SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM U5S

ANNUAL REPORT

For the year ended December 31, 2002

Filed pursuant to the Public Utility Holding Company Act of 1935 by

Great Plains Energy Incorporated
(Name of registered holding company)

1201 Walnut
Kansas City, Missouri 64106
(Address of principle executive offices)

Name, Title and Address of Officer to Whom Notices
and Correspondence Concerning This Statement
Should be Addressed:

Andrea F. Bielsker
Senior Vice President – Finance,
Chief Financial Officer and Treasurer
Great Plains Energy Incorporated
1201 Walnut
Kansas City, Missouri 64106

TABLE OF CONTENTS

ITEM 1. SYSTEM COMPANIES AND INVESTMENTS THEREIN AS OF DECEMBER 31, 2002

Name of Company	Number of Common Shares Owned	% of Voting Power	Issuer Book Value (000's)	Owner's Book Value (000's)	Business Type
Great Plains Energy Incorporated					Holding company
Investment in unsecured debt (Note 16)	n/a	n/a	$ 86,030	$ 86,030	

Innovative Energy Consultants, Inc. (Note 1)	1	100%	$ 13,263	$ 13,263	Intermediate holding company; Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 287	$ 287	
Great Plains Power Incorporated (Note 2)	1	100%	$ (945)	$ (945)	Power generation development
Investment in unsecured debt (Note 16)	n/a	n/a	$ 28	$ 28	
Kansas City Power & Light Company	1	100%	$ 745,033	$ 745,033	Electric public utility
Investment in unsecured debt (Note 16)	n/a	n/a	$ 12,268	$ 12,268	
Kansas City Power & Light Receivables Company	1,000	100%	$ 3,437	$ 3,437	Financing subsidiary
Wolf Creek Nuclear Operating Corporation (Note 3)	47	47%	$ 0.1	$ 0.047	Nuclear operation & management; Rule 58 energy-related
KCPL Financing I (Trust)	(Note 4)	(Note 4)	$ 4,640	$ 4,640	Financing subsidiary
Home Service Solutions Inc.	46,902,140	100%	$ 16,123	$ 16,123	Intermediate holding company; Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 7,229	$ 7,229	
Worry Free Service, Inc.	9,500,000	100%	$ 8,447	$ 8,447	Rule 58 energy-related
R.S. Andrews Enterprises, Inc. (Note 5)	12,037,383	80%	$ (6,994)	$ (6,994)	Intermediate holding company; Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 12,239	$ 12,239	
RSA Services Termite & Pest Control, Inc.	100	100%	$ (444)	$ (444)	Rule 58 energy-related
R.S. Andrews Enterprises of Charleston, Inc.	100	100%	$ 74	$ 74	Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 103	$ 103	
R.S. Andrews Enterprises of Dallas, Inc.	100	100%	$ (386)	$ (386)	Rule 58 energy-related
R.S. Andrews Enterprises of Kansas, Inc.	100	100%	$ (2,334)	$ (2,334)	Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 876	$ 876	
R. S. Andrews Enterprises of South Carolina, Inc.	100	100%	$ (353)	$ (353)	Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 93	$ 93	
R.S. Andrews of Chattanooga, Inc.	100	100%	$ (415)	$ (415)	Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 13	$ 13	
R.S. Andrews of Fairfax, Inc.	100	100%	$ (595)	$ (595)	Rule 58 energy-related
R.S. Andrews of Maryland, Inc.	100	100%	$ 979	$ 979	Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 782	$ 782	
R.S. Andrews Services, Inc.	100	100%	$ (8,848)	$ (8,848)	Rule 58 energy-related
R.S. Andrews of Stuart II, Inc.	100	100%	$ (5,651)	$ (5,651)	Rule 58 energy-related
R.S. Andrews of Tidewater, Inc.	100	100%	$ 169	$ 169	Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 295	$ 295	

Name of Company	Number of Common Shares Owned	% of Voting Power	Issuer Book Value (000's)	Owner's Book Value (000's)	Business Type

R.S. Andrews of Wilmington, Inc.	100	100%	$ (152)	$ (152)	Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 348	$ 348	
R.S. Andrews of North Carolina, Inc *	100	100%	$ -	$ -	Rule 58 energy-related
KLT Inc.	150,000	100%	$ 160,440	$ 160,440	Intermediate holding company
Investment in unsecured debt (Note 16)	n/a	n/a	$ 188,820	$ 188,820	
KLT Investments Inc. (Note 2)	23,468	100%	$ 82,041	$ 82,041	Intermediate holding company
KLT Investments II Inc. (Note 2)	9,885	100%	$ 10,155	$ 10,155	Intermediate holding company
Investment in unsecured debt (Note 16)	n/a	n/a	$ 8,153	$ 8,153	
KLT Energy Services Inc. (Note 2)	37,645	100%	$ 79,811	$ 79,811	Intermediate holding company; Rule 58 energy-related
Other equity securities (Note 7)	n/a	(Note 7)	$ 1,725	$ 2,400	
Investment in unsecured debt (Note 16)	n/a	n/a	$ 18,600	$ 18,600	
Custom Energy Holdings, L.L.C. (Note 6)	(Note 6)	(Note 6)	(Note 6)	(Note 6)	Intermediate holding company; Rule 58 energy-related
Strategic Energy, L.L.C. (Note 6)	(Note 6)	(Note 6)	$ 64,564	$ 53,247	Rule 58 energy-related
Custom Energy, L.L.C (Note 7)	1,580,000	(Note 7)	$ 3,843	$ 648	Intermediate holding company; Rule 58 energy-related
Investment in unsecured debt (Note 16)	n/a	n/a	$ 297	$ 297	
Custom Energy / M&E Sales, L.L.C. (Note 8)	uncertificated	50%	$ (304)	$ -	Rule 58 energy-related
CM2, L.L.C. * (Note 9)	uncertificated	33%	$ -	$ -	Inactive
KLT Gas Inc. (Note 2)	61,038	100%	$ 62,861	$ 62,861	Intermediate holding company; Gas exploration, development and production
Investment in unsecured debt (Note 16)	n/a	n/a	$ 22,046	$ 22,046	
Apache Canyon Gas, L.L.C. (Note 10)	uncertificated	100%	$ (10,460)	$ (10,460)	Gas exploration, development and production
FAR Gas Acquisitions Corporation	755	100%	$ 16,213	$ 16,213	Intermediate holding company
Forest City, LLC (Note 10)	uncertificated	100%	$ (5)	$ (5)	Gas exploration, development and production
Forest City Gathering, LLC * (Note 11)	uncertificated	88%	$ -	$ -	Inactive
KLT Gas Operating Company * (Note 2)	1	100%	$ -	$ -	Inactive
Patrick KLT Gas, LLC * (Note 12)	uncertificated	50%	$ -	$ -	Inactive
KLT Telecom Inc. (Note 2)	62,415	100%	$(149,900)	$(149,900)	Intermediate holding company; Exempt telecommunications

Name of Company	Number of Common Shares Owned	% of Voting Power	Issuer Book Value (000's)	Owner's Book Value (000's)	Business Type
Advanced Measurement Solutions, Inc. *	200	100%	$ -	$ -	Inactive
Copier Solutions, LLC * (Note 13)	uncertificated	100%	$ -	$ -	Inactive
eChannel, Inc. * (Note 14)	n/a	n/a	$ -	$ -	Inactive

Municipal Solutions, L.L.C. * (Note 13)	uncertificated	100%	$ -	$ -	Inactive	
Telemetry Solutions, L.L.C. * (Note 13)	uncertificated	100%	$ -	$ -	Inactive	
Globalutilityexchange.com, LLC * (Note 13)	uncertificated	100%	$ -	$ -	Inactive	
DTI Holdings, Inc. (Note 15)	20,093,936	84%	$ -	$ -	Intermediate holding company; Exempt telecommunications	
Digital Teleport, Inc.	200	100%	$ -	$ -	Exempt telecommunications	
Digital Teleport Nationwide LLC * (Note 10)	uncertificated	100%	$ -	$ -	Inactive	
Digital Teleport of Virginia, Inc.	100	100%	$ -	$ -	Exempt telecommunications	

Inactive companies at December 31, 2002 are denoted by an asterisk " * ".

Note 1: Company incorporated in Missouri on June 21, 2002. The company holds a 5.8% indirect interest in Strategic Energy, L.L.C., and a 7.4% interest in Custom Energy Holdings, L.L.C.

Note 2: Statutory close corporation with no board of directors.

Note 3: Wolf Creek Nuclear Operating Corporation had three classes of shares (A, B and C) outstanding at December 31, 2002, of which, Kansas City Power & Light Company is a class B shareholder. Each shareholder class selects its Director. The A, B and C Directors jointly select the fourth Director by unanimous vote. The class B Director has 47 votes of 101 total director votes.

Note 4: In 1997, Kansas City Power & Light Company ("KCP&L") established a trust that sold $150 million of trust originated preferred securities that represented preferred beneficial interests and 97% beneficial ownership in the assets held by the trust. In exchange, funds realized from the sale of the trust originated preferred securities and $4.6 million of common securities that represented the remaining 3% beneficial ownership in the assets held by the trust, KCP&L issued to the trust $154.6 million of its 8.3% junior subordinated deferrable interest debentures, due 2037. These debentures constitute all of the trust's assets. The trust was reported under ITEM 5 of the 2001 U5S.

Note 5: Home Service Solutions Inc. held 12,037,383 shares of common stock, 15,000,000 shares of Series A Preferred Stock, and 11,827,351 shares of Series B Preferred Stock in R.S. Andrews Enterprises, Inc. at December 31, 2002, resulting in an equity ownership of 74%. Home Service Solutions Inc. controls the voting rights of an additional 3,361,643 shares of common stock under Irrevocable Proxy Agreements dated March 12, 2001 and December 24, 2002.

Note 6: Custom Energy Holdings, L.L.C. ("CE") has one subsidiary; Strategic Energy, L.L.C. ("SEL"). The voting and economic interests in those two entities are represented by four series of interests issued by CE. KLT Energy Services Inc. ("KLTES") and Innovative Energy Consultants, Inc. ("IEC") hold approximately 61% and 7.4%, respectively, of the voting and economic interests attributable to CE alone, and each is entitled to appoint one of

three CE management committee representatives. CE voting and economic interests have no book value. Each CE management committee representative has one vote. KLTES and IEC hold 82.75% and 5.8%, respectively, of the economic and voting interests in SEL, and are entitled to appoint three out of four SEL management committee representatives. The representatives of KLTES and IEC to the SEL management committee have 88.55% of the management committee vote. The book value of Strategic Energy, L.L.C. (issuer) is $64.6 million, with a division of owner's book value between KLTES and IEC of $53.4 million and $3.7 million, respectively.

Note 7: Custom Energy, L.L.C. ("CEL"), a Delaware limited liability company formed on December 8, 1999, was described in Note 5 to ITEM 1 of the 2001 U5S as a non-subsidiary investment of KLT Energy Services Inc. ("KLTES"). Through a reorganization effective July 26, 2002, CEL was distributed by Custom Energy Holdings, L.L.C. ("CE") to KLTES and another member of CE. KLTES holds 1,580,000 (15.8%) of the common units and 1,725,000 (100%) of the preferred units issued by CEL. The preferred units have voting rights only upon the occurrence of certain events. KLTES is entitled to appoint one of two CEL management committee representatives, and its representative currently holds 15.8% of the management committee vote.

Note 8: The company is a Delaware limited liability company formed on October 31, 1997, by Custom Energy Holdings, L.L.C., and its interest was transferred to Custom Energy, L.L.C. on December 31, 1999. Percentage of membership interest owned is shown.

Note 9: The company is a Delaware limited liability company formed on February 17, 1998, by Custom Energy Holdings, L.L.C., and its interest was transferred to Custom Energy, L.L.C. on December 31, 1999. Percentage of membership interest owned is shown.

Note 10: Member-managed company, with percentage of interest owned shown.

Note 11: Percentage of membership interest owned is shown. The company is a manager-managed company; manager cannot be replaced except under certain circumstances. KLT Gas Inc. is the current manager.

Note 12: Percentage of membership interest owned is shown. KLT Gas Inc. representatives to the management committee hold 50% of the management committee vote.

Note 13: Percentage of membership interest owned is shown.

Note 14: KLT Telecom Inc. holds 300,000 shares (57%) Series A convertible preferred and 167,667 shares (100%) Series B convertible preferred in eChannel, Inc. Percentages given are based on the latest (1996) information. Current voting power is unknown.

Note 15: Under a Shareholders Agreement dated as of February 6, 2001, KLT Telecom Inc. may appoint all but one of the directors; the other shareholder has the right to appoint one director.

Note 16: Investment in unsecured debt

Name of Issuer	Interest Rate at 12/31/02	Maturity Date	Principle Amount Owed (000's)	Issuer Book Value (000's)	Owner Book Value (000's)
Great Plains Energy Incorporated (owner)					
Great Plains Power Incorporated	2.27%	Demand open account	$ 1,747	$ 1,781	$ 1,781
KLT Inc.	2.27%	Promissory note - March 5, 2004	$81,493	$83,710	$83,710
Home Service Solutions Inc.	6.38%	Promissory note - March 5, 2004	$ 250	$ 265	$ 265
Strategic Energy, L.L.C	- %	Short-term receivable	$ 274	$ 274	$ 274
			$83,764	$86,030	$86,030
Innovative Energy Consultants, Inc. (owner)					
Strategic Energy, L.L.C	- %	Short-term receivable	$ 287	$ 287	$ 287

Name of Issuer	Interest Rate at 12/31/02	Maturity Date	Principle Amount Owed (000's)	Issuer Book Value (000's)	Owner Book Value (000's)
Great Plains Power Incorporated (owner)					
Home Service Solutions Inc.	-%	Short-term receivable	$ 26	$ 26	$ 26
Worry Free Service, Inc.	-%	Short-term receivable	$ 2	$ 2	$ 2
			$ 28	$ 28	$ 28
Kansas City Power & Light Company (owner)					
Great Plains Energy Incorporated	-%	Short-term receivable	$ 3,191	$ 3,191	$ 3,191
Great Plains Power Incorporated	-%	Short-term receivable	$ 1,716	$ 1,716	$ 1,716
Home Service Solutions Inc.	7.49%	Demand open account	(Note 17)	$ 2,520	$ 2,520
Worry Free Service, Inc.	7.49%	Demand open account	(Note 17)	$ 1,882	$ 1,882
KLT Inc.	-%	Short-term receivable	$ 2,945	$ 2,945	$ 2,945
Strategic Energy, L.L.C	-%	Short-term receivable	$ 14	$ 14	$ 14
				$12,268	$12,268
Home Service Solutions Inc. (owner)					
Worry Free Service, Inc.	7.49%	Demand open account	(Note 17)	$ 5,907	$ 5,907
R.S. Andrews Enterprises, Inc.	6.38%	Promissory note - February 13, 2003	$ 500	$ 507	$ 507
R.S. Andrews Enterprises, Inc.	6.38%	Promissory note - January 13, 2003	$ 250	$ 251	$ 251
R.S. Andrews Enterprises, Inc.	6.38%	Promissory note - January 20, 2003	$ 250	$ 251	$ 251
R.S. Andrews Enterprises, Inc.	6.38%	Promissory note - February 13, 2003	$ 313	$ 313	$ 313
				$ 7,229	$ 7,229
R.S. Andrews Enterprises, Inc. (owner)					
RSA Services Termite & Pest Control, Inc.	3.75%	Demand open account	$ 133	$ 133	$ 133
R.S. Andrews Enterprises of Dallas, Inc.	3.75%	Demand open account	$ 198	$ 198	$ 198
Premier Service Systems, Inc.	3.75%	Demand open account	$ 263	$ 263	$ 263
R.S. Andrews of Fairfax, Inc.	3.75%	Demand open account	$ 321	$ 339	$ 339
R.S. Andrews of Stuart II, Inc.	3.75%	Demand open account	$ 515	$ 530	$ 530
R.S. Andrews Services, Inc.	3.75%	Demand open account	$ 822	$ 865	$ 865
R.S. Andrews Enterprises of Alabama, Inc.	3.75%	Demand open account	$ 1,908	$ 1,908	$ 1,908
R.S. Andrews Enterprises of Tennessee, Inc.	3.75%	Demand open account	$ 1,927	$ 1,927	$ 1,927
R.S. Andrews Enterprises of Virginia, Inc.	3.75%	Demand open account	$ 2,314	$ 2,314	$ 2,314
R.S. Andrews Enterprises of Columbus, Inc.	3.75%	Demand open account	$ 3,762	$ 3,762	$ 3,762
			$12,163	$12,239	$12,239
R.S. Andrews Enterprises of Charleston, Inc. (owner)					
R.S. Andrews Enterprises, Inc.	3.75%	Demand open account	$ 99	$ 103	$ 103
R.S. Andrews Enterprises of Kansas, Inc. (owner)					
R.S. Andrews Enterprises, Inc.	3.75%	Demand open account	$ 857	$ 876	$ 876
R. S. Andrews Enterprises of South Carolina, Inc. (owner)					
R.S. Andrews Enterprises, Inc.	3.75%	Demand open account	$ 91	$ 93	$ 93
R.S. Andrews of Chattanooga, Inc. (owner)					
R.S. Andrews Enterprises, Inc.	3.75%	Demand open account	$ 9	$ 13	$ 13

R.S. Andrews of Maryland, Inc. (owner)					
R.S. Andrews Enterprises, Inc.	3.75%	Demand open account	$ 728	$ 782	$ 782
R.S. Andrews of Tidewater, Inc. (owner)					
R.S. Andrews Enterprises, Inc.	3.75%	Demand open account	$ 285	$ 295	$ 295

Name of Issuer	Interest Rate at 12/31/02	Maturity Date	Principle Amount Owed (000's)	Issuer Book Value (000's)	Owner Book Value (000's)
R.S. Andrews of Wilmington, Inc. (owner)					
R.S. Andrews Enterprises, Inc.	3.75%	Demand open account	$ 337	$ 348	$ 348
KLT Inc. (owner)					
KLT Investments Inc.	8.25%	Demand open account	(Note 17)	$ 14,256	$ 14,256
Strategic Energy, L.L.C	- %	Account receivable	$ 237	$ 237	$ 237
KLT Gas Inc.	8.25%	Demand open account	(Note 17)	$ 12,315	$ 12,315
KLT Telecom Inc.	8.25%	Demand open account	(Note 17)	$162,012	$162,012
				$188,820	$188,820
KLT Investments II Inc. (owner)					
KLT Inc.	8.25%	Demand open account	(Note 17)	$ 8,153	$ 8,153
KLT Energy Services Inc. (owner)					
KLT Inc.	8.25%	Demand open account	(Note 17)	$ 18,569	$ 18,569
KLT Telecom Inc.	8.25%	Demand open account	(Note 17)	$ 31	$ 31
				$ 18,600	$ 18,600
Custom Energy, L.L.C. (owner)					
Custom Energy / M&E Sales, L.L.C	- %	Demand open account	$ 297	$ 297	$ 297
KLT Gas Inc. (owner)					
Apache Canyon Gas, L.L.C	8.25%	Demand open account	(Note 17)	$ 10,471	$ 10,471
FAR Gas Acquisitions Corporation	8.25%	Demand open account	(Note 17)	$ 7,652	$ 7,652
Forest City, LLC	8.25%	Demand open account	(Note 17)	$ 3,923	$ 3,923
				$ 22,046	$ 22,046

Note 17: Principal amount not readily available. Interest and principal are accumulated together in issuer and owner book value.

Non-corporate subsidiaries at December 31, 2002:

Name of subsidiary	Form of organization	Equity investment
Custom Energy Holdings, L.L.C	Limited Liability Company	Reported above
Strategic Energy, L.L.C	Limited Liability Company	Reported above
Custom Energy, L.L.C	Limited Liability Company	Reported above
Custom Energy / M&E Sales, L.L.C	Limited Liability Company	Reported above
CM2, L.L.C	Limited Liability Company	Reported above
Apache Canyon Gas, L.L.C	Limited Liability Company	Reported above
Forest City, LLC	Limited Liability Company	Reported above
Forest City Gathering, LLC	Limited Liability Company	Reported above
Patrick KLT Gas, LLC	Limited Liability Company	Reported above
Copier Solutions, LLC	Limited Liability Company	Reported above
Municipal Solutions, L.L.C	Limited Liability Company	Reported above
Telemetry Solutions, L.L.C	Limited Liability Company	Reported above
Globalutilityexchange.com, LLC	Limited Liability Company	Reported above
Digital Teleport Nationwide LLC	Limited Liability Company	Reported above
KCPL Financing I (Trust)	Delaware Business Trust	Reported above

Subsidiaries added during 2002:

Great Plains Energy Incorporated
Innovative Energy Consultants, Inc. was organized on June 21, 2002 in the state Missouri as an intermediate holding company and holds interests in Custom Energy Holdings, L.L.C. and Strategic Energy, L.L.C.

KLT Energy Services Inc.
Custom Energy, L.L.C. (“CEL”), is a Delaware limited liability company formed on December 8, 1999, was described in Note 5 to ITEM 1 of the U5S as a non-subsidiary investment of KLT Energy Services Inc. (“KLTES”). Through a reorganization effective July 26, 2002, CEL was distributed by Custom Energy Holdings, L.L.C. (“CE”) to KLTES and another member of CE. KLTES holds 15.8% of the common units and all of the preferred units of membership interest issued by CEL. CEL provides demand-side management and performance contracting services. CEL has two subsidiaries. Custom Energy / M&E Sales, L.L.C. is a Delaware limited liability company, organized on October 31, 1997, in which CEL holds 50% of the membership interest. Custom Energy / M&E Sales, L.L.C. provides demand-side management and performance contracting services. CM2, L.L.C. is a Delaware limited liability company, organized on February 17, 1998, in which CEL holds 33% of the membership interest. CM2, L.L.C. was formed to provide demand-side management and performance contracting services. The company has never conducted business.

Changes in the status of existing subsidiaries during 2002:

Great Plains Energy Incorporated
Great Plains Power Incorporated elected close corporation status effective July 9, 2002, and operates without a board of directors.

R.S. Andrews Enterprises, Inc.
R.S. Andrews of Alabama, Inc., R.S. Andrews of Columbus, Inc., R.S. Andrews of Jonesboro, Inc., R.S. Andrews of Virginia, Inc. and R.S. Andrews of Tennessee, Inc. were dissolved as of November 21, 2002.

KLT Inc.
Energetechs, Inc. was dissolved as of February 15, 2002.

KLT Telecom Inc.
EChannel, Inc. ceased operations during 2002.

Subsidiaries of more than one System company at December 31, 2002: Custom Energy Holdings, L.L.C. is a subsidiary of KLT Energy Services Inc. and Innovative Energy Consultants, Inc. Strategic Energy, L.L.C. is a subsidiary of KLT Energy Services Inc. and an affiliate of Innovative Energy Consultants, Inc.

ITEM 2. ACQUISITIONS OR SALES OF UTILITY ASSETS

During 2002, there were no acquisitions or sales of utility assets by System companies involving consideration of more than $1 million, nor were any transactions concerning acquisitions or sales of utility assets reported in a certificate filed pursuant to Rule 24.

Kansas City Power & Light Company entered into a certain Amended and Restated Lease dated as of October 12, 2001 with Wells Fargo Bank Northwest, N.A., relating to five combustion turbines, as authorized by the commission (HCAR 27436). There are no rental payments under the lease until 2003. The lease expiration date is October 2006.

ITEM 3. ISSUE, SALE, PLEDGE, GUARANTEE OR ASSUMPTION OF SYSTEM SECURITIES

None, except as reported in certificates filed pursuant to Rule 24 and Form U-6B-2 for the year 2002. The following is a list of Forms U-6B-2 filed by System companies during 2002:

Certificate is filed by:	Date Filed:
Kansas City Power & Light Company	January 3, March 20, April 2, May 30, August 29, September 9, October 10, December 9
Innovative Energy Consultants, Inc.	November 14
KLT Inc.	March 28, May 30, May 31, August 29, November 27
Great Plains Power Incorporated	March 28, May 30, August 29, November 27
Strategic Energy, L.L.C.	January 22, February 26, March 21, March 28, April 2, April 22, May 30, May 31, August 16, August 29, November 27, December 12
KLT Energy Services Inc.	March 28, May 30, August 29, November 27
Custom Energy, L.L.C.	August 30
KLT Telecom Inc.	March 28, May 30, August 29, November 27
KLT Gas Inc.	March 28, May 30, August 29, November 27
Far Gas Acquisitions Corporation	March 28, May 30, August 29, November 27
Apache Canyon Gas, LLC	March 28, May 30, August 29, November 27
Forest City, LLC	March 28, May 30, August 29, November 27
KLT Investments Inc.	March 28, May 30, November 27
KLT Investments II Inc.	March 28, May 30
Digital Teleport, Inc.	March 28
Home Service Solutions Inc.	March 28, May 30, August 29, November 27, December 27
Worry Free Service, Inc.	May 30, August 29, November 27
R.S. Andrews Enterprises, Inc.	March 28, April 2, May 30, August 29, October 17, November 27
R.S. Andrews Services, Inc.	March 28, May 30, August 29
R.S. Andrews Enterprises of Columbus, Inc.	March 28, May 30
R.S. Andrews Enterprises of Kansas, Inc.	March 28, May 30, August 29, November 27
RSA Services Termite and Pest Control, Inc.	March 28, May 30, August 29
R.S. Andrews of Topeka, Inc.	March 28, May 30
R.S. Andrews of Chattanooga, Inc.	March 28, May 30, August 29, November 27
R.S. Andrews of Tidewater, Inc.	March 28, May 30, August 29, November 27
R.S. Andrews of Fairfax, Inc.	March 28, May 30, August 29, November 27
R.S. Andrews of South Carolina, Inc.	March 28, May 30, August 29, November 27
R.S. Andrews of Charleston, Inc.	March 28, May 30, August 29, November 27

R.S. Andrews Enterprises of Dallas, Inc.	March 28, May 30, August 29, November 27
R.S. Andrews of Stuart I, Inc.	March 28, May 30
R.S. Andrews of Stuart II, Inc.	March 28, May 30, August 29, November 17
R.S. Andrews Enterprises of Palm Beach, Inc.	March 28, May 30
R.S. Andrews of Maryland, Inc.	March 28, May 30, August 29, November 27
R.S. Andrews of Wilmington, Inc.	March 28, May 30, August 29, November 27
R.S. Andrews of Tennessee, Inc.	March 28, May 30
R.S. Andrews of Alabama, Inc.	March 28, May 30
R.S. Andrews of Virginia, Inc.	March 28

ITEM 4. ACQUISITION, REDEMPTION, OR RETIREMENT OF SYSTEM SECURITIES

The following securities were acquired, redeemed, or retired during 2002:

Innovative Energy Consultants, Inc.

On November 7, 2002, Innovative Energy Consultants, Inc. acquired 580,000 Series SEL units and 765,000 Series CEH units, issued by Custom Energy Holdings, L.L.C. for consideration of $15.1 million in Great Plains Energy Incorporated common stock and notes issued by Great Plains Energy Incorporated and Innovative Energy Consultants, Inc. of $4.7 million and $2.4 million, respectively (exempt under Rule 58).

On November 5, 2002, Great Plains Energy Incorporated acquired 1 share of the common stock of Innovative Energy Consultants, Inc. for consideration of $10,000 (exempt under Rule 42).

Kansas City Power & Light Company

On June 1, 2002, Kansas City Power & Light Company retired at maturity, with consideration of $27 million, Series E general mortgage bonds (exempt under Rule 42).

On March 20, 2002, Kansas City Power & Light Company retired at maturity, with consideration of $200 million, Series F unsecured medium-term notes (exempt under Rule 42).

On October 4, 2002, Kansas City Power & Light Company exchanged $225 million aggregate principle amount of its 6.00% Senior Notes, due 2007, Series A for a like amount of its 6.00% Senior Notes, due 2007, Series B. The Series A Notes were cancelled. (exempt under Rule 42).

R.S. Andrews Enterprises, Inc.

R.S. Andrews Enterprises, Inc. acquired 755,086 shares of treasury stock as part of an October 24, 2002 sale of assets owned by R.S. Enterprises of Kansas, Inc. in the aggregate amount of $200,000 (exempt under Rules 42 and 58).

KLT Energy Services Inc.

On June 11, 2002, KLT Energy Services Inc. (“KLTES”) acquired 2,717,829 units of Custom Energy Holdings, L.L.C. Series CEL preferred for $2,130,000 from third parties (exempt under Rule 58).

A reorganization of the ownership interests of Custom Energy Holdings, L.L.C. and Custom Energy, L.L.C. was consummated on July 26, 2002. In the reorganization, all of the Series CEL interests and 2,947,000 of the Series CE interests issued by Custom Energy Holdings, L.L.C. were extinguished, and Custom Energy Holdings, L.L.C. distributed its ownership interests in Custom Energy, L.L.C. to KLT Energy Services Inc. and another member of Custom Energy Holdings, L.L.C. Immediately upon distribution, the ownership interests in Custom Energy, L.L.C. were reorganized into common and preferred interests, with KLT Energy Services Inc. holding 1,580,000 (15.8%) of the common interests and 2,400,000 (100%) of the preferred interests. (HCAR 27436 and/or Rule 58).

In December, 2002, Custom Energy, L.L.C. redeemed 675,000 of the preferred interests held by KLT Energy Services Inc. for $675,000 paid in January, 2003 (exempt under Rule 58).

ITEM 5. INVESTMENTS IN SECURITIES OF NONSYSTEM COMPANIES

1. Aggregate investments in persons operating in the retail service area at December 31, 2002.

None.

2. For securities not included in 1. above, provide the following information for investments in securities of nonsystem companies at December 31, 2002:

Investments of the registrant and of each subsidiary thereof in holding companies and in public utility companies which are not subsidiary companies of the registrant as of December 31, 2002:

Issuing Company	Type of Security	Shares or Units	Owner's Book Value (thousands)
KLT Investments Inc. (owner) (Note 1)			
Pacific Gas & Electric	7.04% preferred stock	76,075	$1,640
Pacific Gas & Electric	4.80% preferred stock	21,400	$ 316
New York State Electric & Gas	$4.50 preferred stock	1,575	$ 122
Consolidated Edison	$4.65 Series D preferred stock	18,704	$1,305
Dayton Power & Light	$3.75 Series B preferred stock	14,192	$ 948
Northern Indiana Public Service	$4.22 preferred stock	2,419	$ 171
Northern Indiana Public Service	$4.25 preferred stock	11,000	$ 732
Northern Indiana Public Service	$4.50 preferred stock	4,664	$ 340
Xcel Energy Inc.	$4.08 preferred stock	7,200	$ 346
Alabama Power Co.	5.20% preferred stock	5,600	$ 126
Delmarva Power & Light	7.75% preferred stock	3,625	$ 91
Montana Power Co.	$6.875 preferred stock	3,552	$ 201
NICOR Inc.	4.48% preferred stock	8,350	$ 359
Virginia Electric & Power	$6.98 preferred stock	6,062	$ 612

Note 1: Under the terms of the funded indebtedness of KLT Investments Inc., KLT Investments must maintain a reserve equal to the greater of 15% of the outstanding aggregate principal amount of such debt or the aggregate amount of the next principal and interest payments due in the succeeding year. Prior to October 1, 2001, KLT Investments invested a portion of the reserve in preferred stocks issued by public utilities to capture the preferred dividend payments. KLT Investments has not purchased any public utility securities subsequent to September 30, 2001, and is liquidating its public utility securities holdings as market conditions dictate.

All other investments of the registrant and of each subsidiary thereof in the securities of any other nonsystem company as of December 31, 2002:

Issuing Company	Type of Security	Shares or Units	Owner's Book Value (thousands)
Kansas City Power & Light Company			
Kansas City Power & Light Company Wolf Creek Decommissioning Trust	Trustor of Trust	Note 2	Note 2
KLT Investments Inc. (owner) (Note 3)			
Related Corporate Partners III, L.P. - Series 1 and 2	Limited Partnership Interest	9.90%	$10,789
Lend Lease Institutional Tax Credits VII	Limited Partnership Interest	9.90%	$ 4,640
Lend Lease Institutional Tax Credits IV	Limited Partnership Interest	9.8%	$ 2,329
National Corporate Tax Credit Fund III	Limited Partnership Interest	18.36%	$ 7,158

Issuing Company	Type of Security	Shares or Units	Owner's Book Value (thousands)
Columbia Housing Partners Corporate Tax Credit III Limited Partnership	Limited Partnership Interest	11.47%	$4,699
Columbia Housing Partners Corporate Tax Credit IV Limited Partnership	Limited Partnership Interest	6.60%	$1,789
Corporations for Affordable Housing, L.P.	Limited Partnership Interest	9.90%	$3,312
Corporations for Affordable Housing II, L.P.	Limited Partnership Interest	9.90%	$2,589
USA Metropolitan Tax Credit Fund II, L.P.	Limited Partnership Interest	13.20%	$3,771
Missouri Affordable Housing Fund VII, L.P.	Limited Partnership Interest	85.19%	$3,381
National Equity Fund 1992, L.P.	Limited Partnership Interest	0.98%	$ 263
National Equity Fund 1993, L.P.	Limited Partnership Interest	0.66%	$ 449
National Equity Fund 1994, L.P.	Limited Partnership Interest	0.66%	$ 526
National Equity Fund 1995, L.P.	Limited Partnership Interest	2.42%	$1,478
McDonald Corporate Tax Credit Fund 1994	Limited Partnership Interest	9.17%	$2,694
Missouri Affordable Housing Fund VI, L.P.	Limited Partnership Interest	99%	$2,879
Gateway Institutional Tax Credit Fund	Limited Partnership Interest	15.84%	$3,940
Provident Tax Credit Fund II, L.P.	Limited Partnership Interest	12.6%	$2,617
Missouri Affordable Housing Fund IX, L.P.	Limited Partnership Interest	33.14%	$2,480
WNC Institutional Tax Credit Fund II, L.P.	Limited Partnership Interest	24.75%	$2,112
NHT III Tax Credit Fund L.P.	Limited Partnership Interest	24.98%	$1,600
Lend Lease Missouri Tax Credit Fund I, LLC	Limited Liability Company Interest	99.99%	$ 947
Dominium Institutional Fund	Limited Partnership Interest	6%	$ 889
Missouri Affordable Housing Fund V, L.P.	Limited Partnership Interest	83.55%	$ 553
Aurora Family Apartments, L.P.	Limited Partnership Interest	0.01%	$ 244
Housing Missouri Equity Fund 1994, L.L.C	Limited Liability Company Interest	23.53%	$ 234
Boston Capital Corporate Tax Credit Fund I, L.P.	Limited Partnership Interest	0.99%	$ 282
Far Gas Acquisitions Corporation			

(owner) (Note 4)			
GNR San Juan Limited Partnership	Limited Partnership Interest	99%	$ 430
KLT Investments II Inc. (owner) (Note 5)			
KCEP I, L.P.	Limited Partnership Interest	1.3%	$ 820
EnviroTech Investment Fund I Limited Partnership	Limited Partnership Interest	6.36%	$1,795
KLT Energy Services Inc. (owner)			
Bracknell Corporation (Note 6)	Common stock	1,133,165	$ -
Custom Energy, L.L.C. (owner)			
Vision Power Systems, Inc.(Note 7)	Promissory note	n/a	$ 234
Vision Power Systems, Inc.(Note 7)	Termination fee	n/a	$ 260
KLT Telecom Inc. (owner)			
Signal Sites Incorporated (Note 8)	Participation in promissory note	n/a	$ -

Note 2: A description of the Kansas City Power & Light Wolf Creek Decommissioning Trust is contained in Note 1 to the consolidated financial statements of Great Plains Energy Incorporated and Kansas City Power & Light Company included in their combined Annual Report on Form 10-K for the year ended December 31, 2002, (File No's. 03-33207 and 1-707), which is incorporated herein by reference.

Note 3: Nature of business of investments held by KLT Investments Inc. — limited partnership investments in affordable housing partnerships throughout the United States and Puerto Rico.

Note 4: Nature of business of investments held by Far Gas Acquisitions Corporation — limited partnership investments in natural gas producing partnerships that are structured to generate alternative fuel tax credits.

Note 5: Nature of business of investments held by KLT Investments II Inc. — passive investments in venture capital funds.

Note 6: Nature of business of Bracknell Corporation — provided infrastructure services for networks, systems, production facilities and equipment of companies across North America. In November, 2001 Bracknell common stock ceased trading at a last sale price of $0.13 per share. As a result, during 2001, KLT Energy Services Inc. wrote off its investment in Bracknell. It is believed that Bracknell has ceased doing business.

Note 7: Nature of business of Vision Power Systems, Inc. – provides distributed generation products and services.

Note 8: Nature of business of Signal Sites Incorporated — Rooftop management agreements with building owners under which Signal Sites may lease or otherwise provide access to wireless service providers for their antennas and other equipment. Signal Sites is an Exempt Telecommunications Company.

KLT Gas Inc. and Forest City, LLC hold working and revenue interests in oil, mineral and gas leases in their normal course of business. Neither of these system companies held any royalty interests at the end of 2002. The following is a summary of these interests at December 31, 2002:

Company	Interest Type	Gross Acreage	Net Acreage	State	Acquired From	Owner's Book Value (thousands)
KLT Gas Inc.	Lease	55,962	52,937	Colorado	Primarily federal and state	$ 1,877
KLT Gas Inc.	Lease	68,808	43,030	Wyoming	Private, federal and state	$ 4,184
KLT Gas Inc.	Lease	909	419	Texas	Private	$ 118
		125,679	96,386			$ 6,179
Forest City, LLC	Lease	29,426	29,286	Nebraska	Private	$ 934
Forest City, LLC	Lease	137,017	129,046	Kansas	Private	$ 3,699
		166,443	158,332			$ 4,633

ITEM 6. OFFICERS AND DIRECTORS

Part I: Name, address and position of system company officers and directors at December 31, 2002.

NAME	ADDRESS	POSITION
GREAT PLAINS ENERGY INCORPORATED		
Bernard J. Beaudoin	Kansas City, MO	CM,P&CEO
Dr. David L. Bodde	Kansas City, MO	D

Mark A. Ernst	Kansas City, MO	D
Randall C. Ferguson, Jr	Lee's Summit, MO	D
William K. Hall	Chicago, IL	D
Luis A. Jimenez	Stamford, CT	D
James A. Mitchell	Longboat Key, FL	D
William C. Nelson	Kansas City, MO	D
Dr. Linda H. Talbott	Kansas City, MO	D
Robert H. West	Kansas City, MO	D
William H. Downey	Kansas City, MO	EVP
Andrea F. Bielsker	Kansas City, MO	SVP,CFO&T
Jeanie S. Latz	Kansas City, MO	EVP&S
Douglas M. Morgan	Kansas City, MO	VP
Brenda Nolte	Kansas City, MO	VP
*Gregory J. Orman	Overland Park, KS	EVP
William G. Riggins	Kansas City, MO	GC
Lori A. Wright	Kansas City, MO	C
Andrew B. Stroud, Jr	Kansas City, MO	VP

*Resigned effective December 31, 2002

INNOVATIVE ENERGY CONSULTANTS, INC.

Andrea F. Bielsker	Kansas City, MO	D
Mark G. English	Kansas City, MO	S
Jeanie S. Latz	Kansas City, MO	D
*Gregory J. Orman	Overland Park, KS	P&D

*Resigned effective December 31, 2002

GREAT PLAINS POWER INCORPORATED

John J. DeStefano	Kansas City, MO	P
Jeanie S. Latz	Kansas City, MO	S

Note: Statutory close corporation with no board of directors.

KANSAS CITY POWER & LIGHT COMPANY

Bernard J. Beaudoin	Kansas City, MO	CM&CEO
Dr. David L. Bodde	Kansas City, MO	D
Mark A. Ernst	Kansas City, MO	D
Randall C. Ferguson, Jr	Lee's Summit, MO	D
William K. Hall	Chicago, IL	D

NAME	ADDRESS	POSITION
Luis A. Jimenez	Stamford, CT	D
James A. Mitchell	Longboat Key, FL	D
William C. Nelson	Kansas City, MO	D
Dr. Linda H. Talbott	Kansas City, MO	D
Robert H. West	Kansas City, MO	D
William H. Downey	Kansas City, MO	P
Andrea F. Bielsker	Kansas City, MO	SVP,CFO&T
Stephen T. Easley	Kansas City, MO	VP
William P. Herdegen III	Kansas City, MO	VP
Jeanie S. Latz	Kansas City, MO	S
Nancy J. Moore	Kansas City, MO	VP
Richard Spring	Kansas City, MO	VP
Lori A. Wright	Kansas City, MO	C

KANSAS CITY POWER & LIGHT RECEIVABLES COMPANY

Andrea F. Bielsker	Kansas City, MO	D&P
Dean A. Christiansen	New York, NY	D
Jeanie S. Latz	Kansas City, MO	D
Jacquetta L. Hartman	Kansas City, MO	S&T

WOLF CREEK NUCLEAR OPERATING CORPORATION

Bernard J. Beaudoin	Kansas City, MO	D
Mark Larson	Burlington, KS	C&T
Otto Maynard	Burlington, KS	CM,P&CEO
Britt McKinney	Burlington, KS	VP
Rick Muench	Burlington, KS	VP
Warren Wood	Burlington, KS	GC&S

HOME SERVICE SOLUTIONS INC.

John J. DeStefano	Kansas City, MO	P&D
William H. Downey	Kansas City, MO	D
Jacquetta L. Hartman	Kansas City, MO	S&T
Jeanie S. Latz	Kansas City, MO	D

WORRY FREE SERVICE, INC.

Michael W. Cline	Kansas City, MO	D
John J. DeStefano	Kansas City, MO	P&D
Patrice S. Tribble	Kansas City, MO	VP&D
Jacquetta L. Hartman	Kansas City, MO	S&T

R.S. ANDREWS ENTERPRISES, INC.

Gary J. Anderson	Marietta, GA	D
Charles M. Berk	Atlanta, GA	D
Michael L. Deggendorf	Kansas City, MO	D
John J. DeStefano	Kansas City, MO	CM

NAME	ADDRESS	POSITION
Jack Dowling	Atlanta, GA	CEO&P
William H. Downey	Kansas City, MO	D
Mercer Granade	Atlanta, GA	CFO&VP
Judy D. Potter	Atlanta, GA	VP
Patrice S. Tribble	Kansas City, MO	D

Note: Officers and Directors for all Subsidiaries of R.S. Andrews Enterprises, Inc. are the same as listed above for R.S. Andrews Enterprises, Inc.

KLT INC.

Bernard J. Beaudoin	Kansas City, MO	CM
Dr. David L. Bodde	Kansas City, MO	D
Mark A. Ernst	Kansas City, MO	D
Randall C. Ferguson, Jr	Lee's Summit, MO	D
John Grossi	Overland Park, KS	CFO&T
William K. Hall	Chicago, IL	D
David Haydon	Overland Park, KS	VP,GC&S
Luis A. Jimenez	Stamford, CT	D
James A. Mitchell	Longboat Key, FL	D
William C. Nelson	Kansas City, MO	D
*Gregory J. Orman	Overland Park, KS	CEO&P
Mark Schroeder	Overland Park, KS	VP
Dr. Linda H. Talbott	Kansas City, MO	D
Robert H. West	Kansas City, MO	D

*Resigned effective December 31, 2002

KLT INVESTMENTS INC.

James Gilligan	Kansas City, MO	P
John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S

Note: Statutory close corporation with no board of directors.

KLT INVESTMENTS II INC.

John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S
*Gregory J. Orman	Overland Park, KS	P

*Resigned effective December 31, 2002
Note: Statutory close corporation with no board of directors.

NAME	ADDRESS	POSITION
KLT ENERGY SERVICES INC.		
John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S
*Gregory Orman	Overland Park, KS	P
Mark Schroeder	Overland Park, KS	VP

*Resigned effective December 31, 2002 Note: Statutory close corporation with no board of directors.

CUSTOM ENERGY HOLDINGS, L.L.C.

Andrea Bielsker	Kansas City, MO	MC
John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S
*Gregory Orman	Overland Park, KS	P&CEO&MC
Mark Schroeder	Overland Park, KS	VP
Richard Zomnir	Pittsburg, PA	MC

*Resigned effective December 31, 2002

STRATEGIC ENERGY, L.L.C.

James Booritch	Pittsburg, PA	VP
Jan Fox	Pittsburg, PA	VP&GC&S
David Haydon	Overland Park, KS	AS&MC
Trevor Lauer	Pittsburg, PA	VP
Lee McCracken	Pittsburg, PA	CFO
*Gregory Orman	Overland Park, KS	MC
Pat Purdy	Pittsburg, PA	COO
Mark Schroeder	Overland Park, KS	MC
Terry Sebben	Pittsburg, PA	CIO
Richard Zomnir	Pittsburg, PA	P&CEO&MC

*Resigned effective December 31, 2002

CUSTOM ENERGY, L.L.C.

Andrea Bielsker	Kansas City, MO	MC
L. Tim Clemons	Overland Park, KS	CM&CEO
Dayton Hahs	Overland Park, KS	P&VP
David Haydon	Overland Park, KS	S
Jerry McKenna	Overland Park, KS	VP
Dan Morrison	Overland Park, KS	VP
Rob Moyer	Overland Park, KS	VP
*Gregory Orman	Overland Park, KS	MC
Richard Zomnir	Pittsburg, PA	MC

*Resigned effective December 31, 2002

CUSTOM ENERGY/M&E SALES, L.L.C.

Jerry McKenna	Overland Park, KS	VP
Dan Morrison	Overland Park, KS	GM

NAME	ADDRESS	POSITION
CM2, L.L.C.		
None		
KLT GAS INC.		
Charles Dein	The Woodlands, TX	EVP
John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S
Lynn Meibos	The Woodlands, TX	EVP
Bruce Selkirk	The Woodlands, TX	P

Note: Statutory close corporation with no board of directors.

APACHE CANYON GAS, L.L.C.

John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S
Bruce Selkirk	The Woodlands, TX	M

Note: Member-managed.

FAR GAS ACQUISITIONS CORPORATION

John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S
*Gregory Orman	Overland Park, KS	D
Bruce Selkirk	The Woodlands, TX	D&P

*Resigned effective December 31, 2002

FOREST CITY, LLC

John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S
Bruce Selkirk	The Woodlands, TX	M

FOREST CITY GATHERING, LLC

KLT Gas Inc.	The Woodlands, TX	M

KLT GAS OPERATING COMPANY

John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S
Bruce Selkirk	The Woodlands, TX	P

Note: Statutory close corporation with no board of directors.

NAME	ADDRESS	POSITION

PATRICK KLT GAS, LLC

Patrick Energy Corp.	Tulsa, OK	M

KLT TELECOM INC.

John Grossi	Overland Park, KS	CFO&T
David Haydon	Overland Park, KS	S
Mark Schroeder	Overland Park, KS	P

Note: Statutory close corporation with no board of directors.

ADVANCED MEASUREMENT SOLUTIONS, INC.

Gregg Clizer	Kansas City, MO	D
James Gilligan	Kansas City, MO	D&T
Joseph Jacobs	Kansas City, MO	D&P
Mark English	Kansas City, MO	S

COPIER SOLUTIONS, LLC

Mark English	Kansas City, MO	S
James Gilligan	Kansas City, MO	T
Joseph Jacobs	Kansas City, MO	M

ECHANNEL

Peter Yoakum	Seattle, WA	P

Note: No other information available.

MUNICIPAL SOLUTIONS, L.L.C.

Gregg Clizer	Kansas City, MO	MC
Mark English	Kansas City, MO	S
James Gilligan	Kansas City, MO	T&MC
Joseph Jacobs	Kansas City, MO	MC

TELEMETRY SOLUTIONS, L.L.C.

