AUTHORITY.

Subject to the limitations provided in this Declaration and to the specific duties of the Property Trustee, the Regular Trustees shall have exclusive authority to carry out the purposes of the Trust. An action taken by the Regular Trustees in accordance with their powers shall constitute the act of and serve to bind the Trust and an action taken by the Property Trustee on behalf of the Trust in accordance with its powers shall constitute the act of and serve to bind the Trust. In dealing with the Trustees acting on behalf of the Trust, no person shall be required to inquire into the authority of the Trustees to bind the Trust. Persons dealing with the Trust are entitled to rely conclusively on the power and authority of the Trustees as set forth in this Declaration.

(a) Except as expressly set forth in this Declaration and except if a meeting of the Regular Trustees is called with respect to any matter over which the Regular Trustees have power to act, any power of the Regular Trustees may be exercised by, or with the consent of, any one such Regular Trustee.

(b) Unless otherwise determined by the Regular Trustees, and except as otherwise required by the Business Trust Act or applicable law, any Regular Trustee is authorized to execute on behalf of the Trust any documents which the Regular Trustees have the power and authority to cause the Trust to execute pursuant to Section 3.6(b), provided, that the registration statements referred to in Section 3.6(b)(ii), including any amendments thereto, shall be signed by or on behalf of a majority of the Regular Trustees; and

(c) a Regular 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 purposes of signing any documents which the Regular Trustees have power and authority to cause the Trust to execute pursuant to Section 3.6.

SECTION 3.5. TITLE TO PROPERTY OF THE TRUST.

Except as provided in Section 3.8 with respect to the Debentures and the Property Account or as otherwise provided in this Declaration, legal title to all assets of the Trust shall be

vested in the Trust. The Holders shall not have legal title to any part of the assets of the Trust, but shall have an undivided beneficial ownership interest in the assets of the Trust.

SECTION 3.6. POWERS AND DUTIES OF THE REGULAR TRUSTEES.

The Regular Trustees shall have the exclusive power, duty and authority to cause the Trust to engage in the following activities:

(a) to establish the terms and form of the Preferred Securities and the Common Securities in the manner specified in Section 7.1 and issue and sell the Preferred Securities and the Common Securities in accordance with this Declaration; provided, however, that the Trust may issue no more than one series of Preferred Securities and no more than one series of Common Securities, and, provided further, that there shall be no interests in the Trust other than the Securities, and the issuance of Securities shall be limited to a one-time, simultaneous issuance of both Preferred Securities and Common Securities on the Closing Date;

(b) in connection with the issue and sale of the Preferred Securities, at the direction of the Sponsor, to:

- (i) execute and file an application, prepared by the Sponsor, to the New York Stock Exchange or any other national stock exchange or the NASDAQ Stock Market for listing of any Preferred Securities, the Guarantee and the Debentures;
- (ii) execute and file with the Commission one or more registration statements on the applicable forms prepared by the Sponsor, including any amendments thereto, pertaining to the Preferred Securities, the Guarantee and the Debentures;
- (iii) execute and file any documents prepared by the Sponsor, or take any acts as determined by the Sponsor to be necessary, in order to qualify or register all or part of the Preferred Securities in any State in which the Sponsor has determined to qualify or register such Preferred Securities for sale; and
- (iv) negotiate the terms of and execute and enter into an underwriting agreement and other related agreements providing for the sale of the Preferred Securities;

(c) to acquire the Debentures with the proceeds of the sale of the Preferred Securities and the Common Securities; provided, however, that the Regular Trustees shall cause legal title to the Debentures to be held of record in the name of the Property Trustee for the benefit of the Holders of the Preferred Securities and the Holders of the Common Securities;

(d) to give the Sponsor and the Property Trustee prompt written notice of the occurrence of a Special Event; provided that the Regular Trustees shall consult with the Sponsor and the Property Trustee before taking or refraining from taking any action in relation to any such Special Event;

(e) to establish a record date with respect to all actions to be taken hereunder that require a record date be established, including and with respect to, for the purposes of Section 316(c) of the Trust Indenture Act, Distributions, voting rights, redemptions and exchanges, and to issue relevant notices to the Holders of Preferred Securities and Holders of Common Securities as to such actions and applicable record dates;

(f) to take all actions and perform such duties as may be required of the Regular Trustees pursuant to the terms of this Declaration and the Securities;

(g) to bring or defend, pay, collect, compromise, arbitrate, resort to legal action or otherwise adjust claims or demands of or against the Trust ("Legal Action"), unless pursuant to Section 3.8(e), the Property Trustee has the exclusive power to bring such Legal Action;

(h) to employ or otherwise engage employees and agents (who may be designated as officers with titles) and managers, contractors, advisors and consultants to conduct only those services that the Regular Trustees have authority to conduct directly, and to pay reasonable compensation for such services;

(i) to cause the Trust to comply with the Trust's obligations under the Trust Indenture Act;

(j) to give the certificate required by Section 314(a)(4) of the Trust Indenture Act to the Property Trustee, which certificate may be executed by any Regular Trustee;

(k) to incur expenses that are necessary or incidental to carry out any of the purposes of the Trust;

(l) to act as, or appoint another Person to act as, registrar and transfer agent for the Securities;

(m) to give prompt written notice to the Holders of the Securities of any notice received from the Debenture Issuer of its election to defer payments of interest on the Debentures by extending the interest payment period under the Debentures as authorized by the Indenture;

(n) to take all action that may be necessary or appropriate for the preservation and the continuation of the Trust's valid existence, rights, franchises and privileges as a statutory business trust under the laws of the State of Delaware and of each other jurisdiction in which such existence is necessary to protect the limited liability of the Holders of the Preferred Securities and the Holders of the Common Securities or to enable the Trust to effect the purposes for which the Trust was created;

(o) to take any action, not inconsistent with applicable law, that the Regular Trustees determine in their discretion to be necessary or desirable in carrying out the purposes and functions of the Trust as set out in Section 3.3 or the activities of the Trust as set out in this Section 3.6, including, but not limited to:

- (i) to cause the Trust not to be deemed to be an Investment Company required to be registered under the Investment Company Act;
- (ii) to cause the Trust to be classified as a grantor trust for United States federal income tax purposes; and
- (iii) to cooperate with the Debenture Issuer to ensure that the Debentures will be treated as indebtedness of the Debenture Issuer for United States federal income tax purposes.

(p) to take all action necessary to cause all applicable tax returns and tax information reports that are required to be filed with respect to the Trust to be duly prepared and filed by the Regular Trustees, on behalf of the Trust; and

(q) to execute all documents or instruments, perform all duties and powers, and do all things for and on behalf of the Trust in all matters necessary or incidental to the foregoing.

The Regular Trustees shall exercise the powers set forth in this Section 3.6 in a manner that is consistent with the purposes and functions of the Trust set out in Section 3.3, and the Regular Trustees shall have no power to, and shall not, take any action that is inconsistent with the purposes and functions of the Trust set forth in Section 3.3.

Subject to this Section 3.6, the Regular Trustees shall have none of the powers or the authority of the Property Trustee set forth in Section 3.8.

Any expenses incurred by the Regular Trustees pursuant to this Section 3.6 shall be reimbursed by the Debenture Issuer.

#### SECTION 3.7. PROHIBITION OF ACTIONS BY THE TRUST AND THE TRUSTEES.

(a) The Trust shall not, and the Trustees (including the Property Trustee) shall cause the Trust not to, engage in any activity other than as required or authorized by this Declaration. In particular, the Trust shall not, and the Trustees (including the Property Trustee) shall cause the Trust not to:

- (i) invest any proceeds received by the Trust from holding the Debentures, but shall distribute all such proceeds to Holders of Securities pursuant to the terms of this Declaration and of the Securities;
- (ii) acquire any assets other than as expressly provided herein;
- (iii) possess Trust property for other than a Trust purpose;
- (iv) make any loans or incur any indebtedness;
- (v) possess any power or otherwise act in such a way as to vary the Trust assets;



- (vi) possess any power or otherwise act in such a way as to vary the terms of the Securities in any way whatsoever (except to the extent expressly authorized in this Declaration or by the terms of the Securities);
- (vii) issue any securities or other evidences of beneficial ownership of, or beneficial interest in, the Trust other than the Securities;
- (viii) other than as provided in this Declaration or by the terms of the Securities, (A) direct the time, method and place of exercising any trust or power conferred upon the Debenture Trustee with respect to the Debentures, (B) waive any past default that is waivable under the Indenture, (C) exercise any right to rescind or annul any declaration that the principal of all the Debentures shall be due and payable, or (D) consent to any amendment, modification or termination of the Indenture or the Debentures where such consent shall be required unless the Trust shall have received an opinion of counsel to the effect that such modification will not cause more than an insubstantial risk that the Trust will be deemed an Investment Company required to be registered under the Investment Company Act, or the Trust will not be classified as a grantor trust for United States federal income tax purposes;
- (ix) take any action inconsistent with the status of the Trust as a grantor trust for United States federal income tax purposes; or
- (x) revoke any action previously authorized or approved by vote of the Holders of the Preferred Securities.

SECTION 3.8. POWERS AND DUTIES OF THE PROPERTY TRUSTEE.

(a) The legal title to the Debentures shall be owned by and held of record in the name of the Property Trustee in trust for the benefit of the Trust and the Holders of the Securities. The right, title and interest of the Property Trustee to the Debentures shall vest automatically in each Person who may hereafter be appointed as Property Trustee in accordance with Section 6.6. Such vesting and cessation of title shall be effective whether or not conveyancing documents with regard to the Debentures have been executed and delivered.

(b) The Property Trustee shall not transfer its right, title and interest in the Debentures to the Regular Trustees or to the Delaware Trustee (if the Property Trustee does not also act as Delaware Trustee).

(c) The Property Trustee shall:

- (i) establish and maintain a segregated non-interest bearing trust account (the "Property Account") in the name of and under the exclusive control of the Property Trustee on behalf of the Holders of the Securities and, upon the receipt of payments of funds made in respect of the Debentures held by the Property Trustee, deposit such funds into the Property Account and make payments to the Holders of the Preferred Securities and Holders of

the Common Securities from the Property Account in accordance with Section 7.2. Funds in the Property Account shall be held uninvested until disbursed in accordance with this Declaration. The Property Account shall be an account that is maintained with a banking institution the rating on whose long-term unsecured indebtedness is at least equal to the rating assigned to the Preferred Securities by a "nationally recognized statistical rating organization", within the meaning of Rule 436(g)(2) under the Securities Act;

(ii) engage in such ministerial activities as shall be necessary or appropriate to effect the redemption of the Preferred Securities and the Common Securities to the extent the debentures are redeemed or mature; and

(iii) upon written notice of distribution issued by the Regular Trustees in accordance with the terms of the Securities, engage in such ministerial activities as so directed and as shall be necessary or appropriate to effect the distribution of the Debentures to Holders of Securities upon the occurrence of a Special Event.

(d) The Property Trustee shall take all actions and perform such duties as may be specifically required of the Property Trustee pursuant to the terms of this Declaration and the Securities.

(e) The Property Trustee shall take any Legal Action which arises out of or in connection with a Trust Enforcement Event of which a Responsible Officer of the Property Trustee has actual knowledge or the Property Trustee's duties and obligations under this Declaration or the Trust Indenture Act; provided however, that if a Trust Enforcement Event has occurred and is continuing and such event is attributable to the failure of the Debenture Issuer to pay interest, principal or other required payments on the Debentures on the date such interest, principal or other required payments are otherwise payable (or in the case of redemption, on the redemption date), then a Holder of Preferred Securities may directly institute a proceeding against the Debenture Issuer for enforcement of payment to such Holder of the principal of or interest on Debentures having a principal amount equal to the aggregate liquidation amount of the Preferred Securities of such Holder (a "Direct Action") on or after the respective due date specified in the Debentures.

(f) The Property Trustee shall continue to serve as a Trustee until either:

(i) the Trust has been completely liquidated and the proceeds of the liquidation distributed to the Holders of Securities pursuant to the terms of the Securities; or

(ii) a Successor Property Trustee has been appointed and has accepted that appointment in accordance with Section 6.6.

(g) The Property Trustee shall have the legal power to exercise all of the rights, powers and privileges of a holder of Debentures under the Indenture and, if a Trust Enforcement Event actually known to a Responsible Officer of the Property Trustee occurs and is continuing,

the Property Trustee shall, for the benefit of Holders of the Securities, enforce its rights as holder of the Debentures subject to the rights of the Holders pursuant to the terms of such Securities.

(h) The Property Trustee may authorize one or more Persons (each, a "Paying Agent") to pay Distributions, redemption payments or liquidation payments on behalf of the Trust with respect to all Securities and any such Paying Agent shall comply with Section 317(b) of the Trust Indenture Act. Any Paying Agent may be removed by the Property Trustee at any time and a successor Paying Agent or additional Paying Agents may be appointed at any time by the Property Trustee.

(i) Subject to this Section 3.8, the Property Trustee shall have none of the duties, liabilities, powers or the authority of the Regular Trustees set forth in Section 3.6.

The Property Trustee shall exercise the powers set forth in this Section 3.8 in a manner that is consistent with the purposes and functions of the Trust set out in Section 3.3, and the Property Trustee shall have no power to, and shall not, take any action that is inconsistent with the purposes and functions of the Trust set out in Section 3.3.

#### SECTION 3.9. CERTAIN DUTIES AND RESPONSIBILITIES OF THE PROPERTY TRUSTEE.

(a) The Property Trustee, before the occurrence of any Trust Enforcement Event and after the curing of all Trust Enforcement Events that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Declaration and no implied covenants shall be read into this Declaration against the Property Trustee. In case a Trust Enforcement Event has occurred (that has not been cured or waived pursuant to Section 2.6) of which a Responsible Officer of the Property Trustee has actual knowledge, the Property Trustee shall exercise such of the rights and powers vested in it by this Declaration, 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 or her own affairs.

(b) No provision of this Declaration shall be construed to relieve the Property 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 a Trust Enforcement Event and after the curing or waiving of all such Trust Enforcement Events that may have occurred:
  - (a) the duties and obligations of the Property Trustee shall be determined solely by the express provisions of this Declaration and the Property Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Declaration, and no implied covenants or obligations shall be read into this Declaration against the Property Trustee; and
  - (b) in the absence of bad faith on the part of the Property Trustee, the Property 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 Property Trustee

and conforming to the requirements of this Declaration; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Property Trustee, the Property Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Declaration;

- (ii) the Property Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Property Trustee, unless it shall be proved that the Property Trustee was negligent in ascertaining the pertinent facts;
- (iii) the Property Trustee shall not be liable with respect to any action taken or omitted to be taken by it without negligence, in good faith in accordance with the direction of the Holders of not less than a Majority in Liquidation Amount of the Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or exercising any trust or power conferred upon the Property Trustee under this Declaration;
- (iv) no provision of this Declaration shall require the Property 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 it 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 Declaration or indemnity reasonably satisfactory to the Property Trustee against such risk or liability is not reasonably assured to it;
- (v) the Property Trustee's sole duty with respect to the custody, safe-keeping and physical preservation of the Debentures and the Property Account shall be to deal with such property in a similar manner as the Property Trustee deals with similar property for its own account, subject to the protections and limitations on liability afforded to the Property Trustee under this Declaration and the Trust Indenture Act;
- (vi) the Property Trustee shall have no duty or liability for or with respect to the value, genuineness, existence or sufficiency of the Debentures or the payment of any taxes or assessments levied thereon or in connection therewith;
- (vii) the Property Trustee shall not be liable for any interest on any money received by it except as it may otherwise agree with the Sponsor. Money held by the Property Trustee need not be segregated from other funds held by it except in relation to the Property Account maintained by the Property Trustee pursuant to Section 3.8(c)(i) and except to the extent otherwise required by law; and

- (viii) the Property Trustee shall not be responsible for monitoring the compliance by the Regular Trustees or the Sponsor with their respective duties under this Declaration, nor shall the Property Trustee be liable for any default or misconduct of the Regular Trustees or the Sponsor.

SECTION 3.10. CERTAIN RIGHTS OF PROPERTY TRUSTEE.