Gregg Clizer	Kansas City, MO	MC
Mark English	Kansas City, MO	S
James Gilligan	Kansas City, MO	MC&T
Joseph Jacobs	Kansas City, MO	MC

GLOBALUTILITYEXCHANGE.COM, LLC

None

NAME	ADDRESS	POSITION
DTI HOLDINGS, INC.		
Phillip Adams	Chesterfield, MO	VP
Dan Davis	Chesterfield, MO	SVP&GC
Eyrl Finley	Chesterfield, MO	VP
Ken Hager	Kansas City, MO	D
Steven Hendrix	Chesterfield, MO	SVP
*Gregory Orman	Overland Park, KS	D
Paul Pierron	Chesterfield, MO	P,CEO&D
Matt Porterfield	Chesterfield, MO	SVP
Mark Schroeder	Overland Park, KS	D
Ronald Wasson	Blue Springs, MO	D
Richard Weinstein	Chesterfield, MO	D
Andrew Whipple	Chesterfield, MO	VP&C

*Resigned effective December 31, 2002

DIGITAL TELEPORT, INC.		
Phillip Adams	St. Louis, MO	VP
Dan Davis	St. Louis, MO	SVP&GC
Eyrl Finley	St. Louis, MO	VP
Ken Hager	Kansas City, MO	D
Steven Hendrix	St. Louis, MO	SVP
*Gregory Orman	Overland Park, KS	D
Paul Pierron	St. Louis, MO	P&CEO
Matt Porterfield	St. Louis, MO	SVP
Mark Schroeder	Overland Park, KS	D
Ronald Wasson	Blue Springs, MO	D
Richard Weinstein	Chesterfield, MO	D
Andrew Whipple	St. Louis, MO	VP&C

*Resigned effective December 31, 2002

DIGITAL TELEPORT NATIONWIDE LLC		
Dan Davis	St. Louis, MO	SVP&GC
DIGITAL TELEPORT OF VIRGINIA, INC.		
Dan Davis	St. Louis, MO	SVP,GC,S&D
Paul Pierron	St. Louis, MO	P,CEO&D
Mark Schroeder	Overland Park, KS	D

NOTE: Positions are indicated above by the following symbols:

AC	--	Assistant Controller
AGC	--	Assistant General Counsel
AS	--	Assistant Secretary
AT	--	Assistant Treasurer
C	--	Controller
CEO	--	Chief Executive Officer
CFO	--	Chief Financial Officer
CIO	--	Chief Information Officer
CM	--	Chairman
CMPT	--	Comptroller
COO	--	Chief Operating Officer
D	--	Director
DCS	--	Director, Customer Services
DP	--	Division President
EVP	--	Executive Vice President
GC	--	General Counsel
GM	--	General Manager

M	--	Manager
MC	--	Management Committee Member
MD	--	Managing Director
P	--	President
S	--	Secretary
SA	--	Service Agent
SVP	--	Senior Vice President
T	--	Treasurer
VP	--	Vice President
VCM	--	Vice Chairman

ITEM 6. OFFICERS AND DIRECTORS — Part II: Financial Connections – the following is a list, as of December 31, 2002, of all officers and directors of each System Company who have financial connections within the provisions of Section 17(c) of the Public Utility Holding Company Act of 1935.

Name of Officer or Director	Name and Location of Financial Institution	Position Held in Financial Institution	Applicable Exemption Rules
Great Plains Energy Incorporated			
William H. Downey	Enterprise Bank, Overland Park, KS	Director	Rule 70 (e)
	Enterprise Financial Services Corp., Clayton, MO	Director	Rule 70 (e)
Robert H. West	Commerce Bancshares, Kansas City, MO	Director	Rule 70 (a)
Kansas City Power & Light Company			
William H. Downey	Enterprise Bank, Overland Park, KS	Director	Rule 70 (f)
	Enterprise Financial Services Corp., Clayton, MO	Director	Rule 70 (f)
Robert H. West	Commerce Bancshares, Kansas City, MO	Director	Rule 70 (c)
KLT Inc.			
Robert H. West	Commerce Bancshares, Kansas City, MO	Director	Rule 70 (c)

ITEM 6. OFFICERS AND DIRECTORS — Part III.

Information disclosed in the proxy statement of Great Plains Energy Incorporated and the combined 10-K of Great Plains Energy Incorporated and Kansas City Power & Light Company. Pursuant to instructional, the information has been edited to eliminate repetition or duplication and to put related information together.

Director Compensation. Compensation is paid to non-employee members of the Board. An annual retainer of $30,000 was paid in 2002 ($15,000 of which was used to acquire shares of Great Plains Energy common stock through Great Plains Energy's Dividend Reinvestment and Direct Stock Purchase Plan on behalf of each non-employee member of the Board). An additional retainer of $3,000 was paid to those non-employee directors serving as chair of a committee. Attendance fees of $1,000 for each Board meeting and $1,000 for each committee meeting attended were also paid in 2002. Directors may defer the receipt of all or part of the cash retainers and meeting fees.

Great Plains Energy also provides life and medical insurance coverage for each non-employee member of the Board. The total premiums paid by Great Plains Energy for this coverage for all participating non-employee directors in 2002 was $18,362.40.

SECURITY OWNERSHIP OF DIRECTORS AND OFFICERS

The following table shows beneficial ownership of Great Plains Energy's common stock by the named executive officers, directors and all directors and officers of Great Plains Energy Incorporated and Kansas City Power & Light Company as of January 31, 2003. The total of all shares owned by directors and officers represents less than one percent of the outstanding shares of Great Plains Energy's common stock. Management of Great Plains Energy has no knowledge of any person (as defined by the Securities and Exchange Commission) who owns beneficially more than 5% of Great Plains Energy common stock.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned
Named Executive Officers	
Bernard J. Beaudoin	9,659(1)(2)
Andrea F. Bielsker	2,797(1)
William H. Downey	4,267(1)
Jeanie S. Latz	16,268(1)
Douglas M. Morgan	3,397(1)
Stephen T. Easley	699(1)
Other Director Nominees	

David L. Bodde	6,593(3)
Mark A. Ernst	5,414
Randall C. Ferguson, Jr	1,221
William K. Hall	8,491
Luis A. Jimenez	1,494
James A. Mitchell	2,121
William C. Nelson	1,796
Linda H. Talbott	7,362
Robert H. West	5,249(4)
All Officers and Directors As A Group	
(25 persons)	105,708(1)

(1) Includes shares held in the Great Plains Energy's Employee Savings Plus Plan and exercisable non-qualified stock option grants under the Long-Term Incentive Plan.
(2) Includes 2,879 shares of restricted stock issued under the Long-Term Incentive Plan.
(3) The nominee disclaims beneficial ownership of 1,000 shares reported and held by nominee's mother.
(4) The nominee disclaims beneficial ownership of 1,000 shares reported and held by nominee's wife.

Section 16(a) Beneficial Ownership Reporting

Due to travel, Mr. Mitchell's initial Form 3 was filed late.

Mr. Orman's stock acquisition pursuant to the merger described under Certain Relationships and Related Transactions on page 31 herein was reported within two days on a Report on Form 8-K and on a timely Report on Form 5. A Form 4 was not filed.

EXECUTIVE COMPENSATION

The following table contains executive compensation data for Great Plains Energy Incorporated and Kansas City Power & Light Company officers, as reported in the most recent proxy statement and annual report on Form 10-K.

Summary Compensation Table

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position (a)	Year (b)	Salary ($) (c)	Bonus ($) (d)	Other Annual Comp-ensation ($) (1) (e)	Restricted Stock Award(s) ($) (f)	Securities Underlying Options /SARs (g)	LTIP Payouts ($) (h)	All Other Comp-ensation (2) (i)
Bernard J. Beaudoin								
Chairman of the Board,								
President and Chief	2002	415,000	186,750		0	55,000	0	51,486
Executive	2001	400,000	0		0	55,000	0	36,971
Officer	2000	325,000	162,535		0	0	0	33,174
Andrea F. Bielsker								
Senior Vice								
President-Finance,	2002	200,000	60,000		0	13,000	0	18,568
Chief Financial Officer	2001	180,000	0		0	13,000	0	15,565
and Treasurer	2000	140,000	63,991		0	0	0	11,213
William H. Downey (3)	2002	260,000	78,000		0	20,000	0	14,382
Executive Vice President	2001	250,000	0		0	20,000	0	5,645
	2000	65,000	54,000		0	0	0	698
Jeanie Sell Latz								
Executive Vice								
President-Corporate and	2002	210,000	63,000		0	13,000	0	29,353
Shared Services and	2001	200,000	0		0	13,000	0	27,056
Secretary	2000	180,000	83,506		0	0	0	19,121
Douglas M. Morgan								
Vice								
President-Information	2002	190,000	38,000		0	13,000	0	22,537
Technology and Support	2001	190,000	0		0	13,000	0	20,990
Services	2000	175,000	67,326		0	0	0	18,524
Stephen T. Easley								
Vice	2002	200,000	50,000		0	13,000	0	5,262
President-Generation	2001	160,000	0		0	6,000	0	6,833
Services	2000	115,455	63,000		0	0	0	4,980

1. While the five named executive officers receive certain perquisites from the Company, such perquisites did not reach in any of the reported years the threshold for reporting of the lesser of either $50,000 or ten percent of salary and bonus set forth in the applicable rules of the Securities and Exchange.
2. For 2002, amounts include:
   * **Flex dollars under the Flexible Benefits Plan**: Beaudoin– $18,310; Bielsker–$11,707; Downey– $3,867; Easley – $2,104; Latz– $17,867; and Morgan– $17,037
   * **Deferred Flex Dollars**: Beaudoin– $16,157; and Downey– $650
   * **Above-market interest paid on deferred compensation**: Beaudoin–$4,569; Bielsker–$862; Downey– $2,065; and Latz– $5,186
   * **Great Plains Energy contribution under the Great Plains Energy Employee Savings Plus Plan**: Beaudoin– $5,563; Bielsker–$5,521; Downey–$5,563; Easley–$3,138; Latz–$5,533; and Morgan–$5,500
   * **Contribution to Deferred Compensation Plan**: Beaudoin–$6,887; Bielsker–$479; Downey–$2,237; and Latz–$767
3. Mr. Downey was employed as Executive Vice President-KCPL and President-KCPL Delivery effective September 25, 2000.

Strategic Energy Phantom Stock Plan
Strategic Energy has a phantom stock plan that provides incentive in the form of deferred compensation based upon the award of performance units, the value of which is related to the increase in financial growth and performance of Strategic Energy. Strategic Energy's annual cost for the plan was $5.9 million in 2002 and $3.4 million in 2001. There was no expense recognized in 2000.

Stock Options
The Company has one equity compensation plan, which has been approved by its shareholders. The equity compensation plan is a long-term incentive plan that permits the grant of restricted stock, stock options, limited stock appreciation rights and performance shares to officers and other employees of the Company and its subsidiaries. The maximum number of shares of Great Plains Energy common stock that may be issued under the plan is 3.0 million with 2.1 million shares remaining available for future issuance.

Stock Options Granted 1992 – 1996
The exercise price of stock options granted equaled the market price of the Company's common stock on the grant date. One-half of all options granted vested one year after the grant date, the other half vested two years after the grant date. An amount equal to the quarterly dividends paid on Great Plains Energy's common stock shares (dividend equivalents) accrues on the options for the benefit of option holders. The option holders are entitled to stock for their accumulated dividend equivalents only if the options are exercised when the market price is above the exercise price. At December 31, 2002, the market price of Great Plains Energy's common stock was $22.88, which exceeded the grant price for one of the three years that options granted were still outstanding. Unexercised options expire ten years after the grant date.

Great Plains Energy follows Accounting Principles Board (APB) Opinion 25, "Accounting for Stock Issued to Employees" and related interpretations in accounting for these options. Great Plains Energy recognizes annual expense equal to accumulated and reinvested dividends plus the impact of the change in stock price since the grant date. Great Plains Energy expensed $0.1 million in 2002, $(0.3) million in 2001 and $1.1 million in 2000.

For options outstanding at December 31, 2002, grant prices range from $20.6250 to $26.1875 and the weighted-average remaining contractual life is 2.9 years.

Stock Options Granted 2001 and 2002
Stock options were granted under the plan at the fair market value of the shares on the grant date. The options vest three years after the grant date and expire in ten years if not exercised. Exercise prices range from $24.90 to $25.98 and the remaining contractual life is 8.7 years. Great Plains Energy follows APB Opinion 25 to account for these options. No compensation cost is recognized because the option exercise price is equal to the market price of the underlying stock on the date of grant.

All stock option activity for the last three years is summarized below:

	2002		2001		2000	
	Shares	Price*	Shares	Price*	Shares	Price*
Outstanding at January 1	250,375	$ 25.14	88,500	$ 23.57	89,875	$ 23.57
Granted	181,000	24.90	193,000	25.56	-	-
Exercised	(34,375)	23.00	(31,125)	23.27	(1,375)	23.88
Outstanding at December 31	397,000	$ 25.21	250,375	$ 25.14	88,500	$ 23.57
Exercisable as of December 31	23,000	$ 24.81	57,375	$ 23.73	88,500	$ 23.57

* weighted-average price

Pro forma information regarding net income and earnings per share is required by SFAS No. 123, "Accounting for Stock-Based Compensation". Under this statement, compensation cost is measured at the grant date based on the fair value of the award and is recognized over the vesting period. The pro forma amounts have been determined as if the Company had accounted for its stock options under SFAS No. 123. The stock options granted in 1992 – 1996 were all 100% vested prior to the year 2000 and therefore would have no compensation cost in the years 2000 – 2002 under SFAS No. 123. The fair value for the stock options granted in 2001 and 2002 was estimated at the date of grant using the Black-Scholes option pricing model with the following weighted-average assumptions:

	2002	2001
Risk-free interest rate	4.57%	5.53%
Dividend yield	7.68%	6.37%
Stock volatility	27.503%	25.879%
Expected option life (in years)	10	10

The option valuation model requires the input of highly subjective assumptions, primarily stock price volatility, changes in which can materially affect the fair value estimate. Compensation cost would have been $0.4 million and $0.2 million in 2002 and 2001, respectively under SFAS No. 123. The pro forma information is as follows:

	2002	2001	2000
	(thousands except per share amounts)		
Net income (loss), as reported	$ 126,188	$ (24,171)	$ 158,704
Pro forma net income (loss) as if fair value method were applied	$ 125,990	$ (24,479)	$ 159,366

Basic and diluted earnings (loss) per common share, as reported	$ 1.99	$ (0.42)	$ 2.54
Basic and diluted earnings (loss) per common share, pro forma	$ 1.99	$ (0.42)	$ 2.55

The effects of applying SFAS No. 123 in this pro forma disclosure may not be representative of effects on net income for future years due to the timing and number of options granted under the equity compensation plan.

Performance Shares

In 2001, 144,500 performance shares were granted. The issuance of performance shares is contingent upon achievement, over a four-year period, of company and individual performance goals. Performance shares have an intrinsic value equal to the market price of a share on the date of grant. Pursuant to APB Opinion 25, expense is accrued for performance shares over the period services are performed if attainment of the performance goals appears probable. No compensation expense was recorded in 2002 or 2001.

OPTION/SAR GRANTS IN LAST FISCAL YEAR

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation For Option Term		Alternative to (f) and (g): Grant Date Value
Name (a)	Number of Securities Underlying Options/SARs Granted (#) (b)	Percent of Total Options/SARs Granted to Employees in Fiscal Year (c)	Exercise or Base Price ($/Sh) (d)	Expiration Date (e)	5% ($) (f)	10% ($) (g)	Grant Date Present Value ($) (1) (f)
Bernard J. Beaudoin	55,000	30.4%	$ 24.90	02-05-2012			$ 173,173
Andrea F. Bielsker	13,000	7.2%	$ 24.90	02-05-2012			$ 40,932
William H. Downey	20,000	11.0%	$ 24.90	02-05-2012			$ 62,972
Jeanie S. Latz	13,000	7.2%	$ 24.90	02-05-2012			$ 40,932
Douglas M. Morgan	6,000	3.3%	$ 24.90	02-05-2012			$ 18,892
Stephen T. Easley	13,000	7.2%	$ 24.90	02-05-2012			$ 40,932

(1) The grant date valuation was calculated by using the binomial option pricing formula, a derivative of the Black-Scholes model. The underlying assumptions used to determine the present value of the option were as follows:

Annualized Stock Volatility:	27.503%
Time of Exercise (Option Term):	10 years
Risk Free Interest Rate:	4.57%
Exercise Price (Equal to the Fair Market Value):	$ 24.90
Average Dividend Yield:	7.68%

AGGREGATED OPTION/SAR EXERCISES IN THE LAST FISCAL YEAR AND FISCAL YEAR-END OPTION/SAR VALUES

Name (a)	Shares Acquired on Exercise (#) (b)	Value Realized ($) (c)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year End (#) Exercisable/ Unexercisable (d)	Value of Unexercised In-the-Money Options/SARs at Fiscal Year End ($) Exercisable/ Unexercisable(1) (e)
Bernard J. Beaudoin	0	0	0 / 110,000	0 / 0
Andrea F. Bielsker	0	0	0 /26,000	0 / 0
William H. Downey	0	0	0 /40,000	0 / 0
Jeanie S. Latz	0	0	12,000 /26,000	$ 9,020 / 0
Douglas M. Morgan	0	0	3,000 /12,000	0 / 0
Stephen T. Easley	0	0	0 /19,000	0 / 0

(1) All unexercisable options were out-of-the money on December 31, 2002.

GREAT PLAINS ENERGY PENSION PLANS

Great Plains Energy has a non-contributory pension plan (the “Great Plains Energy Pension Plan”) for its management employees providing for benefits upon retirement, normally at age 65. In addition, a supplemental retirement benefit is provided for executive officers. The following table shows examples of single life option pension benefits (including unfunded supplemental retirement benefits) payable upon retirement at age 65 to the named executive officers:

Average Annual Base Salary	Annual Pension for

for Highest 36 Months	Years of Service Indicated 15	20	25	30 or more
150,000	45,000	60,000	75,000	90,000
200,000	60,000	80,000	100,000	120,000
250,000	75,000	100,000	125,000	150,000
300,000	90,000	120,000	150,000	180,000
350,000	105,000	140,000	175,000	210,000
400,000	120,000	160,000	200,000	240,000
450,000	135,000	180,000	225,000	270,000
500,000	150,000	200,000	250,000	300,000

Each eligible employee with 30 or more years of credited service, or whose age and years of service add up to 85, is entitled to a total monthly annuity equal to 50% of their average base monthly salary for the period of 36 consecutive months in which their earnings were highest. The monthly annuity will be proportionately reduced if their years of credited service are less than 30 or do not add up to 85. The compensation covered by the Great Plains Energy Pension Plan — base monthly salary — excludes any bonuses and other compensation. The Great Plains Energy Pension Plan provides that pension amounts are not reduced by Social Security benefits. The estimated credited years of service for the named executive officers in the Summary Compensation table are as follows:

Officer	Credited Years of Service
Bernard J. Beaudoin	22 years
Andrea F. Bielsker	18 years
William H. Downey	2 years
Jeanie S. Latz	22 years
Douglas M. Morgan	24 years
Stephen T. Easley	6 years

Eligibility for supplemental retirement benefits is limited to executive officers selected by the Compensation Committee of the Board; all the named executive officers are participants. The total retirement benefit payable at the normal retirement date is equal to 2% of highest average earnings, as shown above, for each year of credited service up to 30 (maximum of 60% of highest average earnings). The actual retirement benefit paid equals the target retirement benefit less retirement benefits payable under the management pension plan. A liability accrues each year to cover the estimated cost of future supplemental benefits.

The Internal Revenue Code imposes certain limitations on pensions that may be paid under tax qualified pension plans. In addition to the supplemental retirement benefits, the amount by which pension benefits exceed the limitations will be paid outside the qualified plan and accounted for by Great Plains Energy as an operating expense.

GREAT PLAINS ENERGY SEVERANCE AGREEMENTS

Great Plains Energy has severance agreements (“Severance Agreements”) with certain of its executive officers, including the named executives, to ensure their continued service and dedication to and their objectivity in considering on behalf of Great Plains Energy any transaction that would change the control of the Company. Under the Severance Agreements, an executive officer would be entitled to receive a lump-sum cash payment and certain insurance benefits during the three-year period after a Change in Control (or, if later, the three-year period following the consummation of a transaction approved by Great Plains Energy’s shareholders constituting a Change in Control) if the officer’s employment was terminated by:

- Great Plains Energy other than for cause or upon death or disability;
- the executive officer for “Good Reason” (as defined in the Severance Agreements); and
- the executive officer for any reason during a 30-day period commencing one year after the Change in Control or, if later, commencing one year following consummation of a transaction approved by Great Plains Energy’s shareholders constituting a change in control (a “Qualifying Termination”).

A Change in Control is defined as:

- an acquisition by a person or group of 20% or more of the Great Plains Energy common stock (other than an acquisition from or by Great Plains Energy or by a Great Plains Energy benefit plan);
- a change in a majority of the Board; and
- approval by the shareholders of a reorganization, merger or consolidation (unless shareholders receive 60% or more of the stock of the surviving Company) or a liquidation, dissolution or sale of substantially all of Great Plains Energy’s assets.

Upon a Qualifying Termination, Great Plains Energy must make a lump-sum cash payment to the executive officer of:

- the officer's base salary through the date of termination;
- a pro-rated bonus based upon the average of the bonuses paid to the officer for the last five fiscal years;
- any accrued vacation pay;
- two or three times the officer’s highest base salary during the prior 12 months;
- two or three times the average of the bonuses paid to the officer for the last five fiscal years;
- the actuarial equivalent of the excess of the officer’s accrued pension benefits including supplemental retirement benefits computed without reduction for early retirement and including two or three additional years of benefit accrual service, over the officer’s vested accrued pension benefits; and
- the value of any unvested Great Plains Energy contributions for the benefit of the officer under the Great Plains Energy Employee Savings Plus Plan.

In addition, Great Plains Energy must offer health, disability and life insurance plan coverage to the officer and his dependents on the same terms and conditions that existed immediately prior to the Qualifying Termination for two or three years, or, if earlier, until the executive officer is covered by equivalent plan benefits. Great Plains Energy must make certain "gross-up" payments regarding tax obligations relating to payments under the Severance Agreements as well as provide reimbursement of certain expenses relating to possible disputes that might arise.

Payments and other benefits under the Severance Agreements are in addition to balances due under the Great Plains Energy Long-Term Incentive Plan and Annual Incentive Plan. Upon a Change in Control (as defined in the Great Plains Energy Long-Term Incentive Plan), all stock options granted in tandem with limited stock appreciation rights will be automatically exercised.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On November 7, 2002, Innovative Energy Consultants Inc., a wholly-owned subsidiary of Great Plains Energy, merged with Environmental Lighting Concepts, Inc., with Innovative Energy Consultants continuing as the surviving corporation and a wholly-owned subsidiary of Great Plains Energy. At the time of the merger, Gregory J. Orman was Executive Vice President-Corporate Development and Strategic Planning of Great Plains Energy and owned approximately 67% of the stock of Environmental Lighting Concepts. Environmental Lighting Concepts' only significant asset was a 5.8% indirect ownership interest in Strategic Energy, L.L.C., an indirect subsidiary of Great Plains Energy, and the merger increased Great Plains Energy's indirect ownership in Strategic Energy, L.L.C. from approximately 83% to approximately 89%. On the date of the merger, Mr. Orman received $10.07 million from Great Plains Energy for his interest in Environmental Lighting Concepts in the form of 258,917 shares of Great Plains Energy common stock, valued at $5.34 million, and a short-term note for $4.73 million which was subsequently paid on January 2, 2003.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The Compensation Committee of the Board of Great Plains Energy is composed of four independent directors. The Compensation Committee recommends to the Board the executive compensation structure and administers the policies and plans that govern compensation for the executive officers of Great Plains Energy. Executive compensation is consistent with the Great Plains Energy total remuneration philosophy which provides:

> Given Great Plains Energy's strategies in the competitive and demanding energy marketplace, attracting and retaining talent is a top priority. Great Plains Energy is committed to establishing total remuneration levels which are performance-based, competitive with the energy or utility market for jobs of similar scope to enable the organization to recruit and retain talented personnel at all levels in a dynamic and complex marketplace. This will be established through base salary, benefits and performance-based annual and long-term incentives. The incentive targets will be consistent with current trends in the energy or utility sector and the incentive measures will be appropriately tied to shareholder and customer interests.

The Compensation Committee has not adopted a policy concerning the Internal Revenue Services' rules on the deductibility of compensation in excess of $1,000,000.

Base Salaries

The Compensation Committee reviews executive officer salaries regularly, at least once every twelve months, and makes adjustments as warranted. The Compensation Committee also compares annually executive compensation with national compensation surveys. Base salaries were established for 2002 on the basis of:

- job responsibilities and complexity;
- individual performance under established guidelines;
- competitiveness for comparable positions in companies of similar size within the industry; and
- sustained performance of Great Plains Energy.

Annual Incentives

Under the Great Plains Energy Annual Incentive Plan in 2002 (the "Plan"), executives received incentive compensation based upon the achievement of a specific corporate performance target based on Economic Value Added (EVA®[1]). Under the Plan, when shareholder value is increased by the amount of the annual EVA® goal, bonuses are paid at a target level that varies to reflect a participant's level of responsibility. A minimum level of EVA® improvement has to be achieved before any bonus is awarded. EVA® improvement above the annual goal

results in payouts above the target level. In 2002, the EVA® goal was met and bonuses were earned at the target level in the amounts set forth in the Summary Compensation Table.

(1) EVA® is a registered trademark of Stern Stewart & Co. in the United States of America, France, the United Kingdom, Canada, Australia and Mexico.

Long-Term Incentive Plan

The Great Plains Energy Long-Term Incentive Plan, as approved by the shareholders in May 2002, provides for grants by the Compensation Committee of stock options, restricted stock, performance shares and other stock-based awards. The Compensation Committee believes that equity interests in Great Plains Energy by its executive officers

more closely aligns the interests of management with shareholders and has established stock ownership guidelines for executive officers based on their level within the organization. Compliance with these guidelines is taken into consideration in determining grants under the Long-Term Incentive Plan. Stock options were granted in 2002 in the amounts set forth in the Summary Compensation Table. The stock options were granted at an exercise price equal to the fair market value on the date of issuance.

Chief Executive Officer

In determining the base salary for Bernard J. Beaudoin, the Chairman of the Board, President and Chief Executive Officer in 2002, the Compensation Committee considered:

- financial performance of Great Plains Energy;
- cost and quality of services provided;
- leadership in enhancing the long-term value of Great Plains Energy; and
- relevant salary data including information supplied by the Edison Electric Instutite (EEI).

Incentive awards to Mr. Beaudoin in 2002 under the Annual Incentive Plan and Long-Term Incentive Plan were determined in the same manner as other executive officers.

Directors' and Executive Officers' rights to Indemnity

The state laws under which each of the System companies is incorporated provide broadly for indemnification of directors and officers against claims and liabilities against them in their capacities as such. Each of the System companies' charters or by-laws also provides for indemnification of directors and officers. Each of such company's articles of incorporation, charters, by-laws, or regulations identifying these rights to indemnify are incorporated by reference or contained herein as exhibits. In addition, the directors and officers of Great Plains Energy and subsidiaries are insured under one or more directors' and officers' liability policies. Great Plains Energy and one or more of its subsidiaries have entered into standard forms of indemnity agreements with their respective officers and directors.

ITEM 7. CONTRIBUTION AND PUBLIC RELATIONS

(1) Kansas City Power & Light Company has established a political action committee and has incurred, in accordance with the provisions of the Federal Election Campaign Act, certain costs for the administration of such committees.

(2) Expenditures, disbursements, or payments, in money, goods or services, directly or indirectly to or for the account of any citizens group, or public relations counsel were as follows during 2002:

Name of Company	Name of Recipient Beneficiary	Purpose	Account Charged	Amount (thousands)
Kansas City Power & Light Company	Full Employment Council (NAP)	Community activity	A&G Expense	$ 150
Kansas City Power & Light Company	Highwoods Realty Limited Partnership	Community activity	A&G Expense	$ 90
Kansas City Power & Light Company	The Greater Kansas City Community Foundation	Community activity	A&G Expense	$ 50
Kansas City Power & Light Company	Kansas City Harmony	Community activity	A&G Expense	$ 50
Kansas City Power & Light Company	Kansas City Public Library	Community activity	A&G Expense	$ 30
Kansas City Power & Light Company	Local Investment Commission	Community activity	A&G Expense	$ 25
Kansas City Power & Light Company	Bridging the Gap	Community activity	A&G Expense	$ 25
Kansas City Power & Light Company	Greater KC Community Foundation & Affiliated Trusts	Community activity	A&G Expense	$ 25
Kansas City Power & Light Company	Initiative for a Competitive Inner City-Kansas City	Community activity	A&G Expense	$ 25
Kansas City Power & Light Company	The National Conference of Community and Justice	Community activity	A&G Expense	$ 10
Kansas City Power & Light Company	Mid-America Regional Council	Community activity	A&G Expense	$ 10
Kansas City Power & Light Company	YMCA of Greater Kansas City	Community activity	A&G Expense	$ 10
Kansas City Power & Light Company	Bridging the Gap	Community activity	A&G Expense	$ 10
Kansas City Power & Light Company	Kansas City Consensus	Community activity	A&G Expense	$ 10
Kansas City Power & Light Company	Kansas City Harmony	Community activity	A&G Expense	$ 10
Kansas City Power & Light Company	Brush Creek Community Partners	Community activity	A&G Expense	$ 10
Kansas City Power & Light Company	Heart of America United Way	Donation	A&G Expense	$ 191
Kansas City Power & Light Company	Friends of the Zoo	Donation	A&G Expense	$ 100
Kansas City Power & Light Company	Metropolitan Community Colleges Foundation	Donation	A&G Expense	$ 20
Kansas City Power & Light Company	Mid America Assistance Coalition	Donation	A&G Expense	$ 20
Kansas City Power & Light Company	University of Missouri - Kansas City	Donation	A&G Expense	$ 20
Kansas City Power & Light Company	Swope Parkway Health Center	Donation	A&G Expense	$ 20
Kansas City Power & Light Company	Powell Gardens	Donation	A&G Expense	$ 20
Kansas City Power & Light Company	EPRISolutions	Donation	A&G Expense	$ 17
Kansas City Power & Light Company	Guadalupe Centers Inc.	Donation	A&G Expense	$ 15
Kansas City Power & Light Company	American Royal Association	Donation	A&G Expense	$ 15
Kansas City Power & Light Company	Westside Agency Collaborative	Donation	A&G Expense	$ 15
Kansas City Power & Light Company	Powell Gardens	Donation	A&G Expense	$ 15
Kansas City Power & Light Company	University of Missouri - Kansas City	Donation	A&G Expense	$ 14
Kansas City Power & Light Company	Kaw Valley Center	Donation	A&G Expense	$ 13
Kansas City Power & Light Company	Harvesters	Donation	A&G Expense	$ 10
Kansas City Power & Light Company	Armour Homes & Gollis	Donation	A&G Expense	$ 10
Kansas City Power & Light Company	Less than $10,000 - 226 beneficiaries	Community activities & Donations	A&G Expense	$ 1,043
Wolf Creek Nuclear Operating Corporation	Less than $10,000 -1 beneficiary (contribution of $25)	Government relations	Income decuctions	$ -
Strategic Energy, L.L.C	Less than $10,000 -1 beneficiary	Donation	A&G Expense	$ 1
R.S. Andrews Enterprises of Charleston, Inc.	Less than $10,000 - 3 beneficiaries	Donations	A&G Expense	$ 1
R.S. Andrews Enterprises of Dallas, Inc.	Less than $10,000 - 4 beneficiaries	Donations	A&G Expense	$ 2
R. S. Andrews Enterprises of South Carolina, Inc.	Less than $10,000 -1 beneficiary (contribution of $250)	Donation	A&G Expense	$ -
R.S. Andrews of Fairfax, Inc.	Less than $10,000 -1 beneficiary (contribution of $100)	Donation	A&G Expense	$ -
R.S. Andrews of Maryland, Inc.	Less than $10,000-17 beneficiaries	Donations	A&G Expense	$ 3
R.S. Andrews Services, Inc.	Less than $10,000 - 2 beneficiaries	Donations	A&G Expense	$ 3
R.S. Andrews of Tidewater, Inc.	Less than $10,000 - 1 beneficiary	Donation	A&G Expense	$ 1

ITEM 8. SERVICE, SALES AND CONSTRUCTION CONTRACTS

Part I. Contracts for services, including engineering or construction services, or goods supplied or sold between System companies during 2002 are as follows:

Transaction	Serving Company	Receiving Company	Compensation (thousands)
Corporate services	Kansas City Power & Light Company	Great Plains Energy Incorporated (Note 1)	$ 1,445
Misc. services & materials	Kansas City Power & Light Company	Great Plains Energy Incorporated (Note 1)	$ 1,114
Corporate services	Kansas City Power & Light Company	Great Plains Power Incorporated (Note 1)	$ 977
Misc. services & materials	Kansas City Power & Light Company	Great Plains Power Incorporated (Note 1)	$ 399
Corporate services	Kansas City Power & Light Company	Strategic Energy, L.L.C (Note 1)	$ 15
Investment management	KLT Inc.	KLT Investments Inc. (Note 1)	$ 35
Investment management	KLT Inc.	KLT Investments II Inc. (Note 1)	$ 35
Investment management	KLT Inc.	KLT Energy Services Inc. (Note 1)	$ 71
Investment management	KLT Inc.	KLT Gas Inc. (Note 1)	$ 50
Investment management	KLT Inc.	KLT Telecom Inc. (Note 1)	$ 130
Corporate services	Kansas City Power & Light Company	Home Service Solutions Inc. (Note 2)	$ 443
Misc. services & materials	Kansas City Power & Light Company	Home Service Solutions Inc. (Note 2)	$ 53
Corporate services	Kansas City Power & Light Company	Worry Free Service, Inc. (Note 2)	$ 436
Misc. services & materials	Kansas City Power & Light Company	Worry Free Service, Inc. (Note 2)	$ 1,151
Corporate services	Kansas City Power & Light Company	KLT Inc. (Note 3)	$ 2,937
(Note 4)	R.S. Andrews Enterprises, Inc.	(Note 4)	$ -
Space rental	KLT Telecom Inc.	Digital Teleport, Inc. (Note 5)	$ 63
Communication services	Digital Teleport, Inc.	KLT Telecom Inc. (Note 5)	$ 11
Investment management	KLT Telecom Inc.	Digital Teleport, Inc. (Note 6)	$ 25
(Note 7)	Wolf Creek Nuclear Operating Corporation	Kansas City Power & Light Company	$ 92,442
Operational and administrative services (Note 5)	KLT Gas Inc.	Subsidiaries of KLT Gas Inc.	$ -
Construction & maintenance management (Note 8)	Custom Energy, L.L.C.	Custom Energy / M&E Sales, L.L.C.	$ -

Note 1: Provided under informal arrangements. Provision of goods and services are authorized by Commission order (HCAR 27436).

Note 2: Provided under contracts dated September 4, 1998, in effect as of December 31, 2002.

Note 3: Provided under contracts dated February 18, 1993 and August 6, 2001, in effect as of December 31, 2002.

Note 4: R.S. Andrews Enterprises, Inc. provides for its subsidiaries, services including finance, accounting, human resource, fleet management, information technology, new business development, legal and insurance. During 2002, no direct or indirect charges or costs of capital were billed by R.S. Andrews Enterprises, Inc. to any of its subsidiaries.

Note 5: Provided under informal arrangements.

Note 6: Provided under formal arrangements, in effect as of December 31, 2002.

Note 7: Under an agreement dated April 14, 1986, Wolf Creek Nuclear Operating Corporation ("WCNOC") operates solely as agent for the owners of the Wolf Creek Generating Station, including Kansas City Power & Light Company ("KCP&L"). KCP&L directly pays for its 47% share of the costs to operate, maintain, and repair the Station by transferring funds to a joint bank account held by the owners of the Station. WCNOC, as agent for the owners, disburses funds from the account to pay its employees and invoices from third parties. During 2002, KCP&L transferred $92.4 million to the joint bank account. The April 14, 1986 agreement was in effect as of December 31, 2002.

Note 8: The construction management services were performed under a contract dated March 22, 1999. The contract was not in effect at December 31, 2002. The maintenance management services were not provided under any formal arrangements.

Part II. There were no contracts to purchase services or goods during 2002 from any affiliate (other than a System company) or from a company in which any officer or director of the receiving company is a partner or owns 5 percent of more of any class of equity securities.

Part III. The System companies do not employ any other person for the performance on a continuing basis of management, supervisory or financial advisory services.

ITEM 9. WHOLESALE GENERATORS AND FOREIGN UTILITY COMPANIES

Neither Great Plains Energy Incorporated or any its subsidiaries held any interest in an exempt wholesale generator or a foreign utility company during 2002.

ITEM 10. FINANCIAL STATEMENTS AND EXHIBITS

Consolidated Financial Statements and Notes 1 through 20 to the Consolidated Financial Statements are incorporated herein by reference, in Exhibit A-1, in the combined Annual Report of Great Plains Energy Incorporated and Kansas City Power & Light Company on Form 10-K for the year 2002.

The financial statements of inactive subsidiaries, and of subsidiaries which cannot be obtained are omitted.

By permission of the Staff of the Commission, consolidating cash flows are not presented for the following companies. These companies are included in the consolidated cash flows of Home Service Solutions, Inc., (located in Exhibit F-2).

Worry Free Service, Inc.
RSA Services Termite & Pest Control, Inc.
R.S. Andrews Enterprises of Tennessee, Inc.
R.S. Andrews Enterprises of Charleston, Inc.
R.S. Andrews of Maryland, Inc.
R.S. Andrews of Wilmington, Inc.
R.S. Andrews Enterprises of Columbus, Inc.
R.S. Andrews of Fairfax, Inc.
R.S. Andrews Enterprises of Dallas, Inc.
R.S. Andrews Enterprises, Inc.
R.S. Andrews Enterprises of Kansas, Inc.
R.S. Andrews of Stuart II, Inc.
R.S. Andrews of Chattanooga, Inc.
R.S. Andrews Enterprises of South Carolina, Inc.
R.S. Andrews of Alabama, Inc.
Premier Service Systems, Inc.
R.S. Andrews of Tidewater, Inc.
R.S. Andrews Services, Inc.

By permission of the Staff of the Commission, consolidating cash flows are not presented for the following companies. These companies are included in the consolidated cash flows of KLT Inc., (located in Exhibit F-2).

KLT Investments Inc.
KLT Energy Services Inc.
Strategic Energy, L.L.C
Apache Canyon Gas, L.L.C
Forest City, LLC
KLT Gas Operating Company
KLT Telecom Inc.
Copier Solutions, LLC
Municipal Solutions, L.L.C
Globalutilityexchange.com, LLC
Digital Teleport, Inc.
Digital Teleport of Virginia, Inc.
KLT Investments II Inc.
Custom Energy Holdings, L.L.C.
KLT Gas Inc.
FAR Gas Acquisitions Corporation
Forest City Gathering, LLC
Patrick KLT Gas, LLC
Advanced Measurement Solutions, Inc.
eChannel, Inc.
Telemetry Solutions, L.L.C.
DTI Holdings, Inc.
Digital Teleport Nationwide LLC

FINANCIAL STATEMENTS

F-1 The consent of the independent accountants as to the incorporation by reference of their reports on the consolidated financial statements and the footnotes of Great Plains Energy Incorporated and Subsidiaries, and Kansas City Power & Light Company and Subsidiaries, for the year ended December 31, 2002 is included in Exhibit F-1.

F-2 Consolidating Financial Statements of Great Plains Energy Incorporated for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).

F-3 Consolidating Financial Statements of Home Service Solutions Inc. for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).

F-4 Consolidating Financial Statements of KLT Inc. for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).

F-5 Consolidating Financial Statements of KLT Energy Services Inc. for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).

F-6 Consolidating Financial Statements of KLT Gas Inc. for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).

F-7 Financial Statements of Kansas City Power & Light Receivables Company for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).

F-8 Statement of Owners' Assets and Statement of Expenses of Wolf Creek Nuclear Operating Corporation for the year ended December 31, 2002.

F-9 Classified plant accounts and related depreciation and amortization reserve schedules included in the FERC Form No.1 of Kansas City Power & Light Company.

F-10 Classified plant accounts and related depreciation and amortization reserve schedules included in the FERC Form No.1 of Wolf Creek Nuclear Operating Corporation.

F-11 The chart of accounts of KLT Inc. and its subsidiaries as of December 31, 2001 are incorporated herein by reference to Exhibit F-12 in Amendment No. 1 to Form U5S for the year ended December 31, 2001. During 2002, no change in the accounts used has occurred (pursuant to Rule 26 (b)).

F-12 The chart of accounts of R.S. Andrews Enterprises Inc. and its subsidiaries as of December 31, 2001 are incorporated herein by reference to Exhibit F-13 in Amendment No.1 to Form U5S for the year ended December 31, 2001. During 2002, no change in the accounts used has occurred (pursuant to Rule 26 (b)).

EXHIBITS

Copies of the documents listed below which are identified with an asterisk (*) have heretofore been filed with the SEC and are incorporated herein by reference and made a part hereof. Exhibits not so identified are filed herewith unless otherwise stated.

Exhibit Designation	Description of Exhibit
A-1*	Combined Annual Reports of Great Plains Energy Incorporated and of Kansas City Power & Light Company on Form 10-K for the year ended December 31,

2002. (File Nos. 001-00707 and 000-33207)

B-1* Articles of Incorporation of Great Plains Energy Incorporated dated March 13, 2001 (Exhibit 3.i to Form 8-K filed October 1, 2001, File No. 000-33207)

B-2* Bylaws of Great Plains Energy Incorporated dated March 13, 2001 (Exhibit 3.ii to Form 8-K filed October 1, 2001, File No. 000-33207)

B-3 Articles of Incorporation of Innovative Energy Consultants, Inc. dated June 21, 2002

B-4 Bylaws of Innovative Energy Consultants, Inc. dated June 21, 2002

B-5* Restated Articles of Consolidation of Kansas City Power & Light Company, as amended October 1, 2001 (Exhibit 3-(i) to Form 10-Q for quarter ended September 30, 2001, File No. 001-00707)

B-6* Bylaws of Kansas City Power & Light Company, as amended and in effect on November 7, 2000 (Exhibit 3-b to Form 10-K for the year ended December 31, 2000, File No. 001-00707)

B-7 Amended Articles Accepting Close Corporation dated July 9, 2002 of Great Plains Power Incorporated

B-8 Amended and Restated Bylaws dated July 9, 2002 of Great Plains Power Incorporated

B-9* Articles of Incorporation as amended February 4, 2000 of Kansas City Power & Light Receivables Company (Exhibit B-7 to Form U5S/A for the year ended December 31, 2001)

B-10* Bylaws of Kansas City Power & Light Receivables Company (Exhibit B-8 to Form U5S/A for the year ended December 31, 2001)

B-11* Amended and Restated Certificate of Incorporation dated December 30, 1993 of Wolf Creek Nuclear Operating Corporation (Exhibit B-9 to Form U5S/A for the year ended December 31, 2001)

B-12* Bylaws as amended December 1, 1993 of Wolf Creek Nuclear Operating Corporation (Exhibit B-10 to Form U5S/A for the year ended December 31, 2001)

B-13* Certificate of Amendment to Articles of Incorporation of Home Service Solutions Inc. (Exhibit B-11 to Form U5S/A for the year ended December 31, 2001)

B-14* Bylaws dated May 7, 1998 of Home Service Solutions, Inc. (Exhibit B-12 to Form U5S/A for the year ended December 31, 2001)

Exhibit Designation — Description of Exhibit

B-15* Certificate of Amendment to Articles of Incorporation of Worry Free Service, Inc. (Exhibit B-13 to Form U5S/A for the year ended December 31, 2001)

B-16* Bylaws dated January 29, 1997 of Worry Free Service, Inc. (Exhibit B-14 to Form U5S/A for the year ended December 31, 2001)

B-17* Certificate of Incorporation dated May 22, 1998 of R.S. Andrews Enterprises, Inc. (Exhibit B-15 to Form U5S/A for the year ended December 31, 2001)

B-18* Bylaws of R.S. Andrews Enterprises, Inc. (Exhibit B-16 to Form U5S/A for the year ended December 31, 2001)

B-19* Stockholders Agreement dated May 29, 1998, by and among R.S. Andrews Enterprises, Inc., Home Service Solutions Inc. and R. Stephen Andrews, individually and in his capacity as Voting Trustee and shareholder's representative, and First Amendment to Stockholders Agreement dated as of April 1, 1999, by and among R.S. Andrews Enterprises, Inc. and the stockholders of the Company set forth on the signature pages (Exhibit B-131 to Form U5S/A for the year ended December 31, 2001)

B-20* Articles of Incorporation as amended July 31, 1998 of R.S. Andrews Termite & Pest Control, Inc. (Exhibit B-17 to Form U5S/A for the year ended December 31, 2001)

B-21* Bylaws of R.S. Andrews Termite & Pest Control, Inc. (Exhibit B-18 to Form U5S/A for the year ended December 31, 2001)

B-22* Articles of Incorporation of R.S. Andrews Enterprises of Charleston, Inc. (Exhibit B-21 to Form U5S/A for the year ended December 31, 2001)

B-23* Bylaws of R.S. Andrews Enterprises of Charleston, Inc. (Exhibit B-22 to Form U5S/A for the year ended December 31, 2001)

B-24* Articles of Incorporation of R.S. Andrews Enterprises of Dallas, Inc. (Exhibit B-25 to Form U5S/A for the year ended December 31, 2001)

B-25* Bylaws of R.S. Andrews Enterprises of Dallas, Inc. (Exhibit B-26 to Form U5S/A for the year ended December 31, 2001)

B-26* Articles of Incorporation of R.S. Andrews Enterprises of Kansas, Inc. (Exhibit B-27 to Form U5S/A for the year ended December 31, 2001)

B-27* Bylaws of R.S. Andrews Enterprises of Kansas, Inc. (Exhibit B-28 to Form U5S/A for the year ended December 31, 2001)

B-28* Articles of Incorporation of R.S. Andrews Enterprises of South Carolina, Inc. (Exhibit B-29 to Form U5S/A for the year ended December 31, 2001)

B-29* Bylaws of R.S. Andrews Enterprises of South Carolina, Inc. (Exhibit B-30 to Form U5S/A for the year ended December 31, 2001)

B-30* Articles of Incorporation of R.S. Andrews of Chattanooga, Inc. (Exhibit B-31 to Form U5S/A for the year ended December 31, 2001)

Exhibit Designation	Description of Exhibit
B-31*	Bylaws of R.S. Andrews of Chattanooga, Inc. (Exhibit B-32 to Form U5S/A for the year ended December 31, 2001)
B-32*	Articles of Incorporation of R.S. Andrews of Fairfax, Inc. (Exhibit B-33 to Form U5S/A for the year ended December 31, 2001)
B-33*	Bylaws of R.S. Andrews of Fairfax, Inc. (Exhibit B-34 to Form U5S/A for the year ended December 31, 2001)
B-34*	Articles of Incorporation of R.S. Andrews of Maryland, Inc. (Exhibit B-35 to Form U5S/A for the year ended December 31, 2001)
B-35*	Bylaws of R.S. Andrews of Maryland, Inc. (Exhibit B-36 to Form U5S/A for the year ended December 31, 2001)
B-36*	Articles of Incorporation of R.S. Andrews Services, Inc. (Exhibit B-37 to Form U5S/A for the year ended December 31, 2001)
B-37*	Bylaws of R.S. Andrews Services, Inc. (Exhibit B-38 to Form U5S/A for the year ended December 31, 2001)
B-38*	Articles of Incorporation of R.S. Andrews of Stuart II, Inc. (Exhibit B-39 to Form U5S/A for year ended December 31, 2001)
B-39*	Bylaws of R.S. Andrews of Stuart II, Inc. (Exhibit B-40 to Form U5S/A for the year ended December 31, 2001)
B-40*	Articles of Incorporation of R.S. Andrews of Tidewater, Inc. (Exhibit B-41 to Form U5S/A for the year ended December 31, 2001)
B-41*	Bylaws of R.S. Andrews of Tidewater, Inc. (Exhibit B-42 to Form U5S/A for the year ended December 31, 2001)
B-42*	Articles of Incorporation of R.S. Andrews of Wilmington, Inc. (Exhibit B-43 to Form U5S/A for the year ended December 31, 2001)
B-43*	Bylaws of R.S. Andrews of Wilmington, Inc. (Exhibit B-44 to Form U5S/A for the year ended December 31, 2001)
B-44*	Articles of Incorporation, with amendments, of KLT Inc. (Exhibit B-83 to Form U5S/A for the year ended December 31, 2001)
B-45	Bylaws of KLT Inc., as amended through May 7, 2002
B-46*	Amended Articles Accepting Close Corporation Law dated May 22, 2000 of KLT Investments Inc. (Exhibit B-85 to Form U5S/A for the year ended December 31, 2001)
B-47*	Amended and Restated Bylaws of KLT Investments Inc. (Exhibit B-86 to Form U5S/A for the year ended December 31, 2001)
B-48*	Amended Articles Accepting Close Corporation Law dated May 31, 2000 of KLT Investments II Inc. (Exhibit B-87 to Form U5S/A for the year ended December 31, 2001)

Exhibit Designation	Description of Exhibit
B-49*	Amended and Restated Bylaws of KLT Investments II Inc. (Exhibit B-88 to Form U5S/A for the year ended December 31, 2001)
B-50*	Amended Articles Accepting Close Corporation Law dated May 19, 2000 of KLT Energy Services Inc. (Exhibit B-91 to Form U5S/A for the year ended December 31, 2001)
B-51*	Bylaws of KLT Energy Services Inc., as amended through July 3, 2000 (Exhibit B-92 to Form U5S/A for the year ended December 31, 2001)
B-52*	Certification of Formation, with amendments, of Custom Energy Holdings, LLC (Exhibit B-93 to Form U5S/A for the year ended December 31, 2001)
B-53	Second Amended and Restated Limited Liability Company Agreement dated July 26, 2002 of Custom Energy Holdings, LLC

B-54	Amendment No. 1 dated March 25, 2003 to the Second Amended and Restated Limited Liability Agreement of Custom Energy Holdings, LLC
B-55*	Certificate of Formation dated September 24, 1998 of Strategic Energy, LLC (Exhibit B-95 to Form U5S/A for the year ended December 31, 2001)
B-56*	Amended and Restated Limited Liability Company Agreement of Strategic Energy, LLC (Exhibit B-96 to Form U5S/A for the year ended December 31, 2001)
B-57	Amendment No. 2 dated March 25, 2003 to the Amended and Restated Limited Liability Company Agreement of Strategic Energy, LLC
B-58	Certificate of Formation filed December 8, 1999 of Custom Energy, L.L.C.
B-59	Amended and Restated Limited Liability Company Agreement dated July 26, 2002 of Custom Energy, L.L.C.
B-60	Certificate of Formation dated October 29, 1997 of Custom Energy/M & E Sales, L.L.C.
B-61	Limited Liability Company Agreement dated March 19, 1998 of Custom Energy/M & E Sales, L.L.C.
B-62	Certificate of Formation dated February 13, 1998 of CM2, L.L.C.
B-63*	Amended Articles Accepting Close Corporation Law dated May 31, 2000 of KLT Gas Inc. (Exhibit B-97 to Form U5S/A for the year ended December 31, 2001)
B-64*	Amended and Restated Bylaws of KLT Gas Inc. (Exhibit B-98 to Form U5S/A for the year ended December 31, 2001)
B-65*	Certificate of Formation dated December 19, 1995 of Apache Canyon Gas, LLC (Exhibit B-99 to Form U5S/A for the year ended December 31, 2001)
B-66*	Amended and Restated Operating Agreement dated March 17, 1999 of Apache Canyon Gas, LLC (Exhibit B-100 to Form U5S/A for the year ended December 31, 2001)

Exhibit Designation	Description of Exhibit
B-67*	Articles of Incorporation, with amendments, of Far Gas Acquisition Corporation (Exhibit B-101 to Form U5S/A for the year ended December 31, 2001)
B-68*	Amended and Restated Bylaws of Far Gas Acquisition Corporation (Exhibit B-102 to Form U5S/A for the year ended December 31, 2001)
B-69*	Certificate of Formation dated May 31, 2001 of Forest City, LLC (Exhibit B-103 to Form U5S/A for the year ended December 31, 2001)
B-70*	Limited Liability Company Agreement dated May 31, 2001 of Forest City, LLC (Exhibit B-104 to Form U5S/A for the year ended December 31, 2001)
B-71*	Certificate of Formation of Forest City Gathering, LLC (Exhibit B-105 to Form U5S/A for the year ended December 31, 2001)
B-72*	Limited Liability Company Agreement dated August 3, 2001 of Forest City Gathering, LLC (Exhibit B-106 to Form U5S/A for the year ended December 31, 2001)
B-73*	Articles of Incorporation for a Close Corporation dated May 20, 1999 of KLT Gas Operating Company (Exhibit B-107 to Form U5S/A for the year ended December 31, 2001)
B-74*	Bylaws of KLT Gas Operating Company (Exhibit B-108 to Form U5S/A for the year ended December 31, 2001)
B-75*	Certificate of Limited Liability Company of Patrick KLT Gas, LLC (Exhibit B-109 to Form U5S/A for the year ended December 31, 2001)
B-76*	Members Agreement/Operating Agreement of Patrick KLT Gas, LLC (Exhibit B-110 to Form U5S/A for the year ended December 31, 2001)
B-77*	Amended Articles Accepting Close Corporation Law dated May 19, 2000 of KLT Telecom Inc. (Exhibit B-111 to Form U5S/A for the year ended December 31, 2001)
B-78*	Amended and Restated Bylaws of KLT Telecom Inc. (Exhibit B-112 to Form U5S/A for the year ended December 31, 2001)
B-79*	Certificate of Incorporation, with amendments, of Advanced Measurement Solutions, Inc. (Exhibit B-113 to Form U5S/A for the year ended December 31, 2001)
B-80*	Bylaws dated June 5, 1997 of Digital Systems Engineering, Inc. (now known as Advanced Measurement Solutions, Inc.) (Exhibit B-114 to Form U5S/A for the year ended December 31, 2001)
B-81*	Certificate of Organization Limited Liability Company dated May 12, 1998 of Copier Solutions, LLC (Exhibit B-115 to Form U5S/A for the year ended December 31, 2001)
B-82*	Operating Agreement dated June 2, 1998 of Copier Solutions, LLC (Exhibit B-116 to Form U5S/A for the year ended December 31, 2001)
B-83*	Restated Certificate of Incorporation dated February 12, 1999 of eChannel, Inc. (Exhibit B-117 to Form U5S/A for the year ended December 31, 2001)

Exhibit Designation	Description of Exhibit
B-84*	Certificate of Formation, with amendments, of Municipal Solutions, Inc. (Exhibit B-118 to Form U5S/A for the year ended December 31, 2001)
B-85*	Limited Liability Company Agreement dated January 9, 1997 of Municipal Solutions, LLC (Exhibit B-119 to Form U5S/A for the year ended December 31, 2001)
B-86*	Certificate of Formation, with amendments, of Telemetry Solutions, LLC (Exhibit B-120 to Form U5S/A for the year ended December 31, 2001)
B-87*	Limited Liability Company Agreement dated January 9, 1997 of Telemetry Solutions, LLC (Exhibit B-121 to Form U5S/A for the year ended December 31, 2001)
B-88*	Restated Articles of Incorporation dated April 16, 1998 of DTI Holdings, Inc. (Exhibit B-123 to Form U5S/A for the year ended December 31, 2001)
B-89*	Bylaws of DTI Holdings, Inc., as amended through April 19, 2001 (Exhibit B-124 to Form U5S/A for the year ended December 31, 2001)
B-90*	Second Restated Articles of Incorporation dated April 16, 1998 of Digital Teleport, Inc. (Exhibit B-125 to Form U5S/A for the year ended December 31, 2001)
B-91*	Bylaws of Digital Teleport, Inc., as amended through April 19, 2001 (Exhibit B-126 to Form U5S/A for the year ended December 31, 2001)
B-92*	Articles of Organization dated October 31, 2001 of Digital Teleport Nationwide, LLC (Exhibit B-127 to Form U5S/A for the year ended December 31, 2001)
B-93*	Articles of Incorporation dated September 18, 1998 of Digital Teleport of Virginia, Inc. (Exhibit B-128 to Form U5S/A for the year ended December 31, 2001)
B-94	Bylaws of Digital Teleport of Virginia, Inc. as amended and restated December 28, 2001
B-95*	Shareholders Agreement among DTI Holdings, Inc., Richard D. Weinstein and KLT Telecom Inc. dated February 6, 2001 (Exhibit 10.31 to DTI Holdings, Inc. Form 10-Q for the quarter ended March 31, 2001, File No. 333-50049)
B-96*	Purchase Agreement by and between DTI Holdings, Inc. and the Initial Purchasers named therein, dated as of February 13, 1998 (Exhibit 10.30 to the DTI Holdings, Inc. Registration Statement, File No. 333-50049)
B-97*	Warrant Agreement by and between DTI Holdings, Inc. and The Bank of New York, as Warrant Agent, dated February 23, 1998 (Exhibit 4.3 to the DTI Holdings, Inc. Registration Statement, File No. 333-50049)
B-98*	Warrant Registration Rights Agreement by and among DTI Holdings, Inc. and the Initial Purchasers named therein, dated February 23, 1998 (Exhibit 4.4 to the DTI Holdings, Inc. Registration Statement, File No. 333-50049)
B-99*	Warrant agreement, by and among Digital Teleport, Inc. and Banque Indosuez expiring October 21, 2007 (Exhibit 4.13 to DTI Holdings, Inc. Annual Report on Form 10K for the period ended June 30, 2000, File No. 333-50049)

Exhibit Designation	Description of Exhibit
B-100*	Long-Term Incentive Award Plan of DTI Holdings, Inc. (Exhibit 2.2 to the DTI Holdings, Inc. S- 4, File No. 333-50049)
B-101*	DTI Holdings, Inc. 2001 Stock Option Plan (Exhibit 10.32 to the DTI Holdings, Inc. Form 10-Q for the quarter ended March 31, 2001, File No. 333-50049)
B-102*	Amended DTI Holdings, Inc. 2001 Stock Option Plan (Exhibit 10.35 to the DTI Holdings, Inc. Form 10-Q for the quarter ended June 30, 2001, File No. 333-50049)
B-103*	Great Plains Energy Incorporated Long-Term Incentive Plan (Exhibit 10.1.a to Form 10-K for the year ended December 31, 2002, File No. 0-33207)
B-104*	Resolution of Board of Directors Establishing 3.80% Cumulative Preferred Stock (Great Plains Energy Incorporated) (Exhibit 2-R to Registration Statement, Registration No. 2-40239)
B-105*	Resolution of Board of Directors Establishing 4.50% Cumulative Preferred Stock (Great Plains Energy Incorporated) (Exhibit 2-T to Registration Statement, Registration No. 2-40239)
B-106*	Resolution of Board of Directors Establishing 4.20% Cumulative Preferred Stock (Great Plains Energy Incorporated) (Exhibit 2-U to Registration Statement, Registration No. 2-40239)
B-107*	Resolution of Board of Directors Establishing 4.35% Cumulative Preferred Stock (Great Plains Energy Incorporated) (Exhibit 2-V to Registration Statement,

Registration No. 2-40239)

C-1* General Mortgage and Deed of Trust dated as of December 1, 1986, between Kansas City Power & Light Company and UMB Bank, n.a. (formerly United Missouri Bank of Kansas City, N.A.), Trustee (Exhibit 4-bb to Form 10-K for the year ended December 31, 1986, File No. 001-00707)

C-2* Fourth Supplemental Indenture dated as of February 15, 1992, to Indenture dated as of December 1, 1986 (Exhibit 4-y to Form 10-K for year ended December 31, 1991, File No. 001-00707)

C-3* Fifth Supplemental Indenture dated as of September 15, 1992, to Indenture dated as of December 1, 1986 (Exhibit 4-a to Form 10-Q for the quarter ended September 30, 1992, File No. 001-00707)

C-4* Sixth Supplemental Indenture dated as of November 1, 1992, to Indenture dated as of December 1, 1986 (Exhibit 4-z to Registration Statement, Registration No. 33-54196)

C-5* Seventh Supplemental Indenture dated as of October 1, 1993, to Indenture dated as of December 1, 1986 (Exhibit 4-a to Form 10-Q for the quarter ended September 30, 1993, File No. 001-00707)

Exhibit Designation Description of Exhibit

C-6* Eighth Supplemental Indenture dated as of December 1, 1993, to Indenture dated as of December 1, 1986 (Exhibit 4 to Registration Statement, Registration No. 33-51799)

C-7* Ninth Supplemental Indenture dated as of February 1, 1994, to Indenture dated as of December 1, 1986 (Exhibit 4-h to Form 10-K for year ended December 31, 1993, File No. 001-00707)

C-8* Indenture for Medium-Term Note Program dated as of February 15, 1992, between Kansas City Power & Light Company and The Bank of New York (Exhibit 4-bb to Registration Statement, Registration No. 33-45736)

C-9* Indenture for Medium-Term Note Program dated as of November 15, 1992, between Kansas City Power & Light Company and The Bank of New York (Exhibit 4-aa to Registration Statement, Registration No. 33-54196)

C-10* Amended and Restated Declaration of Trust of Kansas City Power & Light Company Financing I dated April 15, 1997 (Exhibit 4-a to Form 10-Q for quarter ended March 31, 1997, File No. 001-00707)

C-11* Indenture dated as of April 1, 1997 between the Company and The First National Bank of Chicago, Trustee (Exhibit 4-b to Form 10-Q for quarter ended March 31, 1997, File No. 001-00707)

C-12* First Supplemental Indenture dated as of April 1, 1997 to the Indenture dated as of April 1, 1997 between the Company and The First National Bank of Chicago, Trustee (Exhibit 4-c to Form 10-Q for quarter ended March 31, 1997, File No. 001-00707)

C-13* Preferred Securities Guarantee Agreement dated April 15, 1997 (Exhibit 4-d to Form 10-Q for the period ended March 31, 1997)

C-14* Indenture for $150 million aggregate principal amount of 6.50% Senior Notes due November 15, 2011 and $250 million aggregate principal amount of 7.125% Senior Notes due December 15, 2005 dated as of December 1, 2000, between Kansas City Power & Light Company and The Bank of New York (Exhibit 4-a to Report on Form 8-K dated December 18, 2000)

C-15* Indenture for $225 million aggregate principal amount of 6.00% Senior Notes due 2007, Series B, dated March 1, 2002 between The Bank of New York and Kansas City Power & Light Company (Exhibit 4.1.b to Form 10-Q for the period ended March 31, 2002)

C-16* Amended and Restated Lease dated as of October 12, 2001 between Kansas City Power & Light Company and Wells Fargo Bank Northwest, National Association (Exhibit 10.2.d to Form 10-K for year ended December 31, 2001, File No. 001-00707)

C-17* Indenture by and between DTI Holdings, Inc. and The Bank of New York, as Trustee, for 12 1/2% Senior Discount Notes due 2008, dated February 23, 1998 (Exhibit 4.1 to DTI Holdings, Inc. S-4, File No. 333-50049)

C-18* Promissory Note dated November 4, 1994, due May 15, 2004, issued by KLT Investments Inc. to the order of NDH Capital Corporation in the face amount of $4,113,163 (Exhibit C-21 to Form U5S/A for the year ended December 31, 2001)

Exhibit Designation Description of Exhibit

C-19* Promissory Note dated June 30, 1995, due May 15, 2004, issued by KLT Investments Inc. to the order of NDH Capital Contribution in the face amount of

	$4,314,704 (Exhibit C-22 to Form U5S/A for the year ended December 31, 2001)
C-20	Promissory Note dated December 21, 1995, due May 15, 2005, issued by KLT Investments Inc. to the order of NDH Capital Contribution in the face amount of $2,010,031
C-21	Promissory Note dated May 1, 1996, due May 15, 2005, issued by KLT Investments Inc. to the order of NDH Capital Contribution in the face amount of $906,864
C-22	Promissory Note dated October 1, 1996, due May 15, 2005, issued by KLT Investments Inc. to the order of NDH Capital Contribution in the face amount of $1,361,428
C-23*	Promissory Note dated March 31, 1999, due October 1, 2006, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $2,090,419 (Exhibit C-27 to Form U5S/A for the year ended December 31, 2001)
C-24*	Promissory Note dated August 18, 1995, due May 15, 2004, issued by KLT Investments Inc. to the order of Corporate Credit Inc. in the face amount of $3,863,290 (Exhibit C-28 to Form U5S/A for the year ended December 31, 2001)
C-25*	Promissory Note dated July 1, 1995, due May 15, 2004, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $3,113,439 (Exhibit C-29 to Form U5S/A for the year ended December 31, 2001)
C-26*	Promissory Note dated May 12, 1995, due May 15, 2004, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $5,318,971 (Exhibit C-30 to Form U5S/A for the year ended December 31, 2001)
C-27*	Promissory Note dated November 2, 1995, due May 15, 2004, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $3,243,051 (Exhibit C-31 to Form U5S/A for the year ended December 31, 2001)
C-28	Promissory Note dated March 1, 1996, due May 15, 2004, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $2,001,793
C-29*	Promissory Note dated March 21, 1997, due May 15, 2005, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $3,563,614 (Exhibit C-32 to Form U5S/A for the year ended December 31, 2001)
C-30*	Promissory Note dated March 21, 1997, due May 15, 2006, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $6,712,389 (Exhibit C-33 to Form U5S/A for the year ended December 31, 2001)
C-31*	Promissory Note dated January 29, 1998, due May 15, 2006, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $8,613,347 (Exhibit C-34 to Form U5S/A for the year ended December 31, 2001)
C-32*	Promissory Note dated March 30, 1999, due October 1, 2008, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $5,547,350 (Exhibit C-35 to Form U5S/A for the year ended December 31, 2001)

Exhibit Designation	Description of Exhibit
C-33	Promissory Note dated January 29, 1998, due May 15, 206, issued by KLT Investments Inc. to the order of NDH Capital Corporation Inc. in the face amount of $1,540,161
C-34*	Amendment Agreement entered into among KLT Investments Inc., Kansas City Power & Light Company, Great Plains Energy Incorporated and John Hancock Life Insurance Company relating to certain promissory notes issued by KLT Investments Inc., including the promissory notes included in Exhibits C-21 through C-31, and C-33 through C-35 (Exhibit C-36 to Form U5S/A for the year ended December 31, 2001)
C-35*	Amendment Agreement entered into among KLT Investments Inc., Kansas City Power & Light Company, Great Plains Energy Incorporated and Community Reinvestment Fund, Inc., made as of October 1, 2001, relating to the promissory note included in Exhibit C-32 (Exhibit C-37 to Form U5S/A for the year ended December 31, 2001)
C-36*	Remaining Shares Put Option Agreement between KLT Telecom Inc. and Richard D. Weinstein, dated February 6, 2001 (Exhibit C-38 to Form U5S/A for the year ended December 31, 2001)
C-37*	Remaining Shares Call Option Agreement between Richard D. Weinstein and KLT Telecom Inc., dated February 6, 2001 (Exhibit C-39 to Form U5S/A for the year ended December 31, 2001)
C-38*	Lease Agreement dated October 1, 1984, between Kansas Gas and Electric Company and Kansas City Power & Light Company, with letter agreement dated April 9, 1991 between Kansas Gas and Electric Company and Kansas City Power & Light Company (Exhibit C-40 to Form U5S/A for the year ended December 31, 2001)
C-39*	Facilities Use Agreement by and between St. Joseph Light & Power Company and Kansas City Power & Light Company for Access by Kansas City Power & Light Company to the Cooper-Fairport-St. Joseph 345 Kilovolt Interconnection, dated March 5, 1990 (Exhibit C-41 to Form U5S/A for the year ended December 31, 2001)
C-40*	Construction and Financing Agreement by and between Associated Electric Cooperative, Inc. and Kansas City Power & Light Company for the Cooper-Fairport-St. Joseph 345 Kilovolt Interconnection, dated March 5, 1990 (Exhibit C-42 to Form U5S/A for the year ended December 31, 2001)

C-41*	Short Term Railcar Lease Agreement between Kansas City Power & Light Company and Midwest Generation LLC, dated October 30, 2001 (Exhibit C-43 to Form U5S/A for the year ended December 31, 2001)
C-42*	Net Lease of Railroad Equipment between Kansas City Power & Light Company and Pullman Leasing Company, dated January 11, 1989 (Exhibit C-44 to Form U5S/A for the year ended December 31, 2001)
C-43*	Master Railcar Lease between The CIT Group/Equipment Financing, Inc. and Kansas City Power & Light Company, dated May 2, 2001 (Exhibit C-45 to Form U5S/A for the year ended December 31, 2001)
C-44*	Master Lease Agreement between The Equipment Funding Group, a Division of Provident Commercial Group, Inc. and Kansas City Power & Light Company, dated June 18, 2001 (Exhibit C-46 to Form U5S/A for the year ended December 31, 2001)

Exhibit Designation	Description of Exhibit
C-45*	Railcar Lease dated as of April 15, 1994, between Shawmut Bank Connecticut, National Association, and Kansas City Power & Light Company (Exhibit 10 to Form 10-Q for period ended June 30, 1994, File No. 001-00707)
C-46*	Railcar Lease dated as of January 31, 1995, between First Security Bank of Utah, National Association, and Kansas City Power & Light Company (Exhibit 10-o to Form 10-K for year ended December 31, 1994, File No. 001-00707)
C-47*	Railcar Lease dated as of September 8, 1998, between CCG Trust Corporation and Kansas City Power & Light Company (Exhibit 10(b) to Form 10-Q for period ended September 30, 1998, File No. 001-00707)
C-48	Equipment Sublease Agreement among City of Burlington, Kansas and Kansas City Power & Light Company dated as of December 1, 1993
C-49	Equipment Sublease Agreement among City of LaCygne, Kansas and Kansas City Power & Light Company dated as of February 1, 1994
C-50	Equipment Sublease Agreement among City of Burlington, Kansas and Kansas City Power & Light Company dated as of August 1, 1998
C-51	Secured Promissory Note dated December 23, 2002 between R.S. Andrews of Maryland, Inc. and Richard Roeder, Jr.
C-52	Secured Promissory Note dated December 23, 2002 between R.S. Andrews Enterprises, Inc. and Chamberlain & Cansler, Inc.
D-1*	Tax Allocation Agreement among Great Plains Energy Incorporated and subsidiaries, dated as of October 1, 2001 (Exhibit D-1 to Form U5S/A for the year ended December 31, 2001)
D-2*	Amendment to Tax Allocation Agreement among Great Plains Energy Incorporated and subsidiaries, effective as of October 1, 2001 (Exhibit D-2 to Form U5S/A for the year ended December 31, 2001)
D-3	State Tax Return Addendum to Tax Allocation Agreement among Great Plains Energy Incorporated and Subsidiaries, effective as of October 1, 2001
E-1*	KCP&L Employee Electrical Appliance and Computer Sales Program (Exhibit E-1 to Form U5S/A for the year ended December 31, 2001)
E-2	KCP&L Residential Heating and Cooling Systems Program
E-3	Electric Kansas Supplemental 2002 Annual Report to the State of Kansas State Corporation Commission for the year ending December 31, 2002 of Kansas City Power & Light Company (filed on Form SE)
E-4	Electric Utility Annual Report of Wolf Creek Nuclear Operating Corporation to the State of Kansas State Corporation Commission for the year ending December 31, 2002 (filed on Form SE)

Exhibit Designation	Description of Exhibit
F-1	The consent of the independent accountants as to the incorporation by reference of their reports on the consolidated financial statements and the footnotes of Great Plains Energy Incorporated and Subsidiaries, and Kansas City Power & Light Company and Subsidiaries, for the year ended December 31, 2002 is included in Exhibit F-1.
F-2	Consolidating Financial Statements of Great Plains Energy Incorporated for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).
F-3	Consolidating Financial Statements of Home Service Solutions Inc. for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).

F-4	Consolidating Financial Statements of KLT Inc. for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).
F-5	Consolidating Financial Statements of KLT Energy Services Inc. for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).
F-6	Consolidating Financial Statements of KLT Gas Inc. for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).
F-7	Financial Statements of Kansas City Power & Light Receivables Company for the year ended December 31, 2002. (Filed pursuant to Rule 104(b)).
F-8	Statement of Owners' Assets and Statement of Expenses of Wolf Creek Nuclear Operating Corporation for the year ended December 31, 2002.
F-9	Classified plant accounts and related depreciation and amortization reserve schedules included in the FERC Form No.1 of Kansas City Power & Light Company.
F-10	Classified plant accounts and related depreciation and amortization reserve schedules included in the FERC Form No.1 of Wolf Creek Nuclear Operating Corporation.
F-11	The chart of accounts of KLT Inc. and its subsidiaries as of December 31, 2001 are incorporated herein by reference to Exhibit F-12 in Amendment No. 1 to Form U5S for the year ended December 31, 2001. During 2002, no change in the accounts used has occurred (pursuant to Rule 26 (b)).
F-12	The chart of accounts of R.S. Andrews Enterprises Inc. and its subsidiaries as of December 31, 2001 are incorporated herein by reference to Exhibit F-13 in Amendment No.1 to Form U5S for the year ended December 31, 2001. During 2002, no change in the accounts used has occurred (pursuant to Rule 26 (b)).

SIGNATURE

Great Plains Energy Incorporated, a registered holding company, has duly caused this annual report for the year ended December 31, 2002, to be signed on its behalf by the undersigned thereunto duly authorized, pursuant to the requirements of the Public Utility Holding Company Act of 1935.

Great Plains Energy Incorporated

/s/ Andrea F. Bielsker
Andrea F. Bielsker

Senior Vice President - Finance, Chief Financial Officer and Treasurer

April 30, 2003

Exhibit B-3

Articles of Incorporation For

The undersigned natural person(s) of the age of eighteen years or more for the purpose of forming a corporation under the General and Business Corporation Law of Missouri adopts the following Articles of Incorporation:

Article One

The name of the Corporation is Innovative Energy Consultants Inc.

Article Two

The address, including street and number, if any, of the corporation's initial registered office in this state is

Name	Address	City/State/Zip
	1201 Walnut,	Kansas City, Missouri 64106-2124

Article Three

The aggregate number, class and par value, if any, of shares which the corporation shall have the authority to issue shall be:

One Hundred (100) shares, all of which shall be no par common stock.

The preferences, qualifications, limitations, restrictions, and the special or relative rights, including convertible rights, if any, in respect to the shares of each class are as follows:

There shall be no preferences, qualifications, limitations, restrictions or special or relative rights, including convertible rights, in respect to the shares herein authorized.

Article Four

The extent, if any, to which the preemptive right of a shareholder to acquire additional shares is limited or denied.

No holder of outstanding shares of any class shall have any preemptive right to subscribe for or acquire shares of stock or any securities of any kind issued by the Corporation

Article Five

The name and place of residence of each incorporator is as follows:

Name	Address	City/State/Zip
Bernard J. Beaudoin	11439 West 105th Terrace	Overland Park, Kansas 66214

Article Six

(Choose one)

(X) The number of directors to constitute the first board of directors is three (3). Thereafter the number of directors shall be fixed by, or the manner provided by the bylaws. Any changes in the number will be reported to the Secretary of State within thirty calendar days of such change. (**NOTE: If the number of directors is to be one or two, do not check this box.)**

OR

( ) The number of directors to constitute the board of directors is _____. (The number of directors to constitute the board of directors must be stated herein if there are to be less than three directors. The person to constitute the first board of directors may, but not need, be named.)

Article Seven

The duration of the corporation is perpetual.

Article Eight

The corporation is formed for the following purposes:

In general, to carry on any other business in connection with each and all of the foregoing or incidental thereto, and to carry on, transact and engage in any and every lawful business or other lawful thing calculated to be of gain, profit or benefit to the Corporation as fully and freely as a natural person might do, to the extent and in the manner, anywhere within and without the State of Missouri, as it may from time to time determine, and to have and exercise each and all of the powers and privileges, either direct or incidental, which are given and provided by or are available under the laws of the State of Missouri in respect of business corporations organized for profit thereunder; provided, however, that the Corporation shall not engage in any activity for which a corporation may not be formed under the laws of the State of Missouri.

IN WITNESS WHEREOF, these Articles of Incorporation have been signed on June 21, 2002.

/s/B. J. Beaudoin — Bernard J. Beaudoin

Signature — Printed Name

FILED
JUN 21 2002
Matt Blunt
SECRETARY OF STATE

INNOVATIVE ENERGY CONSULTANTS INC.

BY-LAWS

Adopted June 21, 2002

Innovative Energy Consultants Inc.

BY-LAWS

ARTICLE I

Offices

Section 1. The registered office of the Corporation in the State of Missouri shall be at 1201 Walnut, in Kansas City, Jackson County, Missouri.

Section 2. The Corporation also may have offices at such other places either within or without the State of Missouri as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

Shareholders

Section 1. All meetings of shareholders shall be held at such place within or without the State of Missouri as may be selected by the Board of Directors, but if the Board of Directors shall fail to designate a place for said meeting to be held, then the same shall be held at the registered office of the Corporation.

Section 2. An annual meeting of the shareholders shall be held on the first Tuesday of May in each year, if not a legal holiday, and if a legal holiday, then on the first succeeding day which is not a legal holiday, at ten o'clock in the forenoon, for the purpose of electing directors of the Company and transacting such other business as may properly be brought before the meeting.

Section 3. Special meetings of the shareholders may be called by the Chairman of the Board, by the President, by the Board of Directors, or by the holders of not less than one-fifth of all outstanding shares entitled to vote at such meeting.

Section 4. Written or printed notice of each meeting of the shareholders, annual or special, shall be given in the manner provided in the corporation laws of the State of Missouri. In case of a call for any special meeting, the notice shall state the time, place and purpose of such meeting.

Any notice of a shareholders' meeting sent by mail shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid addressed to the shareholder at his address as it appears on the records of the Corporation.

Section 5. Meetings of the shareholders may be held without notice at any time and place, either within or without the State of Missouri, if all shareholders entitled to vote at any such meeting shall have waived notice thereof or shall be present in person or represented by proxy, and any action required to be taken by shareholders may be taken at any such meeting.

Section 6. At least ten days before each meeting of the shareholders, a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order with the address of and the number of shares held by each, shall be prepared by the officer having charge of the transfer book for shares of the Corporation. Such list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in the State of Missouri, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of shareholders.

Failure to comply with the requirements of this Section shall not affect the validity of any action taken at any such meeting.

Section 7. Each outstanding share entitled to vote under the provisions of the Articles of Incorporation of the Corporation shall be entitled to one vote on each matter submitted at a meeting of the shareholders. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

In all elections for directors, each shareholder shall be entitled to one vote for each share owned by him or her, and each shareholder may cast the whole number of votes, either in person or by proxy, for one candidate, or distribute them among two or more candidates. There shall be no cumulative voting.

Section 8. At any meeting of shareholders, a majority of the outstanding shares entitled to vote represented in person or by proxy shall constitute a quorum for the transaction of business, except as otherwise provided by statute or by the Articles of Incorporation or by these By-Laws. The holders of a majority of the shares represented in person or by proxy and entitled to vote at any meeting of the shareholders shall have the right successively to adjourn the meeting to the same or a different location and to a specified date not longer than ninety days after any such adjournment, whether or not a quorum be present. The time and place to which any such adjournment is taken shall be publicly announced at the meeting, and no notice need be given of any such adjournment to shareholders not present at the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 9. Shares standing in the name of another corporation may be voted by such officer, agent, or proxy, as the by-laws of such corporation may prescribe, or in the absence of such provision, as the board of directors of such corporation may determine.

Section 10. The Chairman of the Board, or in his absence the President of the Corporation, shall convene all meetings of the shareholders and shall act as chairman thereof. The Board of Directors may appoint any other officer of the Corporation or shareholder to act as chairman of any meeting of the shareholders in the absence of the Chairman of the Board and the President.

The Secretary of the Corporation shall act as secretary of all meetings of shareholders. In the absence of the Secretary at any meeting of shareholders, the presiding officer may appoint any person to act as secretary of the meeting.

Section 11. Unless otherwise provided by statute or by the Articles of Incorporation, any action required to be taken by shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III

Board of Directors

Section 1. The property, business and affairs of the Corporation shall be managed and controlled by a Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the shareholders.

Section 2. The Board of Directors shall consist of three directors who shall be elected at the annual meeting of the shareholders. Each director shall be elected to serve until the next annual meeting of the shareholders and until his successor shall be elected and qualified. Directors need not be shareholders.

Section 3. In case of the death or resignation of one or more of the directors of the Corporation, a majority of the remaining directors, though less than a quorum, may fill the vacancy or vacancies until the successor or successors are elected

at a meeting of the shareholders. A director may resign at any time and the acceptance of his resignation shall not be required in order to make it effective.

Section 4. The Board of Directors may hold its meetings either within or without the State of Missouri at such place as shall be specified in the notice of such meeting, and members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar conversations whereby all persons participating in the meeting can hear each other and participating in a meeting in this manner shall constitute presence in person at the meeting.

Section 5. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors by resolution shall from time to time determine. The Secretary shall give at least three days' notice of the time and place of each such meeting to each director in the manner provided in Section 9 of this Article III. The notice need not specify the business to be transacted.

Section 6. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, the President or two members of the Board and shall be held at such place as shall be specified in the notice of such meeting. The Secretary shall give not less than one day's notice of the time, place and purpose of each such meeting to each director in the manner provided in Section 9 of this Article III.

Section 7. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. At any meeting of shareholders, a majority of the outstanding shares entitled to vote represented in person or by proxy shall constitute a quorum for the transaction of business, except as otherwise provided by statute or by the articles of consolidation or by these By-Laws. The holders of a majority of the shares represented in person or by proxy and entitled to vote at any meeting of the shareholders shall have the right successively to adjourn the meeting to a specified date not longer than ninety days after any such adjournment, whether or not a quorum be present. The time and place to which any such adjournment is taken shall be publicly announced at the meeting, and no notice need be given of any such adjournment to shareholders not present at the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as origi nally called.

Section 9. Whenever under the provisions of the statutes or of the Articles of Incorporation or of these By-Laws notice is required to be given to any director, it shall not be construed to require personal notice, but such notice may be given by telephone or by telegram addressed to such director at such address as appears on the books of the Corporation, or by hand delivery to the regular office of the director, or by mail by depositing the same in a post office or letter box in a postpaid, sealed wrapper addressed to such director at such address as appears on the books of the Corporation. Such notice shall be deemed to be given at the time when the same shall be thus telephoned, telegraphed, hand delivered or mailed.

Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 10. The Board of Directors may by resolution provide for an Executive Committee of said Board, which shall serve at the pleasure of the Board of Directors and, during the intervals between the meetings of said Board, shall possess and may exercise any or all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, except with respect to any matters which, by resolution of the Board of Directors, may from time to time be reserved for action by said Board.

Section 11. The Executive Committee, if established by the Board, shall consist of the President of the Corporation and two additional directors who shall be elected by the Board of Directors to serve at the pleasure of said Board until the first meeting of the Board of Directors following the next annual meeting of shareholders and until their successors shall have been elected. Vacancies in the Committee shall be filled by the Board of Directors.

Section 12. Meetings of the Executive Committee shall be held whenever called by the Chairman or by a majority of the members of the Committee, and shall be held at such time and place as shall be specified in the notice of such meeting and shall be subject to the provisions of Section 4 of this Article III. The Secretary shall give at least one day's notice of the time, place and purpose of each such meeting to each Committee member in the manner provided in Section 9 of this Article III, provided, that if the meeting is to be held outside of Kansas City, Missouri, at least three days' notice thereof shall be given.

Section 13. At all meetings of the Executive Committee, a majority of the Committee members shall constitute a quorum and the unanimous act of all the members of the Committee present at a meeting where a quorum is present shall be the act of the Executive Committee. All action by the Executive Committee shall be reported to the Board of Directors at its meeting next succeeding such action.

Section 14. In addition to the Executive Committee provided for by these By-Laws, the Board of Directors, by resolution adopted by a majority of the whole Board of Directors, (i) may designate, as standing committees, an Audit Committee, a

Compensation Committee and a Governance Committee, and (ii) may designate one or more special committees, each consisting of two or more directors. Each standing or special committee shall have and may exercise so far as may be permitted by law and to the extent provided in such resolution or resolutions or in these By-Laws, the responsibilities of the business and affairs of the corporation. The Board of Directors may, at its discretion, appoint qualified directors as alternate members of a standing or special committee to serve in the temporary absence or disability of any member of a committee. Except where the context requires otherwise, references in these By-Laws to the Board of Dir ectors shall be deemed to include the Executive Committee, a standing committee or a special committee of the Board of Directors duly authorized and empowered to act in the premises.

Section 15. Each standing or special committee shall record and keep a record of all its acts and proceedings and report the same from time to time to the Board of Directors.

Section 16. Regular meetings of any standing or special committee, of which no notice shall be necessary, shall be held at such times and in such places as shall be fixed by majority of the committee. Special meetings of a committee shall be held at the request of any member of the committee. Notice of each special meeting of a committee shall be given not later than one day prior to the date on which the special meeting is to be held. Notice of any special meeting need not be given to any member of a committee, if waived by him in writing or by telegraph before or after the meeting; and any meeting of a committee shall be a legal meeting without notice thereof having been given, if all the members of the committee shall be present.

Section 17. A majority of any committee shall constitute a quorum for the transaction of business, and the act of a majority of those present, by telephone conference call or otherwise, at any meeting at which a quorum is present shall be the act of the committee. Members of any committee shall act only as a committee and the individual members shall have no power as such.

Section 18. The members or alternates of any standing or special committee shall serve at the pleasure of the Board of Directors.

Section 19. If all the directors severally or collectively shall consent in writing to any action to be taken by the directors, such consents shall have the same force and effect as a unanimous vote of the directors at a meeting duly held. The Secretary shall file such consents with the minutes of the meetings of the Board of Directors.

ARTICLE IV

Officers

Section 1. The officers of the Corporation may include a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be appointed by the Board of Directors. Any one person may hold two or more offices except that the offices of President and Secretary may not be held by the same person.

Section 2. The officers shall be elected annually by the Board of Directors. The office of the Vice President may or may not be filled as may be deemed advisable by the Board of Directors.

Section 3. The Board of Directors may from time to time appoint such other officers as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as the Board of Directors or the President may from time to time determine.

Section 4. The officers of the Corporation shall hold office until their successors shall be chosen and shall qualify. Any officer appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, or if any new office shall be created, the vacancy may be filled by the Board of Directors.

Section 5. The salaries, if any, of all officers of the Corporation shall be fixed by the Board of Directors.

ARTICLE V

Powers and Duties of Officers

Section 1. The President shall be the principal executive officer of the Corporation. He/she shall preside at all meetings of the shareholders and at all meetings of the Board of Directors, and shall perform such other duties as the Board of Directors shall from time to time prescribe.

Section 2. The President shall have general and active management of, and exercise general supervision of, the business and affairs of the Corporation, subject, however, to the right of the Board of Directors to delegate any specific power to any other officer or officers of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried

into effect. He/she may sign with the Secretary of the Corporation stock certificates, deeds, mortgages, bonds, contracts or other instruments; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 3. In the absence of the President or in the event of his/her inability or refusal to act, the Vice President (or in the event there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of election) shall perform the duties of the President and when so acting, shall have the powers of the President, and shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 4. The Secretary shall attend all meetings of the shareholders, the Board of Directors and the Executive Committee, if any, and shall keep the minutes of such meetings. He/she shall give, or cause to be given, notice of all meetings of the shareholders, the Board of Directors and the Executive Committee, if any, and shall perform such other duties as may be prescribed by the Board of Directors or President.

The Secretary shall keep the corporate books and records, prepare the necessary reports to the State and to the directors. He/she shall in all respects perform those usual and customary duties which such officer performs in business corporations.

Section 5. The Treasurer shall have the custody of all moneys and securities of the Corporation. He/she is authorized to collect and receive all moneys due the Corporation and to receipt therefor, and to endorse in the name of the Corporation and on its behalf, when necessary or proper, all checks, drafts, vouchers or other instruments for the payment of money to the Corporation and to deposit the same to the credit of the Corporation in such depositaries as may be designated by the Board of Directors. He/she is authorized to pay interest on obligations and dividends on stocks of the Corporation when due and payable. He/she shall, when necessary or proper, disburse the funds of the Corporation, taking proper vouchers for such disbursements. He/she shall render to the Board of Directors and the President, whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Corporati on. He/she shall perform such other duties as may be prescribed by the Board of Directors or the President.

Section 6. Unless otherwise ordered by the Board of Directors, the Chairman of the Board, the President or any Vice President of the Corporation (a) shall have full power and authority to attend and to act and vote, in the name and on behalf of this Corporation, at any meeting of shareholders of any corporation in which this Corporation may hold stock, and at any such meeting shall possess and may exercise any and all of the rights and powers incident to the ownership of such stock, and (b) shall have full power and authority to execute, in the name and on behalf of this Corporation, proxies authorizing any suitable person or persons to act and to vote at any meeting of shareholders of any corporation in which this Corporation may hold stock, and at any such meeting the person or persons so designated shall possess and may exercise any and all of the rights and powers incident to the ownership of such stock.

ARTICLE VI

Certificates of Stock

Section 1. The Board of Directors shall provide for the issue, transfer and registration of the certificates representing the shares of capital stock of the Corporation, and shall appoint the necessary officers, transfer agents and registrars for that purpose.

Section 2. Until otherwise ordered by the Board of Directors, stock certificates shall be signed by the Chairman of the Board, the President or a Vice President and by the Secretary. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any stock certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be issued by the Corporation with the same effect as if the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers of the Corporation.

Section 3. Transfers of stock shall be made on the books of the Corporation only by the person in whose name such stock is registered or by his attorney lawfully constituted in writing, and unless otherwise authorized by the Board of Directors, only on surrender and cancellation of the certificate transferred. No stock certificate shall be issued to a transferee until the transfer has been made on the books of the Corporation. The person in whose name shares stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

ARTICLE VII

Dividends

Dividends may be declared at such times as the Board of Directors shall determine from the net earnings, or earned surplus, in accordance with law. Stock dividends may be declared if justified and provided capital is not impaired by such action.

ARTICLE VIII

Fiscal Year

Section 1. The fiscal year of the Corporation shall be the calendar year.

Section 2. As soon as practicable after the close of each fiscal year, the Board of Directors shall cause a report of the business and affairs of the Corporation to be made to the shareholders.

ARTICLE IX

Waiver of Notice

Whenever by statute or by the Articles of Incorporation or by these By-Laws any notice whatever is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X

Indemnification by the Corporation

The Corporation shall indemnify to the full extent authorized or permitted by The General and Business Corporation Law of Missouri, as now in effect or as hereafter amended, any person made or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation) by reason of the fact that he/she is or was a director, officer, employee or agent of the Corporation or serves any other enterprises as such at the request of the Corporation.

The foregoing right of indemnification shall be deemed exclusive of any other rights to which such persons may be entitled apart from this Article X. The foregoing right of indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XI

Amendments

The Board of Directors may make, alter, amend or repeal By-Laws of the Corporation by a majority vote of the whole Board of Directors at any regular meeting of the Board or at any special meeting of the Board if notice thereof has been given in the notice of such special meeting. Nothing in this Article shall be construed to limit the power of the shareholders to make, alter, amend or repeal By-Laws of the Corporation at any annual or special meeting of shareholders by a majority vote of the shareholders present and entitled to vote at such meeting, provided a quorum is present.

Amended Articles Accepting
Close Corporation Law

The corporation's Articles of Incorporation are hereby amended and restated by two-thirds of all outstanding shareholders on June 28, 2002 to become a statutory close corporation:

Article One

The name of the Corporation is Great Plains Power Incorporated and it is a statutory close corporation.

Article Two

The name and address of its current registered agent in this state is: Jeanie Sell Latz, 1201 Walnut, Kansas City, Missouri 64106.

Article Three

A. The aggregate number, class and par value, if any, of shares which the corporation shall have the authority to issue are as follows:

Five Hundred (500) shares, all of which shall be no par common stock

B. The preferences, qualifications, limitations, restrictions, and the special or relative rights, including convertible rights, if any, in respect to the shares of each class are as follows:

There shall be no preferences, qualifications, limitations, restrictions or special or relative rights, including convertible rights, in respect to the shares herein authorized.

Article Four

A. The transfer of shares by a living shareholder are as follows:

1. Governed by section 351.770; or
2. Stated as follows (state conditions for transfer):

There are no conditions or restrictions on transfer.

B. The transfer of shares of a deceased shareholder are as follows:

1. Governed by sections 351.780, 785 & 790 and modified as follows (state modifying conditions if any):

or

2. Governed by the following conditions:

There are no conditions or restrictions on transfer.

Article Five
(Choose one)

(XX) The corporation does not have a board of directors; or

( ) The number of directors to constitute the first board of directors is _____. Thereafter the number of directors shall be fixed by, or the manner provided in the bylaws. Any changes in the number will be reported to the Secretary of State within thirty calendar days of such change; or

( ) The number of directors to constitute the board of directors is _____. (The number of directors to constitute the board of directors must be stated herein if there are to be less than three directors. The person to constitute the first board of directors may, but not need, be named.)

Article Six

The duration of the corporation is perpetual.

Article Seven

The corporation is formed for the following purposes:

To acquire or build generation facilities or to engage in any other lawful purpose.

Article Eight

This close corporation shall be dissolved in the following manner (complete both A & B):

A. The following shareholder or shareholders have authority to dissolve the corporation (indicate all if all have authority and the percentage of votes required to vote on the dissolution, otherwise list name of individual shareholders with authority to dissolve):

All shareholders have authority to vote on a proposal of dissolution. Such proposal must be approved by at least 2/3 of the votes entitled to be cast on the proposal.

B. The above shareholder or shareholders may dissolve the corporation as follows:

1. At will (check here (X)); or
2. Upon the occurrence or the following specified event(s) or contingency(ies):

Article Nine

The following statement shall appear conspicuously on each share certificate:

The rights of shareholders in a statutory close corporation may differ materially from the rights of shareholders in other corporations. Copies of the articles of incorporation and bylaws, shareholders' agreements, and other documents, any of which may restrict transfers and affect voting and other rights, may be obtained by a shareholder on written request to the corporation (351.760, RSMo)

Article Ten
(Any additional optional statements)

The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you indicate a future date, as follows:

_____

(Date may not be more than 90 days after the filing date in this office)

In affirmation thereof, the facts stated above are true.

/s/B. J. Beaudoin	B. J. Beaudoin	Chairman	6/28/2002
Signature of Officer or Chairman of the Board	Printed Name	Title	Date

RECEIVED
JUL 09 2002
Matt Blunt
SECRETARY OF STATE

GREAT PLAINS POWER INCORPORATED

AMENDED AND RESTATED BY-LAWS

JULY 9, 2002

GREAT PLAINS POWER INCORPORATED

AMENDED AND RESTATED BY-LAWS

ARTICLE I

Offices

Section 1. The registered office of the Corporation in the State of Missouri shall be at 1201 Walnut, in Kansas City, Jackson County, Missouri.