(a) Subject to the provisions of Section 3.9:

- (i) the Property Trustee may conclusively 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 Sponsor or the Regular Trustees contemplated by this Declaration shall be sufficiently evidenced by an Officers' Certificate;
- (iii) whenever in the administration of this Declaration, the Property Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Property Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Sponsor or the Regular Trustees;
- (iv) the Property Trustee shall have no duty to see to any recording, filing or registration of any instrument (including any financing or continuation statement or any filing under tax or securities laws) or any rerecording, refiling or registration thereof;
- (v) the Property Trustee may consult with counsel of its choice or other experts and the advice or opinion of such counsel and experts with respect to legal matters or advice within the scope of such experts' area of expertise 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 Sponsor or any of its Affiliates, and may include any of its employees. The Property Trustee shall have the right at any time to seek instructions concerning the administration of this Declaration from any court of competent jurisdiction;
- (vi) the Property Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Declaration at the request or direction of any Holder, unless such Holder shall have provided to the Property Trustee security and indemnity, reasonably satisfactory to the Property

Trustee, against the costs, expenses (including attorneys' fees and expenses and the expenses of the Property Trustee's agents, nominees or custodians) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Property Trustee; provided that, nothing contained in this Section 3.10(a) shall be taken to relieve the Property Trustee, upon the occurrence of an Indenture Event of Default, of its obligation to exercise the rights and powers vested in it by this Declaration;

- (vii) 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, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Property Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;
- (viii) the Property Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, custodians, nominees or attorneys and the Property 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;
- (ix) any action taken by the Property Trustee or its agents hereunder shall bind the Trust and the Holders of the Securities, and the signature of the Property Trustee or its agents alone shall be sufficient and effective to perform any such action and no third party shall be required to inquire as to the authority of the Property Trustee to so act or as to its compliance with any of the terms and provisions of this Declaration, both of which shall be conclusively evidenced by the Property Trustee's or its agent's taking such action;
- (x) whenever in the administration of this Declaration the Property Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Property Trustee (i) may request instructions from the Holders of the Securities which instructions may only be given by the Holders of the same proportion in liquidation amount of the Securities as would be entitled to direct the Property Trustee under the terms of the Securities in respect of such remedy, right or action, (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 conclusively relying on or acting in or accordance with such instructions;
- (xi) except as otherwise expressly provided by this Declaration, the Property Trustee shall not be under any obligation to take any action that is discretionary under the provisions of this Declaration; and

- (xii) the Property Trustee shall not be liable for any action taken, suffered or omitted to be taken by it without negligence, in good faith and reasonably believed by it to be authorized or within the discretion, rights or powers conferred upon it by this Declaration.

(b) No provision of this Declaration shall be deemed to impose any duty or obligation on the Property 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 Property 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 Property Trustee shall be construed to be a duty.

#### SECTION 3.11. DELAWARE TRUSTEE.

Notwithstanding any other provision of this Declaration other than Section 6.2, the Delaware Trustee shall not be entitled to exercise any powers, nor shall the Delaware Trustee have any of the duties and responsibilities of the Regular Trustees or the Property Trustee described in this Declaration. Except as set forth in Section 6.2, the Delaware Trustee shall be a Trustee for the sole and limited purpose of fulfilling the requirements of Section 3807 of the Business Trust Act.

#### SECTION 3.12. EXECUTION OF DOCUMENTS.

Unless otherwise determined by the Regular Trustees, and except as otherwise required by the Business Trust Act, any Regular Trustee is authorized to execute on behalf of the Trust any documents that the Regular Trustees have the power and authority to execute pursuant to Section 3.6; provided that, the registration statements referred to in Section 3.6(b)(ii), including any amendments thereto, shall be signed by or on behalf of a majority of the Regular Trustees.

#### SECTION 3.13. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF SECURITIES.

The recitals contained in this Declaration and the Securities shall be taken as the statements of the Sponsor, and the Trustees do not assume any responsibility for their correctness. The Trustees make no representations as to the value or condition of the property of the Trust or any part thereof. The Trustees make no representations as to the validity or sufficiency of this Declaration, the Securities, the Debentures or the Indenture.

#### SECTION 3.14. DURATION OF TRUST.

The Trust shall exist until terminated pursuant to the provisions of Article VIII hereof.

#### SECTION 3.15. MERGERS.

(a) The Trust may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to any corporation or other body, except as described in Section 3.15(b) and (c).

(b) The Trust may, at the request of the Sponsor and with the consent of the Regular Trustees or, if there are more than two, a majority of the Regular Trustees and without the consent of the Holders of the Securities, the Delaware Trustee or the Property Trustee, consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to a trust organized as such under the laws of any State; provided, that:

- (i) if the Trust is not the successor, such successor entity (the "Successor Entity") either:
  - (a) expressly assumes all of the obligations of the Trust with respect to the Securities; or
  - (b) substitutes for the Preferred Securities other securities having substantially the same terms as the Preferred Securities (the "Successor Securities") so long as the Successor Securities rank the same as the Preferred Securities rank in priority with respect to Distributions and payments upon liquidation, redemption and otherwise;
- (ii) the Debenture Issuer expressly appoints a trustee of such Successor Entity that possesses the same powers and duties as the Property Trustee as the holder of the Debentures;
- (iii) the Preferred Securities or any Successor Securities are listed, or any Successor Securities will be listed upon notification of issuance, on any national securities exchange or with any other organization on which the Preferred Securities are then listed or quoted;
- (iv) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not cause the Preferred Securities (including any Successor Securities) to be downgraded by any nationally recognized statistical rating organization;
- (v) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights, preferences and privileges of the Holders of the Preferred Securities (including any Successor Securities) in any material respect;
- (vi) such Successor Entity has a purpose identical to that of the Trust;
- (vii) prior to such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease the Sponsor has received an opinion of independent counsel to the Trust experienced in such matters to the effect that:
  - (a) such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease does not adversely affect the rights,



preferences and privileges of the Holders of the Preferred Securities (including any Successor Securities) in any material respect;

- (b) following such merger, consolidation, amalgamation, replacement, conveyance, transfer or lease, neither the Trust nor the Successor Entity will be required to register as an Investment Company; and
  - (c) following such merger, consolidation, amalgamation or replacement, the Trust (or the Successor Entity) will continue to be classified as a grantor trust for United States federal income tax purposes;
- (viii) the Sponsor or any permitted successor or assignee owns all of the Common Securities and guarantees the obligations of such Successor Entity under the Successor Securities at least to the extent provided by the Securities Guarantee; and
- (ix) such Successor Entity expressly assumes all of the obligations of the Trust with respect to the Trustees.

(c) Notwithstanding Section 3.15(b), the Trust shall not, except with the consent of Holders of 100% in aggregate liquidation amount of the Securities, consolidate, amalgamate, merge with or into, or be replaced by or convey, transfer or lease its properties and assets substantially as an entirety to, any other entity or permit any other entity to consolidate, amalgamate, merge with or into, or replace it, if such consolidation, amalgamation, merger, replacement, conveyance, transfer or lease would cause the Trust or Successor Entity to be classified as other than a grantor trust for United States federal income tax purposes and each Holder of the Securities not to be treated as owning an undivided interest in the Debentures.

#### SECTION 3.16. PROPERTY TRUSTEE MAY FILE PROOFS OF CLAIM.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other similar judicial proceeding relative to the Trust or any other obligor upon the Securities or the property of the Trust or of such other obligor or their creditors, the Property Trustee (irrespective of whether any Distributions on the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Property Trustee shall have made any demand on the Trust for the payment of any past due Distributions) shall be entitled and empowered, to the fullest extent permitted by law, by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of any Distributions owing and unpaid in respect of the Securities (or, if the Securities are original issue discount Securities, such portion of the liquidation amount as may be specified in the terms of such Securities) and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Property Trustee (including any claim for the reasonable compensation, expenses,

disbursements and advances of the Property Trustee, and its counsel) and of the Holders allowed in such judicial proceeding, and

(b) 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 Property Trustee and, in the event the Property Trustee shall consent to the making of such payments directly to the Holders, to pay to the Property Trustee any amount due it for the reasonable compensation, expenses, disbursements and advances of the Property Trustee, its agents and counsel, and any other amounts due the Property Trustee.

Nothing herein contained shall be deemed to authorize the Property Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement adjustment or compensation affecting the Securities or the rights of any Holder thereof or to authorize the Property Trustee to vote in respect of the claim of any Holder in any such proceeding.

#### ARTICLE IV.

##### SPONSOR

##### SECTION 4.1. RESPONSIBILITIES OF THE SPONSOR.

In connection with the issue and sale of the Preferred Securities, the Sponsor shall have the exclusive right and responsibility to engage in the following activities:

(a) to prepare for filing by the Trust with the Commission one or more registration statements on the applicable forms, including any amendments thereto, pertaining to the Preferred Securities, the Guarantee and the Debentures;

(b) 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 the Trust, and advise the Trust of actions it must take, and prepare for execution and filing any documents to be executed and filed by the Trust, as the Sponsor deems necessary or advisable in order to comply with the applicable laws of any such States;

(c) to prepare for filing by the Trust an application to the New York Stock Exchange or any other national stock exchange or the NASDAQ Stock Market for listing upon notice of issuance of any Preferred Securities, the Guarantee and the Debentures; and

(d) to negotiate the terms of an underwriting agreement and other related agreements providing for the sale of the Preferred Securities.

SECTION 4.2. INDEMNIFICATION AND EXPENSES OF THE TRUSTEES.

The Sponsor, in its capacity as Debenture Issuer, agrees to indemnify the Property Trustee and the Delaware Trustee for, and to hold each of them harmless against, any loss, liability or expense incurred on the part of the Property Trustee or the Delaware Trustee, as the case may be, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses of defending either of them against any claim or liability in connection with the exercise or performance of any of their respective powers or duties hereunder except any such loss, damage, claim, liability, penalty or expense as may be attributable to the Property Trustee's negligence, bad faith or willful misconduct or, in the case of the Delaware Trustee, any such loss, liability or expense as may be attributable to its gross negligence, bad faith or willful misconduct; the provisions of this Section 4.2 shall survive the resignation or removal of the Delaware Trustee or the Property Trustee or the termination of this Declaration.

The Sponsor agrees to pay the Property Trustee and the Delaware Trustee from time to time reasonable compensation for all services rendered by them hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an expressed trust), as set forth in a separate agreement.

ARTICLE V.

TRUST COMMON SECURITIES HOLDER

SECTION 5.1. SPONSOR'S PURCHASE OF COMMON SECURITIES.

On the Closing Date, the Sponsor will purchase all of the Common Securities issued by the Trust, for an amount at least equal to 3% of the capital of the Trust, at the same time as the Preferred Securities are sold.

The aggregate stated liquidation amount of Common Securities outstanding at any time shall not be less than 3% of the capital of the Trust.

SECTION 5.2. COVENANTS OF THE COMMON SECURITIES HOLDER.

For so long as the Preferred Securities remain outstanding, the Common Securities Holder will covenant (i) to maintain, directly or indirectly, 100% ownership of the Common Securities, (ii) to cause the Trust to remain a statutory business trust and not to voluntarily dissolve, wind up, liquidate or be terminated, except as permitted by this Declaration, (iii) to use its commercially reasonable efforts to ensure that the Trust will not be an investment company for purposes of the Investment Company Act, and (iv) to take no action which would be reasonably likely to cause the Trust to be classified as an association or a publicly traded partnership taxable as a corporation for United States federal income tax purposes.

ARTICLE VI.

TRUSTEES

SECTION 6.1. NUMBER OF TRUSTEES.

The number of Trustees initially shall be three, and:

- (a) at any time before the issuance of any Securities, the Sponsor may, by written instrument, increase or decrease the number of Trustees; and
- (b) after the issuance of any Securities, the number of Trustees may be increased or decreased by vote of the Holders of a Majority in Liquidation Amount of the Common Securities voting as a class at a meeting of the Holders of the Common Securities or by written consent in lieu of such meeting; provided that the number of Trustees shall be at least three; and provided further that (1) the Delaware Trustee, in the case of a natural person, shall be a person who is a resident of the State of Delaware or that, if not a natural person, is an entity which has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law; (2) at least one Regular Trustee is an employee or officer of, or is affiliated with, the Sponsor; and (3) one Trustee shall be the Property Trustee for so long as this Declaration is required to qualify as an indenture under the Trust Indenture Act, and such Trustee may also serve as Delaware Trustee if it meets the applicable requirements.

SECTION 6.2. DELAWARE TRUSTEE; ELIGIBILITY.

If required by the Business Trust Act, one Trustee (which may be the Property Trustee) (the "Delaware Trustee") shall be:

- (a) a natural person who is a resident of the State of Delaware; or
- (b) 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 law,

provided that, if the Property Trustee has its principal place of business in the State of Delaware and otherwise meets the requirements of applicable law, then the Property Trustee shall also be the Delaware Trustee and Section 3.11 shall have no application.

SECTION 6.3. PROPERTY TRUSTEE; ELIGIBILITY.

- (a) There shall at all times be one Trustee (which shall initially be the Delaware Trustee) which shall act as Property Trustee which shall:
  - (i) not be an Affiliate of the Sponsor; and
  - (ii) be a corporation organized and doing business under the laws of the United States of America or any State or Territory thereof or of the District of Columbia, or a corporation or other Person permitted by the Commission to act as an institutional trustee under the Trust Indenture

Act, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least 50 million U.S. dollars (\$50,000,000), and subject to supervision or examination by federal, State, Territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then for the purposes of this Section 6.3(a)(ii), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Property Trustee shall cease to be eligible to so act under Section 6.3(a), the Property Trustee shall immediately resign in the manner and with the effect set forth in Section 6.6(c).

(c) If the Property Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Property Trustee and the Holder of the Common Securities (as if it were the obligor referred to in Section 310(b) of the Trust Indenture Act) shall in all respects comply with the provisions of Section 310(b) of the Trust Indenture Act.

(d) The Guarantee shall be deemed to be specifically described in this Declaration for purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

#### SECTION 6.4. QUALIFICATIONS OF REGULAR TRUSTEES AND DELAWARE TRUSTEE GENERALLY.

Each Regular Trustee and the Delaware Trustee (unless the Property Trustee also acts as Delaware 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 Authorized Officers.

#### SECTION 6.5. INITIAL REGULAR TRUSTEES.

The initial Regular Trustees shall be:

A. M. Strecker and James R. Hatfield, the business address of all of whom is c/o OGE Energy Corp., 321 North Harvey, Oklahoma City, Oklahoma 73102.

#### SECTION 6.6. APPOINTMENT, REMOVAL AND RESIGNATION OF TRUSTEES.

(a) Subject to Section 6.6(b), Trustees may be appointed or removed without cause at any time:

- (i) until the issuance of any Securities, by written instrument executed by the Sponsor; and
- (ii) after the issuance of any Securities, by vote of the Holders of a Majority in Liquidation Amount of the Common Securities voting as a class at a meeting of the Holders of the Common Securities.

(b) The Trustee that acts as Property Trustee shall not be removed in accordance with Section 6.6(a) until a successor Trustee possessing the qualifications to act as Property Trustee under Section 6.3(a) (a "Successor Property Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Property Trustee and delivered to the Regular Trustees and the Sponsor. The Trustee that acts as Delaware Trustee shall not be removed in accordance with Section 6.6(a) until a successor Trustee possessing the qualifications to act as Delaware Trustee under Sections 6.2 and 6.4 (a "Successor Delaware Trustee") has been appointed and has accepted such appointment by written instrument executed by such Successor Delaware Trustee and delivered to the Regular Trustees and the Sponsor.

(c) A Trustee appointed to office shall hold office until his or its successor shall have been appointed, until his death or its dissolution or until his or its removal or resignation. Any Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing signed by the Trustee and delivered to the Sponsor and the Trust, which resignation shall take effect upon such delivery or upon such later date as is specified therein; provided, however, that:

- (i) No such resignation of the Trustee that acts as the Property Trustee shall be effective:
  - (a) until a Successor Property Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Property Trustee and delivered to the Trust, the Sponsor and the resigning Property Trustee; or
  - (b) until the assets of the Trust have been completely liquidated and the proceeds thereof distributed to the holders of the Securities; and
- (ii) no such resignation of the Trustee that acts as the Delaware Trustee shall be effective until a Successor Delaware Trustee has been appointed and has accepted such appointment by instrument executed by such Successor Delaware Trustee and delivered to the Trust, the Sponsor and the resigning Delaware Trustee.

(d) The Holders of the Common Securities shall use their best efforts to promptly appoint a Successor Delaware Trustee or Successor Property Trustee, as the case may be, if the Property Trustee or the Delaware Trustee delivers an instrument of resignation in accordance with this Section 6.6.

(e) If no Successor Property Trustee or Successor Delaware Trustee, as the case may be, shall have been appointed and accepted appointment as provided in this Section 6.6 within 60 days after delivery to the Sponsor and the Trust of an instrument of resignation or removal, the resigning or removed Property Trustee or Delaware Trustee, as applicable, may petition any court of competent jurisdiction for appointment of a Successor Property Trustee or Successor Delaware Trustee, as applicable. Such court may thereupon, after prescribing such notice, if any,

as it may deem proper, appoint a Successor Property Trustee or Successor Delaware Trustee, as the case may be.

(f) No Property Trustee or Delaware Trustee shall be liable for the acts or omissions to act of any Successor Property Trustee or Successor Delaware Trustee, as the case may be.

#### SECTION 6.7. VACANCIES AMONG TRUSTEES.

If a Trustee ceases to hold office for any reason and the number of Trustees is not reduced pursuant to Section 6.1, or if the number of Trustees is increased pursuant to Section 6.1, a vacancy shall occur. A resolution certifying the existence of such vacancy by the Regular Trustees or, if there are more than two, a majority of the Regular Trustees shall be conclusive evidence of the existence of such vacancy. The vacancy shall be filled with a Trustee appointed in accordance with Section 6.6.

#### SECTION 6.8. EFFECT OF VACANCIES.

The death, resignation, retirement, removal, bankruptcy, dissolution, liquidation, incompetence or incapacity to perform the duties of a Trustee shall not operate to annul the Trust. Whenever a vacancy in the number of Regular Trustees shall occur, until such vacancy is filled by the appointment of a Regular Trustee in accordance with Section 6.6, the Regular Trustees in office, regardless of their number, shall have all the powers granted to the Regular Trustees and shall discharge all the duties imposed upon the Regular Trustees by this Declaration.

#### SECTION 6.9. MEETINGS.

If there is more than one Regular Trustee, meetings of the Regular Trustees shall be held from time to time upon the call of any Regular Trustee. Regular meetings of the Regular Trustees may be held at a time and place fixed by resolution of the Regular Trustees. Notice of any in-person meetings of the Regular Trustees shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 48 hours before such meeting. Notice of any telephonic meetings of the Regular Trustees shall be hand delivered or otherwise delivered in writing (including by facsimile, with a hard copy by overnight courier) not less than 24 hours before a meeting. Notices shall contain a brief statement of the time, place and anticipated purposes of the meeting. The presence (whether in person or by telephone) of a Regular Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Regular Trustee attends a meeting for the express purpose of objecting to the transaction of any activity on the ground that the meeting has not been lawfully called or convened. Unless provided otherwise in this Declaration, any action of the Regular Trustees may be taken at a meeting by vote of a majority of the Regular Trustees present (whether in person or by telephone) and eligible to vote with respect to such matter, provided that a Quorum is present, or without a meeting by the unanimous written consent of the Regular Trustees. In the event there is only one Regular Trustee, any and all action of such Regular Trustee shall be evidenced by a written consent of such Regular Trustee.

SECTION 6.10. DELEGATION OF POWER.

(a) Any Regular Trustee may, by power of attorney consistent with applicable law, delegate to any natural person over the age of 21 his, her or its power for the purpose of executing any documents contemplated in Section 3.6, including any registration statement or amendment thereto filed with the Commission, or making any other governmental filing.

(b) The Regular Trustees shall have power to delegate from time to time to such of their number or to officers of the Trust the doing of such things and the execution of such instruments either in the name of the Trust or the names of the Regular Trustees or otherwise as the Regular 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.

SECTION 6.11. MERGER, CONVERSION, CONSOLIDATION OR SUCCESSION TO BUSINESS.

Any corporation into which the Property Trustee, the Delaware Trustee or any Regular Trustee that is not a natural person may be merged or converted or with such Trustee may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of such Trustee shall be the successor of such Trustee hereunder, provided 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.

ARTICLE VII.

TERMS OF SECURITIES

SECTION 7.1. GENERAL PROVISIONS REGARDING SECURITIES.

(a) The Regular Trustees shall on behalf of the Trust issue one class of preferred securities representing undivided beneficial ownership interests in the assets of the Trust and one class of common securities representing undivided beneficial ownership interests in the assets of the Trust.

- (i) Preferred Securities. The Preferred Securities of the Trust have an aggregate liquidation amount with respect to the assets of the Trust of \_\_\_\_\_ dollars (\$\_\_\_\_\_) and a liquidation amount with respect to the assets of the Trust of \$25 per Preferred Security. The Preferred Securities are hereby designated for identification purposes only as \_\_\_\_% Preferred Securities (the "Preferred Securities"). The Preferred Security Certificates evidencing the Preferred Securities shall be substantially in the form of Exhibit A to the Declaration, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice or to conform to the rules of any stock exchange on which the Preferred Securities are listed or quoted.
- (ii) Common Securities. The Common Securities of the Trust have an aggregate liquidation amount with respect to the assets of the Trust of \_\_\_\_\_



\_\_\_\_\_ dollars (\$\_\_\_\_\_) and a liquidation amount with respect to the assets of the Trust of \$25 per Common Security. The Common Securities are hereby designated for identification purposes only as \_\_\_\_% Common Securities (the "Common Securities" and, together with the Preferred Securities, the "Securities"). The Common Security Certificates evidencing the Common Securities shall be substantially in the form of Exhibit B to the Declaration, with such changes and additions thereto or deletions therefrom as may be required by ordinary usage, custom or practice.

(b) Payment of Distributions on, and payment of the Redemption Price upon a redemption of, the Preferred Securities and the Common Securities, as applicable, shall be made Pro Rata between the holders of Preferred Securities and the holders of Common Securities based on the liquidation amount of such Preferred Securities and Common Securities; provided, however, that if on any date on which amounts payable on distribution or redemption an Indenture Event of Default shall have occurred and be continuing, no payment of any Distribution on, or Redemption Price of, any of the Common Securities, and no other payment on account of the redemption, liquidation or other acquisition of such Common Securities, shall be made unless payment in full in cash of all accumulated and unpaid Distributions on all of the outstanding Preferred Securities for all Distribution periods terminating on or prior thereto, or, in the case of amounts payable on redemption, the full amount of the Redemption Price for all of the outstanding Preferred Securities then 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 in cash of all Distributions on, or the Redemption Price of, the Preferred Securities then due and payable. The Trust shall issue no securities or other interests in the assets of the Trust other than the Preferred Securities and the Common Securities.

(c) The Certificates shall be signed on behalf of the Trust by a Regular Trustee. Such signature shall be the manual or facsimile signature of any present or any future Regular Trustee. In case a Regular Trustee of the Trust who shall have signed any of the Certificates shall cease to be such Regular Trustee before the Certificates so signed shall be delivered by the Trust, such Certificates nevertheless may be delivered as though the person who signed such Certificates had not ceased to be such Regular Trustee; and any Certificate may be signed on behalf of the Trust by such persons who, at the actual date of execution of such Certificate, shall be the Regular Trustees of the Trust, although at the date of the execution and delivery of the Declaration any such person was not such a Regular Trustee. Certificates shall be printed, lithographed or engraved or may be produced in any other manner as is reasonably acceptable to the Regular Trustees, as evidenced by their execution thereof, and may have such letters, numbers or other marks of identification or designation and such legends or endorsements as the Regular Trustees may deem appropriate, or as may be required to comply with any law or with any rule or regulation of any stock exchange on which Securities may be listed, or to conform to usage.

A Certificate representing Preferred Securities shall not be valid until authenticated by the manual signature of an authorized signatory of the Property Trustee. Such signature shall be conclusive evidence that such Certificate has been authenticated under this Declaration.

Upon a written order of the Trust signed by one Regular Trustee, the Property Trustee shall authenticate the Certificates representing Preferred Securities for original issue. The

aggregate number of Preferred Securities outstanding at any time shall not exceed the liquidation amount set forth in Section 7.1(a)(i).

The Property Trustee may appoint an authenticating agent acceptable to the Trust to authenticate Certificates. An authenticating agent may authenticate Certificates whenever the Property Trustee may do so. Each reference in this Declaration to authentication by the Property Trustee includes authentication by such agent. An authenticating agent has the same rights as the Property Trustee to deal with the Sponsor or an Affiliate of the Sponsor.

The consideration received by the Trust for the issuance of the Securities shall constitute a contribution to the capital of the Trust and shall not constitute a loan to the Trust.

Upon issuance of the Securities as provided in this Declaration, the Securities so issued shall be deemed to be validly issued, fully paid and non-assessable beneficial ownership interests in the assets of the Trust.

Every Person, by virtue of having become a Holder or a Preferred Security Beneficial Owner in accordance with the terms of this Declaration, shall be deemed to have expressly assented and agreed to the terms of, and shall be bound by, this Declaration and the terms of the Securities, the Guarantee, the Indenture and the Debentures.

The holders of the Securities shall have no preemptive rights.

#### SECTION 7.2. DISTRIBUTIONS.

(a) Holders of Securities shall be entitled to receive cumulative cash Distributions at the rate per annum of \_\_\_\_% of the stated liquidation amount of \$25 per Security. The amount of Distributions payable for any period shall be computed (i) for any full 90-day quarterly distribution period on the basis of a 360-day year of twelve 30-day months, (ii) for any period shorter than a full 90-day quarterly distribution period for which Distributions are computed, on the basis of a 30-day month and (iii) for periods of less than a month, the actual number of days elapsed per 30-day month. Subject to Section 7.1(b), Distributions shall be made on the Preferred Securities and the Common Securities on a Pro Rata basis. Distributions on the Securities shall, from the date of original issue, accrue and be cumulative and shall be payable quarterly, in arrears, on each March 31st, June 30th, September 30th, and December 31st, commencing \_\_\_\_\_, \_\_\_\_\_, when, as and if available for payment, by the Property Trustee, except as otherwise described below. Distributions are payable only to the extent that payments are made in respect of the Debentures held by the Property Trustee and to the extent that the Trust has funds available for the payment of such Distributions in the Property Account.

(b) Distributions not paid on the scheduled payment date will accumulate and compound quarterly at the rate of \_\_\_\_% per annum ("Compounded Distributions"). "Distributions" shall mean ordinary cumulative distributions together with any Compounded Distributions.

(c) If and to the extent that the Debenture Issuer makes a payment of interest, premium and/or principal on the Debentures held by the Property Trustee (the amount of any such payment being a "Payment Amount"), the Property Trustee shall and is directed, to the

extent funds are available for that purpose, to make a Pro Rata distribution of the Payment Amount to Holders, subject to Section 7.1(b).

(d) Distributions on the Securities shall be payable to the Holders thereof as they appear on the register of the Trust as of the close of business on the relevant record dates. While the Preferred Securities are represented by one or more Global Securities, the relevant record dates shall be the close of business on the Business Day next preceding such Distribution payment date, unless a different regular record date is established or provided for the corresponding interest payment date on the Debentures. The relevant record dates for the Common Securities shall be the same as for the Preferred Securities. If the Preferred Securities shall not continue to remain represented by one or more Global Securities, the relevant record dates for the Preferred Securities shall conform to the rules of any securities exchange on which the Preferred Securities are listed and, if not so listed, the relevant record dates shall be selected by the Regular Trustees and shall be at least one Business Day prior to the relevant payment dates. At all times, the Distribution payment dates shall correspond to the interest payment dates on the Debentures. Distributions payable on any Securities that are not punctually paid on any Distribution payment date, as a result of the Debenture Issuer having failed to make a payment under the Debentures, shall cease to be payable to the Person in whose name such Securities are registered on the relevant record date, and such defaulted Distribution will instead be payable to the Person in whose name such Securities are registered on the special record date or other specified date determined in accordance with this Declaration. If any date on which Distributions are payable on the Securities is not a Business Day, then payment of the Distribution 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 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, with the same force and effect as if made on such payment date.

(e) In the event that there is any money or other property held by or for the Trust that is not accounted for hereunder, such property shall be distributed Pro Rata among the Holders of the Securities.

#### SECTION 7.3. REDEMPTION OF SECURITIES.

(a) Upon the repayment or redemption, in whole or in part, of the Debentures held by the Trust, whether at the stated maturity of the Debentures or upon earlier redemption as provided in the Indenture, the proceeds from such repayment or redemption shall be simultaneously applied Pro Rata (subject to Section 7.1(b)) to redeem Securities having an aggregate liquidation amount equal to the aggregate principal amount of the Debentures so repaid or redeemed at the Redemption Price. Holders shall be given not less than 30 nor more than 60 days notice of such redemption in accordance with Section 7.4.

(b) If, at any time, a Special Event shall occur and be continuing, the Regular Trustees may, within 90 days following the occurrence of such Special Event, elect to dissolve the Trust upon not less than 30 nor more than 60 days' notice and, after satisfaction of liabilities to creditors, if any, cause the Debentures to be distributed to the holders of the Securities in liquidation of the Trust.

(c) On the date fixed for any distribution of Debentures, upon dissolution of the Trust, (i) the Securities will no longer be deemed to be outstanding and (ii) certificates representing Securities will be deemed to represent the Debentures having an aggregate principal amount equal to the stated liquidation amount of, and bearing accrued and unpaid distributions equal to accrued and unpaid distributions on, such Securities until such certificates are presented to the Sponsor or its agent for transfer or reissuance.

#### SECTION 7.4. REDEMPTION PROCEDURES.

(a) Notice of any redemption of, or notice of distribution of Debentures in exchange for, the Securities (a "Redemption/Distribution Notice"), which notice shall be irrevocable, will be given by the Trust by mail to each Holder of Securities to be redeemed or exchanged not fewer than 30 nor more than 60 days before the date fixed for redemption or exchange thereof which, in the case of a redemption, will be the date fixed for redemption of the Debentures. For purposes of the calculation of the date of redemption or exchange and the dates on which notices are given pursuant to this Section 7.4(a), a Redemption/Distribution Notice shall be deemed to be given on the day such notice is first mailed by first-class mail, postage prepaid, to Holders of Securities. Each Redemption/Distribution Notice shall be addressed to the Holders of Securities at the address of each such Holder appearing in the register of the Trust. No defect in the Redemption/Distribution Notice or in the mailing of either thereof with respect to any Holder shall affect the validity of the redemption or exchange proceedings with respect to any other Holder.

(b) If fewer than all the outstanding Securities are to be so redeemed, the Common Securities and the Preferred Securities will be redeemed Pro Rata between the holders of the Common Securities and the holders of the Preferred Securities (subject to Section 7.1(b)) and the Preferred Securities to be redeemed will be redeemed as described in Section 7.4(c) below. The Trust may not redeem the Securities in part unless all accumulated and unpaid Distributions to the date of redemption have been paid in full on all Securities then outstanding. 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 (including, without limitation, by lot) as the Property Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (equal to \$25 or an integral multiple of \$25 in excess thereof) of the liquidation amount of Preferred Securities of a denomination larger than \$25. The Property Trustee shall promptly notify the regular trustees 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 Declaration, 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 liquidation amount of Preferred Securities that has been or is to be redeemed.

(c) Subject to the Trust's fulfillment of the notice requirements set forth in Section 7.4(a) above, if Securities are to be redeemed, then (i) with respect to Preferred Securities represented by one or more Global Securities, by 12:00 noon, New York City time, on the redemption date (provided that the Debenture Issuer has paid the Property Trustee a sufficient amount of cash in connection with the related redemption or maturity of the Debentures), the Property Trustee will deposit irrevocably with the Depositary or its nominee (or successor clearing agency or its nominee) funds sufficient to pay the applicable Redemption Price with respect to the Preferred Securities and will give the Depositary irrevocable instructions and authority to pay the Redemption Price to the Holders of the Preferred Securities and (ii) with respect to Securities not represented by one or more Global Securities (provided that the Debenture Issuer has paid the Property Trustee a sufficient amount of cash in connection with the related redemption or maturity of the Debentures), the Paying Agent will pay the relevant Redemption Price to the Holders of such Securities by check mailed to the address of the relevant Holder appearing on the register of the Trust on the redemption date. If any date fixed

for redemption of Securities is not a Business Day, then payment of the Redemption Price 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 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 each case with the same force and effect as if made on such date fixed for redemption. If payment of the Redemption Price in respect of any Securities is improperly withheld or refused and not paid either by the Property Trustee or by the Sponsor as guarantor pursuant to the Guarantee, Distributions on such Securities will continue to accrue at the then applicable rate from the original redemption date to the actual 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. For these purposes, the applicable Redemption Price shall not include Distributions which are being paid to Holders who were Holders on a relevant record date. If a Redemption/Distribution Notice shall have been given and funds deposited or paid as required, then immediately prior to the close of business on the date of such deposit or payment, Distributions will cease to accrue on the Securities called for redemption and all rights of Holders of such Securities so called for redemption will cease, except the right of the Holders to receive the Redemption Price, but without interest on such Redemption Price, and from and after the date fixed for redemption, such Securities will cease to be outstanding.

Neither the Regular Trustees nor the Trust shall be required to register or cause to be registered the transfer of any Securities that have been called for redemption, except in the case of any Securities being redeemed in part, any portion thereof not to be redeemed.

(d) Subject to the foregoing and applicable law (including, without limitation, United States federal securities laws), the Debenture Issuer 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.

#### SECTION 7.5. VOTING RIGHTS OF PREFERRED SECURITIES.

(a) Except as provided under Section 11.1 and this Article VII and as otherwise required by the Business Trust Act, the Trust Indenture Act and other applicable law, the Holders of the Preferred Securities shall have no voting rights.

(b) Subject to the requirement of the Property Trustee obtaining a tax opinion in certain circumstances set forth in Section 7.5(e) below, the Holders of a Majority in Liquidation Amount of the Preferred Securities voting separately as a class have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or to direct the exercise of any trust or power conferred upon the Property Trustee under the Declaration, including the right to direct the Property Trustee, as Holder of the Debentures, to (i) exercise the remedies available to it under the Indenture as a Holder of the Debentures; (ii) consent to any amendment or modification of the Indenture or the Debentures where such consent shall be required or (iii) waive any past default and its consequences that is waivable under Section 513 of the Indenture; provided, however, that if an Indenture Event of Default has occurred and is continuing, then the Holders of 25% of the aggregate liquidation amount of the Preferred Securities may direct the Property Trustee to declare the principal of and interest on the Debentures due and payable; provided, further, that where a consent or action under the

Indenture would require the consent or act of the Holders of more than a majority of the aggregate principal amount of Debentures affected thereby, only the Holders of the percentage of the aggregate stated liquidation amount of the Preferred Securities which is at least equal to the percentage required under the Indenture may direct the Property Trustee to give such consent to take such action.

(c) If the Property Trustee fails to enforce its rights under the Debentures after a Holder of Preferred Securities has made a written request, such Holder of Preferred Securities may, to the extent permitted by applicable law, institute a legal proceeding directly against the Debenture Issuer to enforce the Property Trustee's rights under the Indenture without first instituting any legal proceeding against the Property Trustee or any other person or entity. In addition, if a Trust Enforcement Event has occurred and is continuing and such event is attributable to the failure of the Debenture Issuer to make any interest, principal or other required payments when due under the Indenture, then a Holder of Preferred Securities may directly institute a Direct Action against the Debenture Issuer on or after the respective due date specified in the Debentures.