Section 2. The Corporation also may have offices at such other places either within or without the State of Missouri as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

Shareholders

Section 1. All meetings of shareholders shall be held at such place within or without the State of Missouri as may be selected by the Board of Directors, but if the Board of Directors shall fail to designate a place for said meeting to be held, then the same shall be held at the registered office of the Corporation.

Section 2. . An annual meeting of the shareholders shall be held on the first Tuesday of May in each year, if not a legal holiday, and if a legal holiday, then on the first succeeding day which is not a legal holiday, at ten o'clock in the forenoon, for the purpose of electing directors of the Company and transacting such other business as may properly be brought before the meeting.

Section 3. Special meetings of the shareholders may be called by the Chairman of the Board, by the President, by the Board of Directors, or by the holders of not less than one-fifth of all outstanding shares entitled to vote at such meeting.

Section 4. Written or printed notice of each meeting of the shareholders, annual or special, shall be given in the manner provided in the corporation laws of the State of Missouri. In case of a call for any special meeting, the notice shall state the time, place and purpose of such meeting.

Any notice of a shareholders' meeting sent by mail shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid addressed to the shareholder at his address as it appears on the records of the Corporation.

Section 5. Meetings of the shareholders may be held without notice at any time and place, either within or without the State of Missouri, if all shareholders entitled to vote at any such meeting shall have waived notice thereof or shall be present in person or represented by proxy, and any action required to be taken by shareholders may be taken at any such meeting.

Section 6. At least ten days before each meeting of the shareholders, a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order with the address of and the number of shares held by each, shall be prepared by the officer having charge of the transfer book for shares of the Corporation. Such list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in the State of Missouri, shall be prima facie evidence as to who are the shareholders entitled to e xamine such list or share ledger or transfer book or to vote at any meeting of shareholders.

Failure to comply with the requirements of this Section shall not affect the validity of any action taken at any such meeting.

Section 7. Each outstanding share entitled to vote under the provisions of the Articles of Incorporation of the Corporation shall be entitled to one vote on each matter submitted at a meeting of the shareholders. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

In all elections for directors, each shareholder shall be entitled to one vote for each share owned by him or her, and each shareholder may cast the whole number of votes, either in person or by proxy, for one candidate, or distribute them among two or more candidates. There shall be no cumulative voting.

Section 8. At any meeting of shareholders, a majority of the outstanding shares entitled to vote represented in person or by proxy shall constitute a quorum for the transaction of business, except as otherwise provided by statute or by the Articles of Incorporation or by these By-Laws. The holders of a majority of the shares represented in person or by proxy and entitled to vote at any meeting of the shareholders shall have the right successively to adjourn the meeting to the same or a different location and to a specified date not longer than ninety days after any such adjournment, whether or not a quorum be present. The time and place to which any such adjournment is taken shall be publicly announced at the meeting, and no notice need be given of any such adjournment to shareholders not present at the meeting. At any such adjourned meeting at which a quorum shall be present, any busines s may be transacted which might have been transacted at the meeting as originally called.

Section 9. Shares standing in the name of another corporation may be voted by such officer, agent, or proxy, as the by-laws of such corporation may prescribe, or in the absence of such provision, as the board of directors of such corporation may determine.

Section 10. The Chairman of the Board, or in his absence the President of the Corporation, shall convene all meetings of the shareholders and shall act as chairman thereof. The Board of Directors may appoint any other officer of the Corporation or shareholder to act as chairman of any meeting of the shareholders in the absence of the Chairman of the Board and the President.

The Secretary of the Corporation shall act as secretary of all meetings of shareholders. In the absence of the Secretary at any meeting of shareholders, the presiding officer may appoint any person to act as secretary of the meeting.

Section 11. Unless otherwise provided by statute or by the Articles of Incorporation, any action required to be taken by shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III

Board of Directors

Section 1. Pursuant to Section 351.805, RSMo, the Articles of Incorporation of the Corporation provide that the Corporation shall operate without a board of directors.

Section 2. All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of, the shareholders.

Section 3. Unless the Articles of Incorporation provide otherwise, action requiring director approval or both director and shareholder approval is authorized if approved by the shareholders, and action requiring a majority or greater percentage vote of the board of directors is authorized if approved by the majority or greater percentage of the votes of shareholders entitled to vote on the action.

Section 4. A requirement by a state of the United States that a document delivered for filing contained a statement that specified action has been taken by the board of directors is satisfied by a statement that the Corporation is a statutory close corporation without a board of directors and that the action was approved by the shareholders.

Section 5. The shareholders by resolution may appoint one or more shareholders to sign documents as "designated directors".

Section 6. A shareholder is not liable for his act or omission, although a director would be, unless the shareholder was entitled to vote on the action.

ARTICLE IV

Officers

Section 1. The officers of the Corporation may include a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be appointed by the Board of Directors. Any one person may hold two or more offices except that the offices of President and Secretary may not be held by the same person.

Section 2. The officers shall be elected annually by the Board of Directors. The office of the Vice President may or may not be filled as may be deemed advisable by the Board of Directors.

Section 3. The Board of Directors may from time to time appoint such other officers as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as the Board of Directors or the President may from time to time determine.

Section 4. The officers of the Corporation shall hold office until their successors shall be chosen and shall qualify. Any officer appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, or if any new office shall be created, the vacancy may be filled by the Board of Directors.

Section 5. The salaries, if any, of all officers of the Corporation shall be fixed by the Board of Directors.

ARTICLE V

Powers and Duties of Officers

Section 1. The President shall be the principal executive officer of the Corporation. He/she shall preside at all meetings of the shareholders and at all meetings of the Board of Directors, and shall perform such other duties as the Board of Directors shall from time to time prescribe.

Section 2. The President shall have general and active management of, and exercise general supervision of, the business and affairs of the Corporation, subject, however, to the right of the Board of Directors to delegate any specific power to any

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other officer or officers of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He/she may sign with the Secretary of the Corporation stock certificates, deeds, mortgages, bonds, contracts or other instruments; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time.

Section 3. In the absence of the President or in the event of his/her inability or refusal to act, the Vice President (or in the event there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of election) shall perform the duties of the President and when so acting, shall have the powers of the President, and shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 4. The Secretary shall attend all meetings of the shareholders, the Board of Directors and the Executive Committee, if any, and shall keep the minutes of such meetings. He/she shall give, or cause to be given, notice of all meetings of the shareholders, the Board of Directors and the Executive Committee, if any, and shall perform such other duties as may be prescribed by the Board of Directors or President.

The Secretary shall keep the corporate books and records, prepare the necessary reports to the State and to the directors. He/she shall in all respects perform those usual and customary duties which such officer performs in business corporations.

Section 5. The Treasurer shall have the custody of all moneys and securities of the Corporation. He/she is authorized to collect and receive all moneys due the Corporation and to receipt therefor, and to endorse in the name of the Corporation and on its behalf, when necessary or proper, all checks, drafts, vouchers or other instruments for the payment of money to the Corporation and to deposit the same to the credit of the Corporation in such depositaries as may be designated by the Board of Directors. He/she is authorized to pay interest on obligations and dividends on stocks of the Corporation when due and payable. He/she shall, when necessary or proper, disburse the funds of the Corporation, taking proper vouchers for such disbursements. He/she shall render to the Board of Directors and the President, whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Corporation. He/she shall perform such other duties as may be prescribed by the Board of Directors or the President.

Section 6. Unless otherwise ordered by the Board of Directors, the Chairman of the Board, the President or any Vice President of the Corporation (a) shall have full power and authority to attend and to act and vote, in the name and on behalf of this Corporation, at any meeting of shareholders of any corporation in which this Corporation may hold stock, and at any such meeting shall possess and may exercise any and all of the rights and powers incident to the ownership of such stock, and (b) shall have full power and authority to execute, in the name and on behalf of this Corporation, proxies authorizing any suitable person or persons to act and to vote at any meeting of shareholders of any corporation in which this Corporation may hold stock, and at any such meeting the person or persons so designated shall possess and

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may exercise any and all of the rights and powers incident to the ownership of such stock.

ARTICLE VI

Certificates of Stock

Section 1. The Board of Directors shall provide for the issue, transfer and registration of the certificates representing the shares of capital stock of the Corporation, and shall appoint the necessary officers, transfer agents and registrars for that purpose.

Section 2. Until otherwise ordered by the Board of Directors, stock certificates shall be signed by the Chairman of the Board, the President or a Vice President and by the Secretary. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any stock certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be issued by the Corporation with the same effect as if the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers of the Corporation.

Section 3. Transfers of stock shall be made on the books of the Corporation only by the person in whose name such stock is registered or by his attorney lawfully constituted in writing, and unless otherwise authorized by the Board of Directors, only on surrender and cancellation of the certificate transferred. No stock certificate shall be issued to a transferee until the transfer has been made on the books of the Corporation. The person in whose name shares stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

ARTICLE VII

Dividends

Dividends may be declared at such times as the Board of Directors shall determine from the net earnings, or earned surplus, in accordance with law. Stock dividends may be declared if justified and provided capital is not impaired by such action.

ARTICLE VIII

Fiscal Year

Section 1. The fiscal year of the Corporation shall be the calendar year.

Section 2. As soon as practicable after the close of each fiscal year, the Board of Directors shall cause a report of the business and affairs of the Corporation to be made to the shareholders.

ARTICLE IX

Waiver of Notice

Whenever by statute or by the Articles of Incorporation or by these By-Laws any notice whatever is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X

Indemnification by the Corporation

The Corporation shall indemnify to the full extent authorized or permitted by The General and Business Corporation Law of Missouri, as now in effect or as hereafter amended, any person made or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation) by reason of the fact that he/she is or was a director, officer, employee or agent of the Corporation or serves any other enterprises as such at the request of the Corporation.

The foregoing right of indemnification shall be deemed exclusive of any other rights to which such persons may be entitled apart from this Article X. The foregoing right of indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XI

Amendments

The Board of Directors may make, alter, amend or repeal By-Laws of the Corporation by a majority vote of the whole Board of Directors at any regular meeting of the Board or at any special meeting of the Board if notice thereof has been given in the

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notice of such special meeting. Nothing in this Article shall be construed to limit the power of the shareholders to make, alter, amend or repeal By-Laws of the Corporation at any annual or special meeting of shareholders by a majority vote of the shareholders present and entitled to vote at such meeting, provided a quorum is present.

KLT INC.

BYLAWS

AS AMENDED NOVEMBER 19, 1992, JANUARY 19, 1998,
FEBRUARY 28, 2000, FEBRUARY 12, 2001 and MAY 7, 2002

KLT INC.

BYLAWS

ARTICLE I
Offices

Section 1. The registered office of the Corporation in the State of Missouri shall be at 222 East Dunklin Street, Jefferson City, MO 65101. The name of the registered agent at such address is Corporation Service Company d/b/a CSC-Lawyers Incorporating Service Company. [Amended January 19, 1998].

Section 2. The Corporation also may have offices at such other places either within or without the State of Missouri as the Board of Directors may from time to time determine or the business of the Corporation may require.

ARTICLE II

Shareholders

Section 1. All meetings of shareholders shall be held at such place within or without the State of Missouri as may be selected by the Board of Directors, but if the Board of Directors shall fail to designate a place for said meeting to be held, then the same shall be held at the registered office of the Corporation.

Section 2. An annual meeting of the shareholders shall be held on the second Tuesday of April in each year, if not a legal holiday, and if a legal holiday, then on the next succeeding day not a legal holiday, for the purpose of electing directors of the Corporation and transacting such other business as may properly be brought before the meeting.

Section 3. Special meetings of the shareholders may be called by the Chairman of the Board, by the President, by the Board of Directors, or by the holders of not less than one-fifth of all outstanding shares entitled to vote at such meeting.

Section 4. Written or printed notice of each meeting of the shareholders, annual or special, shall be given in the manner provided in the corporation laws of the State of Missouri. In case of a call for any special meeting, the notice shall state the time, place and purpose of such meeting.

Any notice of a shareholders' meeting sent by mail shall be deemed to be delivered when deposited in the United States mail with postage thereon prepaid addressed to the shareholder at his address as it appears on the records of the Corporation.

Section 5. Meetings of the shareholders may be held without notice at any time and place, either within or without the State of Missouri, if all shareholders entitled to vote at any such meeting shall have waived notice thereof or shall be present in person or represented by proxy, and any action required to be taken by shareholders may be taken at any such meeting.

Section 6. At least ten days before each meeting of the shareholders, a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order with the address of and the number of shares held by each, shall be prepared by the officer having charge of the transfer book for shares of the Corporation. Such list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the Corporation and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in the State of Missouri, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of shareholders.

Failure to comply with the requirements of this Section shall not affect the validity of any action taken at any such meeting.

Section 7. Each outstanding share entitled to vote under the provisions of the Articles of Incorporation of the Corporation shall be entitled to one vote on each matter submitted at a meeting of the shareholders. A shareholder may vote either in person or by proxy executed in writing by the shareholder or by his duly authorized attorney-in-fact. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

In all elections for directors, each shareholder shall be entitled to one vote for each share owned by him or her, and each shareholder may cast the whole number of votes, either in person or by proxy, for one candidate, or distribute them among two or more candidates. There shall be no cumulative voting.

Section 8. At any meeting of shareholders, a majority of the outstanding shares entitled to vote represented in person or by proxy shall constitute a quorum for the transaction of business, except as otherwise provided by statute or by the Articles of Incorporation or by these Bylaws. The holders of a majority of the shares represented in person or by proxy and entitled to vote at any meeting of the shareholders shall have the right successively to adjourn the meeting to the same or a different location and to a specified date not longer than ninety days after any such adjournment, whether or not a quorum be present. The time and place to which any such adjournment is taken shall be publicly announced at the meeting, and no notice need be given of any such adjournment to shareholders not present at the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the meeting as originally called.

Section 9. Shares standing in the name of another corporation may be voted by such officer, agent, or proxy, as the bylaws of such corporation may prescribe, or in the absence of such provision, as the board of directors of such corporation may determine.

Section 10. The Chairman of the Board, or in his absence the President of the Corporation, shall convene all meetings of the shareholders and shall act as chairman thereof. The Board of Directors may appoint any other officer of the Corporation or shareholder to act as chairman of any meeting of the shareholders in the absence of the Chairman of the Board and the President.

The Secretary of the Corporation shall act as secretary of all meetings of shareholders. In the absence of the Secretary at any meeting of shareholders, the presiding officer may appoint any person to act as secretary of the meeting.

Section 11. Unless otherwise provided by statute or by the Articles of Incorporation, any action required to be taken by shareholders may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III

Board of Directors

Section 1. The property, business and affairs of the Corporation shall be managed and controlled by a Board of Directors which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these Bylaws directed or required to be exercised or done by the shareholders.

Section 2. The Board of Directors shall consist of ten directors who shall be elected at the annual meeting of the shareholders. Each director shall be elected to serve until the next annual meeting of the shareholders and until his successor shall be elected and qualified. Directors need not be shareholders. [Amended May 7, 2002]

Section 3. In case of the death or resignation of one or more of the directors of the Corporation, a majority of the remaining directors, though less than a quorum, may fill the vacancy or vacancies until the successor or successors are elected at a meeting of the shareholders. A director may resign at any time and the acceptance of his resignation shall not be required in order to make it effective.

Section 4. The Board of Directors may hold its meetings either within or without the State of Missouri at such place as shall be specified in the notice of such meeting, and members of the Board of Directors may participate in a meeting of the Board by means of conference telephone or similar conversations whereby all persons participating in the meeting can hear each other and participating in a meeting in this manner shall constitute presence in person at the meeting.

Section 5. Regular meetings of the Board of Directors shall be held at such time and place as the Board of Directors by resolution shall from time to time determine. The Secretary shall give at least three days' notice of the time and place of each such meeting to each director in the manner provided in Section 9 of this Article III. The notice need not specify the business to be transacted.

Section 6. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, the President or two members of the Board and shall be held at such place as shall be specified in the notice of such meeting. The Secretary shall give not less than three days' notice of the time, place and purpose of each such meeting to each director in the manner provided in Section 9 of this Article III.

Section 7. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 8. The Board of Directors, by the affirmative vote of a majority of directors, and irrespective of any personal interest of any of its members, shall have authority to establish reasonable compensation of all directors for services to the Corporation as directors, officers or otherwise. By resolution, the Board of Directors may be paid for expenses, if any, of attendance at each meeting of the Board.

Section 9. Whenever under the provisions of the statutes or of the Articles of Incorporation or of these Bylaws notice is required to be given to any director, it shall not be construed to require personal notice, but such notice may be given by telephone or by telegram addressed to such director at such address as appears on the books of the Corporation, or by hand delivery to the regular office of the director, or by mail by depositing the same in a post office or letter box in a postpaid, sealed wrapper addressed to such director at such address as appears on the books of the Corporation. Such notice shall be deemed to be given at the time when the same shall be thus telephoned, telegraphed, hand delivered or mailed.

Attendance of a director at any meeting shall constitute a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 10. The Board of Directors may by resolution provide for an Executive Committee of said Board, which shall serve at the pleasure of the Board of Directors and, during the intervals between the meetings of said Board, shall possess and may exercise any or all of the powers of the Board of Directors in the management of the business and affairs of the Corporation, except with respect to any matters which, by resolution of the Board of Directors, may from time to time be reserved for action by said Board.

Section 11. The Executive Committee, if established by the Board, shall consist of the President of the Corporation and two additional directors who shall be elected by the Board of Directors to serve at the pleasure of said Board until the first meeting of the Board of Directors following the next annual meeting of shareholders and until their successors shall have been elected. Vacancies in the Committee shall be filled by the Board of Directors.

Section 12. Meetings of the Executive Committee shall be held whenever called by the Chairman or by a majority of the members of the Committee, and shall be held at such time and place as shall be specified in the notice of such meeting and shall be subject to the provisions of Section 4 of this Article III. The Secretary shall give at least one day's notice of the time, place and purpose of each such meeting to each Committee member in the manner provided in Section 9 of this Article III, provided, that if the meeting is to be held outside of Kansas City, Missouri, at least three days' notice thereof shall be given.

Section 13. At all meetings of the Executive Committee, a majority of the Committee members shall constitute a quorum and the unanimous act of all the members of the Committee present at a meeting where a quorum is present shall be the act of the Executive Committee. All action by the Executive Committee shall be reported to the Board of Directors at its meeting next succeeding such action.

Section 14. The Board of Directors at the annual or any regular or special meeting of the directors shall, by resolution adopted by a majority of the whole Board, designate two or more directors to constitute an Audit Committee and appoint one of the directors so designated as the chairman of the Audit Committee. Membership on the Audit Committee shall be restricted to those directors who are independent of the management of the Corporation and are free from any relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment as a member of the committee. Vacancies in the committee may be filled by the Board at any meeting thereof. Each member of the Audit Committee shall hold office until such committee member=s resignation or removal from the Audit Committee by the Board, or until such committee member otherwise ceases to be a director. Any member of the Audit Committee may be remo ved from the committee by resolution adopted by a majority of the whole Board. The compensation, if any, of members of the committee shall be established by resolution of the Board.

The Audit Committee shall be responsible for: recommending to the Board the appointment or discharge of independent auditors; reviewing with the management and the independent auditors the terms of engagement of independent auditors, including the fees, scope and timing of the audit and any other services rendered by the independent auditors; reviewing with the independent auditors and management the Corporation=s policies and procedures with respect to internal auditing, accounting and financial controls; reviewing with the management the independent statements, audit results and reports and the recommendations made by any of the auditors with respect to changes in accounting procedures and internal accounting controls; and performing any other duties or functions deemed appropriate by the Board. The Audit Committee shall have the powers and rights necessary or desirable to fulfill these responsibilities, including the power and right to consult with legal counsel and to rely upon the opinion of legal counsel. The Audit Committee is authorized to communicate directly with the Corporation=s financial officers and employees, internal auditors and independent auditors as it deems desirable and to have the internal auditors or independent auditors perform any additional procedures as it deems appropriate.

All actions of the Audit Committee shall be reported to the Board at the next meeting of the Board. The minute books of the Audit Committee shall at all times be open to the inspection of any director.

The Audit Committee shall meet at the call of its chairman or of any two members of the Audit Committee (or if there shall be only one other member, then at the call of that member). A majority of the Audit Committee shall constitute a quorum for the transaction of business (or if there shall only be two members, then both must be present), and the act of a majority of those present at any meeting at which a quorum is present (or if there shall be only two members, then they must act unanimously) shall constitute the act of the Audit Committee. [Added February 28, 2000]

Section 15. The Board of Directors at the annual or any regular or special meeting shall, by resolution adopted by a majority of the whole Board, designate two or more directors to constitute a Compensation Committee. Membership on the Compensation Committee shall be restricted to disinterested persons which for this purpose shall mean any director who, during the time such director is a member of the Compensation Committee is not eligible, and has not at any time within one year prior thereto been eligible, for selection to participate (other than in a manner as to which the Compensation Committee has no discretion) in any of the compensation plans administered by the Compensation Committee. Vacancies in the committee may be filled by the Board at any meeting. Each member of the committee shall hold office until such committee member=s successor has been duly elected and qualified, or until such committee member=s resignat ion or removal from the Compensation Committee by the Board, or until such committee member otherwise ceases to be a director or a disinterested person. Any member of the Compensation Committee may be removed by resolution adopted by a majority of the whole Board. The compensation, if any, of the members of the Compensation Committee shall be established by resolution of the Board.

The Compensation Committee shall, from time to time, recommend to the Board the compensation and benefits of the executive officers of the Corporation. The Compensation Committee shall have the power and authority vested in the Board by any benefit, incentive or other plan of the Corporation. The Compensation Committee shall also make recommendations to the Board with regard to the compensation of the Board and its committees, with the exception of the Compensation Committee.

All actions of the Compensation Committee shall be reported to the Board at the next meeting of the Board. The minute books of the Compensation Committee shall at all times be open to the inspection of any director.

The Compensation Committee shall meet at the call of the chairman of the Compensation Committee or of any two members of the Compensation Committee (or if there shall be only one other member, then at the call of that member). A majority of the Compensation Committee shall constitute a quorum for the transaction of business (or if there shall be only two members, then both must be present), and the act of a majority of those present at any meeting at which a quorum is present (or if there shall be only two members, then they must act unanimously) shall be the act of the Compensation Committee. [Added February 28, 2000]

Section 16. The Board of Directors, by resolution adopted by a majority of the whole Board, may designate one or more additional directors as alternate members of any committee to replace any absent or disqualified member at any meeting of that committee, and at any time may change the membership of any committee or amend or rescind the resolution designating the committee. In the absence or disqualification of a member or alternate member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not the member or members constitute a quorum, may unanimously appoint another director to act at the meeting in the place of any such absent or disqualified member, provided that the director so appointed meets any qualifications stated in these Bylaws or the resolution designating the committee or any amendment thereto. [Added February 28, 2000]

Section 17. Unless otherwise provided in these Bylaws or in the resolution designating any committee, any committee may fix its rules or procedures, fix the time and place of its meetings and specify what notice of meetings, if any, shall be given. [Added February 28, 2000]

Section 18. If all the directors severally or collectively shall consent in writing to any action to be taken by the directors, such consents shall have the same force and effect as a unanimous vote of the directors at a meeting duly held. The Secretary shall file such consents with the minutes of the meetings of the Board of Directors. [Renumbered February 28, 2000]

ARTICLE IV

Officers

Section 1. The officers of the Corporation may include a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, and a Treasurer, all of whom shall be appointed by the Board of Directors. Any one person may hold two or more offices except that the offices of President and Secretary may not be held by the same person.

Section 2. The officers shall be elected annually by the Board of Directors at its first regularly held meeting each year. [Amended February 12, 2001]

Section 3. The Board of Directors may from time to time appoint such other officers as it shall deem necessary or expedient, who shall hold their offices for such terms and shall exercise such powers and perform such duties as the Board of Directors or the President may from time to time determine.

Section 4. The officers of the Corporation shall hold office until their successors shall be chosen and shall qualify. Any officer appointed by the Board of Directors may be removed at any time by the affirmative vote of a majority of the whole Board. If the office of any officer becomes vacant for any reason, or if any new office shall be created, the vacancy may be filled by the Board of Directors.

Section 5. The salaries, if any, of all officers of the Corporation shall be fixed by the Board of Directors.

ARTICLE V

Powers and Duties of Officers

Section 1. The Chairman of the Board shall be the principal executive officer of the Corporation. He/she shall preside at all meetings of the shareholders and at all meetings of the Board of Directors, and shall perform such other duties as the Board of Directors shall from time to time prescribe.

Section 2. The President shall have general and active management of, and exercise general supervision of, the business and affairs of the Corporation, subject, however, to the right of the Board of Directors to delegate any specific power to any other officer or officers of the Corporation, and shall see that all orders and resolutions of the Board of Directors are carried into effect. He/she may sign with the Secretary of the Corporation stock certificates, deeds, mortgages, bonds, contracts or other instruments; and in general shall perform all duties incident to the office of president and such other duties as may be prescribed by the Board of Directors from time to time. In the absence of the Chairman of the Board, or if the office of Chairman of the Board be vacant, the President shall preside at all meetings of the shareholders and at all meetings of the Board of Directors.

Section 3. In the absence of the President or in the event of his/her inability or refusal to act, the Vice President (or in the event there be more than one vice president, the vice presidents in the order designated, or in the absence of any designation, then in the order of election) shall perform the duties of the President and when so acting, shall have the powers of the President, and shall perform such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 4. The Secretary shall attend all meetings of the shareholders, the Board of Directors and the Executive Committee, if any, and shall keep the minutes of such meetings. He/she shall give, or cause to be given, notice of all meetings of the shareholders, the Board of Directors and the Executive Committee, if any, and shall perform such other duties as may be prescribed by the Board of Directors or President.

The Secretary shall keep the corporate books and records, prepare the necessary reports to the State and to the directors. He/she shall in all respects perform those usual and customary duties which such officer performs in business corporations.

Section 5. The Treasurer shall have the custody of all moneys and securities of the Corporation. He/she is authorized to collect and receive all moneys due the Corporation and to receipt therefor, and to endorse in the name of the Corporation and on its behalf, when necessary or proper, all checks, drafts, vouchers or other instruments for the payment of money to the Corporation and to deposit the same to the credit of the Corporation in such depositaries as may be designated by the Board of Directors. He/she is authorized to pay interest on obligations and dividends on stocks of the Corporation when due and payable. He/she shall, when necessary or proper, disburse the funds of the Corporation, taking proper vouchers for such disbursements. He/she shall render to the Board of Directors and the President, whenever they may require it, an account of all transactions as Treasurer and of the financial condition of the Corporati on. He/she shall perform such other duties as may be prescribed by the Board of Directors or the President.

Section 6. Unless otherwise ordered by the Board of Directors, the Chairman of the Board, the President or any Vice President of the Corporation (a) shall have full power and authority to attend and to act and vote, in the name and on behalf of this Corporation, at any meeting of shareholders of any corporation in which this Corporation may hold stock, and at any such meeting shall possess and may exercise any and all of the rights and powers incident to the ownership of such stock, and (b) shall have full power and authority to execute, in the name and on behalf of this Corporation, proxies authorizing any suitable person or persons to act and to vote at any meeting of shareholders of any corporation in which this Corporation may hold stock, and at any such meeting the person or persons so designated shall possess and may exercise any and all of the rights and powers incident to the ownership of such stock.

ARTICLE VI

Certificates of Stock

Section 1. The Board of Directors shall provide for the issue, transfer and registration of the certificates representing the shares of capital stock of the Corporation, and shall appoint the necessary officers, transfer agents and registrars for that purpose.

Section 2. Until otherwise ordered by the Board of Directors, stock certificates shall be signed by the Chairman of the Board, the President or a Vice President and by the Secretary. In case any officer or officers who shall have signed, or whose facsimile signature or signatures shall have been used on, any stock certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may nevertheless be issued by the Corporation with the same effect as if the person or persons who signed such certificate or certificates or whose facsimile signature or signatures shall have been used thereon had not ceased to be such officer or officers of the Corporation.

Section 3. Transfers of stock shall be made on the books of the Corporation only by the person in whose name such stock is registered or by his attorney lawfully constituted in writing, and unless otherwise authorized by the Board of Directors, only on surrender and cancellation of the certificate transferred. No stock certificate shall be

issued to a transferee until the transfer has been made on the books of the Corporation. The person in whose name shares stand on the books of the Corporation shall be deemed the owner thereof for all purposes as regards the Corporation.

ARTICLE VII

Dividends

Dividends may be declared at such times as the Board of Directors shall determine from the net earnings, or earned surplus, in accordance with law. Stock dividends may be declared if justified and provided capital is not impaired by such action.

ARTICLE VIII

Fiscal Year

Section 1. The fiscal year of the Corporation shall be the calendar year.

Section 2. As soon as practicable after the close of each fiscal year, the Board of Directors shall cause a report of the business and affairs of the Corporation to be made to the shareholders.

ARTICLE IX

Waiver of Notice

Whenever by statute or by the Articles of Incorporation or by these Bylaws any notice whatever is required to be given, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE X

Indemnification by the Corporation

The Corporation shall indemnify to the full extent authorized or permitted by The General and Business Corporation Law of Missouri, as now in effect or as hereafter amended, any person made or threatened to be made, a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation) by reason of the fact that he is or was a director, officer, employee or agent of the Corporation or serves any other enterprises as such at the request of the Corporation.

The foregoing right of indemnification shall be deemed exclusive of any other rights to which such persons may be entitled apart from this Article X. The foregoing right of indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

ARTICLE XI

Amendments

The Board of Directors may make, alter, amend or repeal Bylaws of the Corporation by a majority vote of the whole Board of Directors at any regular meeting of the Board or at any special meeting of the Board if notice thereof has been given in the notice of such special meeting. Nothing in this Article shall be construed to limit the power of the shareholders to make, alter, amend or repeal Bylaws of the Corporation at any annual or special meeting of shareholders by a majority vote of the shareholders present and entitled to vote at such meeting, provided a quorum is present.

SECOND AMENDED AND RESTATED

LIMITED LIABILITY COMPANY AGREEMENT

OF

CUSTOM ENERGY HOLDINGS, L.L.C.

THIS LIMITED LIABILITY COMPANY AGREEMENT ("LLC Agreement"), is made and entered into as of the 26th day of July, 2002, by and between KLT Energy Services Inc., a Missouri corporation ("KLT"), Environmental Lighting Concepts, Inc., a Minnesota corporation ("ELC") and SE Holdings, L.L.C., a Delaware limited liability company ("Holdings") (KLT, ELC and Holdings are each hereinafter referred to as a "Member").

WHEREAS, the Members organized this limited liability company (this "Company" or "CE") under the Delaware Limited Liability Company Act (the "Delaware Act") on or about May 19, 1997 under the name of Custom Energy, L.L.C. (which name was changed to Custom Energy Holdings, L.L.C. on December 8, 1999) and entered into an Amended and Restated Operating Limited Liability Company Agreement on or about December 31, 1999;

WHEREAS, the Company and the Members have decided distribute out all of its interest in Custom Energy, L.L.C. to the holders of the Series CEL Preferred and Common Voting and Economic Interests in exchange for such interests;

WHEREAS, the Members have decided to amend and restate the Company's limited liability company agreement as set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants and benefits set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
THE LIMITED LIABILITY COMPANY

1.1 Formation of Limited Liability Company. The Certificate of Formation of Custom Energy, LLC (the "Company") was filed in the office of the Secretary of State of Delaware pursuant to the Delaware Act on the 19th day of May, 1997, amended in the office of the Secretary of State of Delaware pursuant to the Delaware Act on the 8th day of December, 1999 to amend the Company's name to Custom Energy Holdings, L.L.C., and is hereby ratified by each of the Members. All prior agreements concerning the limited liability company agreement of the Company are cancelled and shall have no further effect with respect to matters occurring after the date of this LLC Agreement.

1.2 Registered Office and Agent. The address of the Company's registered office in the State of Delaware is located at 1013 Centre Road, Wilmington, Delaware 19805, or any other or additional place or places as the Members may determine from time to time, and the registered agent at such office is The Corporation Service Company.

In the event the registered agent ceases to act as such for any reason or the registered office shall change, the Management Committee shall promptly designate a replacement registered agent or registered office as the case may be, and make the appropriate filings with the secretary of state. If the Management Committee shall fail to designate a replacement registered agent or registered office, as the case may be, then any one Member may designate a replacement registered agent or registered office and make the appropriate filings in the Office of the Secretary of State of Delaware.

1.3 Purpose. The purpose and business of the Company shall be to own or invest in business ventures which undertake to provide power supply coordination services, direct power and gas, and competitive power purchasing strategies to commercial and industrial customers, and to do all other things which are reasonably incidental to the foregoing. The Company may transact any or all other lawful business for which a limited liability company may be organized under the Delaware Act upon the affirmative vote or consent of all of the Members of the Company specifically authorizing any such other lawful business.

1.4 Principal Place of Business. The principal place of business of the Company shall be 10740 Nall, Overland Park, Kansas 66211, or at such other place or places within or without the State of Delaware as the Management Committee may designate from time to time.

1.5 Property. All assets, including real and personal property owned and held by the Company shall be owned by the Company in the name of the Company and no Member or Economic Interest Owner shall have any ownership interest in such property in its individual name or right. Each Member's or Economic Interest Owner's interest in the Company shall be personal property for all purposes. Any deed, bill of sale, mortgage, lease, contract of sale or other instrument purporting to convey or encumber any interest in the property of the Company shall be signed only as authorized by the affirmative vote or consent of the Members as provided in this LLC Agreement.

1.6 No State Law Partnership The Members have formed the Company under the Delaware Act, and intend that the Company shall not be a partnership (including, without limitation, a limited partnership) or joint venture, that no Member shall be a partner of, or a joint venturer with, any other Member for any purpose, other than for United States federal and state tax purposes, and that this LLC Agreement shall not be construed to suggest otherwise.

1.7 Limited Authority of Members. No Member shall have any authority to bind the Company as to any matter except as expressly provided herein.

ARTICLE 2
DEFINITIONS

2.1 Definitions. As used in this LLC Agreement:

(a) "Affiliate" means, when used with reference to a specified Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such specified Person, (ii) any Person owning or controlling 10 percent or more of the outstanding voting securities of such specified Person, and (iii) any officer, director or partner of such specified Person or of any Person specified in (i) or (ii) above. The term "Affiliate" shall not include any Person providing legal, accounting or other professional services to the Company solely on account of providing such services.

(b) "Capital Account" means, with respect to any Member or Economic Interest Owner, the Capital Account maintained for such Person in accordance with the following provisions:

(i) To each Person's Capital Account there shall be credited such Member's or Economic Interest Owner's Capital Contributions, such Member's or Economic Interest Owner's distributive share of Net Profits and any items in the nature of income or gain which are specially allocated pursuant to Article 7 hereof, and the amount of any Company liabilities assumed by such Member or Economic Interest Owner or which are secured by any Property distributed to such Member or Economic Interest Owner.

(ii) To each Member's or Economic Interest Owner's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Property distributed to such Member or Economic Interest Owner pursuant to any provision of this LLC Agreement, such Member's or Economic Interest Owner's distributive share of Net Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Article 7 hereof, and the amount of any liabilities of such Member or Economic Interest Owner assumed by the Company or which are secured by any property contributed by such Member or Economic Interest Owner to the Company.

(iii) In the event any interest in the Company is transferred in accordance with the terms of this LLC Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(iv) In determining the amount of any liability for purposes of Sections 2.1(b)(i) and 2.1(b)(ii) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this LLC Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Management Committee shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or the Members and Economic Interest Owners), are computed in order to comply with such Regulations, such modification shall be made, provided that it is not likely to have a material effect on the amounts distributable to any Member or Economic Interest Owner. Adjustments and modifications also shall be made as are necessary or appropriate to maintain equality between the Ca pital Accounts of the Members and Economic Interest Owners and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes in accordance with Regulations Section 1.704-1(b)(2)(iv)(g). The Capital Accounts shall contain appropriate subaccounts for each Series owned by a Member or Economic Interest Owner. The Capital Account balances of each of the Members as of the date of this Second Amended and Restated Limited Liability Company Agreement, and immediately after the distribution of Custom Energy, L.L.C., shall be set forth in Exhibit A to this LLC Agreement, which is incorporated herein by this reference.

(c) "Capital Contribution" or "Capital Contributions" means, with respect to any Member or Economic Interest Owner, the amount of money and the Gross Asset Value of any property (other than money) contributed to the Company with respect to the Economic or Voting Interest of a Series held by such Member or Economic Interest Owner pursuant to the terms of this LLC Agreement. The Capital Contributions of the Members as of the date of this Amended and Restated LLC Agreement are set forth on Exhibit A hereto, which is incorporated herein by this reference.

(d) "Economic Interest" shall mean, for each Series, the ownership interest of a Person in the Company's Net Profits, Net Losses and the distribution of Net Profits and/or the Company's assets pursuant to this LLC Agreement and the Delaware Act, but shall not include any right to vote on, consent to or otherwise participate in any decision of the Members in the management of the Company, nor any right to appoint a representative of the Management Committee. Series CE Economic Interests and Series SEL Economic Interests are, individually and collectively, "Economic Interests" of the Company.

(e) "Economic Interest Owner" shall mean any Person who owns an Economic Interest in a Series, but is not a Member.

(f) "Majority in Interest" shall mean fifty-one percent (51%) or more of the Voting Interests of a Series held by the Members determined pursuant to an affirmative vote or consent of the Members at the time the Majority in Interest provision applies.

(g) "Management Committee" shall mean the committee of the Company, appointed by the Members and established pursuant to Article 3 of this LLC Agreement.

(h) "Member" shall mean any person executing this LLC Agreement from time to time and as otherwise admitted as a member of the Company as provided in Section 11.1 of this LLC Agreement.

(i) "Net Profits" and "Net Losses" means, for each Series and for each fiscal year, an amount equal to the Company's taxable income or loss attributable to such Series for such fiscal year, determined in accordance with Code Section 703(a) (for these purposes, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this Section 2.1(i) shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this Section 2.1(i) shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section (b)(ii) or Section (b)(iii) of Exhibit B hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profits or Net Losses for the applicable Series;

(iv) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year, computed in accordance with (d) of Exhibit B hereof;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's or Economic Interest Owner's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Profits or Net Losses; and

(vii) Notwithstanding any other provision of this Section 2.1(i), any items which are specially allocated pursuant to Article 7 hereof shall not be taken into account in computing Net Profits or Net Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Article 7 hereof shall be determined by applying rules analogous to those set forth in Sections (e)(i) through (e)(iv) of Exhibit B. The Net Profits or Net Losses (or items of income, gain, loss or deduction) for the Series SEL interests attributable to shall be the Company's Net Profits or Net Losses (or items of income, gain, loss or deduction) realized by SEL. The Series CE Net Profits or Net Losses (or items of income, gain, loss or deduction) shall be the Company's Net Profits and Net Losses (or items of income, gain, loss or deduction) not realized by SEL.

(j) "Person" shall include any individual, trust, estate, corporation, partnership, limited liability company, association or other entity.

(k) "Proceeds" shall mean, with respect to any period and for each Series, gross receipts received by the Company from all sources during such period, including, without limitation, all sales, other dispositions, and refinancing of the Company's property, but does not include Capital Contributions as provided for in Article 6 of this LLC Agreement.

(l) "SEL" shall mean Strategic Energy, L.L.C., a Delaware limited liability company.

(m) "Series" shall mean a division of Economic Interest or Voting Interest, having separate rights, power and duties, with respect to specified property or obligations of the Company, or profits and losses associated with specified property or obligations, as set forth in this LLC Agreement.

(n) "Series CE Economic Interest" shall mean the ownership interest of a Person, expressed in Units, in the Company's Net Profits, Net Losses and the distribution of cash or property and/or the Company's assets which do not arise from and are not associated with the Series SEL Economic Interest.

(o) "Series CE Voting Interest" shall mean the voting rights of a Person, expressed in Units, in the Company (including without limitation, the right to appoint representatives to the Management Committee as herein provided), as set forth in this LLC Agreement.

(p) "Series SEL Economic Interest" shall mean the ownership interest of a Person, expressed in Units, in the Company's Net Profits, Net Losses and the distribution of cash or property and/or the Company's assets arising from or associated with the Company's ownership interests in SEL, as set forth in this LLC Agreement.

(q) "Series SEL Voting Interest" shall mean the voting rights of a Person, expressed in Units, in the Company (including without limitation, the right to appoint representatives to the Management Committee as herein provided), with respect to matters pertaining to or arising out of the Company's ownership interest in SEL, as set forth in this LLC Agreement.

(r) "Subsidiary" means, with respect to the Company, any Person of which securities or other ownership interests having ordinary voting power to elect at least a majority of the board of directors or other persons performing similar functions are at the same time directly owned or indirectly owned by the Company.

(s) "Unit" shall mean a fraction of an Economic Interest or a Voting Interest, as the case may be, the numerator of which shall be one (1), and the denominator of which shall be the total number of issued and outstanding Units of the Company.

(t) "Voting Interest" shall mean, with respect to any Member and for each Series, such Person's ownership of voting rights in the Company (including without limitation the right to appoint representatives to the Management committee as herein provided), as set forth in this LLC Agreement. Series CE Voting Interests and Series SEL Voting Interests are, individually and collectively, "Voting Interests".

2.2 Other Definitional Provisions.

(a) Exhibit B hereto contains definitions of certain additional terms used therein.

(b) As used in this LLC Agreement, accounting terms not defined in this LLC Agreement shall have the respective meanings given to them under generally accepted accounting principles.

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this LLC Agreement shall refer to this LLC Agreement as a whole and not to any particular provision of this LLC Agreement, and Article, section, subsection, schedule and exhibit references are to this LLC Agreement unless otherwise specified.

(d) Words of the masculine gender shall be deemed to include the feminine or neuter genders, and vice versa, where applicable.

(e) Words of the singular number shall be deemed to include the plural number, and vice versa, where applicable.

ARTICLE 3
MANAGEMENT

3.1 Management Committee. The business and affairs of the Company shall be controlled and managed by a Management Committee which, subject to the provisions and limitations contained in this LLC Agreement and any applicable law, shall have the power and authority to take, or cause to be taken, any and all actions necessary and proper to conduct the business affairs of the Company and carry out its duties as described in this LLC Agreement. The Members acknowledge and agree that this Company acts solely as a holding company for the ownership interests in subsidiary operating companies, and that each such operating company is managed by its own management committee. The Company and its Management Committee shall have the authority, as set forth in this LLC Agreement, only as to decisions with respect to the management of this Company and the sale of its assets (subject in certain cases to the approva l of the respective Subsidiary management committees).

The Management Committee shall consist of three (3) representatives, one (1) of whom shall be appointed by KLT, one (1) of whom shall be appointed by ELC, and one (1) of whom shall be appointed by Holdings. In the event of the resignation or death of a representative, the vacancy shall be promptly filled by a nominee of the Member who appointed the departing representative. The appointment of each representative on the Management Committee subsequent to the initial representatives named this Section 3.1 shall be evidenced by an appointment, and acceptance of appointment, in a writing delivered to the Company by the Member entitled to appoint such representative. Each representative will serve on the Management Committee at the pleasure of the Member appointing him or her. The Management Committee shall, as of the date of this LLC Agreement, consist of Gregory J. Orman (appointed by KLT), Mark R. Schroeder (appointed by ELC) and Richard M. Zomnir (appoi nted by Holdings).

If a Member transfers all of its Economic Interests in all Series and the transferee thereof is admitted as a Member of the Company as provided in Section 11.1 of this LLC Agreement, then the transferee of such Economic Interest shall succeed to such Member's rights to appoint representatives to the Management Committee as provided in this Section 3.1.

3.2 Chairman and Other Officers. A representative on the Management Committee shall serve as the Chairman of the Management Committee and as Chief Executive Officer of the Company. The initial Chairman of the Management Committee and Chief Executive Officer of the Company shall be Gregory J. Orman. The Chief Executive Officer shall have those duties and responsibilities as are outlined in Section 3.12 hereof. The Company shall have such other officers as may be appointed by the Management Committee, or in the absence of such appointment, as designated by the Chairman of the Management Committee. The Chairman of the Management Committee shall preside at all meetings of the Management Committee, and shall have such other duties and responsibilities as may be assigned by the Management Committee from time to time.

3.3 Meetings. The Management Committee shall have quarterly meetings within eight weeks after the end of each fiscal quarter. Meetings of the Management Committee may be called by either the Chairman of the Management Committee, or by another representative

on the Management Committee, by written notice designating the time and place of the meeting sent to each representative not fewer than five (5) nor more than ten (10) days before the date of the meeting to the address of the Member appointing such representative. If no place is designated, then the meeting shall be held at the Company's principal place of business. If all of the representatives to the Management Committee meet at any time and place, the meeting shall be valid without call or notice and any lawful action may be taken at such meeting.

3.4 Quorum. The presence of two (2) representatives of the Management Committee shall constitute a quorum at any duly called meeting of the Management Committee.

3.5 Voting. Each representative on the Management Committee shall be entitled to an equal vote upon each matter submitted or required to be submitted to a vote at a meeting of the Management Committee. An affirmative vote of two representatives shall be required to approve the action to be taken by the Management Committee.

3.6 Action Without A Meeting. Any action which is required or permitted to be taken at a meeting of the Management Committee may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the actions so taken, is signed by each of the representatives to the Management Committee and filed with the Company.

3.7 Telephone Meetings. Representatives of the Management Committee may participate in a meeting of the Management Committee by means of conference telephone or other similar communication equipment whereby all persons participating in the meeting can hear each other. Participation in the meeting in this manner constitutes presence in person at the meeting.

3.8 Waiver of Notice. Whenever any notice is required to be given to any representative to the Management Committee, a waiver of the notice in writing signed by the person entitled to the notice, whether before, at or after the time stated therein, and delivered to the Company for inclusion in the minutes or filing with the Company's records, shall be deemed equivalent to the giving of such notice.

3.9 Salary and Expenses. Representatives serving on the Management Committee, as such, shall not receive any stated salary for their services on the Management Committee, but by resolution of the Management Committee may receive reimbursement of expenses of attendance at each meeting of the Management Committee.

3.10 Powers of Members. The Members shall have the sole and exclusive power to approve the following, upon the unanimous consent of all Members holding Series CE Voting Interests, or Voting Interests in the relevant Series as the case may be:

3.10.1 Amend this LLC Agreement;

3.10.2 Take any action or fail to take any action with respect to any Series in contravention of this LLC Agreement;

3.10.3 Dissolve and wind up the business of the Company or any Series, or the taking of any corporate or other action by or on behalf of the Company in furtherance of the foregoing (except as contemplated in Sections 3.11 and 13.2);

3.10.4 Require additional Capital Contributions to a Series or modify a Member's or Economic Interest Owner's obligation to make a Capital Contribution to a Series (except as provided in Article 6 of this LLC Agreement);

3.10.5 Assume, incur, or guarantee or become liable for any indebtedness or borrowed money on behalf of a Series of the Company if such indebtedness or borrowed money is recourse to any of the Members of the Series.

3.11 Powers of the Management Committee. Except as set forth in Section 3.10 above, the Management Committee shall have the power to do the following, without the consent of the Members; provided, however, that any such action affecting the rights, obligations, assets or business of Series SEL must also be approved by the Management Committee of SEL:

3.11.1 Merge or consolidate or agree to merge or consolidate the Company with or into any other entity;

3.11.2 Make an acquisition of, or investment in, any business enterprise or venture by a Series;

3.11.3 Assume, incur or guarantee or become liable for any indebtedness or borrowed money on behalf of the Company or a Series;

3.11.4 Take such other actions specified in this LLC Agreement as requiring the consent or approval of the Management Committee;

3.11.5 Sell, exchange, lease, mortgage, pledge or otherwise dispose of all or a substantial portion of the property and assets of the Company or Series in a single transaction or series of related transactions;

3.11.6 Make any distributions to the Members or Economic Interest Owners holding an Economic Interest in a Series, except as otherwise provided in or contemplated by this LLC Agreement;

3.11.7 File any registration statement (other than a Form S-8) or any amendments thereto with the Securities and Exchange Commission ("SEC") registering any of the Voting Interests, Economic Interests or other securities of the Company or file or prepare a prospectus in accordance with Rule 424(b) as promulgated by the SEC;

3.11.8 The partition of any assets of a Series of the Company or any distribution of any assets of a Series of the Company;

3.11.9 Admit any substitute or additional Members or Economic Interest Owners in any Series (except as provided in Articles 6 or 10 of this LLC Agreement);

3.11.10 The sale, assignment or transfer of a Voting Interest or Economic Interest of a Series, except as otherwise expressly permitted by this LLC Agreement.