(d) The Property Trustee shall notify all Holders of the Preferred Securities of any notice of any Indenture Event of Default received from the Debenture Issuer with respect to the Debentures. Such notice shall state that such Indenture Event of Default also constitutes a Trust Enforcement Event. Except with respect to directing the time, method, and place of conducting a proceeding for a remedy, the Property Trustee shall be under no obligation to take any of the actions described in clause 7.5(b)(i) and (ii) above unless the Property Trustee has obtained an opinion of independent tax counsel to the effect that the Trust will not fail to be classified as a grantor trust for United States federal income tax purposes as a result of such action, and each Holder will be treated as owning an undivided beneficial ownership interest in the Debentures.

(e) In the event the consent of the Property Trustee, as the Holder of the Debentures, is required under the Indenture with respect to any amendment or modification of the Indenture, the Property Trustee shall request the direction of the Holders of the Securities with respect to such amendment or modification and shall vote with respect to such amendment or modification as directed by not less than 66-2/3% of the aggregate liquidation amount of the Securities voting together as a single class; provided, however, that where a consent under the Indenture would require the consent of the Holders of more than a majority of the aggregate principal amount of the Debentures, the Property Trustee may only give such consent at the direction of the Holders of at least the same proportion in aggregate stated liquidation amount of the Securities. The Property Trustee shall not take any such action in accordance with the directions of the Holders of the Securities unless the Property Trustee has obtained an opinion of independent tax counsel to the effect that the Trust will not be classified as other than a grantor trust for United States federal income tax purposes as a result of such action, and each Holder will be treated as owning an undivided beneficial ownership interest in the Debentures.

(f) A waiver of an Indenture Event of Default with respect to the Debentures will constitute a waiver of the corresponding Trust Enforcement Event.

(g) Any required approval or direction of Holders of Preferred Securities may be given at a separate meeting of Holders of Preferred Securities convened for such purpose, at a

meeting of all of the Holders of Securities or pursuant to written consent. The Regular Trustees shall cause a notice of any meeting at which Holders of 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 mailed to each Holder of record of Preferred Securities. Each such notice shall include a statement setting forth the following information: (i) the date of such meeting or the date by which such action is to be taken; (ii) a description of any resolution proposed for adoption at such meeting on which such Holders are entitled to vote or of such matter upon which written consent is sought; and (iii) instructions for the delivery of proxies or consents.

(h) No vote or consent of the Holders of Preferred Securities shall be required for the Trust to redeem and cancel Preferred Securities or distribute Debentures in accordance with the Declaration and the terms of the Securities.

(i) Notwithstanding that Holders of Preferred Securities are entitled to vote or consent under any of the circumstances described above, any of the Securities that are owned at such time by the Debenture Issuer, the Trustees or any entity directly or indirectly controlled by, or under direct or indirect common control with, the Debenture Issuer or any Trustee, shall not be entitled to vote or consent and shall, for purposes of such vote or consent, be treated as if such Securities were not outstanding.

(j) Except as provided in subsection (k) below, Holders of the Preferred Securities shall have no rights to appoint or remove the Trustees, who may be appointed, removed or replaced solely by the Common Securities Holder.

(k) If an Indenture Event of Default has occurred and is continuing, the Property Trustee and the Delaware Trustee may be removed at such time by the Holders of a Majority in Liquidation Amount of the Preferred Securities.

#### SECTION 7.6. VOTING RIGHTS OF COMMON SECURITIES.

(a) Except as provided under Section 6.1(b), this Section 7.6 or Section 11.1 or as otherwise required by the Business Trust Act, the Trust Indenture Act or other applicable law or provided by the Declaration, the Holders of the Common Securities will have no voting rights.

(b) The Holders of the Common Securities shall be entitled, in accordance with Article VI of the Declaration, to vote to appoint, remove or replace any Trustee or to increase or decrease the number of Trustees.

(c) Subject to Section 2.6 of the Declaration and only after all Trust Enforcement Events with respect to the Preferred Securities have been cured, waived, or otherwise eliminated and subject to the requirement of the Property Trustee obtaining a tax opinion in certain circumstances set forth in this paragraph (c), the Holders of a Majority in Liquidation Amount of the Common Securities have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Property Trustee, or direct the exercise of any trust or power conferred upon the Property Trustee under the Declaration, including the right to direct the Property Trustee, as Holder of the Debentures, to (i) exercise the remedies available to it under the Indenture as a Holder of the Debentures, (ii) consent to any amendment or modification of the Indenture or the Debentures where such consent shall be required or (iii) waive any past default and its consequences that is waivable under Section 513 of the

Indenture; provided, however, that where a consent or action under the Indenture would require the consent or act of the Holders of more than a majority of the aggregate principal amount of Debentures affected thereby, only the Holders of the percentage of the aggregate stated liquidation amount of the Common Securities which is at least equal to the percentage required under the Indenture may direct the Property Trustee to have such consent or take such action. Except with respect to directing the time, method, and place of conducting a proceeding for a remedy, the Property Trustee shall be under no obligation to take any of the actions described in clause 7.6(c)(i) and (ii) above unless the Property Trustee has obtained an opinion of independent tax counsel to the effect that, as a result of such action, for United States federal income tax purposes the Trust will not fail to be classified as a grantor trust and each Holder will be treated as owning an undivided beneficial ownership interest in the Debentures.

(d) If the Property Trustee fails to enforce its rights under the Debentures after a Holder of Common Securities has made a written request, such Holder of Common Securities may, to the extent permitted by applicable law, directly institute a legal proceeding directly against the Debenture Issuer to enforce the Property Trustee's rights under the Debentures without first instituting any legal proceeding against the Property Trustee or any other person or entity.

(e) A waiver of an Indenture Event of Default with respect to the Debentures will constitute a waiver of the corresponding Trust Enforcement Event.

(f) Any required approval or direction of Holders of Common Securities may be given at a separate meeting of Holders of Common Securities convened for such purpose, at a meeting of all of the Holders of Securities or pursuant to written consent. The Regular Trustees will cause a notice of any meeting at which Holders of Common Securities are entitled to vote, or of any matter on which action by written consent of such Holders is to be taken, to be mailed to each Holder of record of Common Securities. Each such notice will include a statement setting forth the following information: (i) the date of such meeting or the date by which such action is to be taken; (ii) a description of any resolution proposed for adoption at such meeting on which such Holders are entitled to vote or of such matter upon which written consent is sought; and (iii) instructions for the delivery of proxies or consents.

(g) No vote or consent of the Holders of the Common Securities will be required for the Trust to redeem and cancel Common Securities or to distribute Debentures in accordance with the Declaration and the terms of the Securities.

#### SECTION 7.7. PAYING AGENT.

In the event that any Preferred Securities are not in book-entry only form, the Trust shall maintain in the Borough of Manhattan, City of New York, State of New York, an office or agency where the Preferred Securities may be presented for payment ("Paying Agent"). The Trust may appoint the paying agent and may appoint one or more additional paying agents in such other locations as it shall determine. The term "Paying Agent" includes any additional paying agent. The Trust may change any Paying Agent without prior notice to the Holders. The Trust shall notify the Property Trustee of the name and address of any Paying Agent not a party to this Declaration. If the Trust fails to appoint or maintain another entity as Paying Agent, the



Property Trustee shall act as such. The Trust or any of its Affiliates may act as Paying Agent. In the event an appointed Paying Agent shall no longer be the Paying Agent, the Regular Trustees shall appoint a successor (which shall be a bank or trust company acceptable to the Debenture Issuer) to act as Paying Agent. The Paying Agent shall be permitted to resign as Paying Agent upon 30 days' written notice to the Property Trustee and the Debenture Issuer.

SECTION 7.8. LISTING.

The Sponsor shall use its best efforts to cause the Preferred Securities to be listed for quotation on the New York Stock Exchange.

SECTION 7.9. TRANSFER OF SECURITIES.

(a) Securities may only be transferred, in whole or in part, in accordance with the terms and conditions set forth in this Declaration and in the terms of the Securities. Any transfer or purported transfer of any Security not made in accordance with this Declaration shall be null and void.

(b) Subject to this Article VII, Preferred Securities shall be freely transferable.

(c) The Trust shall cause to be kept at the Corporate Trust Office of the Property Trustee a register (the register maintained in such office being herein sometimes referred to as the "Security Register") in which, subject to such reasonable regulations as it may prescribe, the Trust shall provide for the registration of Preferred Securities and of transfers of Preferred Securities. The Property Trustee is hereby appointed "Security Registrar" for the purpose of registering Preferred Securities and transfers of Preferred Securities as herein provided.

(d) Upon surrender for registration of transfer of any Security at an office or agency of the Trust designated for such purpose, the Trust shall execute, and the Property Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of any authorized denominations and of a like aggregate principal amount.

(e) At the option of the Holder, Securities may be exchanged for other Securities 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 Trust shall execute, and in the case of Preferred Securities the Property Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

(f) Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Trust or the Property Trustee) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Trust and the Security Registrar duly executed, by the Holder thereof or his attorney duly authorized in writing.

(g) No service charge shall be made for any registration of transfer or exchange of Securities, but the Trust 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.

(h) If the Securities are to be redeemed in part, the Trust shall not be required (A) to issue, register the transfer of or exchange any Securities 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 selected for redemption under Section 7.4 and ending at the close of business on the day of such mailing, or (B) to register the transfer or exchange of any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

SECTION 7.10. MUTILATED, DESTROYED, LOST OR STOLEN CERTIFICATES.

If:

(a) Trustees shall receive evidence to their satisfaction of the destruction, loss or theft of any Certificate; and

(b) there shall be delivered to the Regular Trustees such security or indemnity as may be required by them to keep each of them, the Sponsor and the Trust harmless,

then, in the absence of notice that such Certificate shall have been acquired by a bona fide purchaser, any Regular Trustee on behalf of the Trust shall execute and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost or stolen Certificate, a new Certificate of like denomination. In connection with the issuance of any new Certificate under this Section 7.10, the Regular Trustees 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 Certificate issued pursuant to this Section shall constitute conclusive evidence of an ownership interest in the relevant Securities, as if originally issued, whether or not the lost, stolen or destroyed Certificate shall be found at any time.

SECTION 7.11. DEEMED SECURITY HOLDERS.

The Trustees may treat the Person in whose name any Certificate shall be registered on the register of the Trust as the sole holder of such Certificate and of the Securities represented by such Certificate for purposes of receiving Distributions and for all other purposes whatsoever and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Certificate or in the Securities represented by such Certificate on the part of any Person, whether or not the Trust shall have actual or other notice thereof.

SECTION 7.12. GLOBAL SECURITIES.

The Preferred Securities may be issued in the form of one or more Global Securities. If the Preferred Securities are to be issued in the form of one or more Global Securities, then the Regular Trustee on behalf of the Trust shall execute and the Property Trustee shall authenticate and deliver one or more Global Securities that (i) shall represent and shall be denominated in an amount equal to the aggregate liquidation amount of all of the Preferred Securities to be issued in the form of Global Securities and not yet cancelled, (ii) shall be registered in the name of the Depositary for such Global Security or Preferred Securities or the nominee of such Depositary, and (iii) shall be delivered by the Property Trustee to such Depositary or pursuant to such

Depository's instructions. Global Securities shall bear a legend substantially to the following effect:

"This Preferred Security is a Global Security within the meaning of the Declaration hereinafter referred to and is registered in the name of The Depository Trust Company, a New York corporation (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 Declaration 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 Certificate is presented by an authorized representative of the Depository to OGE Energy Capital Trust — or its agent for registration of transfer, exchange or payment, and any Preferred Security Certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of the Depository (and any payment hereon is made to Cede & Co. or to such other entity as is requested by an authorized representative of the Depository), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein."

Preferred Securities not represented by a Global Security issued in exchange for all or a part of a Global Security pursuant to this Section 7.12 shall be registered in such names and in such authorized denominations as the Depository, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Property Trustee. Upon execution and authentication, the Property Trustee shall deliver such Preferred Securities not represented by a Global Security to the persons in whose names such definitive Preferred Securities are so registered.

At such time as all interests in Global Securities have been redeemed, repurchased or cancelled, such Global Securities shall be, upon receipt thereof, cancelled by the Property Trustee in accordance with standing procedures of the Depository. At any time prior to such cancellation, if any interest in Global Securities is exchanged for Preferred Securities not represented by a Global Security, redeemed, cancelled or transferred to a transferee who receives Preferred Securities not represented by a Global Security therefor or any Preferred Security not represented by a Global Security is exchanged or transferred for part of Global Securities, the principal amount of such Global Securities shall, in accordance with the standing procedures of the Depository, be reduced or increased, as the case may be, and an endorsement shall be made on such Global Securities by the Property Trustee to reflect such reduction or increase.

The Trust and the Property Trustee may for all purposes, including the making of payments due on the Preferred Securities, deal with the Depository as the authorized representative of the Holders for the purposes of exercising the rights of Holders hereunder. The rights of the owner of any beneficial interest in a Global Security shall be limited to those established by law and agreements between such owners and depository participants or Euroclear

and Cedel; provided, that no such agreement shall give any rights to any person against the Trust or the Property Trustee without the written consent of the parties so affected. Multiple requests and directions from and votes of the Depositary as holder of Preferred Securities in global form with respect to any particular matter shall not be deemed inconsistent to the extent they do not represent an amount of Preferred Securities in excess of those held in the name of the Depositary or its nominee.

If at any time the Depositary for any Preferred Securities represented by one or more Global Securities notifies the Trust that it is unwilling or unable to continue as Depositary for such Preferred Securities or if at any time the Depositary for such Preferred Securities shall no longer be eligible under this Section 7.12, the Trust shall appoint a successor Depositary with respect to such Preferred Securities. If a successor Depositary for such Preferred Securities is not appointed by the Trust within 90 days after the Trust receives such notice or becomes aware of such ineligibility, the Trust's election that such Preferred Securities be represented by one or more Global Securities shall no longer be effective and the Trust shall execute, and the Property Trustee will authenticate and deliver, Preferred Securities in definitive registered form, in any authorized denominations, in an aggregate liquidation amount equal to the principal amount of the Global Security or Preferred Securities representing such Preferred Securities in exchange for such Global Security or Preferred Securities.

The Trust may at any time and in its sole discretion determine that the Preferred Securities issued in the form of one or more Global Securities shall no longer be represented by a Global Security or Preferred Securities. In such event the Trust shall execute, and the Property Trustee, shall authenticate and deliver, Preferred Securities in definitive registered form, in any authorized denominations, in an aggregate liquidation amount equal to the principal amount of the Global Security or Preferred Securities representing such Preferred Securities, in exchange for such Global Security or Preferred Securities.

Notwithstanding any other provisions of this Declaration (other than the provisions set forth in Section 7.9), Global Securities may not be transferred as a whole except by the Depositary to a nominee of the Depositary or by a nominee of the Depositary to the Depositary or another nominee of the Depositary or by the Depositary or any such nominee to a successor Depositary or a nominee of such successor Depositary.

Interests of beneficial owners in a Global Security may be transferred or exchanged for Preferred Securities not represented by a Global Security and Preferred Securities not represented by a Global Security may be transferred or exchanged for Global Securities in accordance with rules of the Depositary and the provisions of Section 7.9.

#### ARTICLE VIII.

##### DISSOLUTION AND TERMINATION OF TRUST

###### SECTION 8.1. DISSOLUTION AND TERMINATION OF TRUST.

- (a) The Trust shall dissolve upon the earliest of:
  - (i) the bankruptcy of the Holder of the Common Securities or the Sponsor;

- (ii) the filing of a certificate of dissolution or its equivalent with respect to the Sponsor; the filing of a certificate of cancellation with respect to the Trust after obtaining the consent of the Holders of at least a Majority in Liquidation Amount of the Securities to the filing of a certificate of cancellation with respect to the Trust or the revocation of the Sponsor's charter and the expiration of 90 days after the date of revocation without a reinstatement thereof;
- (iii) the entry of a decree of judicial dissolution of the Sponsor or the Trust;
- (iv) the time when all of the Securities shall have been called for redemption and the amounts then due shall have been paid to the Holders in accordance with the terms of the Securities;
- (v) upon the election of the Regular Trustees, following the occurrence and continuation of a Special Event pursuant to which the Trust shall have been dissolved in accordance with the terms of the Securities, and all of the Debentures shall have been distributed to the Holders of Securities in exchange for all of the Securities;
- (vi) at the Sponsor's election by notice and direction to the Property Trustee to distribute the Debentures to the Holders of the Securities in exchange for all of the Securities; provided that the Sponsor will be required to obtain an opinion of counsel that the distribution of the Debentures will not be taxable to the Holders of the Preferred Securities for United States federal income tax purposes; or
- (vii) the time when all of the Regular Trustees and the Sponsor shall have consented to dissolution of the Trust provided such action is taken before the issuance of any Securities;

(b) As soon as is practicable after the occurrence of an event referred to in Section 8.1(a) and upon completion of the winding up and liquidation of the Trust, the Trustees shall terminate the Trust by filing a certificate of cancellation with the Secretary of State of the State of Delaware.

(c) The provisions of Section 4.2 and Article IX shall survive the termination of the Trust.

#### SECTION 8.2. LIQUIDATION DISTRIBUTION UPON DISSOLUTION OF THE TRUST.

(a) In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Trust (each, a "Liquidation"), the Holders of the Preferred Securities on the date of the Liquidation will be entitled to receive, out of the assets of the Trust available for distribution to Holders of Securities after satisfaction of the Trusts' liabilities to creditors, if any, distributions in cash or other immediately available funds in an amount equal to the aggregate of the stated liquidation amount of \$25 per Security plus accumulated and unpaid Distributions thereon to the date of payment (such amount being the "Liquidation Distribution"), unless, in connection with such Liquidation, Debentures in an aggregate stated liquidation amount equal to the aggregate stated liquidation amount of, with a distribution rate identical to the distribution rate of, and accrued and unpaid distributions equal to accumulated and unpaid Distributions on, such Securities shall be distributed on a Pro Rata basis to the Holders of the Securities in exchange for such Securities.

(b) If, upon any such Liquidation, 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 the amounts payable directly by the Trust on the Securities shall be paid on a Pro Rata basis. The Holders of the Common Securities will be entitled to receive distributions upon any such Liquidation Pro Rata with the Holders of the Preferred Securities except that if an Indenture Event of Default has occurred and is continuing, the Preferred Securities shall have a preference over the Common Securities with regard to such distributions.

#### ARTICLE IX.

##### LIMITATION OF LIABILITY OF HOLDERS OF SECURITIES, DELAWARE TRUSTEES OR OTHERS

###### SECTION 9.1. LIABILITY.

(a) Except as expressly set forth in this Declaration, the Guarantee and the terms of the Securities, the Sponsor:

- (i) shall not be personally liable for the return of any portion of the capital contributions (or any return thereon) of the Holders of the Securities which shall be made solely from assets of the Trust; and
- (ii) shall not be required to pay to the Trust or to any Holder of Securities any deficit upon dissolution of the Trust or otherwise.

(b) Pursuant to Section 3803(a) of the Business Trust Act, the Holder of the Common Securities 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; provided, however, the Holders of the Common Securities shall be liable for all of the debts and obligations of the Trust (other than with respect to the Securities) to the extent not satisfied out of the Trust's assets.

(c) Pursuant to Section 3803(a) of the Business Trust Act, the Holders of the Preferred Securities 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.

###### SECTION 9.2. EXCULPATION.

(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Trust or any Covered Person for any loss, damage or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith on behalf of the Trust and in a manner such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Declaration or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's gross negligence or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Trust and upon such information, opinions, reports or statements presented to the Trust by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Trust, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses or any other facts pertinent to the existence and amount of assets from which Distributions to Holders of Securities might properly be paid.

SECTION 9.3. FIDUCIARY DUTY.

(a) To the extent that, at law or in equity, an Indemnified Person has duties (including fiduciary duties) and liabilities relating thereto to the Trust or to any other Covered Person, an Indemnified Person acting under this Declaration shall not be liable to the Trust or to an other Covered Person for its good faith reliance on the provisions of this Declaration. The provisions of this Declaration, to the extent that they restrict the duties and liabilities of an Indemnified Person otherwise existing at law or in equity (other than the duties imposed on the Property Trustee under the Trust Indenture Act), are agreed by the parties hereto to replace such other duties and liabilities of such Indemnified Person.

(b) Unless otherwise expressly provided herein:

- (i) whenever a conflict of interest exists or arises between any Covered Persons; or
- (ii) whenever this Declaration or any other agreement contemplated herein or therein provides that an Indemnified Person shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust or any Holder of Securities,

the Indemnified Person shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Indemnified Person, the resolution, action or term so made, taken or provided by the Indemnified Person shall not constitute a breach of this Declaration or any other agreement contemplated herein or of any duty or obligation of the Indemnified Person at law or in equity or otherwise.

(c) Whenever in this Declaration an Indemnified Person is permitted or required to make a decision:

- (i) in its "discretion" or under a grant of similar authority, the Indemnified Person shall be entitled to consider such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust or any other Person; or

- (ii) in its "good faith" or under another express standard, the Indemnified Person shall act under such express standard and shall not be subject to any other or different standard imposed by this Declaration or by applicable law.

SECTION 9.4. INDEMNIFICATION.

(a)

- (i) The Debenture Issuer shall indemnify, to the full extent permitted by law, any Debenture Issuer Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Trust) by reason of the fact that he is or was a Debenture Issuer Indemnified Person against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Trust, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the Debenture Issuer Indemnified Person did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Trust, and, with respect to any criminal action or proceeding, had reasonable cause to believe that his conduct was unlawful.
- (ii) The Debenture Issuer shall indemnify, to the full extent permitted by law, any Debenture Issuer Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Trust to procure a judgment in its favor by reason of the fact that he is or was a Debenture Issuer Indemnified Person against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Trust and except that no such indemnification shall be made in respect of any claim, issue or matter as to which such Debenture Issuer Indemnified Person shall have been adjudged to be liable to the Trust unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court of Chancery or such other court shall deem proper.



- (iii) Any indemnification under paragraphs (i) and (ii) of this Section 9.4(a) (unless ordered by a court) shall be made by the Debenture Issuer only as authorized in the specific case upon a determination that indemnification of the Debenture Issuer Indemnified Person is proper in the circumstances because he has met the applicable standard of conduct set forth in paragraphs (i) and (ii). Such determination shall be made (1) by the Regular Trustees by a majority vote of a quorum consisting of such Regular Trustees who were not parties to such action, suit or proceeding, (2) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Regular Trustees so directs, by independent legal counsel in a written opinion, or (3) by the Common Security Holder of the Trust.
- (iv) Expenses (including attorneys' fees) incurred by a Debenture Issuer Indemnified Person in defending a civil, criminal, administrative or investigative action, suit or proceeding referred to in paragraphs (i) and (ii) of this Section 9.4(a) shall be paid by the Debenture Issuer in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Debenture Issuer Indemnified Person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the Debenture Issuer as authorized in this Section 9.4(a). Notwithstanding the foregoing, no advance shall be made by the Debenture Issuer if a determination is reasonably and promptly made (i) by the Regular Trustees by a majority vote of a quorum of disinterested Regular Trustees, (ii) if such a quorum is not obtainable, or, even if obtainable, if a quorum of disinterested Regular Trustees so directs, by independent legal counsel in a written opinion or (iii) by the Common Security Holder of the Trust, that, based upon the facts known to the Regular Trustees, counsel or the Common Security Holder at the time such determination is made, such Debenture Issuer Indemnified Person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Trust, or, with respect to any criminal proceeding, that such Debenture Issuer Indemnified Person believed or had reasonable cause to believe his conduct was unlawful. In no event shall any advance be made in instances where the Regular Trustees, independent legal counsel or Common Security Holder reasonably determine that such person deliberately breached his duty to the Trust or its Common or Preferred Security Holders.
- (v) The indemnification and advancement of expenses provided by, or granted pursuant to, the other paragraphs of this Section 9.4(a) shall not be deemed exclusive of any other rights to which those seeking indemnification and advancement of expenses may be entitled under any agreement, vote of stockholders or disinterested directors of the Debenture Issuer or Preferred Security Holders of the Trust or otherwise, both as to action in his official capacity and as to action in another capacity while holding such office. All rights to indemnification under this Section 9.4(a) shall be deemed to be provided by a contract between the Debenture Issuer and each

Debenture Issuer Indemnified Person who serves in such capacity at any time while this Section 9.4(a) is in effect. Any repeal or modification of this Section 9.4(a) shall not affect any rights or obligations then existing.

- (vi) The Debenture Issuer or the Trust may purchase and maintain insurance on behalf of any person who is or was a Debenture Issuer Indemnified Person against any liability asserted against him and incurred by him in any such capacity, or arising out of his status as such, whether or not the Debenture Issuer would have the power to indemnify him against such liability under the provisions of this Section 9.4(a).
- (vii) For purposes of this Section 9.4(a), references to "the Trust" shall include, in addition to the resulting or surviving entity, any constituent entity (including any constituent of a constituent) absorbed in a consolidation or merger, so that any person who is or was a director, trustee, officer or employee of such constituent entity, or is or was serving at the request of such constituent entity as a director, trustee, officer, employee or agent of another entity, shall stand in the same position under the provisions of this Section 9.4(a) with respect to the resulting or surviving entity as he would have with respect to such constituent entity if its separate existence had continued.
- (viii) The indemnification and advancement of expenses provided by, or granted pursuant to, this Section 9.4(a) shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a Debenture Issuer Indemnified Person and shall inure to the benefit of the heirs, executors and administrators of such a person. The obligation to indemnify as set forth in this Section 9.4(a) shall survive the resignation or removal of the Delaware Trustee or the Property Trustee or the termination of this Declaration.

(b) The Debenture Issuer agrees to indemnify the (i) Property Trustee, (ii) the Delaware Trustee, (iii) any Affiliate of the Property Trustee and the Delaware Trustee, and (iv) any officers, directors, shareholders, members, partners, employees, representatives, custodians, nominees or agents of the Property Trustee and the Delaware Trustee (each of the Persons in (i) through (iv) being referred to as a "Fiduciary Indemnified Person") for, and to hold each Fiduciary Indemnified Person harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The obligation to indemnify as set forth in this Section 9.4(b) shall survive the satisfaction and discharge of this Declaration.

SECTION 9.5. OUTSIDE BUSINESSES.

Any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee may engage in or possess an interest in other business ventures of any nature or description, independently or with others, similar or dissimilar to the activities of the Trust, and the Trust and the Holders of Securities shall have no rights by virtue of this Declaration in and to such independent ventures or the income or profits derived therefrom, and the pursuit of any such venture, even if competitive with the activities of the Trust, shall not be deemed wrongful or improper. No Covered Person, the Sponsor, the Delaware Trustee or the Property Trustee shall be obligated to present any particular investment or other opportunity to the Trust even if such opportunity is of a character that, if presented to the Trust, could be taken by the Trust, and any Covered Person, the Sponsor, the Delaware Trustee and the Property Trustee shall have the right to take for its own account (individually or as a partner or fiduciary) or to recommend to others any such particular investment or other opportunity. Any Covered Person, the Delaware Trustee and the Property Trustee may engage or be interested in any financial or other transaction with the Sponsor or any Affiliate of the Sponsor, or may act as depositary for, trustee or agent for, or act on any committee or body of holders of, securities or other obligations of the Sponsor or its Affiliates.

ARTICLE X.

ACCOUNTING

SECTION 10.1. FISCAL YEAR.

The fiscal year ("Fiscal Year") of the Trust shall be the calendar year, or such other year as is required by the Code.

SECTION 10.2. CERTAIN ACCOUNTING MATTERS.

(a) At all times during the existence of the Trust, the Regular Trustees shall keep, or cause to be kept, full books of account, records and supporting documents, which shall reflect in reasonable detail, each transaction of the Trust. The books of account shall be maintained on the accrual method of accounting, in accordance with generally accepted accounting principles, consistently applied. The Trust shall use the accrual method of accounting for United States federal income tax purposes. The books of account and the records of the Trust shall be examined by and reported upon as of the end of each Fiscal Year of the Trust by a firm of independent certified public accountants selected by the Regular Trustees.

(b) The Regular Trustees shall cause to be prepared and delivered to each of the Holders of Securities, within 90 days after the end of each Fiscal Year of the Trust, annual financial statements of the Trust, including a balance sheet of the Trust as of the end of such Fiscal Year, and the related statements of income or loss.

(c) The Regular Trustees shall cause to be duly prepared and delivered to each of the Holders of Securities, an annual United States federal income tax information statement, required by the Code, containing such information with regard to the Securities held by each Holder as is required by the Code and the Treasury Regulations. Notwithstanding any right under the Code

to deliver any such statement at a later date, the Regular Trustees shall endeavor to deliver all such statements within 30 days after the end of each Fiscal Year of the Trust.

(d) The Regular Trustees shall cause to be duly prepared and filed with the appropriate taxing authority, an annual United States federal income tax return, on a Form 1041 or such other form required by United States federal income tax law, and any other annual income tax returns required to be filed by the Regular Trustees on behalf of the Trust with any state or local taxing authority.

#### SECTION 10.3. BANKING.

The Trust shall maintain one or more bank accounts in the name and for the sole benefit of the Trust; provided, however, that all payments of funds in respect of the Debentures held by the Property Trustee shall be made directly to the Property Account and no other funds of the Trust shall be deposited in the Property Account. The sole signatories for such accounts shall be designated by the Regular Trustees; provided, however, that the Property Trustee shall designate the signatories for the Property Account.

#### SECTION 10.4. WITHHOLDING.

The Trust and the Regular Trustees shall comply with all withholding requirements under United States federal, state and local law. The Trust shall request, and the Holders shall provide to the Trust, such forms or certificates as are necessary to establish an exemption from withholding with respect to each Holder, and any representations and forms as shall reasonably be requested by the Trust to assist it in determining the extent of, and in fulfilling, its withholding obligations. The Regular Trustees shall file required forms with applicable jurisdictions and, unless an exemption from withholding is properly established by a Holder, shall remit amounts withheld with respect to the Holder to applicable jurisdictions. To the extent that the Trust is required to withhold and pay over any amounts to any authority with respect to distributions or allocations to any Holder, the amount withheld shall be deemed to be a distribution in the amount of the withholding to the Holder. In the event of any claimed over withholding, Holders shall be limited to an action against the applicable jurisdiction. If the amount required to be withheld was not withheld from actual Distributions made, the Trust may reduce subsequent Distributions by the amount of such withholding.

### ARTICLE XI.

#### AMENDMENTS AND MEETINGS

##### SECTION 11.1. AMENDMENTS.

(a) Except as otherwise provided in this Declaration or by any applicable terms of the Securities, this Declaration may only be amended by a written instrument approved and executed by the Sponsor and (i) the Regular Trustees (or, if there are more than two Regular Trustees, a majority of the Regular Trustees) and (ii) the Property Trustee if the amendment affects the rights, powers, duties, obligations or immunities of the Property Trustee; and (iii) by the Delaware Trustee if the amendment affects the rights, powers, duties, obligations or immunities of the Delaware Trustee.

(b) No amendment shall be made, and any such purported amendment shall be void and ineffective:

- (i) unless, in the case of any proposed amendment, the Property Trustee shall have first received an Officers' Certificate from each of the Trust and the Sponsor that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities);
- (ii) unless, in the case of any proposed amendment which affects the rights, powers, duties, obligations or immunities of the Property Trustee, the Property Trustee shall have first received:
  - (a) an Officers' Certificate from each of the Trust and the Sponsor that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities); and
  - (b) an opinion of counsel (who may be counsel to the Sponsor or the Trust) that such amendment is permitted by, and conforms to, the terms of this Declaration (including the terms of the Securities); and
- (iii) to the extent the result of such amendment would be to:
  - (a) cause the Trust to be classified other than as a grantor trust for United States federal income tax purposes;
  - (b) reduce or otherwise adversely affect the powers of the Property Trustee in contravention of the Trust Indenture Act; or
  - (c) cause the Trust to be deemed to be an Investment Company required to be registered under the Investment Company Act.

(c) If the Trust has issued any Securities that remain outstanding:

- (i) any amendment that would (a) change the amount or timing of any distribution of the Securities or otherwise adversely affect the amount of any distribution required to be made in respect of the Securities as of a specified date or (b) restrict the right of a Holder of Securities to institute suit for the enforcement of any such payment on or after such date, will entitle the Holders of such Securities, voting together as a single class, to vote on such amendment or proposal and such amendment or proposal shall not be effective except with the approval of each of the Holders of the Securities affected thereby; and
- (ii) any amendment that would (a) adversely affect the powers, preferences or special rights of the Securities, whether by way of amendment to this Declaration or otherwise or (b) result in the dissolution, winding-up or termination of the Trust other than pursuant to the terms of this

Declaration, will entitle the Holders of the Securities voting together as a single class to vote on such amendment or proposal and such amendment or proposal shall not be effective except with the approval of a Majority in Liquidation Amount of each class of the Securities as affected thereby; provided that, if any amendment or proposal referred to in clause (a) above would adversely affect on the Preferred Securities or the Common Securities, then only the affected 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 a Majority in Liquidation Amount of the class of Securities affected thereby.

- (iii) amendment that would (a) adversely affect the powers, preferences or special rights of the Securities, whether by way of amendment to the Declaration or otherwise or (b) result in the dissolution, winding-up or termination of the Trust other than pursuant to the terms of this Declaration or (c) change the amount or timing of any distribution of the Securities or otherwise adversely affect the amount of any distribution required to be made in respect of the Securities as of a specified date or (d) restrict the right of a Holder of Securities to institute suit for the enforcement of any such payment on or after such date, then the holders of the Securities voting together as a single 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 a Majority Liquidation Amount of Securities affected thereby; provided that, if any amendment or proposal referred to in clause (a) above would adversely affect only the Preferred Securities or the Common Securities, then only the affected 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 a Majority in Liquidation Amount of such class of Securities affected thereby.

(d) This Section 11.1 shall not be amended without the consent of all of the Holders of the Securities.

(e) Article IV shall not be amended without the consent of the Holders of a Majority in Liquidation Amount of the Common Securities.