3.12 Duties of Chief Executive Officer. The Chief Executive Officer shall be responsible for the management of the day to day business and affairs of the Company and as otherwise directed by the Management Committee from time to time. Any decision or act of the Chief Executive Officer within the scope of the Chief Executive Officer's authority granted hereunder shall control and bind the Company. The Chief Executive Officer may, at his sole discretion, delegate his duties and responsibilities hereunder to other officers of the Company. Except as set forth in Sections 3.10 and 3.11 above, the Chief Executive Officer shall have the power to do the following, without the consent of the Members or the Management Committee:

3.12.1 Control of the day-to-day operations of the Company;

3.12.2 Carrying out and affecting all directions of the Management Committee;

3.12.3 Providing for the accounting function for the Company;

3.12.4 Applying for and obtaining all appropriate insurance coverage;

3.12.5 Temporary investment of the Company's funds and short-term investments providing for appropriate safety of principal;

3.12.6 Engaging in any kind of activity and performing and carrying out all contracts of any kind necessary to, in connection with or incidental to the accomplishment of the purposes and business of the Company, so long as said activities and contracts are in the ordinary course of business;

3.12.7 Negotiate, execute and perform all agreements, and exercise all rights and remedies of the Company in connection with the foregoing; and

3.12.8 Providing quarterly and annual operating and financial reports to the Management Committee.

3.13 Removal or Resignation of Chief Executive Officer. The Management Committee may remove and replace the Chief Executive Officer, in its sole and absolute discretion if, at any time or from time to time, it becomes dissatisfied with the Chief Executive Officer's performance under this LLC Agreement (regardless of whether such dissatisfaction shall constitute legal "cause" for termination). A Person who has been removed as Chief Executive Officer shall continue to be a Member or Economic Interest Owner for all other purposes of this LLC Agreement, if the Chief Executive Officer is also a Member or Economic Interest Owner in the Company.

The Chief Executive Officer of the Company may resign at any time by giving sixty (60) days advance written notice to each of the representatives to the Management Committee. The resignation of a Chief Executive Officer shall take effect sixty (60) days from the date of the notice or at such later time as shall be specified in the notice and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective. The resignation of a Chief Executive Officer who is also a Member or Economic Interest Owner shall not affect the Chief Executive Officer's rights as a Member or Economic Interest Owner and shall not constitute a withdrawal of the Member or Economic Interest Owner from the Company.

3.14 Compensation of Chief Executive Officer. The compensation of the Chief Executive Officer shall be fixed from time to time by the Management Committee, and no Chief Executive Officer shall be prevented from receiving any such compensation because the Chief Executive Officer is also a Member or Economic Interest Owner of the Company.

3.15 Restrictions on the Members. No Member or Economic Interest Owner individually shall have the authority to do any binding act on behalf of the Company without the approval of the Members as provided in this LLC Agreement.

ARTICLE 4
RIGHTS AND OBLIGATIONS OF MEMBERS

4.1 Limitation of Liability. Each Member's and Economic Interest Owner's liability shall be limited as set forth in this LLC Agreement, the Delaware Act and other applicable law. To the maximum extent allowed by the Delaware Act and other applicable law, the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular Series shall be enforceable against the assets of such Series only, and not against the assets of the Company generally.

4.2 Company Liabilities. A Member or Economic Interest Owner will not be personally liable for any debts or losses of the Company beyond the Member's or Economic Interest Owner's respective capital contributions and any obligation of the Members and Economic Interest Owners to make additional Capital Contributions as provided in this LLC Agreement, except as required by law.

4.3 Priority and Return of Capital. Except as otherwise expressly provided in this LLC Agreement, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either for the return of Capital Contributions or for Net Profits, Net Losses or distributions; provided that this Section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

4.4 Liability of a Member or Economic Interest Owner to the Company. A Member or Economic Interest Owner who rightfully receives a return in whole or in part of its Capital Contribution is liable to the Company only to the extent now or hereafter provided by the Delaware Act.

4.5 Independent Activities. Except as may otherwise be agreed upon in writing between the Company and a Member or Economic Interest Owner, each Member or Economic Interest Owner shall be required to devote only such time to the affairs of the Company as such Member or Economic Interest Owner determines in its sole discretion, and each such Member or Economic Interest Owner shall be free to serve any other Person in any capacity that it may deem appropriate in its discretion; provided, however, that no Member or Economic Interest Owner shall either directly or indirectly engage in any activities which in any way concern or are related to the license, sale, provision, use or marketing of products, services or activities which are licensed, sold, provided, used or marketed by the Company or its Subsidiaries, or which activities otherwise are competitive with the Company or its Subsidiaries or otherwise, without first ac quiring the written approval of each of the representatives of the Management Committee not appointed by the Member or Economic Interest Owner requesting or requiring such approval.

ARTICLE 5
MEETINGS OF MEMBERS

5.1 Annual Meeting. The annual meeting of the Members shall be held on the second Tuesday in April or at such other time as shall be determined by the Members for the purpose of the transaction of such business as may come before the meeting. The matters requiring the consent of the Members are set forth in Section 3.10.

5.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Member or Members holding at least one-fifth (1/5) of all Series CE Voting Interests held by the Members.

5.3 Place of Meetings. The Members may designate any place, either within or outside the state of Delaware, as the place of meeting for any meetings of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal place of business of the Company.

5.4 Notice of Meetings. Except as provided in Section 5.5 below, for any annual meeting held at such time as provided in Section 5.1 above, and for all special meetings, written notice stating the place, day, and hours of the meeting and the purpose or purposes for which the meeting is called shall be delivered not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Members calling the meeting, to each Member entitled to vote at the meeting. If mailed, the notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States mail, addressed to the Member at the Member's address as it appears on the books of the Company, with postage thereon prepaid.

5.5 Meeting of all Members. If all of the Members shall meet at any time and place, either within or outside of the state of Delaware, and consent to the holding of a meeting at that time and place, the meeting shall be valid without call or notice, and at the meeting lawful action may be taken.

5.6 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjourned meeting, the date on which notice of the meeting is mailed shall be the record date for the determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, the determination shall apply to any adjourned meeting.

5.7 Quorum. Two Members, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any meeting of Members, the Members represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

5.8 Voting. If a quorum is present, the affirmative vote of two Members of the relevant Series shall be the act of the Members respecting such Series, unless the vote of a greater proportion or number is required by this LLC Agreement, the Company's Certificate of Formation or the Delaware Act. Unless otherwise expressly provided in this LLC Agreement or required under applicable law, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote or consent, their vote shall be counted in the determination of whether the requisite matter was approved by the Members.

5.9 Proxies. At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member or a duly authorized attorney-in-fact. The proxy shall be delivered to any one (1) or more of the remaining Members before or at the time of the meeting. No proxy shall be valid after three (3) years from the date of its execution, unless otherwise provided in the proxy.

5.10 Action by Members without a Meeting. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more counterparts of a written consent describing the action taken and signed by each Member entitled to vote, which consent shall be included in the minutes or filed with the Company records. Action taken under this Section is

effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

5.11 Waiver of Notice. When any notice is required to be given to any Member, a waiver of the notice in writing signed by the person entitled to the notice, whether before, at, or after the given time stated therein, and delivered to the Company for inclusion in the minutes or filing with the Company records, shall be equivalent to the giving of the notice. A Member's attendance at any meeting shall constitute a waiver: (i) to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to the holding of the meeting or transacting business at the meeting; and (ii) to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless such person objects to considering the matter when it is presented.

5.12 Chairperson of Meeting; Designation of Authorized Representatives. Each meeting of Members shall be conducted by the Chairman or such other Person as the Chairman may appoint pursuant to such rules for the conduct of the meeting as the Chairman or such other Person deems appropriate. Each Member shall designate to the Chairman, in writing, one (1) authorized representative of the Member who will vote or consent on all matters under this LLC Agreement for such Member. Such designation will continue until revoked in writing. Within thirty (30) days of the execution of this LLC Agreement, the Members shall designate their initial authorized representative.

ARTICLE 6
CAPITAL CONTRIBUTIONS

6.1 Initial Capital Contributions. A Capital Account shall be maintained for each Member as provided in Section 2.1(b) above, which shall include the initial Capital Account balance of each Member as set forth on Exhibit A, attached hereto. The number of Units of Voting Interest and Economic Interest of each Member in each Series shall be as also set forth in Exhibit A. No Member shall have any interest or rights in the capital contributed by any other Member.

6.2 Additional Capital Contributions. The Members and Economic Interest Owners recognize that Series CE or SEL of the Company may require additional capital from time to time in order to accomplish the purposes and the business for which the Company is formed. If by an affirmative vote or consent all of the Members holding Voting Interests in such particular Series determine in good faith that additional Capital Contributions for a particular Series are necessary for the operation of the Company or its Subsidiaries, each Member and Economic Interest Owner of such Series shall within thirty (30) days of such vote or consent contribute their respective share of the additional contribution to the capital of the Company as determined by all of the Members of such Series pursuant to such affirmative vote or consent, which share shall be determined on a pro rata basis with reference to the relationship of each respective M ember's or Economic Interest Owner's Economic Interest of such Series to the total of the Economic Interests of all of the Members and Economic Interest Owners of such Series. The Chairman shall make such determination and provide notice to each Member and Economic Interest Owner of such Series within ten (10) days of such vote or consent of the call for such additional contribution, the amount to be contributed by such person, and the date on which such contribution is due. Unless otherwise agreed to by the affirmative vote or consent of all of the Members holding such Series, all such additional Capital Contributions shall be made in cash. No voluntary contributions to capital shall be made by any Member or Economic Interest Owner absent the affirmative vote or consent of all of the Members. Any Additional Capital Contributions made to the Company for the benefit of SEL pursuant to this Section 6.2 shall be immediately made to SEL and any Member making an Additional Capital Contribution pursuant to this Se ction 6.2 is hereby authorized to make such Contribution directly to SEL on the Company's behalf. If not all Members make their proportionate contribution, the amount of any Additional Capital Contribution for such particular capital call shall be returned immediately.

6.3 Breach or Violation of Indemnity Obligations.

6.3.1 None of the terms, covenants, obligations or rights contained in Section 6.2 and this Section 6.3 are or shall be deemed to be for the benefit of any Person or entity other than the Members, Economic Interest Owners, and the Company, and no such third person shall under any circumstances have any right to compel any actions or payments by the Members or Economic Interest Owners.

6.3.2 Any breach or violation by a Member (including a Member possessing only voting rights as provided for under this LLC Agreement) of any indemnity obligations contained in this LLC Agreement will result in such Member or Economic Interest Owner being deemed a "Non-Contributing Person" by reason of the failure to make an additional Capital Contribution in the amount of the losses, damages, costs and expenses (including reasonable attorneys' fees) incurred by the Company or the non-breaching Members by reason of such breach or violation. If the deemed Non-Contributing Person fails to cure such breach or violation to the satisfaction of the Management Committee and the non-breaching Members within thirty (30) days after its receipt of notice of such

breach or violation from the Management Committee (which notice shall be sent pursuant to a unanimous vote of the Management Committee determined in good faith, except that any representative of the Non-Contributing Person in the Management Committee shall not be permitted to vote on such action), the deemed Non-Contributing Person shall relinquish all voting rights associated with its Voting and Economic Interest for all Series. Thereafter, the deemed Non-Contributing Person may cure such breach or violation by making a cure contribution; provided, however, that should it ultimately be determined by the affirmative vote or consent of a Majority in Interest or by a court of competent jurisdiction that any such damages were not attributable to a breach or violation of this LLC Agreement by such deemed Non-Contributing Person, such deemed Non-Contributing Person shall immediately be reinvested with any and all voting rights lost on account the operation of this Section 6.3.2 and any economic consequences of the tentative operation of this Section 6.3.2 on the Non-Contributing Person (such as a loss of distributions or payment by such Non-Contributing Person of any Cure Contribution or other payment in respect of such alleged breach or violation) shall be properly cured and reversed.

6.4 Capital Accounts of Members. The amount of any additional Capital Contribution made by any Member or Economic Interest Owner shall be added to the Capital Account of such contributing Member or Economic Interest Owner for the applicable Series as of the date of expiration of the thirty (30) day periods and/or ten (10) day period, as the case may be, set out in Section 6.2 above. Any increase in a Member's or Economic Interest Owner's Preference Contribution Account pursuant to Section 6.3.2 shall not be added to such Member's or Economic Interest Owner's Capital Account for each Series.

6.5 Adjustment of Interests. If additional Capital Contributions are made in accordance with Section 6.2 above, or in conjunction with the admission of a new Member pursuant to Article 11 of this LLC Agreement, the Economic and Voting Interests of each Member and Economic Interest Owner shall be adjusted for the applicable Series (which shall be reflected on a revised Exhibit A) to reflect such additional contributions in accordance with the following formula:

6.5.1 Each Member's and Economic Interest Owner's Economic and Voting Interests shall be adjusted to the same ratio as the Member's or Economic Interest Owner's total Adjusted Capital Account bears to the total Adjusted Capital Accounts of all the Members and Economic Interest Owners as of the adjustment date. The adjustment date shall be the date of the expiration of the thirty (30) day period and/or ten (10) day period, as the case may be, set out in Section 6.2 above or the date a new Member is admitted, as the case may be.

6.5.2 This Economic and Voting Interests adjustment shall be made after every additional Capital Contribution, whether such additional Capital Contribution is the result of the admission of a new Member or a call for additional contributions. In the event that there is any transfer in whole or in part, of a Member's or Economic Interest Owner's Voting or Economic Interests in the Company, then the transferee of such Member or Economic Interest Owner shall stand in the same position as the Member or Economic Interest Owner whose interest they have acquired, unless all of the Members have agreed otherwise.

6.6 Interest and Other Amounts. No Member or Economic Interest Owner shall receive any interest, salary, or drawing with respect to its Capital Contributions or its Capital Account or for services rendered to or on behalf of the Company or otherwise in its capacity as a Member or Economic Interest Owner, except as otherwise provided in this LLC Agreement or other agreement approved and ratified by all of the Members between the Company and such Member or Economic Interest Owner.

6.7 Amendment of Documents. Except as provided above or pursuant to a Member's or Economic Interest Owner's acquisition of an additional Economic Interest as permitted under this LLC Agreement, any adjustments in Economic or Voting Interests for any Series shall be effectuated by amending this LLC Agreement and the execution and filing of any other documents required by the Delaware Act.

6.8 Withdrawal of Capital Contribution. Except as otherwise provided in this LLC Agreement, the affirmative vote or consent of all of the Members shall be required to modify, compromise or release the amount and/or character of a Member's or Economic Interest Owner's Capital Contribution, or any promise made by a Member as consideration for the acquisition of an interest in the Company. Under circumstances requiring the return of any Capital Contribution, no Member or Economic Interest Owner shall have the right to receive any property of the Company, other than cash, except as may be specifically provided herein.

6.9 Loans of Members. A Member or Economic Interest Owner may loan cash or other property to the Company, should additional funds be required, upon such terms as all of the Members shall agree by affirmative vote or consent. Loans by any Member or Economic Interest Owner to the Company shall not be considered as contributions to the capital of the Company. Except as otherwise provided in this LLC Agreement, none of the Members or Economic Interest Owners shall be obligated to make any loan or advance to the Company.

ARTICLE 7
ALLOCATIONS

7.1 Net Profits of Series CE. After giving effect to the special allocations set forth in this Article 7, Net Profits attributable to Series CE for any fiscal year shall be allocated among the Members and Economic Interest Owners of Series CE in proportion to their respective number of Series CE Economic Interest units.

7.2 Net Losses for Series CE. After giving effect to the special allocations set forth in this Article 7, Net Losses attributable for Series CE Economic Interest holders for any fiscal year shall be allocated among the Series CE Economic Interest holders in proportion to their respective number of Series CE Economic Interest units.

7.3 Net Profits of Series SEL. After giving effect to the special allocations set forth in this Article 7, Net Profits attributable to Series SEL for any fiscal year shall be allocated among the Series SEL Economic Interest holders in proportion to their respective number of Series SEL Economic Interest units.

7.4 Net Losses for Series SEL. After giving effect to the special allocations set forth in this Article 7, Net Losses attributable to Series SEL for any fiscal year shall be allocated among the Series SEL Economic Interest holders in proportion to their respective number of Series SEL Economic Interest units.

7.5 Special Allocations. Notwithstanding the prior allocation provisions, the special allocations set forth in Exhibit B shall be made in the order set forth therein.

ARTICLE 8
ACCOUNTING, DISTRIBUTIONS AND TAXES

8.1 Distribution of Cash for Series SEL. Within 45 days after the close of each quarter of each fiscal year, or more frequently upon the affirmative vote or consent of the Management Committee of SEL, cash received by the Company from distributions from SEL shall be distributed to the Members and Economic Interest Owners for such Series as follows:

8.1.1 First, to the Series SEL Members and Economic Interest Owners in proportion to the number of their respective SEL Economic Interest Units in an amount equal to forty-five percent (45%) of the Net Profits of the Company attributable to Series SEL with respect to such period (and prior periods if not previously distributed), or such greater amount as may be determined upon the affirmative vote or consent of all of the SEL Management Committee or required to pay any "Accrued Flow-Through Tax Liability" attributed to the Members from the Company;

8.1.2 Next, to the Series SEL Members and Economic Interest Owners in proportion to their respective number of Series SEL Economic Interest units.

Further, notwithstanding the foregoing, no distributions shall be made unless, after distribution is made, the assets of the Company attributable to such Series are in excess of the liabilities of the Company attributable to such Series, except amounts payable to Members or Economic Interest Owners on account of Capital Contributions.

For purposes of this Article 8, the term "Accrued Flow-Through Tax Liability" shall mean any federal or state tax liability assessed against the Members by virtue of any Net Profits of the Company.

8.2 Distribution of Cash for Series CE. Within 45 days after the close of each quarter of each fiscal year, or more frequently upon the affirmative vote or consent of the Management Committee, available cash of the Company (other than cash received by the Company from distributions from SEL) shall be distributed to the Members and Economic Interest Owners for such Series as follows:

8.2.1 First, to the Series CE Members and Economic Interest Owners in proportion to the number of their respective Series CE Economic Interest Units in an amount equal to forty-five percent (45%) of the Net Profits of the Company attributable to Series CE with respect to such period (and prior periods if not previously distributed), or such greater amount as may be determined upon the affirmative vote or consent of all of the Management Committee or required to pay any "Accrued Flow-Through Tax Liability" attributed to the Members from the Company;

8.2.3 Next, to the Series CE Members and Economic Interest Owners in proportion to their respective number of Series CE Economic Interest units.

Further, notwithstanding the foregoing, no distributions shall be made unless, after distribution is made, the assets of the Company attributable to such Series are in excess of the liabilities of the Company attributable to such Series, except amounts payable to Members or Economic Interest Owners on account of Capital Contributions.

8.3 Accounting. The fiscal and tax year of the Company shall be the calendar year. For tax purposes, the records of the Company shall be maintained on an accrual method of accounting. The books of account of the Company shall be kept and maintained at all times at the principal place of business of the Company or such other location as determined by the Management Committee. Each Member shall have the right at all reasonable times during usual business hours to audit, examine and make copies of or extracts from the books of account of the Company, and a list of the names and addresses of all of the Members and Economic Interest Owners. Such right may be exercised through any agent of such Member. Each Member shall bear all expenses incurred in any examination made for its account.

As soon as reasonably practicable after the end of each calendar month, the Chief Executive Officer shall furnish each Member and Economic Interest Owner with an interim unaudited balance sheet of the Company as of the last day of such calendar month, an unaudited statement of profit or loss of the Company for such calendar month, and an unaudited statement of cash receipts and disbursements for such calendar month, each separately stating such amounts for each Series and each prepared in accordance with generally accepted accounting principles. As soon as reasonably practicable after the end of each fiscal and tax year, the Chief Executive Officer shall furnish each Member and Economic Interest Owner with: (i) a balance sheet of the Company as of the last day of such fiscal or tax year, a statement of profit or loss of the Company for such year, and a statement of cash receipts and disbursements, each separately stating such amounts for each Series an d each prepared in accordance with generally accepted accounting principles and audited by the Company's independent certified public accountants; (ii) a statement showing the amounts allocated to or allocated against each Member and Economic Interest Owner pursuant to Article 7 of this LLC Agreement during or in respect of such year, and any items of income, deduction, credit, or loss allocated to them; and (iii) a copy of the federal income tax return of the Company.

8.4 Tax Elections. Upon the affirmative vote or consent of the Management Committee, the Tax Matters Member shall make any tax election for the Company allowed under the Internal Revenue Code of 1986, as amended; provided, however, that upon the request of a transferring or distributing Member (of LLC property), the Tax Matters Member shall make an election to cause the basis of Company property to be adjusted for federal income tax purposes as provided by Section 734 and 743 of the Internal Revenue Code of 1986, as amended, pursuant to such transfer of an Economic Interest or the death of or distribution of property to such Member or Economic Interest Owner provided further however, that the requesting Member shall reimburse the Company for all incremental reporting costs associated therewith.

8.5 Tax Matters Partner. KLT is hereby designated as the Tax Matters Partner of the Company pursuant to applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. If KLT ceases to be a Member, its status as Tax Matters Partner shall cease, and a successor Tax Matters Partner shall be as chosen by the affirmative vote or consent of all of the Members.

ARTICLE 9
REPRESENTATIONS AND WARRANTIES

9.1 In General. As of the date hereof, each Member (each a "Representing Party") makes each of the following representations and warranties applicable to such Member:

9.1.1 If such Representing Party is a corporation, partnership, trust, limited liability company, limited liability partnership or any other legal entity, it is duly organized or duly formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation and has the power and authority as an entity to own its property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such Representing Party is duly licensed or qualified to do business and in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform its obligations hereunder. Such Representing Party has the power and authority as an entity to execute and deliver this LLC Agreement and to perform its obligations hereunder and the e xecution, delivery, and performance of this LLC Agreement has been duly authorized by all necessary actions of the Representing Party entity. This LLC Agreement constitutes the legal, valid, and binding obligation of such Representing Party.

9.1.2 Neither the execution, delivery, and performance of this LLC Agreement nor the consummation by such Representing Party of the transactions contemplated hereby (i) will conflict with, violate, or result in a breach of any of the terms, conditions, or provisions of any law, regulation, order, writ, injunction, decree, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator, applicable to such Representing Party, (ii) will conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of the articles of incorporation, bylaws, partnership agreement, certificate of formation, articles of organization, or other formation and operating documents of such Representing Party, or of any material agreement or instrument to which such Representing Party is a pa rty or by which such Representing Party is or may be bound or to which any of its material properties or assets is subject, (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interests or rights, or require any consent, authorization or approval under any indenture, mortgage, lease agreement, or instrument to which such Representing Party is a party or by which such Representing Party is or may be bound, or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such Representing Party.

9.1.3 Any registration, declaration or filing with, or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required in connection with the valid execution, delivery, acceptance and performance by such Representing Party under this LLC Agreement or the consummation by such Representing Party of any transaction contemplated hereby has been completed, made or obtained on or before the effective date of this LLC Agreement.

9.1.4 There are no actions, suits, proceedings or investigations pending or, to the knowledge of such Representing Party, threatened against or affecting such Representing Party or any of their properties, assets, or businesses in any court or before or by any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator which could, if adversely determined (or, in the case of an investigation could lead to any action, suit, or proceeding, which if adversely determined could) reasonably be expected to materially impair such Representing Party's ability to perform its obligations under this LLC Agreement or to have a material adverse effect on the consolidated financial condition of such Representing Party; and such Representing Party has not received any currently effective notice of any default, and such Representing Party is not in default, under any appli cable order, writ, injunction, decree, permit, determination, or award of any court, any governmental department, board, agency or instrumentality, domestic or foreign, or any arbitrator which could reasonably be expected to materially impair such Representing Party's ability to perform its obligations under this LLC Agreement or to have a material adverse effect on the consolidated financial condition of such Representing Party.

9.1.5 Such Member acquired its interest in the Company based upon its own investigation, and the exercise by such Member of its rights and the performance of its obligations under this LLC Agreement will be based upon its own investigation, analysis and expertise. Such Member's acquisition of its interest in the Company has been made for its own account for investment, and not with a view to the sale or distribution thereof.

ARTICLE 10
RESTRICTIONS ON TRANSFER

10.1 General.

10.1.1 Except as otherwise specifically provided in this LLC Agreement (including but not limited to Section 10.3), neither a Member nor an Economic Interest Owner shall have the right without the affirmative vote or consent of the Management Committee to sell, assign, encumber, pledge, hypothecate, transfer, exchange, distribute or otherwise transfer for consideration, gift, bequeath, distribute or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) (each such action a "Transfer") all or part of its interest in the Company, except for transfers of Voting or Economic Interests from one Member to another and transfers of Voting or Economic Interests from one Member to an Affiliate of that Member. The transfer of the Economic Interest of a Bankrupt Member or Economic Interest Owner shall be governed by Sections 12.4 and 12.5 below. Any purported Transfer of any interest in the Company in contravention of this LLC Agreement shall be null and void and of no force or effect.

10.1.2 Subject to the provisions of Section 10.1.1 above and except as otherwise permitted pursuant to Section 10.1.1, all Transfers shall also be subject to the following rules and conditions: (i) the Transfer shall be in compliance with all applicable federal and state securities laws; (ii) the Transfer shall not result in any materially adverse tax consequence to the Company or any remaining Member; (iii) the Transfer shall not result in the Company being required to register as an investment company under the Investment Company Act of 1940, as amended, or any regulations promulgated thereunder; and (iv) if the Transfer is to a person or entity that is not a Member or an Affiliate of any Member, such Transfer shall be subject to the provisions of Sections 10.3, 10.4 and 10.5, of this LLC Agreement.

10.2 Transferee Not Member in Absence of Consent. Notwithstanding anything contained in this LLC Agreement to the contrary, and except for those transfers permitted under Section 10.1 hereof, if the Management Committee does not by affirmative vote or consent approve of the proposed Transfer of a Member's or Economic Interest Owner's Economic Interest in the Company to a transferee or donee who is not a Member immediately before the Transfer and the admission of such transferee as a Member as provided in Article 11 below, the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company, including, without limitation, any rights to appoint representatives to the Management Committee, or to become a Member. Subject to the satisfaction of the requirements of Section 10.1 above, the transferee or donee shall be merely an Economic Interest Owner. Furthermore, except as agreed upon by the Management Committee or as otherwise provided in this LLC Agreement or the Delaware Act, upon a Member's transfer of its Economic Interest, such Member's rights to participate in the management and affairs of the Company, including, without limitation, its voting rights, and any rights to appoint representatives to the Management Committee, shall cease.

10.3 Right of First Offer.

10.3.1 Notwithstanding anything herein to the contrary (including but not limited to Section 10.1.1), if any Member (the "Transferring Member") intends to transfer all or a portion of its Voting Interest or Economic Interest (the "Sale Interest") to any Person or entity who is not a Member or Affiliate of any Member of the Company (a "Third Party"), the Transferring Member shall give written notice (the "Transfer Notice") to the other Members of the same Series (the "Non-Transferring Members") of such intention. The Transfer Notice, in addition to stating the fact of the intention to transfer, shall set forth: (i) the amount of Sale Interest proposed to be transferred; (ii) the name and address of the Third Party; (iii) the proposed amount of consideration and terms and conditions of payment offered by the Third Party; and (iv) that the Third Party has been in formed of the Transfer Notice provided for in this Section 10.3. Each of the Non-Transferring Members may, within thirty (30) days of its receipt of a Transfer Notice, exercise an option to purchase its pro-rata portion of the Sale Interest intended to be transferred by the Transferring Member as indicated in the Transfer Notice. Each of the Non-Transferring Members must exercise its option to purchase its pro-rata portion of the Sale Interest on the terms of the Transfer Notice or forfeit its option granted hereunder. The Non-Transferring Member(s), if any, shall exercise its or their, as the case may be, option by delivering written notice (the "Acceptance Notice") to the Transferring Member within the time period specified above.

10.3.2 The purchase price for the Sale Interest purchased pursuant to this Section 10.3 shall be as set forth in the Transfer Notice. The closing of the sale and purchase shall take place within sixty (60) days after the delivery to the Transferring Member of the Acceptance Notice.

10.3.3 If not all of the Non-Transferring Members elect to exercise their respective option to purchase its pro-rata interest in the remaining portion of the Sale Interest pursuant to Section 10.3.1 above, then the Transferring Member may transfer the Sale Interest according to the terms of the Transfer Notice at any time within one hundred eighty (180) days after the expiration of the thirty (30) day period specified in Section 10.3.1 above. Such transfer shall not require consent pursuant to Section 10.1.1, but shall be subject to all other terms, covenants and conditions of this LLC Agreement.

10.4 Co-Sale Rights. If any Member other than Holdings (the "Existing Member(s)") desires to transfer a Sale Interest to a Third Party (the "Third Party Sale"), such Existing Member shall first give written notice (a "Third Party Sale Notice") to Holdings, and Holdings may elect, in its sole discretion, to participate in such sale and sell a proportionate share (determined with respect to the ratio of the Sale Interest to the Voting Interest or Economic Interest, as the case may be, owned by the Existing Member) of its Voting Interest or Economic Interest, as the case may be, then owned by Holdings to the same Third Party on the same terms and conditions as the Existing Member (the "Co-Sale Right"). Such Third Party Sale Notice shall set forth: (i) the amount of Sale Interest proposed to be transferred; (ii) the name and address of the Third Party; (iii) the proposed amount of consideration and terms and conditions of payment offered by the Third Party; and (iv) that the Third Party has been informed of the Co-Sale Right provided for in this Section 10.4. Holdings shall notify the Existing Member within thirty (30) days of receipt of the notice of the Third Party Sale, whether Holdings shall exercise its Co-Sale Right, and if Holdings does not give such notice in a timely manner, such right shall expire with respect to such instance. Upon the consummation of a sale by Holdings pursuant to its exercise of its Co-Sale Right in connection with a Third Party Sale, Holdings shall make available for transfer the certificate representing the respective Voting Interest or Economic Interest being transferred, as the case may be, and shall be entitled to receive its pro rata share of the proceeds of such Third Party Sale simultaneously with such transfer. The Co-Sale Right may be exercised any number of times but may not be transferred by Holdings under any circumstances. To the extent the Third Party refuse s to purchase the Voting Interest or Economic Interest, or any part thereof, from Holdings, the Existing Member shall not be permitted to transfer the Sale Interest to such Third Party.

10.5 Come Along Rights. Notwithstanding the other provisions of this Article 10, if all but one of the Members (the "Selling Members") negotiate a bona fide disposition of all the Voting and Economic Interests owned by the Selling Members to a Third Party, which disposition has complied with the procedures of this Article 10, the other Member (the "Other Member") shall, upon the written request of the Selling Members, sell to the Third Party all Voting and Economic Interests owned by the Other Member at the time on the same terms and conditions on which the Voting and Economic Interests of the Selling Members are negotiated to be sold to the Third Party by the Selling

Members. The Selling Members shall give the Other Member written notice, executed by each Selling Member, of any proposed disposition under this Section 10.5 at least thirty (30) days prior to the date on which such disposition is scheduled to be consummated, including the terms and conditions thereof.

ARTICLE 11
ADMISSION OF SUCCESSOR MEMBERS OR NEW MEMBERS

11.1 Admission of Successor Members or New Members. A Person, including a transferee or donee of a Member or other Person owning an Economic Interest, shall be deemed admitted as a Member of the Company only upon the satisfactory completion of the following:

(a) Except for those Transfers permitted pursuant to Section 10.1.1, the Management Committee shall have consented to the admission of the Person as a Member of the Company and, in the case of a new Member, the Management Committee shall have consented to the amount and character of the proposed Capital Contribution of such new Member.

(b) The Person shall have accepted and agreed to be bound by the terms and provisions of this LLC Agreement and such other documents or instruments as the Management Committee may require.

(c) The Person shall have executed a counterpart of this LLC Agreement to evidence the consents and agreements above, and any changes in the Certificate of Formation of the Company and this LLC Agreement shall have been executed and filed as deemed necessary by the Management Committee.

(d) If the Person is a corporation, partnership, limited liability company, trust, association or other entity, the Person shall have provided the Management Committee with evidence satisfactory to counsel for the Company of its authority to become a Member under the terms and provisions of this LLC Agreement.

(e) If required by the Management Committee, counsel for the Company or a qualified counsel for the transferee or donee or new Member, which counsel shall have been approved of by the Members, shall have rendered an opinion to the Members that the admission of the Person as a Member is in conformity with the Delaware Act and that none of the actions in connection with the admission will cause the termination or dissolution of the Company or will adversely affect its classification as a partnership for federal and state income tax purposes.

(f) The Person, as required by the Management Committee, shall have paid all reasonable legal fees of the Company and the Members and filing costs in connection with its admission as a Member.

11.2 Financial Adjustments. No new Members shall be entitled to any retroactive allocation of losses, income, or expense deductions incurred by the Company. The Company shall, at its option, at the time a Member is admitted, do one of the following (i) close the Company's books (as though the Company's tax year had ended) or (ii) make pro rata allocations of loss, income, and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Section 706 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

ARTICLE 12
TERM. TERMINATION. AND DISTRIBUTION UPON LIQUIDATION

12.1 Term. The term of the Company commenced on the date the Certificate of Formation for the Company is filed in the Office of the Delaware Secretary of State in accordance with the Delaware Act and shall continue until December 31, 2047, unless earlier dissolved by the unanimous written consent of all of the Members, or the provisions of the Certificate of Formation, this LLC Agreement or the Delaware Act.

12.2 Withdrawal of a Member. A Member may withdraw, retire or resign from the Company at any time upon giving ninety (90) days prior written notice of such withdrawal to the remaining Members; provided, however, that absent the approval of such withdrawal by the affirmative vote or consent of all of the remaining Members within such ninety (90) day notice period, such a withdrawal shall be deemed a breach of this LLC Agreement allowing the Company to recover from the withdrawing Member damages for such breach as reasonably determined by the remaining Members, including, without limitation, attorneys' fees, and offset such damages against the amounts otherwise distributable to the withdrawing Member.

Subject to the remaining provisions of this LLC Agreement, upon the withdrawal of a Member, the withdrawing Member shall be entitled to the "net asset value" of its aggregate Economic Interest in each Series it owns, which amount shall be the value of the Series' assets, net of the debts, liabilities and obligations attributable to the Series; less any deficit balance in the withdrawing Member's Capital Account, such consideration which the Company shall pay in cash at the closing, which closing shall be within thirty (30) days of the date such purchase price is determined at such time and place as designated by the Company. For purposes of this determination, the value of the Company's assets, other than cash, certificates of deposit and other instruments the value of which are readily ascertainable, shall be determined with reference to the fair market value of such assets as determined by the Company's regularly employed independent certified public accountant, which determination shall be final, binding and conclusive upon all parties.

Notwithstanding the foregoing, if such withdrawal is deemed to be a breach of this LLC Agreement as provided above, then the amount to which the withdrawing Member is entitled for its Economic Interest shall not include any amount attributable to the goodwill of the Company and shall be reduced by an amount equal to any damages attributable to such breach as described above.

12.3 Events of Dissolution. Unless the continuation of the Company's business is approved by the affirmative vote or consent of all of the remaining Members within ninety (90) days of an event of withdrawal, the Company shall immediately dissolve upon an event of withdrawal. An event of withdrawal shall include:

12.3.1 The withdrawal, retirement or resignation of a Member absent the approval of the remaining Members and the failure to purchase a withdrawing Member's Economic Interest as provided in Section 12.2 above;

12.3.2 In the case of a Member that is a natural person, the death or insanity of such Member or the entry by a court of competent jurisdiction adjudicating such Member incompetent to manage his person or his estate;

12.3.3 A Member becoming a Bankrupt Member (as defined in Section 12.4 below);

12.3.4 In the case of a Member that is a trust, the termination of the trust or the distribution of such trust's entire interest in the Company, but not merely the substitution of a new trustee;

12.3.5 In the case of a Member that is a general or limited partnership, the dissolution and commencement of winding up of such partnership or a distribution of its entire interest in the Company;

12.3.6 In the case of a Member that is a corporation, the filing of articles of dissolution, or their equivalent, for the corporation or revocation of its charter or its distribution of its entire interest in the Company;

12.3.7 In the case of a Member that is an estate, the distribution by the fiduciary of the estate's entire interest in the Company;

12.3.8 In the case of a Member that is a limited liability company, the filing of a certificate of cancellation or articles of dissolution or termination, or their equivalent, for the limited liability company or a distribution of its entire interest in the Company;

12.3.9 December 31, 2047;

12.3.10 The affirmative vote or consent by all of the Members to dissolve, wind up and liquidate the Company;

12.3.11 The happening of any other event that makes it unlawful or impossible to carry on the business of the Company; or

12.3.12 Any event which causes there to be only one (1) Member.

Except as otherwise provided in this LLC Agreement or the Delaware Act, upon the occurrence of an event of withdrawal as described in subsection 12.3.1 through 12.3.8 above, the Member subject of such an event shall cease to be a Member and shall thereafter be an Economic Interest Owner. An event of withdrawal shall not include a Transfer of a Member's interest pursuant to Article 10 above.

12.4 Bankruptcy of a Member. A "Bankrupt Member" shall mean any Member or Economic Interest who:

12.4.1 makes an assignment for the benefit of its creditors;

12.4.2 files a voluntary petition in bankruptcy;

12.4.3 files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of such nature;

12.4.4 seeks, consents or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or Economic Interest Owner or of all or any substantial part of its property; or

12.4.5 is the subject of any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, and one hundred twenty (120) days after commencement of such proceeding, the proceeding has not been dismissed; or without the Members' or Economic Interest Owners' consent or acquiescence has had a trustee, receiver or liquidator appointed for itself or for a substantial part of its property and the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

12.5 Option to Purchase. The remaining Members shall have the option to purchase the Economic Interest of a Bankrupt Member for the purchase price determined and paid in accordance with the methodology, terms and conditions provided in Section 12.2 above for the purchase of a withdrawing Member's interest; provided, however, that no discounts shall be made to the purchase price for any deemed breach of the LLC Agreement. If the remaining Members do not elect to acquire all of the Bankrupt Member's interest, the interest shall be transferred in accordance with Article 10 above, or if not transferred, retained by the Bankrupt Member. If the remaining Members exercise their option hereunder and the Bankrupt Member fails to assign its interest in the Company at the time and place fixed for closing, then the remaining Members may enforce the obligation of the Bankrupt Member by an action for specific performance.

12.6 Cessation of Business. In the event of the occurrence of any event effecting the dissolution of the Company, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until the Chairman has filed a certificate of cancellation in the office of Delaware Secretary of State or until a decree terminating the Company has been entered by a court of competent jurisdiction.

12.7 Winding Up. Liquidation. and Distribution of Assets. Upon dissolution, an accounting shall be made of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution and the Chairman shall immediately proceed to wind up the affairs of the Company. If the Company is dissolved and its affairs are to be wound up, the Chairman shall:

(a) Collect and sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent a Majority in Interest may determine to distribute any assets to the Members and Economic Interest Owners in kind);

(b) Allocate any Net Profits or Net Losses resulting from such sale or other disposition of the Company's assets to the Members' and Economic Interest Owners' Capital Accounts for each Series in accordance with Section 2.1(b) above;

(c) Discharge all debts, liabilities and obligations of the Company, including those to Members and Economic Interest Owners who are creditors, to the extent otherwise permitted by law, other than debts, liabilities and obligations to Members and Economic Interest Owners for distributions, and establish such reserves as the Management Committee may deem reasonably necessary to provide for contingencies or liabilities of the Company (for purposes of determining the Capital Accounts of the Members and Economic Interest Owners, the amounts of such reserves shall be deemed to be an expense of the Company);

(d) Distribute the remaining assets, separately by Series, to the Members and Economic Interest Owners for each Series either in cash or in kind, with any assets distributed in kind being valued for this purpose at their fair market value, in accordance with such Members' positive Capital Account balances and the allocation provisions of Article 7.

If any assets of the Company are to be distributed in kind, the fair market value of those assets as of the date of dissolution, other than cash, certificates of deposit and other instruments the value of which are readily ascertainable, shall be as determined as provided in Section 12.2 above. Those assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members and Economic Interest Owners shall be adjusted pursuant to the provisions of this LLC Agreement to reflect such deemed sale;

(e) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated; and

(f) The remaining Members shall comply with any applicable requirements of the Delaware Act pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

12.8 Certificate of Cancellation. When all debts, liabilities, and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining assets have been distributed to the Members and Economic Interest Owners, the Chairman shall execute a certificate of cancellation setting forth the information required by the Delaware Act and shall be delivered to the Delaware Secretary of State.

12.9 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this LLC Agreement, upon dissolution, each Member and Economic Interest Owner shall look solely to the assets of the Company for the return of its Capital Contributions. If the Company assets remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contributions of the Members and Economic Interest Owners, the Members and Economic Interest Owners shall have no recourse against any other Member or Economic Interest Owner.

ARTICLE 13
MISCELLANEOUS PROVISIONS

13.1 Waiver of Right of Partition. It is specifically agreed that no Member or Economic Interest Owner shall have the right to ask for partition of the assets owned or hereafter acquired by the Company, nor shall any such Member or Economic Interest Owner have the right to any specific assets of the Company on the liquidation or winding up of the Company, except upon the affirmative vote or consent of all Members.

13.2 Notices. Except as otherwise provided in this LLC Agreement, any notice required or permitted herein shall be in writing and shall be deemed to have been delivered, whether actually received or not, two (2) calendar days after being deposited in the United States mail, by registered mail, return receipt requested, postage prepaid, addressed to the party entitled thereto at the last address of such party provided by such party to the Company. Any notice to the Company shall be sent to the Company's principal place of business.

13.3 Governing Law. This LLC Agreement has been made and executed in accordance with the Delaware Act and is to be construed, enforced, and governed in accordance therewith and with the laws of the State of Delaware. The parties agree that all actions or proceedings arising directly or indirectly from this LLC Agreement shall be commenced and litigated only in the District Court of Johnson County, Kansas, or the United States District Court for the District of Kansas, located in Kansas City, Kansas. The parties hereby consent to the jurisdiction over them of the District Court of Johnson County, Kansas, or the United States District Court for the District of Kansas, in all actions or proceedings arising directly or indirectly from this LLC Agreement.

13.4 Entire Agreement. Except as otherwise provided herein, this LLC Agreement together with the recitals and Exhibits hereto, each of which are incorporated herein by this reference, constitutes the entire agreement among the Members on the subject matter hereof and may not be changed, modified, amended, or supplemented except in writing, signed by all of the Members. All other oral or written agreements, promises, and arrangements in relation to the subject matter of this LLC Agreement are hereby rescinded.

13.5 Binding Agreement. Subject to the restrictions and encumbrances set forth herein, the terms and provisions of this LLC Agreement shall be binding upon, be enforceable by and inure to the benefit of the Members, Economic Interest Owners and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

13.6 Interpretation. The descriptive headings contained in this LLC Agreement are for convenience only and are not intended to define the subject matter of the provisions of this LLC Agreement and shall not be resorted to for interpretation thereof.

13.7 Severability. If any provision of this LLC Agreement or the application thereof to any individual or entity or circumstance shall be invalid or unenforceable to any extent, the remainder of this LLC Agreement and the application of such provisions to other individuals or entities or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

13.8 Waiver. No consent or waiver, express or implied, by any Member or Economic Interest Owner to or of any breach or default by any other Member or Economic Interest Owner in the performance by such other Member or Economic Interest Owner of its obligations under this LLC Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Member or Economic Interest Owner of the same or any other obligations hereunder. The failure on the part of any Member or Economic Interest Owner to complain of any act or failure to act of any of the other Members or Economic Interest Owners or to declare any of the other Members or Economic Interest Owners in default, irrespective of how long such failure continues, shall not constitute a waiver by such Member or Economic Interest Owner of its rights under this LLC Agreement.

13.9 Equitable Remedies. The rights and remedies of any of the Members or Economic Interest Owners hereunder shall not be mutually exclusive. Each of the Members and Economic Interest Owners confirms that damages at law may be an inadequate remedy for a breach or threatened breach of this LLC Agreement and agrees that in the event of a breach or threatened breach of any provision hereof, the respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy, but nothing herein contained is intended to, nor shall it, limit or affect any right or rights at law or by statute or otherwise of a Member or Economic Interest Owners aggrieved as against a party for a breach or threatened breach of any provision hereof; it being the intention hereof to make clear the agreement of the Members and Economic Interest Owners that the respective rights and obligations of the Memb ers and Economic Interest Owners hereunder shall be enforceable in equity as well as at law or otherwise.

13.10 Attorney's Fees. In the event of a default by a Member or Economic Interest Owner under this LLC Agreement, the non-defaulting Members and Economic Interest Owners shall be entitled to recover all costs and expenses, including attorney's fees, incurred as a result of said default or in connection with the enforcement of this LLC Agreement.

13.11 Counterparts. This LLC Agreement may be executed in two (2) or more counterparts, all of which taken together shall constitute one (1) instrument.

13.12 Saving Clause. In the event any provision of this LLC Agreement shall be, or shall be found to be, contrary to the Delaware Act, such provision shall be deemed amended so as to conform with such Act.

13.13 Further Documentation. Each of the parties hereto agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this LLC Agreement.

13.14 Incorporation of Recitals. The preamble and recitals to this LLC Agreement are hereby incorporated by reference and made an integral part hereof.

13.15 Indemnification. The Company shall indemnify any Member, representative on the Management Committee, Chairman or officer of the Company (each referred to as an "Indemnified Party") who was or is a party or is threatened to be made a party to any threatened, pending or completed action, arbitration, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Company, by reason of the fact that such Indemnified Party is or was a Member, representative on the Management Committee, Chairman or officer of the Company or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against liability incurred in connection with such action, arbitration, suit or proceeding, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such Indemnified Party in connection with such action, arbitration, suit or proceeding, including any appeal thereof, if such Indemnified Party acted in good faith and in a manner such Indemnified Party reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe such Indemnified Party's conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which such Indemnified Party shall have been adjudged to be liable for gross negligence or gross misconduct in the performance of such Indemnified Party's duty to the Company unless and only to the extent that the court or arbitration in which the action, arbitration or suit was brought determines upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such Indemnified Party is fairly and reasonably entitled to indemnity for such expense s which the court or arbitration shall deem proper. The termination of any action, arbitration, 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 Indemnified Party did not act in good faith and in a manner which such Indemnified Party reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had reasonable cause to believe that such Indemnified Party's conduct was unlawful.

13.16 Holdings' Put Option.

(a) Grant of Put Option. Holdings shall have the option (the "Holdings Put Option") to sell all or part of Holdings' Economic or Voting Interests in all or any Series (the "Put Interest") to the Company, upon written notice to the Company, if the Company has not, by January 31, 2004 (the "Triggering Date"): (i) consummated an initial public offering; (ii) merged with or into another entity; or (iii) dissolved or liquidated its assets. Holdings (including its permitted successors and assigns) shall have a period of ninety (90) days after the Triggering Date to exercise the Holdings Put Option. The events described in clauses (i), (ii) and (iii) of this Section 13.16(a) shall hereinafter be referred to as the "Triggering Events").