(f) The rights of the Holders of the Common Securities under Article V to increase or decrease the number of, and appoint and remove, Trustees shall not be amended without the consent of the Holders of a Majority in Liquidation Amount of the Common Securities.

(g) Notwithstanding Section 11.1(c), this Declaration may be amended without the consent of the Holders of the Securities to:

- (i) cure any ambiguity;
- (ii) correct or supplement any provision in this Declaration that may be defective or inconsistent with any other provision of this Declaration;

- (iii) add to the covenants, restrictions or obligations of the Sponsor;
- (iv) to conform to any change in Rule 3a-5 or written change in interpretation or application of Rule 3a-5 by any legislative body, court, government agency or regulatory authority which amendment does not have a material adverse effect on the rights, preferences or privileges of the Holders; or
- (v) to modify, eliminate and add to any provision of this Declaration to ensure that the Trust will be classified as a grantor trust for United States federal income tax purposes at all times that any Securities are outstanding or to ensure that the Trust will not be required to register as an Investment Company under the Investment Company Act; provided, however, that such modification, elimination or addition would not adversely affect in any material respect the rights, privileges or preferences of any Holder of the Securities.

SECTION 11.2. MEETINGS OF THE HOLDERS OF SECURITIES; ACTION BY WRITTEN CONSENT.

(a) Meetings of the Holders of any class of Securities may be called at any time by the Regular Trustees (or as provided in the terms of the Securities) to consider and act on any matter on which Holders of such class of Securities are entitled to act under the terms of this Declaration, the terms of the Securities or the rules of any stock exchange on which the Preferred Securities are listed or admitted for trading. The Regular Trustees shall call a meeting of the Holders of such class if directed to do so by the Holders of at least 10% in Liquidation Amount of such class of Securities. Such direction shall be given by delivering to the Regular Trustees one or more calls in a writing stating that the signing Holders of Securities wish to call a meeting and indicating the general or specific purpose for which the meeting is to be called. Any Holders of Securities calling a meeting shall specify in writing the Certificates held by the Holders of Securities exercising the right to call a meeting and only those Securities specified shall be counted for purposes of determining whether the required percentage set forth in the second sentence of this paragraph has been met.

(b) Except to the extent otherwise provided in the terms of the Securities, the following provisions shall apply to meetings of Holders of Securities:

- (i) notice of any such meeting shall be given to all the Holders of Securities having a right to vote thereat at least 7 days and not more than 60 days before the date of such meeting. Whenever a vote, consent or approval of the Holders of Securities is permitted or required under this Declaration or the rules of any stock exchange on which the Preferred Securities are listed or admitted for trading, such vote, consent or approval may be given at a meeting of the Holders of Securities. Any action that may be taken at a meeting of the Holders of Securities may be taken without a meeting if a consent in writing setting forth the action so taken is signed by the Holders of Securities owning not less than the minimum amount of Securities in liquidation amount that would be necessary to authorize or take such action at a meeting at which all Holders of Securities having a right to vote

thereon were present and voting. Prompt notice of the taking of action without a meeting shall be given to the Holders of Securities entitled to vote who have not consented in writing. The Regular Trustees may specify that any written ballot submitted to the Security Holders for the purpose of taking any action without a meeting shall be returned to the Trust within the time specified by the Regular Trustees;

- (ii) each Holder of a Security may authorize any Person to act for it by proxy on all matters in which a Holder of Securities is entitled to participate, including waiving notice of any meeting, or voting or participating at a meeting. No proxy shall be valid after the expiration of 11 months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the Holder of Securities executing such proxy. Except as otherwise provided herein, all matters relating to the giving, voting or validity of proxies shall be governed by the General Corporation Law of the State of Delaware relating to proxies, and judicial interpretations thereunder, as if the Trust were a Delaware corporation and the Holders of the Securities were stockholders of a Delaware corporation;
- (iii) each meeting of the Holders of the Securities shall be conducted by the Regular Trustees or by such other Person that the Regular Trustees may designate; and
- (iv) unless the Business Trust Act, this Declaration, the terms of the Securities, the Trust Indenture Act or the listing rules of any stock exchange on which the Preferred Securities are then listed for trading, otherwise provides, the Regular Trustees, in their sole discretion, shall establish all other provisions relating to meetings of Holders of Securities, including notice of the time, place or purpose of any meeting at which any matter is to be voted on by any Holders of Securities, waiver of any such notice, action by consent without a meeting, the establishment of a record date, quorum requirements, voting in person or by proxy or any other matter with respect to the exercise of any such right to vote.

#### ARTICLE XII.

##### REPRESENTATIONS OF PROPERTY TRUSTEE AND DELAWARE TRUSTEE

##### SECTION 12.1. REPRESENTATIONS AND WARRANTIES OF THE PROPERTY TRUSTEE.

The Trustee that acts as initial Property Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Property Trustee represents and warrants to the Trust and the Sponsor at the time of the Successor Property Trustee's acceptance of its appointment as Property Trustee that:

- (a) the Property Trustee is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with trust power



and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration;

(b) the Property Trustee satisfies the requirements set forth in Section 6.3(a);

(c) the execution, delivery and performance by the Property Trustee of this Declaration has been duly authorized by all necessary corporate action on the part of the Property Trustee. This Declaration has been duly executed and delivered by the Property Trustee;

(d) the execution, delivery and performance of this Declaration by the Property Trustee does not conflict with or constitute a breach of the articles of association or incorporation, as the case may be, or the by-laws (or other similar organizational documents) of the Property Trustee; and

(e) no consent, approval or authorization of, or registration with or notice to, any State or federal banking authority is required for the execution, delivery or performance by the Property Trustee of this Declaration.

#### SECTION 12.2. REPRESENTATIONS AND WARRANTIES OF THE DELAWARE TRUSTEE.

The Trustee that acts as initial Delaware Trustee represents and warrants to the Trust and to the Sponsor at the date of this Declaration, and each Successor Delaware Trustee represents and warrants to the Trust and the Sponsor at the time of the Successor Delaware Trustee's acceptance of its appointment as Delaware Trustee that:

(a) the Delaware Trustee satisfies the requirements set forth in Section 6.2 and has the power and authority to execute and deliver, and to carry out and perform its obligations under the terms of, this Declaration and, if it is not a natural person, is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization;

(b) the Delaware Trustee has been authorized to perform its obligations under the Certificate of Trust and this Declaration.

(c) no consent, approval or authorization of, or registration with or notice to, any State or federal banking authority is required for the execution, delivery or performance by the Delaware Trustee of this Declaration.

#### ARTICLE XIII.

##### MISCELLANEOUS

#### SECTION 13.1. NOTICES.

All notices provided for in this Declaration shall be in writing, duly signed by the party giving such notice, and shall be delivered, telecopied or mailed by registered or certified mail, as follows:

(a) if given to the Trust, in care of the Regular Trustees at the Trust's mailing address set forth below (or such other address as the Trust may give notice of to the Property Trustee, the Delaware Trustee and the Holders of the Securities):

c/o OGE Energy Corp.  
321 North Harvey  
Oklahoma City, Oklahoma 73102  
Attention: Treasurer  
Telecopy No: (405) \_\_\_\_\_

(b) if given to the Delaware Trustee, at the mailing address set forth below (or such other address as the Delaware Trustee may give notice of to the Regular Trustees, the Property Trustee and the Holders of the Securities):

Wilmington Trust Company  
Rodney Square North  
1100 North Market Street  
Wilmington, Delaware 19890-0001  
Attention: Corporate Trustee Administration  
Telecopy No: \_\_\_\_\_

(c) if given to the Property Trustee, at its Corporate Trust Office (or such other address as the Property Trustee may give notice of to the Regular Trustees, the Delaware Trustee and the Holders of the Securities).

(d) if given to the Holder of the Common Securities, at the mailing address of the Sponsor set forth below (or such other address as the Holder of the Common Securities may give notice of to the Property Trustee, the Delaware Trustee and the Trust):

OGE Energy Corp.  
321 North Harvey  
Oklahoma City, Oklahoma 73102  
Attention: Treasurer  
Telecopy No.: \_\_\_\_\_

(e) if given to any other Holder, at the address set forth on the register of the Trust.

All such notices 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 13.2. GOVERNING LAW.

This Declaration and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Delaware.

SECTION 13.3. INTENTION OF THE PARTIES.

It is the intention of the parties hereto that the Trust be classified for United States federal income tax purposes as a grantor trust. The provisions of this Declaration shall be interpreted in a manner consistent with such classification.

SECTION 13.4. HEADINGS.

Headings contained in this Declaration are inserted for convenience of reference only and do not affect the interpretation of this Declaration or any provision hereof.

SECTION 13.5. SUCCESSORS AND ASSIGNS.

Whenever in this Declaration any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included, and all covenants and agreements in this Declaration by the Sponsor and the Trustees shall bind and inure to the benefit of their respective successors and assigns, whether so expressed.

SECTION 13.6. PARTIAL ENFORCEABILITY.

If any provision of this Declaration, or the application of such provision to any Person or circumstance, shall be held invalid, the remainder of this Declaration, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

SECTION 13.7. COUNTERPARTS.

This Declaration may contain more than one counterpart of the signature page and this Declaration may be executed by the affixing of the signature of each of the Trustees to one of such counterpart signature pages. All of such counterpart signature pages shall be read as though one, and they shall have the same force and effect as though all of the signers had signed a single signature page.

IN WITNESS WHEREOF, the undersigned have caused these presents to be executed as of the day and year first above written.

OGE ENERGY CORP.,  
as Sponsor and as Common Securities Holder

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

WILMINGTON TRUST COMPANY,  
as Delaware Trustee and Property Trustee

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

-----  
A. M. Strecker, as Regular Trustee

-----  
James R. Hatfield, as Regular Trustee

EXHIBIT A

[IF THE PREFERRED SECURITY IS TO BE A GLOBAL SECURITY, INSERT THE FOLLOWING: THIS PREFERRED SECURITY IS A GLOBAL SECURITY WITHIN THE MEANING OF THE DECLARATION HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (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 DECLARATION 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 CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY PREFERRED SECURITY CERTIFICATE ISSUED IS REQUESTED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REGISTERED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

CERTIFICATE NO. \_\_\_\_\_ NUMBER OF PREFERRED SECURITIES: \_\_\_\_\_  
CUSIP NO. \_\_\_\_\_

CERTIFICATE EVIDENCING PREFERRED SECURITIES  
OF  
OGE ENERGY CAPITAL TRUST \_\_\_\_  
\_\_\_\_% PREFERRED SECURITIES  
(LIQUIDATION AMOUNT \$25 PER PREFERRED SECURITY)

OGE Energy Capital Trust \_\_, 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 undivided beneficial ownership interests in the assets of the Trust designated the \_\_\_\_% Preferred Securities (liquidation amount \$25 per Preferred Security) (the "Preferred Securities"). The Preferred Securities are transferable on the register 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 the Declaration (as defined below). The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Preferred Securities represented hereby are issued and shall in all respects be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust, dated as of \_\_\_\_\_, \_\_\_\_\_ (as the same may be amended from time to time (the "Declaration")), among OGE ENERGY CORP., as Sponsor, A. M. Strecker and James R. Hatfield, as Regular Trustees, and Wilmington Trust Company, as Property Trustee and Delaware Trustee. Capitalized terms used herein but not defined shall have the meaning given them in the Declaration. The Holder is entitled to the benefits of the Guarantee to the extent described therein. The Sponsor will provide a copy of the Declaration, the Guarantee and the Indenture to a Holder without charge upon written request to the Sponsor at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the Declaration and is entitled to the benefits thereunder.

By acceptance, the Holder agrees to treat, for United States federal income tax purposes, the Debentures as indebtedness and the Preferred Securities as evidence of undivided indirect beneficial ownership interests in the Debentures.

IN WITNESS WHEREOF, the Trust has executed this certificate this day of.

OGE ENERGY CAPITAL TRUST \_\_\_\_  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Regular Trustee

This is one of the Securities referred to in the within-mentioned Declaration.

WILMINGTON TRUST COMPANY,  
as Trustee  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT B

THIS CERTIFICATE IS NOT TRANSFERABLE

CERTIFICATE NO. \_\_\_\_\_ NUMBER OF COMMON SECURITIES: \_\_\_\_\_

CERTIFICATE EVIDENCING COMMON SECURITIES  
OF

OGE ENERGY CAPITAL TRUST \_\_\_\_

COMMON SECURITIES  
(LIQUIDATION AMOUNT \$25 PER COMMON SECURITY)

OGE Energy Capital Trust \_\_, a statutory business trust formed under the laws of the State of Delaware (the "Trust"), hereby certifies that OGE ENERGY CORP. (the "Holder") is the registered owner of common securities of the Trust representing an undivided beneficial ownership interest in the assets of the Trust designated the \_\_\_\_% Common Securities (liquidation amount \$25 per Common Security) (the "Common Securities"). Except as provided in the Declaration, the Common Securities are not transferable and any attempted transfer thereof shall be void. The designation, rights, privileges, restrictions, preferences and other terms and provisions of the Common Securities represented hereby are issued and shall in all respects be subject to the provisions of the Amended and Restated Declaration of Trust of the Trust, dated as of \_\_\_\_, 1999 (as the same may be amended from time to time, the "Declaration"), among OGE ENERGY CORP., as Sponsor, A. M. Strecker and James R. Hatfield, as Regular Trustees, and Wilmington Trust Company, as Property Trustee and Delaware Trustee. The Holder is entitled to the benefits of the Guarantee to the extent described therein. Capitalized terms used herein but not defined shall have the meaning given them in the Declaration. The Sponsor will provide a copy of the Declaration, the Guarantee and the Indenture to the Holder without charge upon written request to the Sponsor at its principal place of business.

Upon receipt of this certificate, the Holder is bound by the Declaration and is entitled to the benefits thereunder.

By acceptance, the Holder agrees to treat, for United States federal income tax purposes, the Debentures as indebtedness and the Common Securities as evidence of an undivided indirect beneficial ownership interest in the Debentures.

IN WITNESS WHEREOF, the Trust has executed this certificate this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_.

OGE ENERGY CAPITAL TRUST

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

Name: \_\_\_\_\_

Title: Regular Trustee



Exhibit 4.13

THE FOLLOWING EXHIBIT 4.13 IS THE FORM OF GUARANTEE TO BE USED BY EACH OGE  
ENERGY CORP. TRUST

GUARANTEE AGREEMENT

OGE ENERGY CAPITAL TRUST

DATED AS OF \_\_\_\_\_, 1999

TABLE OF CONTENTS  
CROSS REFERENCE TABLE\*

Section of Trust Indenture Act of 1939, as amended	Section of Guarantee Agreement	PAGE
310(a).....	4.1(a)	
310(b).....	2.8; 4.1(c)	
310(c).....	Inapplicable	
311(a).....	2.2(b)	
311(b).....	2.2(b)	
311(c).....	Inapplicable	
312(a).....	2.2(a); 2.9	
312(b).....	2.2(b); 2.9	
312(c).....	2.9	
313(a).....	2.3	
313(b).....	2.3	
313(c).....	2.3	
313(d).....	2.3	
314(a).....	2.4	
314(b).....	Inapplicable	
314(c).....	2.5	
314(d).....	Inapplicable	
314(e).....	2.5	
314(f).....	Inapplicable	
315(a).....	3.1(d); 3.2(a)	
315(b).....	2.7(a)	
315(c).....	3.1(c)	
315(d).....	3.1(d)	
316(a).....	2.6; 5.4(a)	
316(b).....	5.3	
316(c).....	Inapplicable	
317(a).....	2.10	
317(b).....	Inapplicable	
318(a).....	2.1(b)	

\* The Cross-Reference Table does not constitute part of the Agreement and shall not have any bearing upon the interpretation of any of its terms or provisions.