(b) Purchase Price. The purchase price payable by the Company upon the exercise by Holdings of the Holdings Put Option shall equal the "fair market value" of the Put Interest. The "fair market value" of the Put Interest shall be determined by the mutual agreement of the Company and Holdings or, if the Company and Holdings cannot agree upon such value, then by appraisal by one or more third party appraisers selected by the Company and Holdings with significant experience in valuing companies of the size and otherwise similarly situated as the Company.

(c) No Breach Upon Repurchase. Notwithstanding anything in Section 12.2 hereof to the contrary, the exercise by Holdings of the Holdings Put Option shall not be deemed a breach of this LLC Agreement and the repurchase by the Company of the Put Interest upon the exercise of the Holdings Put Option shall be expressly permitted notwithstanding anything herein to the contrary.

(d) Termination of Holdings Put Option. The Holdings Put Option shall terminate immediately and without notice if any of the Triggering Events occur before the Triggering Date.

IN WITNESS WHEREOF, the parties hereto have signed this LLC Agreement on the date first above written.

KLT ENERGY SERVICES INC.,
a Missouri corporation

By: /s/John J. Grossi
Name: John J. Grossi
Title: CFO & Treasurer

ENVIRONMENTAL LIGHTING CONCEPTS, INC.
a Minnesota corporation

By: /s/Mark R. Schroeder
Name: Mark R. Schroeder
Title: President

SE HOLDINGS, L.L.C.,
a Delaware limited liability company

By: /s/Richard M. Zomnir
Name: Richard M. Zomnir
Title: CEO & President

EXHIBIT A

Name	Capital Account Balance	Number of Units Of Economic Interests and Voting Interests
KLT Energy Services Inc. FEIN: 43-1624928	$	Series CE Economic Interest: 6,288,000 Series CE Voting Interest 6,288,000 Series SEL Economic Interest 8,275,057 Series SEL Voting Interest 8,275,057
Environmental Lighting Concepts, Inc.	$	Series CE Economic Interest 765,000

FEIN: 41-1728966		Series CE Voting Interest Series SEL Economic Interest Series SEL Voting Interest	765,000 580,000 580,000
SE Holdings, L.L.C. FEIN:_____	$	Series CE Economic Interest Series CE Voting Interest Series SEL Economic Interest Series SEL Voting Interest	3,333,334 3,333,334 1,144,943 1,144,943
TOTAL	$	Series CE Economic Interest Series CE Voting Interest Series SEL Economic Interest Series SEL Voting Interest	10,386,333 10,386,333 10,000,000 10,000,000

EXHIBIT B

Federal Income Tax Allocation Provisions

Tax Allocation Definitions. As used herein and in this LLC Agreement, the following terms shall have the following meanings, unless the context otherwise specifies:

(a) "Adjusted Capital Account Balance" means the balance (be it positive or negative) which would be obtained by adding to a Member's or Economic Interest Owner's Capital Account balance such Member's or Economic Interest Owner's share of the "Company Minimum Gain" and "Member Nonrecourse Debt Minimum Gain".

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

(c) "Company Minimum Gain" has the meaning for "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

(d) "Depreciation" means, for each fiscal year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable under the Code with respect to an asset for such fiscal year, except that (i) with respect to any asset whose Gross Asset Value differs from its adjusted tax basis for federal tax purposes and which difference is being eliminated by use of the "remedial method" defined by Section 1.704-3(d) of the Regulations, Depreciation for such fiscal year shall be the amount of book basis recovered for such fiscal year under the rules prescribed by Section 1.704-3(d)(2) of the Regulations, and (ii) with respect to any other asset whose Gross Asset Value differs from its adjusted tax basis for federal income tax purposes at the beginning of such fiscal year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Ass et Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year bears to such beginning adjusted tax basis; provided, however, that if the adjusted tax basis for federal income tax purposes of an asset at the beginning of such fiscal year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Management Committee.

(e) "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes (reduced by the amount of any liabilities that are liens on such asset), except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member or Economic Interest Owner to the Company shall be the gross fair market value of such asset, as determined by the contributing Member or Economic Interest Owner and all of the remaining Members;

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Management Committee, as of the following times: (A) the acquisition of an additional interest in the Company by any new or existing Member or Economic Interest Owner in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member or Economic Interest Owner of more than a de minimis amount of property as consideration for an interest in the Company; and (c) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g).

(iii) The Gross Asset Value of any Company asset distributed to any Member or Economic Interest Owner shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the Management Committee;

(iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Article 7 hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this Section (e)(iv) to the extent the Management Committee determine that an adjustment pursuant to Section (e)(ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this Section (e)(iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section (e)(i), Section (e)(ii), or Section (e)(iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of

computing Net Profits and Net Losses.

(f) "Member Nonrecourse Debt" has the meaning of "partner nonrecourse debt" set forth in Section 1.704-2(b)(4) of the Regulations.

(g) "Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

(h) "Member Nonrecourse Deductions" has the meaning for "partner nonrecourse deductions" set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

(i) "Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

(j) "Nonrecourse Liability" has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

(k) "Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding Regulations).

Special Rules Regarding Allocation of Tax Items. Notwithstanding the foregoing provisions of Article VI, the following special rules shall apply in allocating the Net Profits or Net Losses (or items thereof) of the Company:

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(1) Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of Article 7 or this Exhibit B, if there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member or Economic Interest Owner shall be specially allocated items of Company income and gain for such Fiscal year (and, if necessary, subsequent Fiscal years) in an amount equal to such Member's or Economic Interest Owner's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member or Economic Interest Owner pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Section (1) is intended to comply with the mini mum gain chargeback requirement in Section 1.704-1(f) of the Regulations and shall be interpreted consistently therewith.

(2) Except as otherwise provided in Section 1.704-1(i)(4) of the Regulations, notwithstanding any other provision of Article 7 or this Exhibit B, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company fiscal year, each Member or Economic Interest Owner who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's or Economic Interest Owner's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member or Economic Interest Owner pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section (1) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(3) [intentionally omitted]

(4) Any Member Nonrecourse Deductions for any Fiscal year shall be specially allocated to the Member or Economic Interest Owner who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(5) To the extent an adjustment to the adjusted tax basis of any Company asset is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member or Economic Interest Owner in complete liquidation of its interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Member or Economic Interest Owners in accordance with their interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Members and Economic Interest Owners to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

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(6) In the event any Member unexpectedly receives any adjustments, allocations or distributions described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) resulting in a Capital Account deficit for such Member in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this LLC Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), items of income and gain shall be specially allocated to such Member in any amount and manner sufficient to eliminate, to the extent required by the Regulations, such a Capital Account deficit as quickly as possible. The items to be allocated will be determined in accordance with Regulations Section 1.704-1(b)(2)(ii)(d)(6). This Section (6) is intended to comply with Regu lations Section 1.704-1(b)(2)(ii)(d) and will be applied and interpreted in accordance with such regulation; provided, that an allocation pursuant to this Section (6) shall be

made only if and to the extent that such Member would have a Capital Account deficit after all other allocations provided for in Article 7 and this Exhibit B have been tentatively made as if this Section (6) were not in this LLC Agreement.

(7) In the event any Member has a deficit Capital Account at the end of any LLC taxable year in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this LLC Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member shall be specially allocated items of LLC income and gain (consisting of a pro rata portion of each item of LLC income and gain) as quickly as possible to eliminate such excess Capital Account deficits, provided, that an allocation pursuant to this Section (7) will be made if and only to the extent that such Member would have such a Capital Account deficit in excess of such sum after all other allocations provided for in Article 7 and this Exhibit B have been tentatively m ade as if Section (6) and this Section (7) were not in this LLC Agreement.

(8) No items of loss or deduction will be allocated to any Member to the extent that any such allocation would cause the Member to have a, or increase the amount of an existing, Capital Account deficit in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this LLC Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and (ii) the amount such Member is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) at the end of any LLC taxable year. All items of loss or deduction in excess of the limitation set forth in this Section (8) shall be allocated among such other Members, which do not have such deficit Capital Account balances, pro rata, in proportion to their Economic Interests, until no Member may be allocated any such items of loss or deduction without having or increasing such a def icit Capital Account balance. Thereafter, any remaining items of loss or deduction shall be allocated to the Members, pro rata, in proportion to their relative aggregate Economic Interests.

(9) The allocations set forth in Sections (1), (2), (3), (4), (5), (6), (7), (8) and (9) hereof (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding any other provisions of this Article 7 and this Exhibit B (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss and deduction among the Members so that, to the extent possible, the net amount of such allocations of such other items and the Regulatory Allocations to each Member shall be equal to the net amount that would have been allocated to each such Member in each LLC taxable year if the Regulatory Allocations had not occurred. Notwithstanding the preceding sentence, Regulatory Allocations relating to (i) Nonrecourse Deductions shall not be taken into account except to the extent that there has be en a decrease in Partnership Minimum Gain, and (ii) Partner Nonrecourse Deductions shall not be taken into account except to the extent that there has been a decrease in Partner Minimum Gain. Allocations pursuant to this Section (9) shall only be made with respect to Regulatory Allocations to the extent the Management Committee determine that such allocations shall otherwise be inconsistent with the economic agreement among the Members. Further, allocations pursuant to this Section (9) shall be deferred with respect to allocations pursuant to (i) and (ii) above to the extent the Management Committee determine that such allocations are likely to be offset by subsequent Regulatory Allocations.

(10) Other Allocation Rules.

(a) The Members and Economic Interest Owners are aware of the income tax consequences of the allocations made by Article 7 and this Exhibit B and hereby agree to be bound by the provisions of Article 7 and this Exhibit B in reporting their shares of Company income and loss for income tax purposes.

(b) Consistent with and subject to Section 11.2 of the LLC Agreement, for purposes of determining the Net Profits, Net Losses, or any other items allocable to any period, Net Profits, Net Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by a Majority in Interest of the applicable Series using any permissible method under Code Section 706 and the Regulations thereunder.

(c) Solely for purposes of determining a Member's or Economic Interest Owner's proportionate share of the "excess nonrecourse liabilities" of the Company, within the meaning of Regulations Section 1.752-3(a)(3), the Members' and Economic Interest Owners' interests in Company Net Profits are in proportion to their Economic Interests in the applicable Series; provided, however, that to the extent possible, such excess nonrecourse liabilities will instead be allocated so as to minimize any recognition of gain of any Member or Economic Interest Owner which would result under Code Section 731 or Section 752 from the restructuring.

(d) To the extent permitted by Section 1.704-2(h)(3) of the Regulations, the Members shall endeavor not to treat distributions of Net Profits as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt.

(11) Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members and Economic Interest Owners so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with Section (e)(i) above). The Members and Economic Interest Owners hereby agree that the "**traditional method**" described in Regulation Section 1.704-3(d) shall be used for allocating the disparity between the fair market value of a contributed asset and that asset's adjusted tax basis.

Other than the mandatory use of the traditional allocation method as specified above in this Section (11), any elections or other decisions relating to such allocations shall be made by the Management Committee in any manner that reasonably reflects the purpose and intention of this LLC Agreement. Allocations pursuant to this Section (11) are solely for purposes of federal, state, and local taxes and shall not affect, or

in any way be taken into account in computing, any Person's Capital Account or share of Net Profits, Net Losses, other items, or distributions pursuant to any provisions of this LLC Agreement.

AMENDMENT NO. 1
TO
THE SECOND AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
CUSTOM ENERGY HOLDINGS, L.L.C.

This Amendment No. 1 (this "Amendment") to the Second Amended and Restated Limited Liability Company Agreement of Custom Energy Holdings, L.L.C., dated as of July 26, 2002, (the "LLC Agreement") is made and entered into this 25th day of March, 2003, by and among SE Holdings, L.L.C., a Delaware limited liability company ("Holdings"), Innovative Energy Consultants Inc., a Missouri corporation ("IEC"), and KLT Energy Services Inc., a Missouri corporation ("KLT" and, together with Holdings and IEC, the "Members"), but shall be effective as January 3, 2003.

WHEREAS, the Members are the owners of all of the issued and outstanding limited liability company interests of Custom Energy Holdings, L.L.C., a Delaware limited liability company (the "Company"); and

WHEREAS, the Members and the Company wish to amend the LLC Agreement to reflect such current ownership;

NOW, THEREFORE, in consideration of the mutual covenants and benefits set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The second paragraph of Section 3.1 of the LLC Agreement hereby is amended and restated to read in its entirety as follows:

The Management Committee shall consist of three (3) representatives, one (1) of whom shall be appointed by KLT, one (1) of whom shall be appointed by IEC, and one (1) of whom shall be appointed by Holdings. In the event of the resignation or death of a representative, the vacancy shall be promptly filled by a nominee of the Member who appointed the departing representative. The appointment of each representative on the Management Committee subsequent to the initial representatives named this Section 3.1 shall be evidenced by an appointment, and acceptance of appointment, in a writing delivered to the Company by the Member entitled to appoint such representative. Each representative will serve on the Management Committee at the pleasure of the Member appointing him or her. The Management Committee shall, as of the effective date of this LLC Agreement, consist of David J. Haydon (appointed by KLT), Andrea Bielsker (appointed by IEC) and Richard M. Zomnir (appointed by Holdings).

2. This Amendment shall be effective as of January 3, 2003.

IN WITNESS WHEREOF, the parties hereto have signed this Amendment on the date first above written.

SE Holdings, L.L.C.,
a Delaware limited liability company

By:/s/Richard M. Zomnir
Richard M. Zomnir, CEO & President

KLT Energy Services Inc.,
a Missouri corporation

By:/s/David J. Haydon
David J. Haydon, President

Innovative Energy Consultants Inc.,
a Missouri corporation

By:/s/Mark G. English
Name: Mark G. English
Title: Secretary

AMENDMENT NO. 2 TO THE AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
STRATEGIC ENERGY, L.L.C.

This Amendment No. 2 (this "Amendment") to the Amended and Restated Limited Liability Company Agreement of Strategic Energy, L.L.C. dated as of December 31, 1999, as amended by Amendment No. 1 to the Amended and Restated Limited Liability Company Agreement of Strategic Energy, L.L.C. dated April 27, 2001 (collectively, the "LLC Agreement") is made and entered into as of this 25th day of March, 2003, by and between Custom Energy Holdings, L.L.C., a Delaware limited liability company ("CE" or the "Member") and Strategic Energy, L.L.C., a Delaware limited liability company (the "Company"), but shall be effective as January 3, 2003.

WHEREAS, the owners of all of the issued and outstanding Series SEL Economic Interests and Series SEL Voting Interests (as those terms are defined in the Second Amended and Restated Limited Liability Company Agreement of Custom Energy Holdings, L.L.C., dated as of July 26, 2002) in CE are SE Holdings, L.L.C., a Delaware limited liability company ("Holdings"), Innovative Energy Consultants Inc., a Missouri corporation ("IEC"), and KLT Energy Services Inc., a Missouri corporation ("KLT"); and

WHEREAS, the Member and the Company wish to amend the LLC Agreement to reflect such current ownership;

NOW, THEREFORE, in consideration of the mutual covenants and benefits set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The second paragraph of Section 3.1 of the LLC Agreement hereby is amended and restated to read in its entirety as follows:

The Management Committee shall consist of four (4) representatives, two (2) of whom shall be appointed by KLT, one (1) of whom shall be appointed by IEC, and one (1) of whom shall be appointed by Holdings. In the event of the resignation or death of a representative, the vacancy shall be promptly filled by a nominee of the Person who appointed the departing representative. The appointment of each representative on the Management Committee subsequent to the initial representatives named in this Section 3.1 shall be evidenced by an appointment, and acceptance of appointment, in a writing delivered to the Company by the Person entitled to appoint such representative. Each representative will serve on the Management Committee at the pleasure of the Person appointing him or her. The Management Committee shall, as of the effective date of Amendment No. 2 to this LLC Agreement, consist of Mark R. Schroeder and David J. Haydon (appointed by KLT), Andrea Bielsker (appointed by IEC) and Richard M. Z omnir (appointed by Holdings).

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2. This Amendment shall be effective as of January 3, 2003.

IN WITNESS WHEREOF, the parties hereto have signed this Amendment on the date first above written.

Custom Energy Holdings, L.L.C.,
a Delaware limited liability company

By:/s/David J. Haydon
David J. Haydon, President and Chief
Executive Officer

Strategic Energy, L.L.C.,
a Delaware limited liability company

By:/s/Richard M. Zomnir
Richard M. Zomnir, President and Chief
Executive Officer

Consented to by the holders of Series SEL Voting Interests:

SE Holdings, L.L.C.,
a Delaware limited liability company

By:/s/Richard M. Zomnir
Richard M. Zomnir, CEO & President

KLT Energy Services Inc.,
a Missouri corporation

By:/s/David J. Haydon
David J. Haydon, President

Innovative Energy Consultants Inc.,
a Missouri corporation

By:/s/Mark G. English
Name: Mark G. English
Title: Secretary

STATE OF DELAWARE

CERTIFICATE OF FORMATION
OF
CUSTOM ENERGY, L.L.C.

The undersigned, an authorized natural person, for the purpose of forming a limited liability company, under the provisions and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified, and referred to as the "Delaware Limited Liability Company Act"), hereby certifies that:

FIRST: The name of the limited liability company (hereinafter called the "limited liability company") is Custom Energy, L.L.C.

SECOND: The address of the registered office and the name and the address of the registered agent of the limited liability company required to be maintained by Section 18-104 of the Delaware Limited Liability Company Act are Corporation Service Company, 1013 Centre Road, Wilmington, Delaware 19805.

THIRD: The latest date on which the limited liability company is to dissolve is June 30, 2049.

Executed on August 31, 1999.

/s/ Gregory J. Orman
Gregory J. Orman, Authorized Person

STATE OF DELAWARE
SECRETARY OF STATE
DIVISION OF CORPORATIONS
FILED 09:05 AM 12/08/1999
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AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT
OF
CUSTOM ENERGY, L.L.C.

THIS AMENDED AND RESTATED LIMITED LIABILITY COMPANY AGREEMENT ("LLC Agreement"), is made and entered into this 26th day of July, 2002, by and between KLT Energy Services Inc., a Missouri corporation ("KLT"), and MTB Energy, Inc., a Missouri corporation ("MTB") (KLT and MTB are each hereinafter referred to individually as a "Member" and collectively as the "Members").

WHEREAS, in connection with the distribution of all of the limited liability company interests of Custom Energy, L.L.C. (the "Company") by Custom Energy Holdings, L.L.C. ("Holdings") in exchange for certain of the limited liability company interests of Holdings, the Members now own all of the limited liability company interests of the Company; and

WHEREAS, the Members desire to enter into this LLC Agreement and confirm this LLC Agreement as the limited liability company agreement of the Company; and

WHEREAS, Environmental Lighting Concepts, Inc., held certain limited liability company interests in Holdings related to economic and voting interests in the Company which were cancelled in connection with said distribution, and is executing this LLC Agreement for the sole purpose of acknowledging that it does not have any direct or indirect ownership interest in the Company;

NOW, THEREFORE, in consideration of the mutual covenants and benefits set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
THE LIMITED LIABILITY COMPANY

1.1 Formation of Limited Liability Company. The Certificate of Formation of the Company was filed in the office of the Secretary of State of Delaware pursuant to the Delaware Limited Liability Company Act (the "Delaware Act") on 8th day of December, 1999, and is hereby ratified by each of the Members.

1.2 Registered Office and Agent. The address of the Company's registered office in the State of Delaware is located at 1013 Centre Road, Wilmington, Delaware 19805, or any other or additional place or places as the Members may determine from time to time, and the registered agent at such office is The Corporation Service Company.

In the event the registered agent ceases to act as such for any reason or the registered office shall change, the Management Committee shall promptly designate a replacement registered agent or registered office as the case may be, and make the appropriate filings with the secretary of state. If the Management Committee shall fail to designate a replacement registered agent or registered office, as the case may be, then any one Member may designate a replacement registered agent or registered office and make the appropriate filings in the Office of the Secretary of State of Delaware.

1.3 Purpose. The purpose and business of the Company shall be (i) to engage in the business of designing and installing energy efficient lighting systems and equipment in existing facilities, including commercial, industrial, retail, health care, municipal, governmental or school district facilities, (ii) to provide energy management services and energy audits, including consulting, contracting for installation of equipment and/or energy efficient measures, energy control devices, maintenance of energy related equipment and energy usage monitoring services, and (iii) to invest in business ventures which undertake such activities, and to do all other things which are reasonably incidental to the foregoing. The Company may transact any or all other lawful business for which a limited liability company may be organized under the Delaware Act upon the affirmative vote or consent of all of the representatives of the Manag ement Committee of the Company specifically authorizing any such other lawful business.

1.4 Principal Place of Business. The principal place of business of the Company shall be 9217 Cody, Overland Park, Kansas 66214, or at such other place or places within or without the State of Delaware as the Management Committee may designate from time to time.

1.5 Property. All assets, including real and personal property owned and held by the Company shall be owned by the Company in the name of the Company and no Member or other Unit holder shall have any ownership interest in such property in its individual name or right. Each Member's and Unit holder's interest in the Company shall be personal property for all purposes. Any deed, bill of sale, mortgage, lease, contract of sale or other instrument purporting to convey or encumber any interest in the property of the Company shall be signed only as authorized by the affirmative vote or consent of the Management Committee as provided in this LLC Agreement.

1.6 No State Law Partnership. The Members have formed the Company under the Delaware Act, and intend that the Company shall not be a partnership (including, without limitation, a limited partnership) or joint venture, that no Member or other Unit holder shall be a partner of, or a joint venturer with, any other Member or other Unit holder for any purpose, other than for United States federal and state tax purposes, and that this LLC Agreement shall not be construed to suggest otherwise.

1.7 Limited Authority of Members. No Member or other Unit holder shall have any authority to bind the Company as to any matter except as expressly provided herein.

ARTICLE 2
DEFINITIONS

2.1 Definitions. As used in this LLC Agreement:

(a) "Affiliate" means, when used with reference to a specified Person, (i) any Person directly or indirectly controlling, controlled by or under common control with such specified Person, (ii) any Person owning or controlling 10 percent or more of the outstanding voting securities of such specified Person, and (iii) any officer, director or partner of such specified Person or of any Person specified in (i) or (ii) above. The term "Affiliate" shall not include any Person providing legal, accounting or other professional services to the Company solely on account of providing such services.

(b) "Capital Account" means, with respect to any Member or other Unit holder, the Capital Account maintained for such Person in accordance with the following provisions:

(i) To each Person's Capital Account there shall be credited such Person's Capital Contributions, such Person's distributive share of Net Profits and any items in the nature of income or gain which are specially allocated pursuant to Article 7 hereof, and the amount of any Company liabilities assumed by such Person or which are secured by any Property distributed to suchPerson.

(ii) To each Person's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Property distributed to such Person pursuant to any provision of this LLC Agreement, such Person's distributive share of Net Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Article 7 hereof, and the amount of any liabilities of such Person assumed by the Company or which are secured by any property contributed by such Person to the Company.

(iii) In the event any interest in the Company is transferred in accordance with the terms of this LLC Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(iv) In determining the amount of any liability for purposes of Sections 2.1(b)(i) and 2.1(b)(ii) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this LLC Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Management Committee shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or the Members), are computed in order to comply with such Regulations, such modification shall be made, provided that it is not likely to have a material effect on the amounts distributable to any Member or other Unit holder. Adjustments and modifications also shall be made as are necessary or appropriate to maintain equality between the Capital Accounts and the amount of Co mpany capital reflected on the Company's balance sheet, as computed for book purposes in accordance with Regulations Section 1.704-1(b)(2)(iv)(g).

(c) "Capital Contribution" or "Capital Contributions" means, with respect to any Member, the amount of money and the Gross Asset Value of any property (other than money) contributed to the Company by such Member pursuant to the terms of this LLC Agreement.

(d) "Common Unit" shall mean a Unit representing the common equity ownership interest of a Person in the Company's profits, losses and the distribution of cash or property and/or the Company's assets, and such Person's voting rights in the Company, as set forth in this LLC Agreement.

(e) "Default Event" shall mean the occurrence of (i) any payment default with respect to the Preferred Units that has not been fully-cured (with interest on the amount of such payment then due through the date of payment at the Preferred Rate) within thirty (30) days after written notice of such default has been given to the Company by any holder of Preferred Units, (ii) with respect to any calendar quarter ending on or after March 31, 2004, the failure of the Management Committee, within twenty (20) days after the end of such calendar quarter, to declare that Preferred Return for such calendar quarter shall be payable with respect to the Preferred Units, that has not been fully-cured within five (5) days after written notice of such failure has been given to the Company by any holder of Preferred Units, (iii) any violation of Sections 3.11 or 3.12 hereof, (iv) any viol ation of Section 6.6 hereof that has not been fully-cured within ten (10) days after written notice of such default has been given to MTB by any Member, or (v) any material violation or breach of any other provision of this LLC Agreement by MTB (or any successor thereto), any Affiliate thereof, or any representative to the Management Committee appointed thereby, that has not been fully-cured within thirty (30) days after written notice of such default has been given to the Company by any Member. The violation or breach of any of the provisions of Article 7 or 8 hereof shall, for purposes of this definition, be deemed in all instances to be a material violation or default.

(f) "Liquidation Value" shall mean the amount of $1.00 per Preferred Unit.

(g) "Management Committee" shall mean the committee of the Company appointed by the Members and established pursuant to Section 3.1 of this LLC Agreement.

(h) "Member" shall mean any Person executing this LLC Agreement from time to time and as otherwise admitted as a Member of the Company as provided in Section 10.1 of this LLC Agreement but excluding any such Person that no longer owns any Units.

(i) "Net Profits" and "Net Losses" means, for each fiscal year, an amount equal to the Company's taxable income or loss attributable for such fiscal year, determined in accordance with Code Section 703(a) (for these purposes, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this Section 2.1(i) shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-1(b)(2)(iv)(i), and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this Section 2.1(i) shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section (e)(ii) or Section (e)(iii) of Exhibit B hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profits or Net Losses;

(iv) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year, computed in accordance with (d) of Exhibit B hereof;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's or other Units holder's interest in the Company, the amount of such adjustment shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Profits or Net Losses; and

(vii) Notwithstanding any other provision of this Section 2.1(i), any items, which are specially allocated pursuant to Article 7 hereof, shall not be taken into account in computing Net Profits or Net Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Article 7 hereof shall be determined by applying rules analogous to those set forth in Sections (e)(i) through (e)(iv) of Exhibit B.

(j) "Percentage Interest" shall mean, with respect to any Member or other holder of Units, a percentage of total Common Units or Preferred Units, as applicable, equal to a fraction that has as its numerator the number of Common Units or Preferred Units, as applicable, owned by such Member or other holder of Units and as its denominator the total number of Common Units or Preferred Units, as applicable, owned by all Members and other holders of Units. Each Member's or other holder of Units' Percentage Interest of Common Units and Preferred Units, as applicable, shall be set forth on Exhibit A. Exhibit A shall be updated from time to time by the Chairman of the Management Committee to reflect the then current Unit ownership and Percentage Interests of each Member and other holder of Units.

(k) "Person" shall include any individual, trust, estate, corporation, partnership, limited liability company, association or other entity.

(l) "Preferred Rate" shall mean eight percent (8%) annually, or two percent (2%) per calendar quarter.

(m) "Preferred Return" shall mean, to the extent that the Management Committee declares that Preferred Return shall be payable with respect to the Preferred Units for any calendar quarter, an aggregate amount equal to the rate of return which is the Preferred Rate per annum on the Remaining Liquidation Value and any balance in the Preferred Return Account. The Preferred Return shall not be cumulative and, thus, (i) the holders of the Preferred Units shall not be entitled to any Preferred Return with respect to any calendar quarter unless and until the Management Committee declares that Preferred Return shall be payable with respect to a calendar quarter, and (ii) in the event the Management Committee does not declare that Preferred Return shall be payable with respect to the Preferred Units for any calendar quarter, then no Preferred Return shall be payable with respect to such calendar quarter.

(n) "Preferred Return Account" shall mean, with respect to each Preferred Unit holder, an amount, from time to time, equal to the amount of Preferred Return payable to such holder less the amount distributed to such holder pursuant to Section 8.1(a) of this LLC Agreement.

(o) "Preferred Unit" shall mean a Unit representing the preferred equity ownership interest of a Person in the Company's profits, losses and the distribution of cash or property and/or the Company's assets, and such Person's voting rights in the Company, as set forth in this LLC Agreement.

(p) "Proceeds" shall mean, with respect to any period, gross receipts received by the Company from all sources during such period, including, without limitation, all sales, other dispositions, and refinancing of the Company's property, but does not include Capital Contributions as provided for in Article 6 of this LLC Agreement.

(q) "Remaining Liquidation Value" shall mean, with respect to a Preferred Unit, the Liquidation Value of such Unit less all prior distributions made by the Company with respect to such Unit pursuant to Section 8.1(c) of this LLC Agreement.

(r) "Subsidiary" means, with respect to the Company, any Person of which securities or other ownership interests having ordinary voting power to elect at least a majority of the board of directors or other persons performing similar functions are at the same time directly owned or indirectly owned by the Company.

(s) "Unit" shall mean a quantum of the economic and voting interest that has been issued by the Company and remains outstanding. Units include both Common Units and Preferred Units. The number of Units of each class held by each Member and other Unit owner, as applicable, shall be set forth on Exhibit A. Exhibit A shall be amended from time to time by the Chairman of the Management Committee to reflect the then current Unit ownership of the Members and other Unit owners.

2.2 Other Definitional Provisions.

(a) Exhibit B hereto contains definitions of certain additional terms used therein.

(b) As used in this LLC Agreement, accounting terms not defined in this LLC Agreement shall have the respective meanings given to them under generally accepted accounting principles.

(c) The words "hereof," "herein" and "hereunder" and words of similar import when used in this LLC Agreement shall refer to this LLC Agreement as a whole and not to any particular provision of this LLC Agreement, and Article, section, subsection, schedule and exhibit references are to this LLC Agreement unless otherwise specified.

(d) Words of the masculine gender shall be deemed to include the feminine or neuter genders, and vice versa, where applicable.

(e) Words of the singular number shall be deemed to include the plural number, and vice versa, where applicable.

ARTICLE 3
MANAGEMENT

3.1 Management Committee. The business and affairs of the Company shall be controlled and managed by a Management Committee which, subject to the provisions and limitations contained in this LLC Agreement and any applicable law, shall have the power and authority to take, or cause to be taken, any and all actions necessary and proper to conduct the business affairs of the Company and carry out its duties as described in this LLC Agreement.

The Management Committee shall consist of two (2) representatives, one (1) of whom shall be appointed by KLT, and one (1) of whom shall be appointed by MTB. In the event of the resignation or death of a representative, the vacancy shall be promptly filled by a nominee of the Member who appointed the departing representative. The appointment of each representative on the Management Committee subsequent to the initial representatives named this Section 3.1 shall be evidenced by an appointment, and acceptance of appointment, in a writing delivered to the Company by the Member entitled to appoint such representative. Each representative will serve on the Management Committee at the pleasure of the Member appointing him or her. The Management Committee shall, as of the date of this LLC Agreement, consist of Gregory J. Orman (appointed by KLT) and L. Tim Clemons (appointed by MTB).

If a Member transfers all of its Units and the transferee thereof is admitted as a Member of the Company as provided in Section 10.1 of this LLC Agreement, then the transferee of such Units shall succeed to such Member's rights to appoint representatives to the Management Committee as provided in this Section 3.1. In the event a Member transfers its Units to more than one transferee, the transferring Member shall designate which of such transferees shall succeed to the such transferring Member's right to appoint representatives to the Management Committee.

From and after the occurrence of a Default Event, (i) the representative of the Management Committee appointed by MTB automatically shall be deemed to have resigned from the Management Committee without any further act or deed, (ii) the Members holding the Preferred Units shall have the right to name both members of the Management Committee, and (iii) such members of the Management Committee named by the holders of the Preferred Units shall have exclusive voting and management control of the Company (subject to the rights of the Members under Section 3.11), including the right to hire or fire the Chief Executive Officer, without any liability whatsoever.

3.2 Transactions with Members and Affiliates. The Company may enter into agreements with one or more Members or Affiliates of a Member to provide financing, leasing, management, legal, accounting, architectural, brokerage, development, or other services or to buy, sell, or lease assets to or from the

Company ("Affiliate Transactions") with a value of less than twenty-five thousand dollars ($25,000), provided that any such agreements and transactions shall be disclosed to the Management Committee and be at rates at least as favorable to the Company as those available from

unaffiliated parties. Affiliate Transactions with a value of twenty-five thousand dollars ($25,000) or more shall require the express written consent of the disinterested representative of the Management Committee or, if there is no such disinterested representative, the Members. The validity of any transaction, agreement, or payment involving the Company and any Member or Affiliate of a Member otherwise permitted hereunder shall not be affected by reason of the relationship between such Person and the Company or any of its Members.

3.3 Chairman and Other Officers. A representative on the Management Committee shall serve as the Chairman of the Management Committee and as Chief Executive Officer of the Company. The initial Chairman of the Management Committee and Chief Executive Officer of the Company shall be L. Tim Clemons. Thereafter, the Chairman of the Management Committee and the Chief Executive Officer shall be elected from time to time by the Management Committee. The Chief Executive Officer shall have those duties and responsibilities as are outlined in Section 3.13 hereof. The Company shall have such other officers as may be appointed by the Management Committee, or in the absence of such appointment, as designated by the Chairman of the Management Committee. The Chairman of the Management Committee shall preside at all meetings of the Management Committee, and shall have such other duties and responsibilities as may be assigned by the Management Committee from time to time.

3.4 Meetings. The Management Committee shall have regular meetings on a quarterly basis within eight weeks after the end of each fiscal quarter. Regular and special meetings of the Management Committee may be called by either the Chairman of the Management Committee, or by another representative on the Management Committee, by written notice designating the time and place of the meeting sent to each representative not fewer than five (5) nor more than ten (10) days before the date of the meeting to the address of the Member appointing such representative. If no place is designated, then the meeting shall be held at the Company's principal place of business. If all of the representatives to the Management Committee meet at any time and place, the meeting shall be valid without call or notice and any lawful action may be taken at such meeting.

3.5 Quorum. The presence of two (2) representatives of the Management Committee shall constitute a quorum at any duly called meeting of the Management Committee.

3.6 Voting. Each representative on the Management Committee shall be entitled to a vote upon each matter submitted or required to be submitted to a vote at a meeting of the Management Committee in an amount equal to (a) prior to the occurrence of a Default Event, the number of Common Units held by the Member who appointed such representative on the Management Committee, and (b) from and after the occurrence of a Default Event, the number of Preferred Units held by the Members who appointed such representative on the Management Committee. An affirmative vote of a majority of the Units voted by the representatives shall be required to approve the action to be taken by the Management Committee.

3.7 Action without a Meeting. Any action which is required or permitted to be taken at a meeting of the Management Committee may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the actions so taken, is signed by each of the representatives to the Management Committee and filed with the Company.

3.8 Telephone Meetings. Representatives of the Management Committee may participate in a meeting of the Management Committee by means of conference telephone or other similar communication equipment whereby all persons participating in the meeting can hear each other. Participation in the meeting in this manner constitutes presence in person at the meeting.

3.9 Waiver of Notice. Whenever any notice is required to be given to any representative to the Management Committee, a waiver of the notice in writing signed by the person entitled to the notice, whether before, at or after the time stated therein, and delivered to the Company for inclusion in the minutes or filing with the Company's records, shall be deemed equivalent to the giving of such notice.

3.10 Salary and Expenses. Representatives serving on the Management Committee, as such, shall not receive any stated salary for their services on the Management Committee, but by written resolution adopted by all of the representatives of the Management Committee may receive reimbursement of expenses of attendance at each meeting of the Management Committee.

3.11 Powers of Members. The Company shall be prohibited from taking any of the following actions without the prior express consent of (i) the Members and other holders of Common Units holding at least 90% of the total number of Common Units, and (ii) the Members and other holders of Preferred Units holding at least 90% of the total number of Preferred Units; provided, however, that the Company shall be prohibited from taking any action under clause (a) of this Section 3.11 without the prior express consent of all Members and other holders of Common Units and Preferred Units; further provided, however, that from and after the occurrence of a Default Event, the Company shall be permitted to take those actions under clause (c), (d) and (g) of this Section 3.11 upon the prior express unanimous consent of only those Members holding the Preferred Units:

(a) Amending this LLC Agreement or issuing any additional Preferred Units;

(b) Taking any action or failing to take any action in contravention of this LLC Agreement;

(c) Merging or consolidating or agreeing to merge or consolidate the Company with or into any other entity, where the Company shall not be the surviving entity;

(d) Selling, exchanging, leasing, mortgaging, pledging or otherwise disposing of all or a substantial portion of the property and assets of the Company in a single transaction or series of related transactions;

(e) Filing any registration statement (other than a Form S-8) or any amendments thereto with the Securities and Exchange Commission ("SEC") registering any of the Units or other securities of the Company or file or prepare a prospectus in accordance with Rule 424(b) as promulgated by the SEC;

(f) Making or causing the Company to become a party to any contract or commitment, or renew, extend, amend or modify any contract or commitment, with a Member or an Affiliate of a Member, except as expressly permitted by this LLC Agreement;

(g) Dissolving and winding up the business of the Company or the taking of any corporate or other action by or on behalf of the Company in furtherance of the foregoing (except as contemplated in Section 3.12);

(h) Requiring additional Capital Contributions or modifying a Member's obligation to make a Capital Contribution (except as provided in Article 6 of this LLC Agreement);

(i) Assuming, incurring, or guarantying or becoming liable for any indebtedness or borrowed money on behalf of the Company if such indebtedness or borrowed money is recourse to any of the Members;

(j) Increasing the salary of an Affiliate of any Member, except as otherwise contemplated by this LLC Agreement;

(k) Making any distributions to the Members, except as otherwise provided in or contemplated by this LLC Agreement; or

(l) Making any capital investments with respect to any "own and operate" projects of the Company.

3.12 Powers of the Management Committee. Without limiting any applicable requirement for consent of the Members pursuant to Section 3.11 above, the Company shall be prohibited from taking any of the following actions without the prior express consent of the Management Committee, and the Management Committee shall have the power and authority to do, or cause the Company to do, the following actions; provided, however, that in the event that any of the following would alter the priority of the Preferred Units, dilute or diminish the economic or voting rights of the Preferred Units, or otherwise circumvent the intent and spirit of the rights, privileges and protections afforded the holders of the Preferred Units in any material respect, then the following actions shall, in addition to the approval of the Management Committee, also require the prior express unanimous consent of the Members holding the Preferred Units:

(a) Merging or consolidating or agreeing to merge or consolidate the Company with or into any other entity where the Company shall be the surviving entity;

(b) Making an acquisition of, or investment in, any business enterprise or venture;

(c) Assuming, incurring or guarantying or becoming liable for any indebtedness or borrowed money on behalf of the Company;

(d) Taking such other actions specified in this LLC Agreement as requiring the consent or approval of the Management Committee;

(e) Effecting the partition any assets of the Company or distributing any assets of the Company (except as otherwise provided in this LLC Agreement);

(f) Admitting any substitute or additional Members (except as otherwise provided in this LLC Agreement), including without limitation the approval of a proposed Transfer as contemplated by Section 9.2;

(g) Selling, assigning or transferring Units or any other equity interest in the Company, except as otherwise expressly permitted by this LLC Agreement; or

(h) Adopting all operating and other budgets of the Company;

(i) Making any non-budgeted expenditure;

(j) Declaring that the Preferred Return shall be payable with respect to the Preferred Units for any calendar quarter;

(k) Making any distributions to the Members in accordance with the provisions of this LLC Agreement; or

(l) Engaging in any activity or entering into any contract that is not in the ordinary course of business, or transacting any business other than that which is consistent with the purpose and business of the Company as described in Section 1.3 of this LLC Agreement.

3.13 Duties and Authority of Chief Executive Officer. The Chief Executive Officer shall be responsible for the management of the day to day business and affairs of the Company and as otherwise directed by the Management Committee from time to time. Any decision or act of the Chief Executive Officer within the scope of the Chief Executive Officer's authority granted hereunder shall control and bind the Company. The Chief Executive Officer may, at his sole discretion, delegate his duties and responsibilities hereunder to other officers of the Company. Except as set forth in Sections 3.11 and 3.12 above, the Chief Executive Officer shall have the power and authority to do, or to cause the Company to do, the following, without the consent of the Members or the Management Committee:

(a) Control of the day-to-day operations of the Company;

(b) Carry out and effect all directions of the Management Committee;

(c) Provide for the accounting function for the Company;

(d) Apply for and obtain all appropriate insurance coverage;

(e) Manage the temporary investment of the Company's funds and short-term investments providing for appropriate safety of principal;

(f) Engage in any kind of activity and perform and carry out all contracts of any kind necessary to, in connection with or incidental to the accomplishment of the purposes and business of the Company, so long as said activities and contracts are in the ordinary course of business;

(g) Negotiate, execute and perform all agreements, and exercise all rights and remedies of the Company in connection with the foregoing; and

(h) Provide quarterly and annual operating and financial reports to the Management Committee.

3.14 Removal or Resignation of Chief Executive Officer. The Management Committee may remove and replace the Chief Executive Officer, in its sole and absolute discretion if, at any time or from time to time, it becomes dissatisfied with the Chief Executive Officer's performance under this LLC Agreement (regardless of whether such dissatisfaction shall constitute legal "cause" for termination).

The Chief Executive Officer of the Company may resign at any time by giving sixty (60) days advance written notice to each of the representatives to the Management Committee. The resignation of a Chief Executive Officer shall take effect sixty (60) days from the date of the notice or at such later time as shall be specified in the notice and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective.

The removal or resignation of an individual who is also a Member from the office of Chief Executive Officer shall not affect such individual's status or rights as a Member.

3.15 Compensation of Chief Executive Officer; Executive Incentive Compensation Plan. The compensation of the Chief Executive Officer shall be fixed from time to time by the Management Committee, and no Chief Executive Officer shall be prevented from receiving any such compensation because the Chief Executive Officer is also a Member of the Company. Tim L. Clemons will continue as the Chief Executive Officer of the Company, and shall be paid an annual salary and car allowance, effective as of the date of this LLC Agreement, of $125,000 and $7,000, respectively. Dayton Hahs will continue as the President and Chief Operating Officer of the Company, and shall be paid an annual salary and car allowance, effective as of the date of this LLC Agreement of $125,000 and $7,000, respectively. Mr. Clemons' and Mr. Hahs' salary also shall be reviewed on at least an annual basis from the then most recent salary adjustment.

In addition, the Company shall establish an incentive compensation plan for the benefit of the Company's executive officers, including Mr. Clemons and Mr. Hahs. The plan shall provide for payment of ten percent (10%) of net income (exclusive of gains from extraordinary items and other items outside the ordinary course of business) in excess of $500,000 to the executive officers, subject to a maximum annual payout under the plan of $250,000. The specific terms of such plan will be as unanimously approved by the representatives of the Management Committee.

3.16 Restrictions on the Members. No Member individually shall have the authority to do any binding act on behalf of the Company without the approval of the Members as provided in this LLC Agreement.

ARTICLE 4
RIGHTS AND OBLIGATIONS OF MEMBERS

4.1 Limitation of Liability. Each Member's liability shall be limited as set forth in this LLC Agreement, the Delaware Act and other applicable law.

4.2 Company Liabilities. A Member will not be personally liable for any debts or losses of the Company beyond the Member's respective Capital Contributions and any obligation of the Members to make additional Capital Contributions as provided in this LLC Agreement, except as required by law.

4.3 Priority and Return of Capital. Except as otherwise expressly provided in this LLC Agreement, no Member shall have priority over any other Member, either for the return of Capital Contributions or for Net Profits, Net Losses or distributions; provided that this Section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

4.4 Liability of a Member to the Company. A Member who rightfully receives a return in whole or in part of its Capital Contribution is liable to the Company only to the extent now or hereafter provided by the Delaware Act.

4.5 Independent Activities. Except as may otherwise be agreed upon in writing between the Company and a Member, each Member shall be required to devote only such time to the affairs of the Company as such Member determines in its sole discretion, and each such Member shall be free to serve any other Person in any capacity that it may deem appropriate in its discretion; provided, however, that no Member shall either directly or indirectly engage in any activities which in any way concern or are related to the license, sale, provision, use

or marketing of products, services or activities which are licensed, sold, provided, used or marketed by the Company or its Subsidiaries, or which activities otherwise are competitive with the Company or its Subsidiaries or otherwise, without first acquiring the written approval of each of the representatives of the Management Committee not appointed by the Member requesting or requi ring such approval.

ARTICLE 5
MEETINGS OF MEMBERS

5.1 Annual Meeting. The annual meeting of the Members shall be held on the second Tuesday in April or at such other time as shall be determined by the Members for the purpose of the transaction of such business as may come before the meeting. The matters requiring the consent of the Members are set forth in Section 3.11.

5.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Member.

5.3 Place of Meetings. The Members may designate any place, either within or outside the state of Delaware, as the place of meeting for any meetings of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal place of business of the Company.

5.4 Notice of Meetings. Except as provided in Section 5.5 below, for any annual meeting held at such time as provided in Section 5.1 above, and for all special meetings, written notice stating the place, day, and hours of the meeting and the purpose or purposes for which the meeting is called shall be delivered not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Members calling the meeting, to each Member entitled to vote at the meeting. If mailed, the notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States mail, addressed to the Member at the Member's address as it appears on the books of the Company, with postage thereon prepaid.

5.5 Meeting of all Members. If all of the Members shall meet at any time and place, either within or outside of the state of Delaware, and consent to the holding of a meeting at that time and place, the meeting shall be valid without call or notice, and at the meeting lawful action may be taken.

5.6 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjourned meeting, the date on which notice of the meeting is mailed shall be the record date for the determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, the determination shall apply to any adjourned meeting.

5.7 Quorum. Members holding a majority in interest of the outstanding Units, represented in person or by proxy, shall constitute a quorum at any meeting of Members; provided, however, that from and after the occurrence of a Default Event, Members holding a majority in interest of the Preferred Units, represented in person or by proxy, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any meeting of Members, the Members represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At any adjourned meeting at which a quorum shall be present or represented, any business may be transa cted which might have been transacted at the meeting as originally noticed.

5.8 Voting. If a quorum is present, the affirmative vote of Members holding a majority of the outstanding Units shall be the act of the Members, unless the vote of a greater proportion or number is required by this LLC Agreement, the Company's Certificate of Formation or the Delaware Act. Unless otherwise expressly provided in this LLC Agreement or required under applicable law, Members who have an interest (economic or otherwise) in the outcome of any particular matter upon which the Members vote or consent shall be counted in the determination of whether the requisite matter was approved by the Members.

5.9 Proxies. At all meetings of Members a Member may vote in person or by proxy executed in writing by the Member or a duly authorized attorney-in-fact. The proxy shall be delivered to any one (1) or more of the remaining Members before or at the time of the meeting. No proxy shall be valid after three (3) years from the date of its execution, unless otherwise provided in the proxy.

5.10 Action by Members without a Meeting. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more counterparts of a written consent describing the action taken and signed by each Member entitled to vote, which consent shall be included in the minutes or filed with the Company records. Action taken under this Section is effective when all Members entitled to vote have signed the consent, unless the consent specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

5.11 Waiver of Notice. When any notice is required to be given to any Member, a waiver of the notice in writing signed by the person entitled to the notice, whether before, at, or after the given time stated therein, and delivered to the Company for inclusion in the minutes or filing with the Company records, shall be equivalent to the giving of the notice. A Member's attendance at any meeting shall constitute a waiver: (i) to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to the holding of the meeting or transacting business at the meeting; and (ii) to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless such person objects to considering the matter when it is presented.