# TABLE OF CONTENTS

	PAGE
ARTICLE I.	INTERPRETATION AND DEFINITIONS.....1
Section 1.1.	INTERPRETATIONS AND DEFINITIONS.....1
ARTICLE II.	TRUST INDENTURE ACT.....5
Section 2.1.	TRUST INDENTURE ACT; APPLICATION.....5
Section 2.2.	LISTS OF HOLDERS OF SECURITIES.....5
Section 2.3.	REPORTS BY GUARANTEE TRUSTEE.....5
Section 2.4.	PERIODIC REPORTS TO GUARANTEE TRUSTEE.....5
Section 2.5.	EVIDENCE OF COMPLIANCE WITH CONDITIONS PRECEDENT.....6
Section 2.6.	GUARANTEE EVENT OF DEFAULT; WAIVER.....6
Section 2.7.	GUARANTEE EVENT OF DEFAULT; NOTICE.....6
Section 2.8.	CONFLICTING INTERESTS.....6
Section 2.9.	DISCLOSURE OF INFORMATION.....6
Section 2.10.	GUARANTEE TRUSTEE MAY FILE PROOFS OF CLAIM.....6
ARTICLE III.	POWERS, DUTIES AND RIGHTS OF GUARANTEE TRUSTEE.....7
Section 3.1.	POWERS AND DUTIES OF GUARANTEE TRUSTEE.....7
Section 3.2.	CERTAIN RIGHTS OF GUARANTEE TRUSTEE.....8
Section 3.3.	NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF GUARANTEE.....10
ARTICLE IV.	GUARANTEE TRUSTEE.....10
Section 4.1.	GUARANTEE TRUSTEE; ELIGIBILITY.....10
Section 4.2.	APPOINTMENT, REMOVAL AND RESIGNATION OF GUARANTEE TRUSTEE.....11
ARTICLE V.	GUARANTEE.....11
Section 5.1.	GUARANTEE.....11
Section 5.2.	WAIVER OF NOTICE AND DEMAND.....12
Section 5.3.	OBLIGATIONS NOT AFFECTED.....12
Section 5.4.	RIGHTS OF HOLDERS.....13
Section 5.5.	GUARANTEE OF PAYMENT.....13
Section 5.6.	SUBROGATION.....14
Section 5.7.	INDEPENDENT OBLIGATIONS.....14
ARTICLE VI.	LIMITATION OF TRANSACTIONS; SUBORDINATION.....14
Section 6.1.	LIMITATION OF TRANSACTION.....14

TABLE OF CONTENTS  
(CONTINUED)

	PAGE
Section 6.2.	RANKING.....14
ARTICLE VII.	TERMINATION.....15
Section 7.1.	TERMINATION.....15
ARTICLE VIII.	INDEMNIFICATION.....15
Section 8.1.	EXCULPATION.....15
Section 8.2.	INDEMNIFICATION.....15
ARTICLE IX.	MISCELLANEOUS.....16
Section 9.1.	SUCCESSORS AND ASSIGNS.....16
Section 9.2.	AMENDMENTS.....16
Section 9.3.	NOTICES.....16
Section 9.4.	BENEFIT.....17
Section 9.5.	GOVERNING LAW.....17

## GUARANTEE AGREEMENT

This GUARANTEE AGREEMENT (the "Guarantee"), dated as of \_\_\_\_\_, \_\_\_\_\_, is executed and delivered by OGE Energy Corp., an Oklahoma corporation (the "Guarantor"), and Wilmington Trust Company, as trustee (the "Guarantee Trustee"), for the benefit of the Holders (as defined herein) from time to time of the Securities (as defined herein) of OGE Energy Capital Trust \_\_, a Delaware statutory business trust (the "Trust").

### W I T N E S S E T H :

WHEREAS, pursuant to the Declaration (as defined herein), the Trust is issuing on the date hereof \$\_\_\_\_\_ aggregate liquidation amount of preferred securities, having a liquidation amount of \$25 per security and designated the \_\_\_% Preferred Securities of the Trust (the "Preferred Securities") and \$\_\_\_\_\_ aggregate liquidation amount of common securities, having a liquidation amount of \$25 per security and designated the \_\_\_% Common Securities of the Trust (the "Common Securities" and, together with the Preferred Securities, the "Securities");

WHEREAS, as incentive for the Holders to purchase the Securities, the Guarantor desires irrevocably and unconditionally to agree, to the extent set forth in this Guarantee, to pay to the Holders of the Securities the Guarantee Payments (as defined herein) and to make certain other payments on the terms and conditions set forth herein; and that if a Trust Enforcement Event (as defined herein) has occurred and is continuing, the rights of holders of the Common Securities to receive Guarantee Payments under this Guarantee are subordinated to the rights of Holders of Preferred Securities to receive Guarantee Payments under this Guarantee.

NOW, THEREFORE, in consideration of the purchase by each Holder of Securities, which purchase the Guarantor hereby agrees shall benefit the Guarantor, the Guarantor executes and delivers this Guarantee for the benefit of the Holders.

### ARTICLE I.

#### INTERPRETATION AND DEFINITIONS

Section 1.1. INTERPRETATIONS AND DEFINITIONS. In this Guarantee, unless the context otherwise requires:

(a) capitalized terms used in this Guarantee but not defined in the preamble above have the respective meanings assigned to them in this Section 1.1;

(b) a term defined anywhere in this Guarantee has the same meaning throughout;

(c) all references to "the Guarantee" or "this Guarantee" are to this Guarantee as modified, supplemented or amended from time to time;

(d) all references in this Guarantee to Articles, Sections and Recitals are to Articles, Sections and Recitals of this Guarantee, unless otherwise specified;

(e) unless otherwise defined in this Guarantee, a term defined in the Trust Indenture Act has the same meaning when used in this Guarantee;

(f) a reference to the singular includes the plural and vice versa and a reference to any masculine form of a term shall include the feminine form of a term, as applicable; and

(g) the following terms have the following meanings:

"Affiliate" has the same meaning as given to that term in Rule 405 of the Securities Act of 1933, as amended, or any successor rule thereunder.

"Business Day" has the meaning specified in the Declaration.

"Common Securities" has the meaning specified in the Recitals hereto.

"Corporate Trust Office" means the principal office of the Guarantee Trustee at which at any particular time its corporate trust business shall be administered, which office at the date of execution of this Guarantee is located at Rodney Square North, 1100 North Market Street, Wilmington, Delaware 19890-0001.

"Covered Person" means a Holder or beneficial owner of Securities.

"Debentures" means the series of subordinated deferrable interest debentures to be issued by the Guarantor designated the \_\_\_\_% Junior Subordinated Debentures due \_\_\_\_\_ held by the Property Trustee (as defined in the Declaration) of the Trust.

"Declaration" means the Amended and Restated Declaration of Trust, dated as of \_\_\_\_\_, 1999, as amended, modified or supplemented from time to time, among the trustees of the Trust named therein, the Guarantor, as sponsor, and the Holders, from time to time, of undivided beneficial ownership interests in the assets of the Trust.

"Global Security" means a fully registered, global Preferred Security.

"Guarantee Event of Default" means a default by the Guarantor on any of its payment or other obligations under this Guarantee.

"Guarantee Payments" means the following payments or distributions, without duplication, with respect to the Securities, to the extent not paid by or on behalf of the Trust: (i) any accumulated and unpaid Distributions (as defined in the Declaration) that are required to be paid on such Securities to the extent the Trust has sufficient funds available therefor at the time, (ii) the redemption price, including all accumulated and unpaid Distributions to the date of redemption, with respect to any Securities called for redemption by the Trust, to the extent the Trust shall have sufficient funds available therefor at the time or (iii) upon a voluntary or

involuntary dissolution, winding-up or termination of the Trust (other than in connection with the distribution of Debentures to the Holders in exchange for Securities as provided in the Declaration), the lesser of (a) the aggregate of the liquidation amount and all accumulated and unpaid Distributions on the Securities to the date of payment, to the extent the Trust has sufficient funds available therefor and (b) the amount of assets of the Trust remaining available for distribution to Holders in liquidation of the Trust (in either case, the "Liquidation Distribution").

"Guarantee Trustee" means Wilmington Trust Company, until a Successor Guarantee Trustee has been appointed and has accepted such appointment pursuant to the terms of this Guarantee and thereafter means each such Successor Guarantee Trustee.

"Holder" means any holder of Securities, as registered on the books and records of the Trust; 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 or any other obligor on the Preferred Securities; and provided further, that in determining whether the Holders of the requisite liquidation amount of Preferred Securities have voted on any matter provided for in this Guarantee, then for the purpose of such determination only (and not for any other purpose hereunder), if the Preferred Securities remain in the form of one or more Global Certificates (as defined in the Declaration), the term "Holders" shall mean the holder of the Global Certificate acting at the direction of the Beneficial Owners (as defined in the Declaration).

"Indemnified Person" means the Guarantee Trustee, any Affiliate of the Guarantee Trustee, or any officers, directors, shareholders, members, partners, employees, representatives, nominees, custodians or agents of the Guarantee Trustee.

"Indenture" means the Indenture, dated as of \_\_\_\_\_, 1999, between the Guarantor (the "Company") and Bank of Oklahoma, National Association, as trustee, as amended and supplemented by the First Supplemental Indenture dated as of \_\_\_\_\_, 1999, and by any other indenture supplemental thereto pursuant to which the Debentures are to be issued to the Property Trustee (as defined in the Declaration) of the Trust.

"Majority in Liquidation Amount" means, except as provided in the terms of the Preferred Securities or by the Trust Indenture Act, Holder(s) of outstanding Securities, voting together as a single class, or, as the context may require, Holders of outstanding Preferred Securities or Holders of outstanding Common Securities, voting separately as a class, who are the record owners of more than 50% of the aggregate liquidation amount (including the stated amount that would be paid on redemption, liquidation or otherwise, plus accumulated and unpaid Distributions to the date upon which the voting percentages are determined) of all outstanding Securities of the relevant class. In determining whether the Holders of the requisite amount of Securities have voted, Securities which are owned by the Guarantor or any Affiliate of the Guarantor or any other obligor on the Securities shall be disregarded for the purpose of any such determination.

"Officers' Certificate" means, with respect to any Person, a certificate signed on behalf of such Person by two Authorized Officers (as defined in the Declaration) of such Person. Any Officers' Certificate delivered with respect to compliance with a condition or covenant provided for in this Guarantee 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 on behalf of such Person 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 on behalf of such Person 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 acting on behalf of such Person, such condition or covenant has been complied with.

"Person" means a legal person, including any individual, corporation, estate, partnership, joint venture, association, joint stock company, limited liability company, trust, unincorporated association, or government or any agency or political subdivision thereof, or any other entity of whatever nature.

"Preferred Securities" has the meaning specified in the Recitals hereto.

"Redemption Price" has the meaning specified in the Declaration.

"Responsible Officer" means, with respect to the Guarantee Trustee, any officer with direct responsibility for the administration of this Guarantee 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.

"Securities" has the meaning specified in the Recitals hereto.

"Successor Guarantee Trustee" means a successor Guarantee Trustee possessing the qualifications to act as Guarantee Trustee under Section 4.1.

"Trust Enforcement Event" in respect of the Securities means an Indenture Event of Default (as defined in the Indenture) has occurred and is continuing in respect of the Debentures.

"Trust Indenture Act" means the Trust Indenture Act of 1939, as amended from time to time, or any successor legislation.



ARTICLE II.

TRUST INDENTURE ACT

Section 2.1. TRUST INDENTURE ACT; APPLICATION.

(a) This Guarantee is subject to the provisions of the Trust Indenture Act that are required to be part of this Guarantee and shall, to the extent applicable, be governed by such provisions.

(b) If and to the extent that any provision of this Guarantee 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 provide the Guarantee Trustee (i) except while the Preferred Securities are represented by one or more Global Securities at least one Business Day prior to the date for payment of Distributions, a list, in such form as the Guarantee Trustee may reasonably require, of the names and addresses of the Holders of the Securities ("List of Holders") as of the record date relating to the payment of such Distributions, and (ii) at any other time, within 30 days of receipt by the Guarantor of a written request from the Guarantee Trustee for a List of Holders as of a date no more than 15 days before such List of Holders is given to the Guarantee Trustee; 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 Guarantee Trustee by the Guarantor. The Guarantee Trustee shall preserve, in as current a form as is reasonably practicable, all information contained in Lists of Holders given to it, provided that the Guarantee Trustee may destroy any List of Holders previously given to it on receipt of a new List of Holders.

(b) The Guarantee Trustee shall comply with its obligations under Sections 311(a), 311(b) and 312(b) of the Trust Indenture Act.

Section 2.3. REPORTS BY GUARANTEE TRUSTEE. Within 60 days after \_\_\_\_\_ of each year (commencing with the year of the first anniversary of the issuance of the Securities), the Guarantee Trustee shall provide to the Holders of the 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 Guarantee Trustee shall also comply with the requirements of Section 313(d) of the Trust Indenture Act.

Section 2.4. PERIODIC REPORTS TO GUARANTEE TRUSTEE. The Guarantor shall provide to the Guarantee Trustee such documents, reports and information as required by Section 314(a) (if any) of the Trust Indenture Act and the compliance certificate required by Section 314(a) of the Trust Indenture Act in the form, in the manner and at the times required by Section 314(a) of the Trust Indenture Act.

Section 2.5. EVIDENCE OF COMPLIANCE WITH CONDITIONS PRECEDENT. The Guarantor shall provide to the Guarantee Trustee such evidence of compliance with any conditions precedent, if any, provided for in this Guarantee 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. GUARANTEE EVENT OF DEFAULT; WAIVER. The Holders of a Majority in Liquidation Amount of the Securities may, by vote or written consent, on behalf of the Holders of all of the Securities, waive any past Guarantee Event of Default and its consequences. Upon such waiver, any such Guarantee Event of Default shall cease to exist, and any Guarantee Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Guarantee, but no such waiver shall extend to any subsequent or other default or Guarantee Event of Default or impair any right consequent thereon.

Section 2.7. GUARANTEE EVENT OF DEFAULT; NOTICE.

(a) The Guarantee Trustee shall, within 90 days after the occurrence of a Guarantee Event of Default, transmit by mail, first class postage prepaid, to the Holders of the Securities, notices of all Guarantee Events of Default actually known to a Responsible Officer of the Guarantee Trustee, unless such defaults have been cured before the giving of such notice; provided, that the Guarantee Trustee shall be protected in withholding such notice if and so long as a Responsible Officer of the Guarantee Trustee in good faith determines that the withholding of such notice is in the interests of the Holders of the Securities.

(b) The Guarantee Trustee shall not be deemed to have knowledge of any Guarantee Event of Default unless the Guarantee Trustee shall have received written notice thereof or a Responsible Officer of the Guarantee Trustee charged with the administration of the Declaration shall have obtained actual knowledge thereof.

Section 2.8. CONFLICTING INTERESTS. The Declaration shall be deemed to be specifically described in this Guarantee for the purposes of clause (i) of the first proviso contained in Section 310(b) of the Trust Indenture Act.

Section 2.9. DISCLOSURE OF INFORMATION. The disclosure of information as to the names and addresses of the Holders of the Securities in accordance with Section 312 of the Trust Indenture Act, regardless of the source from which such information was derived, shall not be deemed to be a violation of any existing law, or any law hereafter enacted which does not specifically refer to Section 312 of the Trust Indenture Act, nor shall the Guarantee Trustee be held accountable by reason of mailing any material pursuant to a request made under Section 312(b) of the Trust Indenture Act.

Section 2.10. GUARANTEE TRUSTEE MAY FILE PROOFS OF CLAIM. Upon the occurrence of a Guarantee Event of Default, the Guarantee Trustee is hereby authorized to (a)

recover judgment, in its own name and as trustee of an express trust, against the Guarantor for the whole amount of any Guarantee Payments remaining unpaid and (b) file such proofs of claim and other papers or documents as may be necessary or advisable in order to have its claims and those of the Holders of the Securities allowed in any judicial proceedings relative to the Guarantor, its creditors or its property.

### ARTICLE III.

#### POWERS, DUTIES AND RIGHTS OF GUARANTEE TRUSTEE

##### Section 3.1. POWERS AND DUTIES OF GUARANTEE TRUSTEE

(a) This Guarantee shall be held by the Guarantee Trustee on behalf of the Trust for the benefit of the Holders of the Securities, and the Guarantee Trustee shall not transfer this Guarantee to any Person except a Holder of Securities exercising his or her rights pursuant to Section 5.4(b) or to a Successor Guarantee Trustee on acceptance by such Successor Guarantee Trustee of its appointment to act as Successor Guarantee Trustee. The right, title and interest of the Guarantee Trustee in and to this Guarantee shall automatically vest in any Successor Guarantee Trustee, and such vesting and succession of title shall be effective whether or not conveyance documents have been executed and delivered pursuant to the appointment of such Successor Guarantee Trustee.

(b) If a Guarantee Event of Default actually known to a Responsible Officer of the Guarantee Trustee has occurred and is continuing, the Guarantee Trustee shall enforce this Guarantee for the benefit of the Holders of the Securities.

(c) The Guarantee Trustee, before the occurrence of any Guarantee Event of Default and after the curing of all Guarantee Events of Default that may have occurred, shall undertake to perform only such duties as are specifically set forth in this Guarantee, and no implied covenants shall be read into this Guarantee against the Guarantee Trustee. In case a Guarantee Event of Default has occurred (that has not been cured or waived pursuant to Section 2.6) and is actually known to a Responsible Officer of the Guarantee Trustee, the Guarantee Trustee shall exercise such of the rights and powers vested in it by this Guarantee, 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 shall be construed to relieve the Guarantee 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 Guarantee Event of Default and after the curing or waiving of all such Guarantee Events of Default that may have occurred:

(A) the duties and obligations of the Guarantee Trustee shall be determined solely by the express provisions of this Guarantee, and the Guarantee Trustee shall

not be liable except for the performance of such duties and obligations as are specifically set forth in this Guarantee, and no implied covenants or obligations shall be read into this Guarantee against the Guarantee Trustee; and

(B) in the absence of bad faith on the part of the Guarantee Trustee, the Guarantee 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 Guarantee Trustee and conforming to the requirements of this Guarantee; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Guarantee Trustee, the Guarantee Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Guarantee;

(ii) the Guarantee Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer of the Guarantee Trustee, unless it shall be proved that the Guarantee Trustee was negligent in ascertaining the pertinent facts upon which such judgment was made;

(iii) the Guarantee 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 not less than a Majority in Liquidation Amount of the Securities relating to the time, method and place of conducting any proceeding for any remedy available to the Guarantee Trustee, or exercising any trust or power conferred upon the Guarantee Trustee under this Guarantee; and

(iv) no provision of this Guarantee shall require the Guarantee 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 Guarantee 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 or if the Guarantee Trustee shall have reasonable grounds for believing that an indemnity, reasonably satisfactory to the Guarantee Trustee, against such risk or liability is not reasonably assured to it under the terms of this Guarantee.

#### Section 3.2. CERTAIN RIGHTS OF GUARANTEE TRUSTEE.

(a) Subject to the provisions of Section 3.1:

(i) The Guarantee Trustee may conclusively 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 shall be sufficiently evidenced by an Officers' Certificate;

(iii) Whenever, in the administration of this Guarantee, the Guarantee Trustee shall deem it desirable that a matter be proved or established before taking, suffering or omitting any action hereunder, the Guarantee Trustee (unless other evidence is herein specifically prescribed) may, in the absence of bad faith on its part, request and conclusively rely upon an Officers' Certificate which, upon receipt of such request, shall be promptly delivered by the Guarantor;

(iv) The Guarantee Trustee shall have no duty to see to any recording, filing or registration or any instrument (or any rerecording, refiling or re-registration thereof);

(v) The Guarantee Trustee may consult with counsel, and the 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 Guarantee Trustee shall have the right at any time to seek instructions concerning the administration of this Guarantee from any court of competent jurisdiction;

(vi) The Guarantee Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Guarantee at the request or direction of any Holder, unless such Holder shall have provided to the Guarantee Trustee such security and indemnity, reasonably satisfactory to the Guarantee Trustee, against the costs, expenses (including attorneys' fees and expenses and the expenses of the Guarantee Trustee's agents, nominees or custodians) and liabilities that might be incurred by it in complying with such request or direction, including such reasonable advances as may be requested by the Guarantee Trustee; provided, that nothing contained in this Section 3.2(a)(vi) shall be taken to relieve the Guarantee Trustee, upon the occurrence of a Guarantee Event of Default, of its obligation to exercise the rights and powers vested in it by this Guarantee;

(vii) The Guarantee 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 Guarantee Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit;

(viii) The Guarantee Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, nominees, custodians or attorneys, and the Guarantee 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;

(ix) Any action taken by the Guarantee Trustee or its agents hereunder shall bind the Holders, and the signature of the Guarantee Trustee or its agents alone shall be sufficient and effective to perform any such action. No third party shall be required to inquire as to the authority of the Guarantee Trustee to so act or as to its compliance with any of the terms and provisions of this Guarantee, both of which shall be conclusively evidenced by the Guarantee Trustee's or its agent's taking such action; and

(x) Whenever in the administration of this Guarantee the Guarantee Trustee shall deem it desirable to receive instructions with respect to enforcing any remedy or right or taking any other action hereunder, the Guarantee Trustee (i) may request written instructions from the Holders of a Majority in Liquidation Amount of the Securities, (ii) may refrain from enforcing such remedy or right or taking such other action until such written instructions are received, and (iii) shall be protected in conclusively relying on or acting in accordance with such written instructions.

(b) No provision of this Guarantee shall be deemed to impose any duty or obligation on the Guarantee 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 Guarantee 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 Guarantee Trustee shall be construed to be a duty.

Section 3.3. NOT RESPONSIBLE FOR RECITALS OR ISSUANCE OF GUARANTEE. The recitals contained in this Guarantee shall be taken as the statements of the Guarantor, and the Guarantee Trustee does not assume any responsibility for their correctness. The Guarantee Trustee makes no representations as to the validity or sufficiency of this Guarantee.

#### ARTICLE IV.

##### GUARANTEE TRUSTEE

###### Section 4.1. GUARANTEE TRUSTEE; ELIGIBILITY.

(a) There shall be at all times a Guarantee Trustee which shall:

(i) not be an Affiliate of the Guarantor; and

(ii) be a corporation organized and doing business under the laws of the United States of America or any state or territory thereof or of the District of Columbia, or a corporation or other Person permitted by the Securities and Exchange Commission to act as an institutional trustee under the Trust Indenture Act, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least 50 million U.S. dollars (\$50,000,000), and subject to supervision or examination by federal, state, territorial or District of Columbia authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the supervising or examining authority referred to above, then, for the purposes of this Section 4.1(a)(ii), the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) If at any time the Guarantee Trustee shall cease to be eligible to so act under Section 4.1(a), the Guarantee Trustee shall immediately resign in the manner and with the effect set out in Section 4.2(c).

(c) If the Guarantee Trustee has or shall acquire any "conflicting interest" within the meaning of Section 310(b) of the Trust Indenture Act, the Guarantee 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 GUARANTEE TRUSTEE.

(a) Subject to Section 4.2(b), unless a Guarantee Event of Default shall have occurred and be continuing, the Guarantee Trustee may be appointed or removed with or without cause at any time by the Guarantor.

(b) The Guarantee Trustee shall not be removed in accordance with Section 4.2(a) until a Successor Guarantee Trustee has been appointed and has accepted such appointment by written instrument executed by such Successor Guarantee Trustee and delivered to the Guarantor.

(c) The Guarantee Trustee appointed to office shall hold such office until a Successor Guarantee Trustee shall have been appointed or until its removal or resignation. The Guarantee Trustee may resign from office (without need for prior or subsequent accounting) by an instrument in writing executed by the Guarantee Trustee and delivered to the Guarantor, which resignation shall not take effect until a Successor Guarantee Trustee has been appointed and has accepted such appointment by instrument in writing executed by such Successor Guarantee Trustee and delivered to the Guarantor and the resigning Guarantee Trustee.

(d) If no Successor Guarantee 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 removal or resignation, the removed or resigning Guarantee Trustee may petition any court of competent jurisdiction for appointment of a Successor Guarantee Trustee. Such court may thereupon, after prescribing such notice, if any, as it may deem proper, appoint a Successor Guarantee Trustee.

(e) No Guarantee Trustee shall be liable for the acts or omissions to act of any Successor Guarantee Trustee.

(f) Upon termination of this Guarantee or removal or resignation of the Guarantee Trustee pursuant to this Section 4.2, the Guarantor shall pay to the Guarantee Trustee all amounts owing for fees and reimbursement of expenses which have accrued to the date of such termination, removal or resignation.

#### ARTICLE V.

##### 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 Trust), as and when due, regardless of any defense, right of set-off or counterclaim

that the Trust may have or assert. 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 Trust to pay such amounts to the Holders. Notwithstanding anything to the contrary herein, the Guarantor retains all of its rights under the Indenture to extend the interest payment period on the Debentures and the Guarantor shall not be obligated hereunder to make any Guarantee Payments during any Extended Interest Payment Period (as defined in the certificate evidencing the Debentures) with respect to the Distributions (as defined in the Declaration) on the Securities.

Section 5.2. WAIVER OF NOTICE AND DEMAND. The Guarantor hereby waives notice of acceptance of this Guarantee and of any liability to which it applies or may apply, presentment, demand for payment, any right to require a proceeding first against the Trust 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 obligations, covenants, agreements and duties of the Guarantor under this Guarantee shall be absolute and unconditional and shall remain in full force and effect until the entire liquidation amount of all outstanding Securities shall have been paid and such obligation shall in no way be affected or impaired by reason of the happening from time to time of any event, including without limitation, the following, whether or not with notice to, or the consent of, the Guarantor:

(a) The release or waiver, by operation of law or otherwise, of the performance or observance by the Trust of any express or implied agreement, covenant, term or condition relating to the Securities to be performed or observed by the Trust;

(b) The extension of time for the payment by the Trust of all or any portion of the Distributions, Redemption Price, Liquidation Distribution or any other sums payable under the terms of the Securities or the extension of time for the performance of any other obligation under, arising out of, or in connection with the 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 or any change to the maturity date of the Debentures permitted by the Indenture);

(c) Any failure, omission, delay or lack of diligence on the part of the Property Trustee or the Holders to enforce, assert or exercise any right, privilege, power or remedy conferred on the Property Trustee or the Holders pursuant to the terms of the Securities, or any action on the part of the Trust 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 debt of, or other similar proceedings affecting, the Trust or any of the assets of the Trust;

(e) Any invalidity of, or defect or deficiency in, the 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, it being the intent of this Section 5.3 that the obligations of the Guarantor hereunder shall be absolute and unconditional under any and all circumstances.

There shall be no obligation of the Guarantee Trustee or the Holders to give notice to, or obtain consent of the Guarantor or any other Person with respect to the happening of any of the foregoing.

No setoff, counterclaim, reduction or diminution of any obligation, or any defense of any kind or nature that the Guarantor has or may have against any Holder shall be available hereunder to the Guarantor against such Holder to reduce the payments to it under this Guarantee.

#### Section 5.4. RIGHTS OF HOLDERS.

(a) The Holders of at least a Majority in Liquidation Amount of the Securities 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 this Guarantee or to direct the exercise of any trust or power conferred upon the Guarantee Trustee under this Guarantee.

(b) If the Guarantee Trustee fails to enforce this Guarantee, then any Holder of Securities may, subject to the subordination provisions of Section 6.2, institute a legal proceeding directly against the Guarantor to enforce the Guarantee Trustee's rights under this Guarantee without first instituting a legal proceeding against the Trust, the Guarantee Trustee or any other person or entity. In addition, if the Guarantor has failed to make a Guarantee Payment, a Holder of Securities may, subject to the subordination provisions of Section 6.2, directly institute a proceeding against the Guarantor for enforcement of the Guarantee for such payment to the Holder of the Securities of the principal of or interest on the Debentures on or after the respective due dates specified in the Debentures, and the amount of the payment will be based on the Holder's pro rata share of the amount due and owing on all of the Securities. The Guarantor hereby waives any right or remedy to require that any action on this Guarantee be brought first against the Trust or any other person or entity before proceeding directly against the Guarantor.

Section 5.5. GUARANTEE OF PAYMENT. This Guarantee creates a guarantee of payment and not of collection.

Section 5.6. SUBROGATION. The Guarantor shall be subrogated to all (if any) rights of the Holders of Securities against the Trust in respect of any amounts paid to such Holders by the Guarantor under this Guarantee; provided, however, that the Guarantor shall not (except to the extent required by mandatory provisions of law) be entitled to enforce or exercise any right that 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, if at the time of any such payment, any amounts are due and unpaid under this Guarantee. 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 Guarantee Trustee for the benefit of the Holders.

Section 5.7. INDEPENDENT OBLIGATIONS. The Guarantor acknowledges that its obligations hereunder are independent of the obligations of the Trust with respect to the 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 notwithstanding the occurrence of any event referred to in subsections 5.3(a) through 5.3(g), inclusive, hereof.

#### ARTICLE VI.

##### LIMITATION OF TRANSACTIONS; SUBORDINATION

Section 6.1. LIMITATION OF TRANSACTION. So long as any Securities remain outstanding, if (a) there shall have occurred an event of default under the Indenture with respect to the Debentures, (b) there shall be a Guarantee Event of Default or (c) the Guarantor shall have given notice of its election of an Extended Interest Payment Period as provided in the certificate evidencing the Debentures and shall not have rescinded such notice, or such Extended Interest Payment Period or any extension thereof shall be continuing, then Guarantor shall not, and shall not permit any subsidiary of the Guarantor, to (x) declare or pay any dividends or distributions on, or redeem, purchase acquire or make a liquidation payment with respect to any of the Guarantor's capital stock or (y) make any payment of principal, interest or premium, if any, on or repay, repurchase or redeem any debt securities of the Guarantor that rank on a parity with or junior in interest to the Debentures or make any guarantee payments with respect to any guarantee by the Guarantor of the debt securities of any subsidiary of the Guarantor if such guarantee ranks on a parity with or junior in interest to the Debentures (other than (i) dividends or distributions in common stock of the Guarantor, (ii) payments under this Guarantee and (iii) any declaration of a dividend in connection with the implementation of a shareholders' rights plan, or the issuance of stock under any such plan in the future, or the redemption or repurchase of any such rights pursuant thereto, and (iv) purchases of common stock related to the issuance of common stock or rights under any of the Guarantor's benefit plans).

Section 6.2. RANKING. This Guarantee will constitute an unsecured obligation of the Guarantor and will rank (a) subordinate and junior in right of payment to all other liabilities of the Guarantor, (b) on a parity with the most senior preferred or preference stock now or hereafter issued by the Guarantor and with any guarantee now or hereafter entered into by the Guarantor in respect of any preferred securities of any Affiliate of the Guarantor and (c) senior to the

Guarantor's common stock. In addition, at all times such obligations will be structurally subordinated to the liabilities and obligations of the Guarantor's subsidiaries.

If a Trust Enforcement Event has occurred and is continuing under the Declaration, the rights of the holders of the Common Securities to receive Guarantee Payments hereunder shall be subordinated to the rights of the Holders of the Preferred Securities to receive Guarantee Payments under this Guarantee.

#### ARTICLE VII.

##### TERMINATION

Section 7.1. TERMINATION. This Guarantee shall terminate upon (a) full payment of the Redemption Price of all Securities, (b) distribution of the Debentures to the Holders of all the Securities or (c) full payment of the amounts payable in accordance with the Declaration upon liquidation of the Trust. Notwithstanding the foregoing, this Guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any Holder of Securities must restore payment of any sums paid under the Securities or under this Guarantee.

#### ARTICLE VIII.

##### INDEMNIFICATION

##### Section 8.1. EXCULPATION.

(a) No Indemnified Person shall be liable, responsible or accountable in damages or otherwise to the Guarantor or any Covered Person for any loss, damage, liability, expense or claim incurred by reason of any act or omission performed or omitted by such Indemnified Person in good faith in accordance with this Guarantee and in a manner that such Indemnified Person reasonably believed to be within the scope of the authority conferred on such Indemnified Person by this Guarantee or by law, except that an Indemnified Person shall be liable for any such loss, damage or claim incurred by reason of such Indemnified Person's negligence or willful misconduct with respect to such acts or omissions.

(b) An Indemnified Person shall be fully protected in relying in good faith upon the records of the Guarantor and upon such information, opinions, reports or statements presented to the Guarantor by any Person as to matters the Indemnified Person reasonably believes are within such other Person's professional or expert competence and who has been selected with reasonable care by or on behalf of the Guarantor, including information, opinions, reports or statements as to the value and amount of the assets, liabilities, profits, losses, or any other facts pertinent to the existence and amount of assets from which Distributions to Holders of Securities might properly be paid.

Section 8.2. INDEMNIFICATION. The Guarantor agrees to indemnify each Indemnified Person for, and to hold each Indemnified Person harmless against any loss, liability

or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including the costs and expenses (including reasonable legal fees and expenses) of defending itself against, or investigating, any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder. The obligation to indemnify as set forth in this Section 8.2 shall survive the termination of this Guarantee.

#### ARTICLE IX.

#### MISCELLANEOUS

Section 9.1. SUCCESSIONS AND ASSIGNS. All guarantees and agreements contained in this Guarantee shall bind the successors, assigns, receivers, trustees and representatives of the Guarantor and shall inure to the benefit of the Holders of the Securities then outstanding.

Section 9.2. AMENDMENTS. Except with respect to any changes that do not materially adversely affect the rights of the Holders (in which case no consent of the Holders will be required), this Guarantee may not be amended without the prior approval of the Holders of not less than 66-2/3% of the aggregate liquidation amount of the Securities. The provisions of Section 11.2 of the Declaration with respect to meetings of, and action by written consent of, the Holders of the Securities apply to the giving of such approval.

Section 9.3. NOTICES. All notices provided for in this Guarantee shall be in writing, duly signed by the party giving such notice, and shall be delivered by hand, telecopied or mailed by registered or certified mail, as follows:

(a) If given to the Guarantee Trustee, at the Guarantee Trustee's mailing address set forth below (or such other address as the Guarantee Trustee may give notice of to the Guarantor and the Holders of the Securities):

Wilmington Trust Company  
Rodney Square North  
1100 North Market Street  
Wilmington, Delaware 19890-0001  
Attention: Corporate Trust Administration  
Telecopy no.: (302) 651-1576

(b) If given to the Guarantor, at the Guarantor's mailing addresses set forth below (or such other address as the Guarantor may give notice of to the Guarantee Trustee and the Holders of the Securities):

OGE Energy Corp.  
321 North Harvey  
P.O. Box 321

Oklahoma City, Oklahoma 73101-0321  
Attention: Treasurer  
Telecopy no.: (405) 553-3760

(c) If given to any Holder of Securities, at the address set forth on the books and records of the Trust.

All such notices 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 9.4. BENEFIT. This Guarantee is solely for the benefit of the Holders of the Securities and, subject to Section 3.1(a), is not separately transferable from the Securities.

Section 9.5. GOVERNING LAW.

THIS GUARANTEE SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF OKLAHOMA WITHOUT REGARD TO CONFLICT OF LAWS PRINCIPLES THEREOF.

IN WITNESS WHEREOF, this Guarantee is executed as of the day and year first above written.

OGE ENERGY CORP.,  
as Guarantor

WILMINGTON TRUST COMPANY,  
as Guarantee Trustee

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

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

CONSENT

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement of our reports dated January 21, 1999 and August 27, 1999, respectively, included in the OGE Energy Corp. Form 10-K for the year ended December 31, 1998 and Form 8-K Current Report dated July 13, 1999, as amended September 14, 1999, and to all references to our Firm included in this Registration Statement.

/s/ ARTHUR ANDERSEN LLP

Oklahoma City, Oklahoma  
October 12, 1999