5.12 Chairperson of Meeting; Designation of Authorized Representatives. Each meeting of Members shall be conducted by the Chairman or such other Person as the Chairman may appoint pursuant to such rules for the conduct of the meeting as the Chairman or such other Person deems appropriate. Each Member shall designate to the Chairman, in writing, one (1) authorized representative of the Member who will vote or consent on all matters under this LLC Agreement for such Member. Such designation will continue until revoked in writing. Within thirty (30) days of the execution of this LLC Agreement, the Members shall designate their initial authorized representative.

ARTICLE 6
CAPITAL CONTRIBUTIONS

6.1 Capital Accounts. A Capital Account shall be maintained for each Member or other holder of Units as provided in Section 2.1(b) above. The initial balance of the Capital Account as of the effective date of this LLC Agreement shall be set forth on Exhibit A, attached hereto. The number of Preferred Units and Common Units of each Member or other holder of Units shall be as also set forth in Exhibit A. No Member or other holder of Units shall have any interest or rights in the capital contributed by any other Member.

6.2 Additional Capital Contributions. The Members recognize that the Company may require additional capital from time to time in order to accomplish the purposes and the business for which the Company is formed. If, by unanimous consent, the Management Committee determines in good faith that additional Capital Contributions are necessary for the operation of the Company or its Subsidiaries, each Member shall within thirty (30) days of such vote or consent contribute its respective share of the additional Capital Contributions in exchange for newly-issued Common Units as determined by the Management Committee, which share shall be determined on a pro rata basis with reference to such Member's proportionate share of Common Units

outstanding immediately prior to such additional Capital Contribution. The Chairman shall make a determination of each Member's additional Capital Contribution obligation and provide notice, including the amount required to be contributed by such Member and the date on which such contribution is due, to each Member within ten (10) days of such vote or consent of the call for such additional Capital Contribution. Unless otherwise determined by the affirmative vote or consent of the Management Committee, all such additional Capital Contributions shall be made in cash. No voluntary additional Capital Contributions shall be made by any Member absent the affirmative vote or consent of the Management Committee.

6.3 Interest and Other Amounts. No Member or other Unit holder shall receive any interest, salary, or drawing with respect to its Capital Contributions or its Units or for services rendered to or on behalf of the Company or otherwise in its capacity as a Member or other Unit holder, except as otherwise provided in this LLC Agreement or other agreement approved and ratified by all of the Members between the Company and such Member.

6.4 Withdrawal of Capital Contribution. Except as otherwise provided in this LLC Agreement, the affirmative vote or consent of all of the Members shall be required to modify, compromise or release the amount and/or character of a Member's Capital Contribution, or any promise made by a Member as consideration for the acquisition of an interest in the Company. Under circumstances requiring the return of any Capital Contribution, no Member shall have the right to receive any property of the Company, other than cash, except as may be specifically provided herein.

6.5 Loans of Members. A Member may loan cash or other property to the Company, should additional funds be required, upon such terms as all of the Members shall agree by affirmative vote or consent. Loans by any Member to the Company shall not be considered as contributions to the capital of the Company. Except as otherwise provided in this LLC Agreement, none of the Members shall be obligated to make any loan or advance to the Company.

6.6 Capital Support Obligation. On or before July 31, 2002, MTB, MTB's owners or any combination thereof shall either, at MTB's election, (a) make an additional Capital Contribution of $1 million, or (b) provide guaranties or such other additional credit support to the Company that affords the Company an incremental $1 million of borrowing capacity on an ongoing basis. If, and to the extent, the amount is made through a Capital Contribution, the Capital Account of the contributing person shall be credited in an amount equal to the amount contributed. Such contribution shall not result in the issuance of any additional Units or alter the respective Percentage Interests of the Members. If, and to the extent, the amount is made through a guarantee, such guarantee shall be made without any compensation to the party making such guarantee. If MTB elects to provide guaranties or other additional credit support pursuant to c lause (b) above, MTB's obligation under this Section 6.6 to continue to provide such guaranties or other additional credit support shall terminate immediately upon the termination of KLT's commitment to guaranty or otherwise support bonds as provided in Section 6.7.

6.7 Company Bonds. In the event that all existing bond obligations of the Company for the benefit of the State of Maryland that are guaranteed or otherwise supported by KLT are released, KLT commits to guaranty or otherwise provide the necessary support for up to $12 million of bonds. This commitment shall be for bonds issued within one year after the date of this LLC Agreement, with any extension of this commitment being made in KLT's sole discretion. KLT shall have underwriting rights regarding all proposed bonded projects and, thus, no such bonds shall be issued without the prior written consent of KLT. In the event a bond is issued that is guaranteed or otherwise supported by KLT, the Company shall pay KLT an upfront annual fee equal to 85 basis points of the face amount of the bond. In the event that a bond is issued that (i) is guaranteed or otherwise supported by MTB or the owners of MTB, and (ii) is not guara nteed or otherwise supported by KLT, the Company shall pay MTB or the owners of MTB, as the case may be, an upfront annual fee equal to 85 basis points of the face amount of the bond.

ARTICLE 7
ALLOCATIONS

7.1 Gross Income, Net Profits and Net Losses. After giving effect to the special allocations set forth in this Article 7, gross income, Net Profits and Net Losses as determined after taking into account allocations for gross income pursuant to subsection (a) below for any fiscal year shall be allocated to the Members and other holders of Units as follows:

(a) Gross Income Allocation. The Company shall allocate gross income to the holders of the Preferred Units in an amount equal to the amount of Preferred Return paid in cash during such year and during any prior year (to the extent that gross income had not previously been allocated pursuant to this Section 7.1(a)), including amounts of Preferred Return accrued for prior years and reflected in the Preferred Return Account.

(b) Net Profits. Net Profits for any fiscal year shall be allocated among the Members and other Unit owners as follows and in the following order of priority:

(i) First, to the holders of Common Units, in an amount equal to the Net Loss allocated to such holders pursuant to Section 7.1(c)(iii) (and not previously offset by this Section 7.1(b)(i)), in proportion to their respective number of Common Units;

(ii) Next, to the holders of the Preferred Units, in an amount equal to the Net Loss allocated to such holders pursuant to Section 7.1(c)(ii) (and not previously offset by this Section 7.1(b)(ii)), in proportion to the Net Loss allocated pursuant to such Section 7.1(c)(ii);

(iii) Next, to the holders of Common Units, in an amount equal to the Net Loss allocated to such holders pursuant to Section 7.1(c)(i) (and not previously offset by this Section 7.1(b)(iii)), in proportion to the Net Loss allocated pursuant to such Section 7.1(c)(i);

(iv) Then, to the holders of Common Units, in proportion to their respective number of Common Units.

(c) Net Losses. Net Losses for any fiscal year shall be allocated among the Members and other Unit owners as follows and in the following order of priority:

(i) First, to the holders of Common Units, to the extent of their positive Capital Account balances, in proportion to their respective number of Common Units;

(ii) Next, to the holders of the Preferred Units, to the extent of their respective Remaining Liquidation Values, in proportion to their respective amounts of Remaining Liquidation Value;

(iii) Then, to the holders of Common Units, in proportion to their respective number of Common Units.

7.2 Special Allocations. Notwithstanding the prior allocation provisions, the special allocations set forth in Exhibit B shall be made in the order set forth therein.

ARTICLE 8
ACCOUNTING, DISTRIBUTIONS AND TAXES

8.1 Distribution of Cash. Within forty-five (45) days after the close of each quarter of each fiscal year, or more frequently upon the affirmative vote or consent of the Management Committee, cash shall be distributed to the Members and other Unit owners as follows:

(a) First, to each holder of Preferred Units, an amount equal to any balance in such holder's Preferred Return Account;

(b) Next, an amount equal to 45% of the Net Profits with respect to such period (and prior periods if not previously distributed), if any, to the holders of Common Units in proportion to their respective number of Common Units (provided, however, that for purposes of this Section 8.1(b), Net Profits shall be reduced by Net Losses of prior periods which commence on and after the date of this LLC Agreement to the extent that such Net Losses previously have not been taken into account in reducing the amount of distributions computed pursuant to this Section 8.1(b));

(c) Next, an amount to the holders of Preferred Units in an amount equal to the Remaining Liquidation Value for each such Preferred Unit, payment of which will result in the redemption and cancellation of such Units;

(d) Then, to the holders of Common Units in proportion to their respective number of Common Units.

Without limiting the foregoing, the Company shall redeem all outstanding Preferred Units, by payment of the Remaining Liquidation Value for all such Preferred Unit and payment of any balance in the Preferred Return Account attributable thereto, on or before June 30, 2007.

Further, notwithstanding the foregoing, (i) distributions shall be made only to the extent the Management Committee determines that the Company has adequate available cash, and (ii) no distributions shall be made unless, after distribution is made, the assets of the Company are in excess of the liabilities of the Company, except amounts payable to Members on account of Capital Contributions.

8.2 Other Distributions. Notwithstanding Section 8.1, the Company shall redeem (by payment of the Remaining Liquidation Value of and the balance in the Preferred Return Account attributable thereto) the Preferred Units in the amounts set forth below promptly after the occurrence of the events therein stated as follows:

(a) In the event over $3 million is recovered by the Company through sale, settlement or refinance in connection with the TXU rebate receivables, then Preferred Units shall be redeemed to the extent of 25% of the recovery in excess of $3 million, and

(b) In the event over $2.5 million is recovered by the Company through sale by the Company, settlement or refinance in connection with the PSE&G rebate receivables, then Preferred Units shall be redeemed to the extent of 25% of the recovery in excess of $2.5 million.

8.3 Accounting. The fiscal and tax year of the Company shall be the calendar year. For tax purposes, the records of the Company shall be maintained on an accrual method of accounting. The books of account of the Company shall be kept and maintained at all times at the principal place of business of the Company or such other location as determined by the Management Committee. Each Member shall have the right at all reasonable times during usual business hours to audit, examine and make copies of or extracts from the books of account of the Company, and a list of the names and addresses of all of the Members. Such right may be exercised through any agent of such Member. Each Member shall bear all expenses incurred in any examination made for its account.

As soon as reasonably practicable after the end of each calendar month, the Chief Executive Officer shall furnish each Member with an interim unaudited balance sheet of the Company as of the last day of such calendar month, an unaudited statement of profit or loss of the Company for such calendar month, and an unaudited statement of cash receipts and disbursements for such calendar month, each prepared in accordance with generally accepted accounting principles. As soon as reasonably practicable after the end of each fiscal and tax year, the Chief Executive Officer shall furnish each Member with: (i) a balance sheet of the Company as of the last day of such fiscal or tax year, a statement of profit or loss of the Company for such year, and a statement of cash receipts and disbursements, each prepared in accordance with generally accepted accounting principles and audited by the Company's independent certified public accountants; and (ii) a copy of the federal income tax return (if applicable) of the Company.

8.4 Tax Elections. Upon the affirmative vote or consent of the Management Committee, the Tax Matters Partner (as defined below) shall make any tax election for the Company allowed under the Internal Revenue Code of 1986, as amended; provided, however, that upon the request of a transferring or distributing Member (of LLC property), the Tax Matters Partner shall make an election to cause the basis of Company property to be adjusted for federal income tax purposes as provided by Section 734 and 743 of the Internal Revenue Code of 1986, as amended, pursuant to such transfer of a Unit or the death of or distribution of property to such Member provided further however, that the requesting Member shall reimburse the Company for all incremental reporting costs associated therewith.

8.5 Tax Matters Partner. MTB is hereby designated as the "Tax Matters Partner" of the Company pursuant to applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. If MTB ceases to be a Member, its status as Tax Matters Partner shall cease, and a successor Tax Matters Partner shall be as chosen by the affirmative unanimous vote or consent of the Members.

ARTICLE 9
RESTRICTIONS ON TRANSFER

9.1 General.

(a) Except as otherwise specifically provided in this LLC Agreement (including but not limited to Section 9.3), a Member shall not have the right without the affirmative vote or consent of the Management Committee to sell, assign, encumber, pledge, hypothecate, transfer, exchange, distribute or otherwise transfer for consideration, gift, bequeath, distribute or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) (each such action a "Transfer") all or part of its Units, except for transfers of Units from one Member to another Member and transfers of Units from one Member to any Person directly or indirectly controlling, controlled by or under common control with such Member. The transfer of the Units of a Bankrupt Member (as defined below) shall be governed by Sections 11.3 and 11.4 below. Any purported Transfer of Units or any other interest in the Company in contravention of this LLC Agreement shall be null and void and of no force or effect.

(b) Subject to the provisions of Section 9.1(a) above and except as otherwise permitted pursuant to this Section 9, all Transfers shall also be subject to the following rules and conditions: (i) the Transfer shall be in compliance with all applicable federal and state securities laws; (ii) the Transfer shall not result in the Company being required to register as an investment company under the Investment Company Act of 1940, as amended, or any regulations promulgated thereunder; and (iii) if the Transfer is to a Person or entity that is not a Member or an Affiliate of any Member, such Transfer shall be subject to the provisions of Section 9.3.

9.2 Transferee Not a Member in Absence of Consent. Notwithstanding anything contained in this LLC Agreement to the contrary, and except for those transfers permitted under Section 9.1 hereof, if the Management Committee does not by affirmative vote or consent approve of the proposed Transfer of a Member's Units to a transferee or donee who is not a Member immediately before the Transfer and the admission of such transferee as a Member as provided in Article 10 below, the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company, including, without limitation, any rights to appoint representatives to the Management Committee, or to become a Member. Furthermore, except as agreed upon by the Management Committee or as otherwise provided in this LLC Agreement or the Delaware Act, upon a Member's transfer of all of its Units, such Member's rights to partic ipate in the management and affairs of the Company, including, without limitation, its voting rights, and any rights to appoint representatives to the Management Committee, shall cease.

9.3 Right of First Offer.

(a) Notwithstanding anything herein to the contrary (including but not limited to Section 9.1(a)), if any Member (the "Transferring Member") intends to transfer all or a portion of its Units (the "Sale Interest") to any Person or entity who is not a Member or Affiliate of any Member of the Company (a "Third Party"), the Transferring Member shall give written notice (the "Transfer Notice") to the other Members (the "Non-Transferring Members") of such intention. The Transfer Notice, in addition to stating the fact of the intention to transfer, shall set forth: (i) the amount of Units proposed to be transferred; (ii) the name and address of the Third Party; (iii) the proposed amount of consideration and terms and conditions of payment offered by the Third Party; and (iv) that the Third Party has been informed of the Transfer Notice provided for in this Section 9.3. Each of the Non-Transferring Members may, within thirty (30) days of its receipt of a Transfer Notice, exercise an option to purchase its pro-rata portion of the Units intended to be transferred by the Transferring Member as indicated in the Transfer Notice. Each of the Non-Transferring Members must exercise its option to purchase its pro-rata portion of the Units on the terms of the Transfer Notice or the option granted hereunder to the Non-Transferring Members shall be forfeited. The Non-Transferring Member(s), if any, shall exercise its or their, as the case may be, option by delivering written notice (the "Acceptance Notice") to the Transferring Member within the time period specified above.

(b) The purchase price for the Sale Interest purchased pursuant to this Section 9.3 shall be as set forth in the Transfer Notice. The closing of the sale and purchase shall take place within sixty (60) days after the delivery to the Transferring Member of the Acceptance Notice.

(c) If any of the Non-Transferring Members fails to exercise its respective option to purchase its pro-rata interest of the Sale Interest pursuant to Section 9.3(a) above, then the Transferring Member may transfer the Sale Interest according to the terms of the Transfer Notice at any time within one hundred eighty (180) days after the expiration of the thirty (30) day period specified in Section 9.3(a) above. Such transfer shall not require consent pursuant to Section 9.1(a), but shall be subject to all other terms, covenants and conditions of this LLC Agreement.

ARTICLE 10
ADMISSION OF SUCCESSOR MEMBERS OR NEW MEMBERS

10.1 Admission of Successor Members or New Members. A Person, including a transferee or donee of a Member, shall be deemed admitted as a Member of the Company only upon the satisfactory completion of the following:

(a) Except for those Transfers permitted pursuant to Section 9.1(a), the Management Committee shall have consented to the admission of the Person as a Member of the Company and, in the case of a new Member (rather than a transferee of Units from an existing Member), the Management Committee shall have consented to the amount and character of the proposed Capital Contribution of such new Member.

(b) The Person shall have accepted and agreed to be bound by the terms and provisions of this LLC Agreement and such other documents or instruments as the Management Committee may require.

(c) The Person shall have executed a counterpart of this LLC Agreement to evidence the consents and agreements above, and any changes in the Certificate of Formation of the Company and this LLC Agreement shall have been executed and filed as deemed necessary by the Management Committee.

(d) If the Person is a corporation, partnership, limited liability company, trust, association or other entity, the Person shall have provided the Management Committee with evidence satisfactory to counsel for the Company of its authority to become a Member under the terms and provisions of this LLC Agreement.

(e) If required by the Management Committee, counsel for the Company or a qualified counsel for the transferee or donee or new Member, which counsel shall have been approved of by the Members, shall have rendered an opinion to the Members that the admission of the Person as a Member is in conformity with the Delaware Act and that none of the actions in connection with the admission will cause the termination or dissolution of the Company or will adversely affect its classification as a partnership for federal and state income tax purposes.

(f) The Person, as required by the Management Committee, shall have paid all reasonable legal fees of the Company and the Members and filing costs in connection with its admission as a Member.

10.2 Financial Adjustments. No new Members shall be entitled to any retroactive allocation of losses, income, or expense deductions incurred by the Company. The Company shall, at its option, at the time a Member is admitted, do one of the following (i) close the Company's books (as though the Company's tax year had ended) or (ii) make pro rata allocations of loss, income, and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Section 706 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

ARTICLE 11
TERM. TERMINATION. AND DISTRIBUTION UPON LIQUIDATION

11.1 Term. The term of the Company commenced on the date the Certificate of Formation for the Company is filed in the Office of the Delaware Secretary of State in accordance with the Delaware Act and shall continue until June 30, 2049, unless earlier dissolved by the unanimous written consent of all of the Members, or the provisions of the Certificate of Formation, this LLC Agreement or the Delaware Act.

11.2 Withdrawal of a Member. No Member may withdraw, retire or resign from the Company.

11.3 Bankruptcy of a Member. A "Bankrupt Member" shall mean any Member or other Unit owner who:

(a) makes an assignment for the benefit of its creditors;

(b) files a voluntary petition in bankruptcy;

(c) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of such nature;

(d) seeks, consents or acquiesces in the appointment of a trustee, receiver or liquidator of the Member or of all or any substantial part of its property; or

(e) is the subject of any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, and one hundred twenty (120) days after commencement of such proceeding, the proceeding has not been dismissed; or without the Members' consent or acquiescence has had a trustee, receiver or liquidator appointed for itself or for a substantial part of its property and the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

11.4 Option to Purchase. The remaining Members shall have the option to purchase the Units of a Bankrupt Member for the purchase price determined as follows: (a) with respect to Common Units, the purchase price per Common Unit shall be equal to the per Common Unit "net book value," which shall be equal to (i) the value of the Company's assets, net of the Company's debts, liabilities and obligations, minus (ii) the Remaining Liquidation Value of the Preferred Units plus the balance in the Preferred Return Accounts, and (b) with respect to Preferred Units, the purchase price per Preferred Unit shall equal the Remaining Liquidation Value of the Preferred Units held by the Bankrupt Member plus the balance in the Bankrupt Member's Preferred Return Account. Such consideration shall be paid by the remaining Members in cash at a closing to be held within thirty (30) days of the date such purchase price is determined at such time a nd place as designated by the remaining Members. For purposes of this determination, the value of the Company's assets, other than cash, certificates of deposit and other instruments the value of which are readily ascertainable, shall be determined with reference to the fair market value of such assets as determined by the Company's regularly employed independent certified public accountant, which determination shall be final, binding and conclusive upon all parties.

If the remaining Members do not elect to acquire all of the Bankrupt Member's Units, the Units shall be transferred in accordance with Article 9 above, or if not transferred, retained by the Bankrupt Member. If the remaining Members exercise their option hereunder and the Bankrupt Member fails to convey its Units at the time and place fixed for closing, then the remaining Members may enforce the obligation of the Bankrupt Member by an action for specific performance.

11.5 Cessation of Business. In the event of the occurrence of any event effecting the dissolution of the Company, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until the Chairman has filed a certificate of cancellation in the office of Delaware Secretary of State or until a decree terminating the Company has been entered by a court of competent jurisdiction.

11.6 Winding Up, Liquidation and Distribution of Assets. Upon dissolution, an accounting shall be made of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the date of dissolution and the Chairman shall immediately proceed to wind up the affairs of the Company. If the Company is dissolved and its affairs are to be wound up, the Chairman shall:

(a) Collect and sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Management Committee may determine to distribute any assets to the Members in kind);

(b) Discharge all debts, liabilities and obligations of the Company, including those to Members who are creditors, to the extent otherwise permitted by law, other than debts, liabilities and obligations to Members for distributions, and establish such reserves as the Management Committee may deem reasonably necessary to provide for contingencies or liabilities of the Company;

(c) Distribute the remaining assets to the Members and other Unit holders either in cash or in kind, with any assets distributed in kind being valued for this purpose at their fair market value, in accordance and pro rata with their respective positive Capital Account balances at the time of the liquidating distribution, taking into the allocation of income, gain, loss or deduction attributable to the liquidation of the Company and its assets;

(d) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated; and

(e) The remaining Members shall comply with any applicable requirements of the Delaware Act pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

11.7 Certificate of Cancellation. When all debts, liabilities, and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining assets have been distributed to the Members and other Unit owners, the Chairman shall execute a certificate of cancellation setting forth the information required by the Delaware Act and shall be delivered to the Delaware Secretary of State.

11.8 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this LLC Agreement, upon dissolution, each Member and other Unit owner shall look solely to the assets of the Company for the return of its Capital Contributions. If the Company assets remaining after the payment or discharge of the debts and liabilities of the Company are insufficient to return the Capital Contributions of the Members and other Unit owners, the Members and other Unit owners shall have no recourse against any other Member or other Unit owner.

ARTICLE 12
MISCELLANEOUS PROVISIONS

12.1 Waiver of Right of Partition. It is specifically agreed that no Member or other Unit owner shall have the right to ask for partition of the assets owned or hereafter acquired by the Company, nor shall any such Member or other Unit owner have the right to any specific assets of the Company on the liquidation or winding up of the Company, except upon the affirmative vote or consent of all Members.

12.2 Notices. Except as otherwise provided in this LLC Agreement, any notice required or permitted herein shall be in writing and shall be deemed to have been delivered, whether actually received or not, two (2) calendar days after being deposited in the United States mail, by registered mail, return receipt requested, postage prepaid, addressed to the party entitled thereto at the last address of such party provided by such party to the Company and each other Member. Any notice to the Company shall be sent to the Company's principal place of business. The current addresses of the Members are as follows:

For MTB: MTB Energy, Inc.
9217 Cody
Overland Park, Kansas 66214
Attn: President

For KLT: KLT Energy Services Inc.
10740 Nall, Suite 230
Overland Park, Kansas 66211
Attn: President

12.3 Governing Law. This LLC Agreement has been made and executed in accordance with the Delaware Act and is to be construed, enforced, and governed in accordance therewith and with the laws of the State of Delaware. The parties agree that all actions or proceedings arising directly or indirectly from this LLC Agreement shall be commenced and litigated only in the District Court of Johnson County, Kansas, or the United States District Court for the District of Kansas, located in Kansas City, Kansas. The parties hereby consent to the jurisdiction over them of the District Court of Johnson County, Kansas, or the United States District Court for the District of Kansas, in all actions or proceedings arising directly or indirectly from this LLC Agreement.

12.4 Entire Agreement. Except as otherwise provided herein, this LLC Agreement together with the recitals and Exhibits hereto, each of which are incorporated herein by this reference, constitutes the entire agreement among the Members on the subject matter hereof and may not be changed, modified, amended, or supplemented except in writing, signed by all of the Members. All other oral or written agreements, promises, and arrangements in relation to the subject matter of this LLC Agreement are hereby rescinded.

12.5 Binding Agreement. Subject to the restrictions and encumbrances set forth herein, the terms and provisions of this LLC Agreement shall be binding upon, be enforceable by and inure to the benefit of the Members, any other holders of Units and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

12.6 Interpretation. The descriptive headings contained in this LLC Agreement are for convenience only and are not intended to define the subject matter of the provisions of this LLC Agreement and shall not be resorted to for interpretation thereof.

12.7 Severability. If any provision of this LLC Agreement or the application thereof to any individual or entity or circumstance shall be invalid or unenforceable to any extent, the remainder of this LLC Agreement and the application of such provisions to other individuals or entities or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

12.8 Waiver. No consent or waiver, express or implied, by any Member to or of any breach or default by any other Member in the performance by such other Member of its obligations under this LLC Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Member of the same or any other obligations hereunder. The failure on the part of any Member to complain of any act or failure to act of any of the other Members or to declare any of the other Members in default, irrespective of how long such failure continues, shall not constitute a waiver by such Member of its rights under this LLC Agreement.

12.9 Equitable Remedies. The rights and remedies of any of the Members hereunder shall not be mutually exclusive. Each of the Members confirms that damages at law may be an inadequate remedy for a breach or threatened breach of this LLC Agreement and agrees

that in the event of a breach or threatened breach of any provision hereof, the respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy, but nothing herein contained is intended to, nor shall it, limit or affect any right or rights at law or by statute or otherwise of a Member aggrieved as against a party for a breach or threatened breach of any provision hereof; it being the intention hereof to make clear the agreement of the Members that the respective rights and obligations of the Members hereunder shall be enforceable in equity as well as at law or otherwise.

12.10 Attorney's Fees. In the event of a default by a Member under this LLC Agreement, the non-defaulting Members shall be entitled to recover all costs and expenses, including attorney's fees, incurred as a result of said default or in connection with the enforcement of this LLC Agreement.

12.11 Counterparts. This LLC Agreement may be executed in two (2) or more counterparts, all of which taken together shall constitute one (1) instrument.

12.12 Saving Clause. In the event any provision of this LLC Agreement shall be, or shall be found to be, contrary to the Delaware Act, such provision shall be deemed amended so as to conform with such Act.

12.13 Further Documentation. Each of the parties hereto agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this LLC Agreement.

12.14 Incorporation of Recitals. The preamble and recitals to this LLC Agreement are hereby incorporated by reference and made an integral part hereof.

12.15 Indemnification. The Company shall indemnify any Member, representative on the Management Committee, Chairman or officer of the Company (each referred to as an "Indemnified Party") who was or is a party or is threatened to be made a party to any threatened, pending or completed action, arbitration, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Company, by reason of the fact that such Indemnified Party is or was a Member, representative on the Management Committee, Chairman or officer of the Company or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against liability incurred in connection with such action, arbitration, suit or proceeding, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such Indemnified Party in connection with such action, arbitration, suit or proceeding, including any appeal thereof, if such Indemnified Party acted in good faith and in a manner such Indemnified Party reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe such Indemnified Party's conduct was unlawful, except that no indemnification shall be made in respect of any claim, issue or matter as to which such Indemnified Party shall have been adjudged to be liable for gross negligence or gross misconduct in the performance of such Indemnified Party's duty to the Company unless and only to the extent that the court or arbitration in which the action, arbitration or suit was brought determines upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such Indemnified Party is fairly and reasonably entitled to indemnity for such expense s which the court or arbitration shall deem proper. The termination of any action, arbitration, 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 Indemnified Party did not act in good faith and in a manner which such Indemnified Party reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had reasonable cause to believe that such Indemnified Party's conduct was unlawful.

12.16 MTB's Call Right. For a period of two years following the date of this LLC Agreement, MTB will have a right to purchase (the "Call Right") the Common Units held by KLT for a purchase price equal to (a) if the Call Right is exercised during the six month period ending six months after the date of this LLC Agreement, $1,100,000, (b) if the Call Right is exercised during the six month period ending one year after the date of this LLC Agreement, $1,365,000, (c) if the Call Right is exercised during the six month period ending one year and six months after the date of this LLC Agreement, $1,695,000, and (d) if the Call Right is exercised during the six month period ending two years after the date of this LLC Agreement, $2,100,000. MTB's Call Right may not be exercised until the Preferred Units have been redeemed fully (by payment of the Remaining Liquidation Value for such Preferred Units and any Preferred Return Account balanc e attributable thereto). MTB may exercise the Call Right by providing written notice thereof to KLT, and the closing shall occur within ten (10) days thereafter.

IN WITNESS WHEREOF, the parties hereto have signed and delivered this LLC Agreement on the date first above written.

KLT ENERGY SERVICES INC.,
a Missouri corporation

By: /s/John J. Grossi
Name: John J. Grossi
Title: CFO & Treasurer

MTB ENERGY, INC.
a Missouri corporation

By: /s/Tim Clemons
Name: Tim Clemons
Title: President

Agreed and consented to by:

ENVIRONMENTAL LIGHTING CONCEPTS, INC.

By: /s/Mark R. Schroeder
Name: Mark R. Schroeder
Title: President

EXHIBIT A

AMENDED AND RESTATED
LIMITED LIABILITY COMPANY AGREEMENT OF CUSTOM ENERGY, L.L.C.

Common Units					
	Capital Account	No. of Units	Percentage Interest		
KLT Energy Services Inc.	_____	1,580,000	15.8%		
MTB Energy, Inc.	_____	8,420,000	84.2%		
TOTAL	_____	10,000,000	100%		

Preferred Units					
	Capital Account	No. of Units	Percentage Interest		
KLT Energy Services Inc.	_____	2,400,000	100%		
TOTAL	_____	2,400,000	100%		

Dated as of July ___, 2002.

APPROVED:

Chairman of the Company

EXHIBIT B

Federal Income Tax Allocation Provisions

Tax Allocation Definitions. As used herein and in this LLC Agreement, the following terms shall have the following meanings, unless the context otherwise specifies:

(a) "Adjusted Capital Account Balance" means the balance (be it positive or negative) which would be obtained by adding to a Member's or other Unit holder's Capital Account balance such Member's or other Unit holder's share of the "Company Minimum Gain" and "Member Nonrecourse Debt Minimum Gain".

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

(c) "Company Minimum Gain" has the meaning for "partnership minimum gain" set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

(d) "Depreciation" means, for each fiscal year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable under the Code with respect to an asset for such fiscal year, except that (i) with respect to any asset whose Gross Asset Value differs from its adjusted tax basis for federal tax purposes and which difference is being eliminated by use of the "remedial method" defined by Section 1.704-3(d) of the Regulations, Depreciation for such fiscal year shall be the amount of book basis recovered for such fiscal year under the rules prescribed by Section 1.704-3(d)(2) of the Regulations, and (ii) with respect to any other asset whose Gross Asset Value differs from its adjusted tax basis for federal income tax purposes at the beginning of such fiscal year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year bears to such beginning adjusted tax basis; provided, however, that if the adjusted tax basis for federal income tax purposes of an asset at the beginning of such fiscal year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Management Committee.

(e) "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes (reduced by the amount of any liabilities that are liens on such asset), except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member to the Company shall be the gross fair market value of such asset, as determined by the contributing Member and all of the remaining Members;

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by the Management Committee, as of the following times: (A) the acquisition of an additional interest in the Company by any new or existing Member in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member or other Unit holder of more than a de minimis amount of property as consideration for an interest in the Company; and (c) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g). The Gross Asset Value of all of the Company assets shall be reset upon the effectuation of the transaction described in the first Whereas clause to this LLC Agreement and the net Gross Asset Value of the Company's assets shal l equal the aggregate Capital Account balance of the Members and other Unit holders as set forth in Exhibit A to this LLC Agreement.

(iii) The Gross Asset Value of any Company asset distributed to any Member or other Unit holder shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the Management Committee.

(iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Article 7 hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this Section (e)(iv) to the extent the Management Committee determine that an adjustment pursuant to Section (e)(ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this Section (e)(iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section (e)(i), Section (e)(ii), or Section (e)(iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.

(f) "Member Nonrecourse Debt" has the meaning of "partner nonrecourse debt" set forth in Section 1.704-2(b)(4) of the Regulations.

(g) "Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

(h) "Member Nonrecourse Deductions" has the meaning for "partner nonrecourse deductions" set forth in Sections 1.704-2(i)(1) and 1.704-2(i)(2) of the Regulations.

(i) "Nonrecourse Deductions" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

(j) "Nonrecourse Liability" has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

(k) "Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding Regulations).

Special Rules Regarding Allocation of Tax Items. Notwithstanding the foregoing provisions of Article VI, the following special rules shall apply in allocating the Net Profits or Net Losses (or items thereof) of the Company:

(1) Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of Article 7 or this Exhibit B, if there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member and other Unit holder shall be

specially allocated items of Company income and gain for such Fiscal year (and, if necessary, subsequent Fiscal years) in an amount equal to such Member's and other Unit holder's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member and other Unit holder pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Section (1) is intended to comply with the minimum gain charge back requirement in Section 1.704-1(f) of the Regulations and shall be interpreted consistently therewith.

(2) Except as otherwise provided in Section 1.704-1(i)(4) of the Regulations, notwithstanding any other provision of Article 7 or this Exhibit B, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company fiscal year, each Member or other Unit holder who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's or other Unit holder's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion t o the respective amounts required to be allocated to each Member and other Unit holder pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section (1) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(3) [intentionally omitted]

(4) Any Member Nonrecourse Deductions for any Fiscal year shall be specially allocated to the Member or other Unit holder who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(1).

(5) To the extent an adjustment to the adjusted tax basis of any Company asset is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member or other Unit holder in complete liquidation of its interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Member or other Unit holder in accordance with their interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Members and other Unit holders to whom such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

(6) In the event any Member or other Unit holder unexpectedly receives any adjustments, allocations or distributions described in Regulations Section 1.704-1(b)(2)(ii)(d)(4), (5) or (6) resulting in a Capital Account deficit for such Member or other Unit holder in excess of the sum of (i) the amount such Member or other Unit holder is obligated to restore pursuant to any provision of this LLC Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and (ii) the amount such Member or other Unit holder is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), items of income and gain shall be specially allocated to such Member or other Unit holder in any amount and manner sufficient to eliminate, to the extent required by the Regulations, such a Capital Account deficit as quickly as possible. The items to be allocated will be determined in acco rdance with Regulations Section 1.704-1(b)(2)(ii)(d)(6). This Section (6) is intended to comply with Regulations Section 1.704-1(b)(2)(ii)(d) and will be applied and interpreted in accordance with such regulation; provided, that an allocation pursuant to this Section (6) shall be made only if and to the extent that such Member or other Unit holder would have a Capital Account deficit after all other allocations provided for in Article 7 and this Exhibit B have been tentatively made as if this Section (6) were not in this LLC Agreement.

(7) In the event any Member or other Unit holder has a deficit Capital Account at the end of any LLC taxable year in excess of the sum of (i) the amount such Member is obligated to restore pursuant to any provision of this LLC Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and (ii) the amount such Member or other Unit holder is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5), each such Member or other Unit holder shall be specially allocated items of LLC income and gain (consisting of a pro rata portion of each item of LLC income and gain) as quickly as possible to eliminate such excess Capital Account deficits, provided, that an allocation pursuant to this Section (7) will be made if and only to the extent that such Member or other Unit holder would have such a Capital Account deficit in excess of such sum after all ot her allocations provided for in Article 7 and this Exhibit B have been tentatively made as if Section (6) and this Section (7) were not in this LLC Agreement.

(8) No items of loss or deduction will be allocated to any Member or other Unit holder to the extent that any such allocation would cause the Member or other Unit holder to have a, or increase the amount of an existing, Capital Account deficit in excess of the sum of (i) the amount such Member or other Unit holder is obligated to restore pursuant to any provision of this LLC Agreement or pursuant to Regulations Section 1.704-1(b)(2)(ii)(c) and (ii) the amount such Member or other Unit holder is deemed to be obligated to restore pursuant to the penultimate sentences of Regulations Sections 1.704-2(g)(1) and 1.704-2(i)(5) at the end of any LLC taxable year. All items of loss or deduction in excess of the limitation set forth in this Section (8) shall be allocated among such other Members and other Unit holders, which do not have such deficit Capital Account balances, pro rata, in proportion to their Common Units, until n o Member or other Unit holder may be allocated any such items of loss or deduction without having or increasing such a deficit Capital Account balance. Thereafter, any remaining items of loss or deduction shall be allocated to the Members and other Unit holders, pro rata, in proportion to their relative aggregate Common Units.

(9) The allocations set forth in Sections (1), (2), (4), (5), (6), (7), (8) and (9) hereof (the "Regulatory Allocations") are intended to comply with certain requirements of Regulations Sections 1.704-1(b) and 1.704-2. Notwithstanding any other provisions of this Article 7 and this Exhibit B (other than the Regulatory Allocations), the Regulatory Allocations shall be taken into account in allocating other items of income, gain, loss and deduction among the Members and other Unit holders so that, to the extent possible, the net amount of such allocations of such other items and the Regulatory Allocations to each Member and other Unit holder shall be equal to the net amount that would have been allocated to each such Member and other Unit holder in each LLC taxable year if the Regulatory Allocations had not occurred. Notwithstanding the preceding sentence, Regulatory Allocations relating to (i) Nonrecourse Deductions shall no t be taken into account except to the extent that there has been a decrease in Partnership Minimum Gain, and (ii) Partner Nonrecourse Deductions shall not be taken into account except to the extent that there has been a decrease in Partner Minimum Gain. Allocations pursuant to this Section (9) shall only be made with respect to Regulatory Allocations to the extent the Management Committee determine that such allocations shall otherwise be inconsistent with the economic agreement among the Members and other Unit holders. Further, allocations pursuant to this Section (9) shall be deferred with respect to allocations pursuant to (i) and (ii) above to the extent the Management Committee determine that such allocations are likely to be offset by subsequent Regulatory Allocations.

(10) Other Allocation Rules.

(a) The Members are aware of the income tax consequences of the allocations made by Article 7 and this Exhibit B and hereby agree to be bound by the provisions of Article 7 and this Exhibit B in reporting their shares of Company income and loss for income tax purposes.

(b) For purposes of determining the Net Profits, Net Losses, or any other items allocable to any period, Net Profits, Net Losses, and any such other items shall be determined on a daily, monthly, or other basis, as determined by the Members holding in aggregate a majority of Common Units or Preferred Units, as applicable using any permissible method under Code Section 706 and the Regulations thereunder.

(c) Solely for purposes of determining a Member's or other Unit holder's proportionate share of the "excess nonrecourse liabilities" of the Company, within the meaning of Regulations Section 1.752-3(a)(3), the Members' and other Unit holders' interests in Company Net Profits are in proportion to their Common Units or Preferred Units, as applicable; provided, however, that to the extent possible, such excess nonrecourse liabilities will instead be allocated so as to minimize any recognition of gain of any Member or other Unit holder which would result under Code Section 731 or Section 752 from the restructuring.

(d) To the extent permitted by Section 1.704-2(h)(3) of the Regulations, the Members shall endeavor not to treat distributions of Net Profits as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt.

(11) Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with Section (e)(i) above). The Members hereby agree that the "traditional method" described in Regulation Section 1.704-3(d) shall be used for allocating the disparity between the fair market value of a contributed asset and that asset's adjusted tax basis.

Other than the mandatory use of the traditional allocation method as specified above in this Section (11), any elections or other decisions relating to such allocations shall be made by the Management Committee in any manner that reasonably reflects the purpose and intention of this LLC Agreement. Allocations pursuant to this Section (11) are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Person's Capital Account or share of Net Profits, Net Losses, other items, or distributions pursuant to any provisions of this LLC Agreement.

State of Delaware

Certificate of Formation

Custom Energy/M & E Sales, L.L.C.

1. This Certificate of Formation of Custom Energy/M & E Sales, L.L.C. (the "Company"), dated as of October 29, 1997, is being duly executed and filed by Custom Energy, L.L.C. as an authorized entity, to form a limited liability company under the Delaware Limited Liability Company Act (6 Del. C. (Section) 18-101, et seq.).

2. The name of the Limited Liability Company is Custom Energy/M & E Sales, L.L.C.

3. The address of the Limited Liability Company's Registered Office within the State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801. The name of the Limited Liability Company's registered agent as such address in The Corporation Trust Company.

4. The latest date on which the limited liability company is to dissolve is December 31, 2047.

IN WITNESS WHEREOF, the undersigned Authorized Person has executed this Certificate of Formation of Custom Energy/M & E Sales, L.L.C. this 29th day of October, 1997.

CUSTOM ENERGY, L.L.C.

By: /s/Gregory J. Orman
Gregory J. Orman, Chief Executive Officer

[redacted]

LIMITED LIABILITY COMPANY AGREEMENT

OF

CUSTOM ENERGY/M & E SALES, L.L.C.

Dated March 19, 1998

[redacted]

Table of Contents

LIMITED LIABILITY COMPANY AGREEMENT

OF

CUSTOM ENERGY/M & E SALES, L.L.C.

THIS LIMITED LIABILITY COMPANY AGREEMENT ("LLC Agreement"), is made and entered into to be effective as of the 19 day of March, 1998, by and between Custom Energy, L.L.C., a Delaware limited liability company ("Custom Energy") and Machinery & Equipment Sales, Inc., a Maryland corporation ("M&E Sales") (Custom Energy and M&E Sales shall each hereinafter be referred to as a "Member" or collectively as "Members").

WHEREAS, the Members have agreed to organize a limited liability company governed by the Delaware Limited Liability Company Act (the "Delaware Act");

NOW, THEREFORE, in consideration of the mutual covenants and benefits set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

ARTICLE 1
THE LIMITED LIABILITY COMPANY

1.1 Formation of Limited Liability Company. The Certificate of Formation of Custom Energy/M & E Sales, L.L.C. (the "Company") was filed in the office of the Secretary of State of Delaware pursuant to the Delaware Act on October 29, 1997 and is hereby ratified by each of the Members. All prior agreements concerning the subject matter of this LLC Agreement are canceled and shall have no further effect.

1.2 Registered Office and Agent. The address of the Company's registered office in the State of Delaware is located at 1209 Orange Street, Wilmington, Delaware 19801, or any other or additional place or places as the Members may determine from time to time, and the registered agent at such office is The Corporation Trust Company.

In the event the registered agent ceases to act as such for any reason or the registered office shall change, the Manager shall promptly designate a replacement registered agent or registered office as the case may be, and make the appropriate filings with the secretary of state. If the Manager shall fail to designate a replacement registered agent or registered office, as the case may be, then any one Member may designate a replacement registered agent or registered office and make the appropriate filings in the Office of the Secretary of State of Delaware.

1.3 Purpose. The purpose and business of the Company shall be to undertake and fulfill any and all the obligations of Custom Energy and M&E Sales under that certain Indefinite Delivery Contract with Energy Service Companies with the State of Maryland, Department of General Services dated the 6th day of October, 1997, (the "Contract") a copy of which is attached hereto as Exhibit A, which agreement has been assigned to the Company pursuant to that certain Assignment from Custom Energy and M&E Sales dated the 26th day of November, 1997, a copy of which is attached hereto as Exhibit B. The Company may also transact any or all other lawful business for which a limited liability company may be organized under the Delaware Act upon the affirmative vote or consent of all of the Members of the Company specifically authorizing any such other lawful business.

1.4 Principal Place of Business. The principal place of business of the Company shall be 9101 Gaither Road, Gaithersburg, MD 20877 or at such other place or places within or without the State of Delaware as the Members, pursuant to a

unanimous vote or consent, may designate from time to time.

1.5 Property. All assets, including real and personal property owned and held by the Company shall be owned by the Company in the name of the Company and no Member or Economic Interest Owner shall have any ownership interest in such property in its individual name or right. Each Member's or Economic Interest Owner's interest in the Company shall be personal property for all purposes. Any deed, bill of sale, mortgage, lease, contract of sale or other instrument purporting to convey or encumber any interest in the property of the Company shall be signed only as authorized by the affirmative vote or consent of all of the Members.

1.6 Payment of Individual Obligations. The Company's credit and assets shall be used solely for the benefit of the Company, and no asset of the Company shall be transferred or encumbered for or in payment of any individual obligation of a Member or Economic Interest Owner.

1.7 Term. The term of the Company shall commence on the date of filing of the Company's Certificate of Formation with the Delaware Secretary of State, and shall continue until December 31, 2047 unless the Company is earlier dissolved in accordance with either the provisions of this LLC Agreement or the Delaware Act.

1.8 No State Law Partnership. The Members have formed the Company under the Delaware Act, and intend that the Company shall not be a partnership (including, without limitation, a limited partnership) or joint venture, that no Member shall be a partner of, or a joint venturer with, any other Member for any purpose, other than for United States federal and state tax purposes, and that this Agreement shall not be construed to suggest otherwise.

1.9 Limited Authority of Members. No Member or Economic Internet Owner shall have any authority to bind the Company as to any matter without the approval of all the Members except as expressly provided herein.

ARTICLE 2

DEFINITIONS

2.1 Definitions. As used in this LLC Agreement:

(a) "Adjusted Capital Account Balance" means the balance (be it positive or negative) which would be obtained by adding to a Member's or Economic Interest Owner's Capital Account balance such Member's or Economic Interest Owner's share of the "Company Minimum Gain" and "Member Nonrecourse Debt Minimum Gain."

(b) "Affiliate" shall mean any corporation, partnership, association or other entity which owns fifty-one percent (51%) or more of either of the Members or fifty-one percent (51%) or more of which is owned by either of the Members.

(c) "Capital Account" means, with respect to any Member or Economic Interest Owner, the Capital Account maintained for such Person in accordance with the following provisions:

(i) To each Person's Capital Account there shall be credited such Member's or Economic Interest Owner's Capital Contributions, such Member's or Economic Interest Owner's distributive share of Net Profits and any items in the nature of income or gain which are specially allocated pursuant to Section 7 hereof, and the amount of any Company liabilities assumed by such Member or Economic Interest Owner or which are secured by any Property distributed to such Member or Economic Interest Owner.

(ii) To each Member's or Economic Interest Owner's Capital Account there shall be debited the amount of cash and the Gross Asset Value of any Property distributed to such Member or Economic Interest Owner pursuant to any provision of this LLC Agreement, such Member's or Economic Interest Owner's distributive share of Net Losses and any items in the nature of expenses or losses which are specially allocated pursuant to Section 7 hereof, and the amount of any liabilities of such Member or Economic Interest Owner assumed by the Company or which are secured by any property contributed by such Member or Economic Interest Owner to the Company.

(iii) In the event any interest in the Company is transferred in accordance with the terms of this LLC Agreement, the transferee shall succeed to the Capital Account of the transferor to the extent it relates to the transferred interest.

(iv) In determining the amount of any liability for purposes of Sections 2.1(b)(i) and 2.1(b)(ii) hereof, there shall be taken into account Code Section 752(c) and any other applicable provisions of the Code and Regulations.

The foregoing provisions and the other provisions of this LLC Agreement relating to the maintenance of Capital Accounts are intended to comply with Regulations Section 1.704-1(b), and shall be interpreted and applied in a manner consistent with such Regulations. In the event the Members, pursuant to a unanimous vote or consent, shall determine that it is prudent to modify the manner in which the Capital Accounts, or any debits or credits thereto (including, without limitation, debits or credits relating to liabilities which are secured by contributed or distributed property or which are assumed by the Company or the

Members and Economic Interest Owners), are computed in order to comply with such Regulations, such modification shall be made, provided that is not likely to have a material effect on the amounts distributable to any Member or Economic Interest Owner pursuant to Article 12 hereof upon the dissolution of the Company. Adjustments and mod ifications also shall be made as are necessary or appropriate (i) to maintain equality between the Capital Accounts of the Members and Economic Interest Owners and the amount of Company capital reflected on the Company's balance sheet, as computed for book purposes in accordance with Regulations Section 1.704-1(b)(2)(iv)(g), and (ii) in the event unanticipated events might otherwise cause this LLC Agreement not to comply with Regulations Section 1.704-1(b).

(d) "Capital Contribution" or "Capital Contributions" means, with respect to any Member or Economic Interest Owner, the amount of money and the Gross Asset Value of any property (other than money) contributed to the Company with respect to the Percentage Interest held by such Member or Economic Interest Owner pursuant to the terms of this LLC Agreement. The initial Capital Contributions of the Members are set forth on Exhibit C hereto, which is incorporated herein by this reference.

(e) "Code" shall mean the Internal Revenue Code of 1986, as amended from time to time (or any corresponding provisions of succeeding law).

(f) "Company Minimum Gain" has the meaning set forth in Regulations Sections 1.704-2(b)(2) and 1.704-2(d).

(g) "Depreciation" means, for each fiscal year, an amount equal to the depreciation, amortization, or other cost recovery deduction allowable under the Code with respect to an asset for such fiscal year, except that (i) with respect to any asset whose Gross Asset Value differs from its adjusted tax basis for federal tax purposes and which difference is being eliminated by use of the "remedial method" defined by Section 1.704-3(d) of the Regulations, Depreciation for such fiscal year shall be the amount of book basis recovered for such fiscal year under the rules prescribed by Section 1.704-3(d)(2) of the Regulations, and (ii) with respect to any other asset whose Gross Asset Value differs from its adjusted tax basis for federal income tax purposes at the beginning of such fiscal year, Depreciation shall be an amount which bears the same ratio to such beginning Gross Asset Value as the federal income tax depreciation, amortization, or other cost recovery deduction for such fiscal year bears to such beginning adjusted tax basis; provided, however, that if the adjusted tax basis for federal income tax purposes of an asset at the beginning of such fiscal year is zero, Depreciation shall be determined with reference to such beginning Gross Asset Value using any reasonable method selected by the Tax Matters Member.

(h) "Economic Interest" shall mean the ownership interest of a Person in the Company's Net Profits, Net Losses and the distribution of Net Cash Flow and/or the Company's assets pursuant to this LLC Agreement and the Delaware Act, but shall not include any right to vote one, consent to or otherwise participate in any decision of the Members in the management of the Company.

(i) "Economic Interest Owner" shall mean any Person who owns an Economic Interest, but is not a Member. All Economic Interest Owners shall be listed on an amended Exhibit C.

(j) "Gross Asset Value" means, with respect to any asset, the asset's adjusted basis for federal income tax purposes, except as follows:

(i) The initial Gross Asset Value of any asset contributed by a Member or Economic Interest Owner to the Company shall be the gross fair market value of such asset, as determined by the contributing Member or Economic Interest Owner and all of the remaining Membrs;

(ii) The Gross Asset Values of all Company assets shall be adjusted to equal their respective gross fair market values, as determined by Tax Matters Member, as of the following times: (A) the acquisition of an additional interest in the Company by any new or existing Member or Economic Interest Owner in exchange for more than a de minimis Capital Contribution; (B) the distribution by the Company to a Member or Economic Interest Owner of more than a de minimis amount of property as consideration for an interest in the Company; and (c) the liquidation of the Company within the meaning of Regulations Section 1.704-1(b)(2)(ii)(g); provided, however, that adjustments pursuant to clauses (A) and (B) above shall be made only if the Tax Matters Member reasonably determines that such adjustments are necessary or appropriate to reflect the relative economic interests of the Members and Economic Interest Owners in the Company;

(iii) The Gross Asset Value of any Company asset distributed to any Member or Economic Interest Owner shall be adjusted to equal the gross fair market value of such asset on the date of distribution as determined by the distributee and the Tax Matters Member;

(iv) The Gross Asset Values of Company assets shall be increased (or decreased) to reflect any adjustments to the adjusted basis of such assets pursuant to Code Section 734(b) or Code Section 743(b), but only to the extent that such adjustments are taken into account in determining Capital Accounts pursuant to Regulations Section 1.704-1(b)(2)(iv)(m) and Sections 2.1(f)(vi) and 7.3(e) hereof; provided, however, that Gross Asset Values shall not be adjusted pursuant to this Section 2.1(i)(iv) to the extent the Tax Matters Member determines that an adjustment pursuant to Section 2.1(i)(ii) hereof is necessary or appropriate in connection with a transaction that would otherwise result in an adjustment pursuant to this Section 2.1(i)(iv).

If the Gross Asset Value of an asset has been determined or adjusted pursuant to Section 2.1(i)(i), Section 2.1(i)(ii), or Section 2.1(i)(iv) hereof, such Gross Asset Value shall thereafter be adjusted by the Depreciation taken into account with respect to such asset for purposes of computing Net Profits and Net Losses.

(k) "General Manager" shall be the Person responsible for the management of the day-to-day business and affairs of the Company in accordance with the terms and conditions of this LLC Agreement, or any replacement General Manager appointed pursuant to Section 3.2 hereof. The initial General Manager of the Company shall be Trevor Lauer. If the initial General Manager is unable to continue in such position, James Husband shall act as interim General Manager until a replacement General Manager is appointed.

(l) "Member" shall mean any person executing this LLC Agreement from time to time and as otherwise admitted as a member of the Company as provided in Section 11.1 of this LLC Agreement.

(m) "Member Nonrecourse Debt" has the meaning set forth in Section 1.704-2(b)(4) of the Regulations.

(n) "Member Nonrecourse Debt Minimum Gain" means an amount, with respect to each Member Nonrecourse Debt, equal to the Company Minimum Gain that would result if such Member Nonrecourse Debt were treated as a Nonrecourse Liability, determined in accordance with Section 1.704-2(i)(3) of the Regulations.

(o) "Member Nonrecourse Deductions" has the meaning set forth in Sections 1.704-2(i)(l) and 1.704-2(i)(2) of the Regulations.

(p) "Net Cash Flow" shall mean, with respect to any period, the amount (if any) by which the Proceeds for such period exceed the Operating Costs for such period, all principal and interest payments on indebtedness of the Company, and all other sums paid to lenders.

(q) "Net Profits" and "Net Losses" means, for each fiscal year, an amount equal to the Company's taxable income or loss for such fiscal year, determined in accordance with Code Section 703(a) (for this purposes, all items of income, gain, loss, or deduction required to be stated separately pursuant to Code Section 703(a)(1) shall be included in taxable income or loss), with the following adjustments:

(i) Any income of the Company that is exempt from federal income tax and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this Section 2.1(u) shall be added to such taxable income or loss;

(ii) Any expenditures of the Company described in Code Section 705(a)(2)(B) or treated as Code Section 705(a)(2)(B) expenditures pursuant to Regulations Section 1.704-a(b)(2)(iv)(i), and not otherwise taken into account in computing Net Profits or Net Losses pursuant to this Section 2.1(u) shall be subtracted from such taxable income or loss;

(iii) In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section 2.1(i)(ii) or Section 2.1(i)(iii) hereof, the amount of such adjustment shall be taken into account as gain or loss from the disposition of such asset for purposes of computing Net Profits or Net Losses;

(iv) Gain or loss resulting from any disposition of property with respect to which gain or loss is recognized for federal income tax purposes shall be computed by reference to the Gross Asset Value of the property disposed of, notwithstanding that the adjusted tax basis of such property differs from its Gross Asset Value;

(v) In lieu of the depreciation, amortization, and other cost recovery deductions taken into account in computing such taxable income or loss, there shall be taken into account Depreciation for such fiscal year, computed in accordance with Section 2.1(f) hereof;

(vi) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(4) to be taken into account in determining Capital Accounts as a result of a distribution other than in liquidation of a Member's or Economic Interest Owner's interest in the Company, the amount of such adjustment shall be treated as a item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases the basis of the asset) from the disposition of the asset and shall be taken into account for purposes of computing Net Profits or Net Losses; and

(vii) Notwithstanding any other provision of this Section 2.1(u), any items which are specifically allocated pursuant to Section 7 hereof shall not be taken into account in computing Net Profits or Net Losses.

The amounts of the items of Company income, gain, loss or deduction available to be specially allocated pursuant to Section 7 hereof shall be determined by applying rules analogous to those set forth in Sections 2.1(i)(i) through 2/1(i)(vi) above.

(r) "Nonrecourse Deducations" has the meaning set forth in Section 1.704-2(b)(1) of the Regulations.

(s) "Nonrecourse Liability" has the meaning set forth in Section 1.704-2(b)(3) of the Regulations.

(t) "Operating Costs" shall mean, with respect to any period, all cash expenditures incurred incident to the normal operation of the Company's business and any amounts determined by the General Manager from time to time to be reasonably necessary to provide a reserve for the operations, expenses, debt payments, capital improvements, and contingencies of the Company.

(u) "Percentage Interest" shall mean, with respect to any Member or Economic Interest Owner, such Person's percentage interest of the Economic Interests in the Company and, in the case of a Member, in the voting rights in the Company, each as adjusted from time to time: (i) pursuant to this LLC Agreement; or (ii) as a result of any Transfer (as defined in Section 10.1 below) by a Member or Economic Interest Owner of all or a portion of its Economic Interest. The initial Percentage Interests of the Members are as designated in Section 6.1 of this LLC Agreement.

(v) "Person" shall include any individual, trust, estate, corporation, partnership, limited liability company, association or other entity.

(w) "Proceeds" shall mean, with respect to any period, gross receipts received by the Company from all sources during such period, including, without limitation, all sales, other dispositions, and refinancings of the Company's property, but does not include Capital Contributions as provided for in Article 6 of this LLC or the proceeds of any loans made by the Members to the Company.

(x) "Regulations" means the Income Tax Regulations, including Temporary Regulations, promulgated under the Code, as such regulations may be amended from time to time (including corresponding provisions of succeeding Regulations).

(y) "Residual Capital Account Balance" means the excess (if any) of the amount of a Member's or Economic Interest Owner's positive Adjusted Capital Account Balance over the amount of such Member's or Economic Interest Owner's Preference Contributions Account balance.

ARTICLE 3
MANAGEMENT

3.1 Duties of General Manager. The General Manager shall be responsible for the management of the day to day business and affairs of the Company in accordance with the annual and quarterly budgets adopted by the Members, and as otherwise directed by the Members from time to time pursuant to a unanimous vote or consent. Any decision or act of the General Manager within the scope of the General Manager's authority granted hereunder shall control and bind the Company. The General Manager shall, without limitation:

(a) Manage, supervise and control of the day-to-day operations and the business and affairs of the Company;

(b) Carry out and effect all directions authorized by the Members pursuant to a unanimous vote or consent;

(c) Provide for the accounting function for the Company;

(d) Apply for and obtain all appropriate insurance coverage for the Company;

(e) Temporarily invest the Company's funds and short-term investments providing for appropriate safety of principal;

(f) Engage in any kind of activity and performing and carrying out all contracts of any kind necessary to, in connection with or incidental to the accomplishment of the purposes and business of the Company, so long as said activities and contracts are in the ordinary course of business;

(g) Negotiate, execute and perform all agreements, and exercise all rights and remedies of the Company in connection with the foregoing;

(h) Execute and deliver all instruments necessary or convenient in connection with the management, maintenance, and operation of the business and affairs of the Company;

(i) Engage in business with any Person who provides any services to, sells property to or purchases property from, the Company;

(j) Retain or employ and coordinate the services of employees, supervisors and other Persons necessary or appropriate to carry out the business and affairs of the Company;

(k) Engage in any kind of activity and to perform and carry out such contracts of any kind necessary to, or in connection with, or incidental to the accomplishment of, the business and affairs of the Company; and

(l) Perform all other duties and functions provided herein to be performed by the Members, pursuant to a unanimous vote or consent.

Any Person dealing with the Company or the General Manager may rely upon a certificate signed by all the Members as to the identity and authority of the General manager or any Member of the Company.

3.2 Removal or Resignation of General Manager. In the event the Members, pursuant to a unanimous vote or consent, at any time, or from time to time, are dissatisfied with the General Manager's performance under this LLC Agreement (regardless of whether such dissatisfaction shall constitute legal "cause" for termination), the Members shall have the right to remove such General Manager. A Person who has been removed as General Manager shall continue to be a Member or Economic Interest Owner for all other purposes of this Agreement, if the General Manager is also a Member or Economic Interest Owner in the Company.

The General Manager of the Company may resign at any by giving sixty (60) days advance written notice to each of the Members. The resignation of a General Manager shall take effect (60) days from the date of the notice or at such later time as shall be specified in the notice and, unless otherwise specified in the notice, the acceptance of the resignation shall not be necessary to make it effective. The resignation of a General Manager who is also a Member or Economic Interest Owner shall not affect the General Manager's rights as a Member or Economic Interest Owner and shall not constitute a withdrawal of the Member or Economic Interest Owner from the Company.

Custom Energy shall select a person to fill any vacancy created by the removal or resignation of a General Manager, after consultation with M&E Sales.

3.3 Compensation of General Manager. Unless otherwise unanimously agreed to be the Members, there shall be no compensation paid to the General Manager. If compensation is unanimously agreed to by the Members, no General Manager shall be prevented from receiving any such compensation because the General Manager is also a Member or Economic Interest Owner of the Company.

3.4 Restrictions on the Members. Except as may otherwise be provided in this LLC Agreement, neither the General Manager, nor any individual Member or Economic Interest Owner individually shall have the authority to do any binding act on behalf of the Company without the approval of all the Members as provided in this LLC Agreement.

3.5 Liability and Indemnification.

(i) Neither the Members nor the General Manager shall be liable, responsible, or accountable in damages or otherwise to the Company or to the Members for any action taken or failure to act on behalf of the Company unless such action or omission was the result of an intentional breach of this Agreement or constituted gross negligence, bad faith or wanton or willful misconduct (collectively, "Misconduct").

(ii) Except with respect to Misconduct, the Company shall, to the fullest extent permitted under the Act, indemnify and hold harmless the General Manager, the Members, and their Affiliates from any loss, damage, liability, or expense incurred or sustained by them by reason of any act performed or any omission for or on behalf of the Company or in furtherance of the interests of the Company, including any judgment, award, settlement, reasonable attorneys' fees, and other costs and expenses (which may be advanced by the Company) incurred in connection with the defense of any actual or threatened action, proceeding, or claim.

(iii) The General Manager and each Member hereby agrees to indemnify and hold the Company wholly and completely harmless from any liability, cost, or damage that any such indemnified party may incur (including reasonable legal and other expenses incurred in defending against such liability, cost, or damage) as a result of such indemnifying person's Misconduct. No amount paid hereunder shall be treated as a capital contribution or a loan by the person making such payment.

(iv) Except with regard to Misconduct, Custom Energy and M&E Sales hereby agree to indemnify and hold the other harmless from one-half of any liability, cost or damage that the other may incur (including reasonable legal and other expenses incurred in defending against such liability, cost or damage) arising out of the Contract; provided, however, that such indemnification obligation shall be secondary to the Company's indemnification obligations under Section 3.5(ii).

3.6 Operating Budgets. Promptly upon the assignment of work under the Contract, the General Manager shall prepare and submit to the Members for adoption, pursuant to a unanimous vote or consent, a budget for such work. Each such budget shall include the following:

(a) A narrative description of any activities proposed to be undertaken during the period subject of such budget;

(b) A projected annual income statement (accrual basis) for such period;

(c) A projected balance sheet as of the end of the period;

(d) A schedule of projected cash flow (including itemized operating revenues, costs, and expenses) for such period; and

(e) A description of any proposed investments and capital expenditures, including projected dates for commencement and completion of the foregoing, as well as the description of any contemplated or existing financing activities for such period.

3.7 Limitation on Powers of the General Manager. Notwithstanding any other provisions contained in this LLC Agreement, the General Manager shall not do any of the following without the express written consent of all of the Members:

(a) Amend this LLC Agreement;

(b) Take any action or fail to take any action in contravention of this LLC Agreement;

(c) Admit any substitute or additional Members;

(d) Require additional Capital Contributions or modify a Member's or Economic Interest Owner's obligation to make a Capital Contribution;

(e) Merge or consolidate or agree to merge or consolidate the Company with or into any other entity;

(f) Sell, exchange, lease, mortgage, pledge or otherwise dispose of all or substantially all of the property of the Company in a single transaction or series of related transactions;

(g) Approve any non-budgeted expenditure;

(h) Make or cause the Company to become a party to any contract or commitment or renew, extend or amend or modify any contract or commitment, unless such contract or commitment is entered into in the ordinary course of business;

(i) Invest in or acquire any interest in any business enterprise or venture;

(j) Assume, incur or guarantee or become liable for any indebtedness or borrowed money on behalf of the Company;

(k) Make any distributions to the Members or Economic Interest Owners, except as otherwise provided for in this LLC Agreement; or

(l) Transact any business other than that which is consistent with the purpose and business of the Company as described in Section 1.3 above.

3.8 Management of Activities under the Contract. Per the Contract, the General Manager shall cause up to three competitive bids to be solicited for work to be performed under the Contract. The Members agree that a Member may elect to perform the work covered under the bid at the lowest received bid price, or in the event that additional value added services are provided, at a higher price that is agreed upon by the other Member, provided that such electing Member is entitled to perform such work based on the division of opportunities as set out in Exhibit D. A subcontract agreement will be executed between the Company and the Member prior to the commencement of any work. Work under the Contract shall be done under the direct supervision of the General Manager. Unless otherwise agreed to by the Members, the Company shall contract with Custom Energy to perform all project management and engineering services , and Custom Energy shall bill the Company $65 per hour therfor. In the event that the Company contracts with M&E Sales to perform energy engineering services, the Company shall pay $65 per hour therefor. The Members agree that any additional labor and expenses associated

with obtaining work under the Contract shall not be invoiced to the Company. Any profit, margin or other premium earned by the Company shall be divided equally between the Members.

ARTICLE 4
RIGHTS AND OBLIGATIONS OF MEMBERS

4.1 Limitation of Liability. Each Member's and Economic Interest Owner's liability shall be limited as set forth in this LLC Agreement, the Delaware Act and other applicable law.

4.2 Company Liabilities. A Member or Economic Interest Owner will not be personally liable for any debts or losses of the Company beyond the Member's or Economic Interest Owner's respective capital contributions and any obligation of the Members and Economic Interest Owners to make Capital Contributions, except as required by law.

4.3 Priority and Return of Capital. Except as otherwise expressly provided in this LLC Agreement, no Member or Economic Interest Owner shall have priority over any other Member or Economic Interest Owner, either for the return of Capital Contributions or for Net Profits, Net Losses or distributions; provided that this Section shall not apply to loans (as distinguished from Capital Contributions) which a Member has made to the Company.

4.4 Liability of a Member or Economic Interest Owner to the Company. A Member or Economic Interest Owner who rightfully receives a return in whole or in part of its Capital Contribution is liable to the Company only to the extent now or hereafter provided by the Delaware Act.

4.5 Transactions with Members and Affiliates. In addition to the matters set out in Section 3.8 and Exhibit D, the Company may enter into agreements with one or more Members or Affiliates of a Member to provide leasing, management, legal, accounting, architectural, brokerage, development, or other services or to buy, sell, or lease assets to or from the Company, provided that any such transactions shall be unanimously approved by the Members.

4.6 Independent Activities. Except as required by Section 3.8 and Exhibit D and as otherwise agreed upon in writing between the Company and a Member or Economic Interest Owner, each Member or Economic Interest Owner shall be required to devote only such time to the affairs of the Company as such Member or Economic Interest Owner determines in its sole discretion, and each such Member or Economic Interest Owner shall be free to serve any other Person in any capacity that it may deem appropriate in its discretion.

ARTICLE 5
MEETINGS OF MEMBERS

5.1 Annual Meeting. The annual meeting of the Members shall be held on the second Tuesday in April or at such other time as shall be determined by the Members for the purpose of the transaction of such business as may come before the meeting.

5.2 Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by statute, may be called by any Member of the Company.

5.3 Place of Meetings. The Members may designate any place, either within or outside the state of Delaware, as the place of meeting for any meetings of the Members. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be the principal place of business of the Company.

5.4 Notice of Meetings. Except as provided in Section 5.5 below, for any annual meeting held at such time as provided in Section 5.1 above, and for all special meetings, written notice stating the place, day, and hours of the meeting and the purpose or purposes for which the meeting is called shall be delivered not fewer than ten (10) nor more than sixty (60) days before the date of the meeting, to each Member entitled to vote at the meeting. If mailed, the notice shall be deemed to be delivered two (2) calendar days after being deposited in the United States mail, addressed to the Member at the Member's address as it appears on the books of the Company, with postage thereon prepaid.

5.5 Meeting of all Members. If all of the Members shall meet at any time and place, either within or outside of the state of Delaware, and consent to the holding of a meeting at that time and place, the meeting shall be valid without call or notice, and at the meeting lawful action may be taken.

5.6 Record Date. For the purpose of determining Members entitled to notice of or to vote at any meeting of Members or any adjourned meeting, the date on which notice of the meeting is mailed shall be the record date for the determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Section, the determination shall apply to any adjourned meeting.

5.7 Quorum. Members holding all of the Percentage Interests issued and outstanding by the Company, represented in person only, shall constitute a quorum at any meeting of Members. In the absence of a quorum at any meeting of Members, the Members holding all of the Percentage Interests so represented may adjourn the meeting from time to time for a period not to exceed sixty (60) days without further notice. However, if the adjournment is for more than sixty (60) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Member of record entitled to vote at the meeting. At any adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noticed.

5.8 Voting. The unanimous vote or consent of all Members shall be required to approve any act required to be approved by the Members.

5.9 Action by Members without a Meeting. Any action required or permitted to be taken at a meeting of Members may be taken without a meeting if the action is evidenced by one or more counterparts of a written consent describing the action taken and signed by each Member entitled to vote, which consent shall be included in the minutes or filed with the Company records. Action taken under this Section is effective when all Members entitled to vote have signed the consent, unless the consent

specifies a different effective date. The record date for determining Members entitled to take action without a meeting shall be the date the first Member signs a written consent.

5.10 Waiver of Notice. When any notice is required to be given to any Member, a waiver of the notice in writing signed by the person entitled to the notice, whether before, at, or after the given time stated therein, and delivered to the Company for inclusion in the minutes or filing with the Company records, shall be equivalent to the giving of the notice. A Member's attendance at any meeting shall constitute a waiver: (i) to lack of notice or defective notice of the meeting, unless the Member at the beginning of the meeting objects to the holding of the meeting or transacting business at the meeting; and (ii) to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless such person objects to considering the matter when it is presented.

ARTICLE 6
CAPITAL CONTRIBUTIONS

6.1 Initial Capital Contributions. A Capital Account shall be maintained for each Member as provided in Section 2.1(c) above, which shall include the initial Capital Contribution of each Member as set forth on Exhibit C, attached hereto. The initial Percentage Interest of each Member shall be as also set forth in Exhibit C. No Member shall have any interest or rights in the capital contributed by any other Member.

6.2 Increase in Company Capital. The Members and Economic Interest Owners recognize that the Company may require additional capital from time to time in order to accomplish the purposes and the business for which the Company is formed. If by an affirmative vote or consent all of the Members determine in good faith that additional Capital Contributions are necessary for the operation of the Company, each Member and Economic Interest Owner shall within thirty (30) days of such vote or consent contribute their respective share of the additional contribution to the capital of the Company as determined on a pro rata basis with reference to the relationship of each respective Member's or Economic Interest Owner's Percentage Interest to the total of the Percentage Interests of all of the Members and Economic Interest Owners. The General Manager shall make such determination and provide notice to each Member and Economic Int erest Owner within ten (10) days of such vote or consent of the call for such additional contribution, the amount to be contributed by such person, and the date on which such contribution is due. Unless otherwise agreed to by the affirmative vote or consent of all of the Members, all such additional Capital Contributions shall be made in cash. No voluntary contributions to capital shall be made by any Member or Economic Interest Owner absent the affirmative vote or consent of all of the Members.

6.3 Capital Accounts of Members. The amount of any additional Capital Contribution made by any Member or Economic Interest Owner shall be added to the Capital Account of such contributing Member or Economic Interest Owner as of the date of expiration of the thirty (30) day periods and/or ten (10) day period, as the case may be, set out in Sections 6.2 and 6.3 above. Any increase in a Member's or Economic Interest Owner's Preference Contribution Account pursuant to Section 6.3(e) shall not be added to such Member's or Economic Interest Owner's Capital Account.

6.4 Adjustment of Percentage Interests. If additional Capital Contributions are made in accordance with Article 6 or in conjunction with the admission of a new Member pursuant to Article 11 of this LLC Agreement, the Percentage Interests of each Member and Economic Interest Owner shall be adjusted to reflect such additional contributions in accordance with the following formula:

(a) Each Member's and Economic Interest Owner's Percentage Interest shall be adjusted to the same ratio as the Member's or Economic Interest Owner's total Capital Contribution (initial Capital Contribution plus additional Capital Contributions) bears to the total Capital Contributions of all the Members and Economic Interest Owners as of the adjustment date. The adjustment date shall be the date of the expiration of the thirty (30) day period and/or ten (10) day period, as the case may be, set out in Sections 6.2 and 6.3 above or the date a new Member is admitted, as the case may be.

(b) This Percentage Interest adjustment shall be made after every additional Capital Contribution, whether such additional Capital Contribution is the result of the admission of a new Member or a call for additional contributions. In the event that there is any transfer in whole or in part, of a Member's or Economic Interest Owner's Percentage Interest in the Company, then the transferee of such Member or Economic Interest Owner shall stand in the same position as the Member or Economic Interest Owner whose interest they have acquired, unless all of the Members have agreed otherwise.

6.5 Interest and Other Amounts. No Member or Economic Interest Owner shall receive any interest, salary, or drawing with respect to its Capital Contributions or its Capital Account or for services rendered to or on behalf of the Company or otherwise in its capacity as a Member or Economic Interest Owner, except as otherwise provided in this LLC Agreement or other agreement approved and ratified by all of the Members between the Company and such Member or Economic Interest Owner.

6.6 Amendment of Documents. Except as provided above or pursuant to a Member's or Economic Interest Owner's acquisition of an additional Economic Interest as permitted under this LLC Agreement, any adjustments in Percentage Interests shall be effectuated by amending this LLC Agreement and the execution and filing of any other documents required by the Delaware Act.

6.7 Loans of Members. A Member or Economic Interest Owner may loan cash or other property to the Company, should additional funds be required, upon such terms as all of the Members shall agree by affirmative vote or consent. Loans by any Member or Economic Interest Owner to the Company shall not be considered as contributions to the capital of the Company. Except as otherwise provided in this LLC Agreement, none of the Members or Economic Interest Owners shall be obligated to make any loan or advance to the Company.

6.8 Withdrawal of Capital Contribution. Except as otherwise provided in this LLC Agreement, the affirmative vote or consent of all of the Members shall be required to modify, compromise or release the amount and/or character of a Member's or Economic Interest Owner's Capital Contribution, or any promise made by a Member as consideration for the acquisition of an interest in the Company. Under circumstances requiring the return of any Capital Contribution, no Member or Economic Interest Owner shall have the right to receive any property of the Company, other than cash, except as may be specifically provided herein.

ARTICLE 7
ALLOCATIONS

7.1 Net Profits. After giving effect to the special allocations set forth in this Article 7, Net Profits for any fiscal year shall be allocated among the Members and Economic Interest Owners as follows and in the following order of priority:

(a) First, to the Members and Economic Interest Owners with negative Adjusted Capital Account Balances (if any), in the ratio of such negative Adjusted Capital Account Balances, up to the amount necessary to restore all such Adjusted Capital Account Balances to zero;

(b) Next, to the Members and Economic Interest Owners in the relative amounts, and up to the aggregate amount (if any), necessary so that Residual Capital Account Balances of the Members and Economic Interest Owners will be in the ratio of their respective Percentage Interests; and

(c) Then, any additional Net Profits shall be allocated among the Members and Economic Interest Owners in proportion to their Percentage Interests.

7.2 Net Losses. Net Losses for any fiscal year shall be allocated among the Members and Economic Interest Owners as follows and in the following order of priority:

(a) First, to the Members and Economic Interest Owners, in the relative amounts, and up to the aggregate amount (if any), necessary so that their Residual Capital Account Balances (if any) will be in the ratio of their respective Percentage Interests;

(b) Next, to the Members and Economic Interest Owners, in the ratio of their Residual Capital Account Balances, up to the aggregate amount (if any) necessary to reduce such Residual Capital Account Balances to zero;

(c) Next, to the Members and Economic Interest Owners with positive Adjusted Capital Account Balances, up to the aggregate amount (if any) necessary to reduce such Adjusted Capital Account Balances to zero; and

(d) Then, any remaining Losses shall be allocated among the Members and Economic Interest Owners in proportion to their Percentage Interests.

7.3 Special Allocations. The following special allocations shall be made in the following order:

(a) Except as otherwise provided in Section 1.704-2(f) of the Regulations, notwithstanding any other provision of this Article 7, if there is a net decrease in Company Minimum Gain during any Company fiscal year, each Member or Economic Interest Owner shall be specially allocated items of Company income and gain for such Fiscal year (and, if necessary, subsequent Fiscal years) in an amount equal to such Member's or Economic Interest Owner's share of the net decrease in Company Minimum Gain, determined in accordance with Regulations Section 1.704-2(g). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member or Economic Interest Owner pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(f)(6) and 1.704-2(j)(2) of the Regulations. This Section 7.3(a) is intended to comply with the minimum gain chargeback requirement in Section 1.704-1(f) of the Regulations and shall be interpreted consistently therewith.

(b) Except as otherwise provided in Section 1.704-1(i)(4) of the Regulations, notwithstanding any other provision of this Article 7, if there is a net decrease in Member Nonrecourse Debt Minimum Gain attributable to a Member Nonrecourse Debt during any Company fiscal year, each Member or Economic Interest Owner who has a share of the Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Section 1.704-2(i)(5) of the Regulations, shall be specially allocated items of Company income and gain for such fiscal year (and, if necessary, subsequent fiscal years) in an amount equal to such Member's or Economic Interest Owner's share of the net decrease in Member Nonrecourse Debt Minimum Gain attributable to such Member Nonrecourse Debt, determined in accordance with Regulations Section 1.704-2(i)(4). Allocations pursuant to the previous sentence shall be made in proportion to the respective amounts required to be allocated to each Member or Economic Interest Owner pursuant thereto. The items to be so allocated shall be determined in accordance with Sections 1.704-2(i)(4) and 1.704-2(j)(2) of the Regulations. This Section 7.3(b) is intended to comply with the minimum gain chargeback requirement in Section 1.704-2(i)(4) of the Regulations and shall be interpreted consistently therewith.

(c) Nonrecourse Deductions for any Fiscal year shall be specially allocated among the Members and Economic Interest Owners in proportion to their Percentage Interests.

(d) Any Member Nonrecourse Deductions for any Fiscal year shall be specially allocated to the Member or Economic Interest Owner who bears the economic risk of loss with respect to the Member Nonrecourse Debt to which such Member Nonrecourse Deductions are attributable in accordance with Regulations Section 1.704-2(i)(l).

(e) To the extent an adjustment to the adjusted tax basis of any Company asset pursuant to Code Section 734(b) or Code Section 743(b) is required, pursuant to Regulations Section 1.704-1(b)(2)(iv)(m)(2) or Regulations Section 1.704-1(b)(2)(iv)(m)(4), to be taken into account in determining Capital Accounts as the result of a distribution to a Member or Economic Interest Owner in complete liquidation of its interest in the Company, the amount of such adjustment to the Capital Accounts shall be treated as an item of gain (if the adjustment increases the basis of the asset) or loss (if the adjustment decreases such basis) and such gain or loss shall be specially allocated to the Member or Economic Interest Owners in accordance with their interests in the Company in the event Regulations Section 1.704-1(b)(2)(iv)(m)(2) applies, or to the Members and Economic Interest Owners to who m such distribution was made in the event Regulations Section 1.704-1(b)(2)(iv)(m)(4) applies.

7.4 Other Allocation Rules.

(a) The Members and Economic Interest Owners are aware of the income tax consequences of the allocations made by this Article 7 and hereby agree to be bound by the provisions of this Article 7 in reporting their shares of Company income and loss for income tax purposes.

(b) For purposes of determining the Net Profits, Net Losses, or any other items allocable to any period, Net Profits, Net Losses, and any other such items shall be determined on a daily, monthly, or other basis, as determined by the Tax Matters using any permissible method under Code Section 706 and the Regulations thereunder.

(c) Solely for purposes of determining a Member's or Economic Interest Owner's proportionate share of the "excess nonrecourse liabilities" of the Company, within the meaning of Regulations Section 1.752-3(a)(3), the Members' and Economic Interest Owners' interests in Company Net Profits are in proportion to their Percentage Interests.

(d) To the extent permitted by Section 1.704-2(h)(3) of the Regulations, the Members shall endeavor not to treat distributions of Net Cash Flow as having been made from the proceeds of a Nonrecourse Liability or a Member Nonrecourse Debt.

7.5 Tax Allocations: Code Section 704(c). In accordance with Code Section 704(c) and the Regulations thereunder, income, gain, loss, and deduction with respect to any property contributed to the capital of the Company shall, solely for tax purposes, be allocated among the Members and Economic Interest Owners so as to take account of any variation between the adjusted basis of such property to the Company for federal income tax purposes and its initial Gross Asset Value (computed in accordance with Section 2.1(j)(i) hereof). The Members and Economic Interest Owners hereby agree that the **"remedial allocation method"** described in Regulation Section 1.704-3(d) shall be used for allocating the disparity between the fair market value of a contributed asset and that asset's adjusted tax basis.

In the event the Gross Asset Value of any Company asset is adjusted pursuant to Section 2.1(i)(ii) hereof, subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for federal income tax purposes and its Gross Asset Value in the same manner as under Code Section 704(c) and the Regulations thereunder. The Members and Economic Interest Owners agree that the remedial allocation method described in Regulation Section 1.704-3(d) shall be used for allocating the disparity between the fair market value and adjusted tax basis.

Other than the mandatory use of the remedial allocation method as specified above in this Section 7.5, any elections or other decisions relating to such allocations shall be made by the Tax Matters Member in any manner than reasonably reflects the purpose and intention of this LLC Agreement. Allocations pursuant to this Section 7.5 are solely for purposes of federal, state, and local taxes and shall not affect, or in any way be taken into account in computing, any Person's Capital Account or share of Net Profits, Net Losses, other items, or distributions pursuant to any provisions of this LLC Agreement.

ARTICLE 8
ACCOUNTING, DISTRIBUTIONS AND TAXES

8.1 Distribution of Net Cash Flow. Within thirty (30) days after the close of each quarter, or more frequently upon the affirmative vote or consent of all of the Members, all of the Net Cash Flow of the Company not required to be retained in the Company to satisfy current and future obligations and to fund reserves (or such greater amount as may be determined upon the affirmative vote or consent of all of the Members) shall be distributed to the Members and Economic Interest Owners in proportion to their Percentage Interests.

Notwithstanding the foregoing, no distributions shall be made unless, after distribution is made, the assets of the Company are in excess of its liabilities, except amounts payable to Members or Economic Interest Owners on account of Capital Contributions.

8.2 Accounting. The fiscal and tax year of the Company shall be the calendar year. For tax purposes, the records of the Company shall be maintained on an accrual method of accounting. The books of account of the Company shall be kept and maintained at all times at the principal place of business of the Company. Each Member shall have the right at all reasonable times during usual business hours to audit, examine and make copies of or extracts from the books of account of the Company, and a list of the names and addresses of all of the Members and Economic Interest Owners. Such right may be exercised through any agent of such Member. Each Member shall bear all expenses incurred in any examination made for its account.

As soon as reasonably practicable after the end of each calendar quarter, the General Manager shall furnish each Member and Economic Interest Owner with an interim balance sheet, statement of profit and loss, and statement of cash receipts and disbursements of the Company, each prepared in accordance with generally accepted accounting principles and reviewed by the Company's independent certified public accountants. As soon as reasonably practicable after the end of each fiscal and tax year, the General Manager shall furnish each Member and Economic Interest Owner with: (i) a balance sheet of the Company as of the last day of such fiscal or tax year, a statement of profit or loss of the Company for such year, and a statement of cash receipts and disbursements, each prepared in accordance with generally accepted accounting principles and reviewed by the Company's independent certified public accountants; (ii) a statement showing the amounts al located to or allocated against such Member and Economic Interest Owner pursuant to Article 7 of this LLC Agreement during or in respect of such year, and any items of income, deduction, credit, or loss allocated to them; and (iii) a copy of the federal income tax return of the Company.

8.3 Tax Elections. Upon the affirmative vote or consent of all the Members, the Tax Matters Member shall make any tax election for the Company allowed under the Internal Revenue Code of 1986, as amended, including, without limitation, elections to cause the basis of Company property to be adjusted for federal income tax purposes as provided by Section 734 and 743 of the Internal Revenue Code of 1986, as amended, pursuant to the transfer of an Economic Interest or the death of or distribution of property to a Member or Economic Interest Owner.

8.4 Tax Matters Member. Custom Energy is hereby designated as the Tax Matters Member of the Company pursuant to applicable provisions of the Internal Revenue Code of 1986, as amended, and the regulations thereunder. If Custom Energy ceases to be a Member, its status as Tax Matters Member shall cease, and M&E Sales shall be appointed successor Tax Matters Member.

ARTICLE 9
REPRESENTATION AND WARRANTIES

9.1 In General. As of the date hereof, each Member (each a "Representing Party") makes each of the following representations and warranties applicable to such Member:

(a) If such Representing Party is a corporation, partnership, trust, limited liability company, limited liability partnership or any other legal entity, it is duly organized or duly formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation and has the power and authority as an entity to own its property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such Representing Party is duly licensed or qualified to do business and in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform its obligations hereunder. Such Representing Party has the power and authority as an entity to execute and deliver this LLC Agreement and to perform its obligations her eunder and the execution, delivery, and performance of this LLC Agreement has been duly authorized by all necessary actions of the Representing Party entity. This LLC Agreement constitutes the legal, valid, and binding obligation of such Representing Party.

(b) Neither the execution, delivery, and performance of this LLC Agreement nor the consummation by such Representing party of the transactions contemplated hereby (i) will conflict with, violate, or result in a breach of any of the terms, conditions, or provisions of any law, regulation, order, writ, injunction, decree, determination, or award of any court, any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator, applicable to such Representing Party, (ii) will conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of the articles of incorporation, bylaws, partnership agreement, certificate of formation, articles of organization, or other formation and operating documents of such Representing Party, or of any material agreement or instrument to which such Representing Party is a party or by which such Representing Party is or may be bound or to which any of its material properties or assets is subject, (iii) will conflict with, violate, result in a breach of, constitute a default under (whether with notice or lapse of time or both), accelerate or permit the acceleration of the performance required by, give to others any material interest or rights, or require any consent, authorization or approval under any indenture, mortgage, lease agreement, or instrument to which such Representing Party is a party or by which such Representing Party is or may be bound, or (iv) will result in the creation or imposition of any lien upon any of the material properties or assets of such Representing Party.

(c) Any registration, declaration or filing with, or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority, domestic or foreign, that is required in connection with the valid execution, delivery,

acceptance and performance by such Representing Party under this LLC Agreement or the consummation by such Representing Party of any transaction contemplated hereby has been completed, made or obtained on or before the effective date of this LLC Agreement.

(d) There are no actions, suits, proceedings or investigations pending or, to the knowledge of such Representing Party, threatened against or affecting such Representing Party or any of their properties, assets, or businesses in any court or before or by any governmental department, board, agency, or instrumentality, domestic or foreign, or any arbitrator which could, if adversely determined (or, in the case of an investigation could lead to any action, suit, or proceeding, which if adversely determined could) reasonably be expected to materially impair such Representing Party's ability to perform its obligations under this LLC Agreement or to have a material adverse effect on the consolidated financial condition of such Representing Party; and such Representing Party has not received any currently effective notice of any default, and such Representing Party is not in default, under any applicable order, writ, injunction, decree, permit, instrumentality, domestic or foreign, or any arbitrator which could reasonably be expected to materially impair such Representing Party's ability to perform its obligation under this LLC Agreement or to have a material adverse effect on the consolidated financial condition of such Representing Party.

(e) Such Member is acquiring its interest in the Company based upon its own investigation, and the exercise by such Member of its rights and the performance of its obligations under the LLC Agreement will be based upon its own investigation, analysis and expertise. Such Member's acquisition of its interest in the Company is being made for its own account for investment, and not with a view to the sale or distribution thereof.

ARTICLE 10
TRANSFERABILITY

10.1 General. Except as otherwise specifically provided in this LLC Agreement, neither a Member nor an Economic Interest Owner shall have the right without the affirmative vote or consent of all of the remaining Members to sell, assign, encumber, pledge, hypothecate, transfer, exchange, distribute or otherwise transfer for consideration, gift, bequeath, distribute or otherwise transfer for no consideration (whether or not by operation of law, except in the case of bankruptcy) (each such action a "Transfer") all or part of its interest in the Company. The transfer of the Economic Interest of a Bankrupt Member or Economic Interest Owner shall be governed by Sections 12.4 and 12.5 below. Any purported Transfer of any interest in the Company in contravention of this LLC Agreement shall be null and void and of no force or effect.

10.2 Transferee Not Member in Absence of Consent. Notwithstanding anything contained in this LLC Agreement to the contrary, if all of the remaining Members do not by affirmative vote or consent approve of the proposed Transfer of a Member's or Economic Interest Owner's Economic Interest in the Company to a transferee or donee who is not a Member immediately before the Transfer and the admission of such transferee as a Member is approved as provided in Article 11 below, the proposed transferee or donee shall have no right to participate in the management of the business and affairs of the Company, including, without limitation, any rights to vote as a Member as provided hereunder. Subject to the satisfaction of the requirements of this Section 10.2 above, the transferee or donee shall be merely an Economic Interest Owner. Furthermore, except as agreed upon by all of the remaining Members or as otherwise provided in thi s LLC Agreement or the Delaware Act, upon a Member's transfer of its Economic Interest, such Member's rights to participate in the management and affairs of the Company, including, without limitation, its voting rights, shall cease.

10.3 Change in Control of a Member. If the owners of a Member as of the date of this LLC Agreement cease at any time to own at least 51% of the voting interests of such Member (a "Change in Control"), unless the other Members shall agree otherwise such Member shall relinquish all voting rights associated with its Percentage Interest (except its rights under Section 3.7(a), (c), (d), (e), (f) and (k)). Provided, however, that no such relinquishment shall occur if the aggregate tangible net worth of the owners of such Member immediately after such change in control is at least equal to the aggregate tangible net worth of the owners of such Member immediately prior to such change in control.

ARTICLE 11
ADMISSION OF SUCCESSOR MEMBERS OR NEW MEMBERS

11.1 Admission of Successor Members or New Members. A Person, including a transferee or donee of a Member or other Person owning an Economic Interest, shall be deemed admitted as a Member of the Company only upon the satisfactory completion of the following:

(a) All of the Members, or remaining Members, as the case may be, shall have consented to the admission of the Person as a Member of the Company and, in the case of a new Member, all of the Members shall have consented to the amount and character of the proposed Capital Contribution of such new Member.

(b) The Person shall have accepted and agreed to be bound by the terms and provisions of this LLC Agreement and such other documents or instruments as the existing Members may require.

(c) The Person shall have executed a counterpart of this LLC Agreement to evidence the consents and agreements above, and any changes in the Certificate of Formation of the Company and this LLC Agreement shall have been executed and

filed as deemed necessary by the existing Members.

(d) If the Person is a corporation, partnership, limited liability company, trust, association or other entity, the Person shall have provided each of the Members with evidence satisfactory to counsel for the Company of its authority to become a Member under the terms and provisions of this LLC Agreement.

(e) If required by the Members, counsel for the Company or a qualified counsel for the transferee or donee or new Member, which counsel shall have been approved of by the Members, shall have rendered an opinion to the Members that the admission of the Person as a Member is in conformity with the Delaware Act and that none of the actions in connection with the admission will cause the termination or dissolution of the Company or will adversely affect its classification as a partnership for federal and state income tax purposes.

(f) The Person, as required by the Members, shall have paid all reasonable legal fees of the Company and the Members and filing costs in connection with its admission as a Member.

11.2 Financial Adjustments. No new Members shall be entitled to any retroactive allocation of losses, income, or expense deductions incurred by the Company. The Company may, at its option, at the time a Member is admitted, close the Company's books (as though the Company's tax year had ended) or make pro rata allocations of loss, income, and expense deductions to a new Member for that portion of the Company's tax year in which a Member was admitted in accordance with the provisions of Section 706 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder.

ARTICLE 12
TERM, TERMINATION, AND DISTRUBTION UPON LIQUIDATION

12.1 Term. The term of the Company shall commence on the date the Certificate of Formation for the Company is filed in the Office of the Delaware Secretary of State in accordance with the Delaware Act and shall continue until December 31, 2047, unless earlier dissolved by the unanimous written consent of all of the Members, or the provisions of the Certificate of Formation, this LLC Agreement or the Delaware Act.

12.2 Withdrawal of a Member. A Member may withdraw, retire or resign from the Company at any time upon giving ninety (90) days prior written notice of such withdrawal to the remaining Members; provided, however, that absent the approval of such withdrawal by the affirmative vote or consent of all of the remaining Members within such ninety (90) day notice period, such a withdrawal shall be deemed a breach of this LLC Agreement allowing the Company to recover from the withdrawing Member damages for such breach as reasonably determined by the remaining Members, including, without limitation, attorneys' fees, and offset such damages against the amounts otherwise distributable to the withdrawing Member.

Subject to the remaining provisions of this LLC Agreement, upon the withdrawal of a Member, the withdrawing Member shall be entitled to the fair market value of its Economic Interest, which amount shall be equal to the sum of the withdrawing Member's Percentage Interest of both (i) the Company's Net Profits or Net Losses for the year in which the withdrawal occurs through the date of the withdrawal (less any distributions of Net Cash Flow made to the withdrawing Member through the date of such withdrawal); and (ii) the value of the Company's assets, net of the Company's debts, liabilities and obligations; less any deficit balance in the withdrawing Member's Capital Account, such consideration which the Company shall pay in cash at the closing, which closing shall be within thirty (30) days of the date such purchase price is determined at such time and place as designated by the Company. For purposes of this determination, the value of the Com pany's assets, other than cash, certificates of deposit and other instruments the value of which are readily ascertainable, shall be determined with reference to the fair market value of such assets as determined by the Company's regularly employed independent certified public accountant, which determination shall be final, binding and conclusive upon all parties.

Notwithstanding the foregoing, if such withdrawal is deemed to be a breach of this LLC Agreement as provided above, then the amount to which the withdrawing Member is entitled for its Economic Interest shall not include any amount attributable to the goodwill of the Company and shall be reduced by an amount equal to any damages attributable to such breach as described above.

12.3 Events of Dissolution. Unless the continuation of the Company's business is approved by the affirmative vote or consent of all of the remaining Members within ninety (90) days of an event of withdrawal, the Company shall immediately dissolve. An event of withdrawal shall include:

(a) The withdrawal, retirement or resignation of a Member absent the approval of the remaining Members and the failure to purchase a withdrawing Member's Economic Interest as provided in Section 12.2 above;

(b) In the case of a Member that is a natural person, the death or insanity of a Member or the entry by a court of competent jurisdiction adjudicating a Member incompetent to manage his person or his estate;

(c) A Member becoming a Bankrupt Member (as defined in Section 12.4 below);

(d) In the case of a Member that is a trust, the termination of the trust or the distribution of such trust's entire interest in the Company, but not merely the substitution of a new trustee;

(e) In the case of a Member that is a general or limited partnership, the dissolution and commencement of winding up of such partnership or a distribution of its entire interest in the Company;

(f) In the case of a Member that is a corporation, the filing of articles of dissolution, or their equivalent, for the corporation or revocation of its charter or its distribution of its entire interest in the Company;

(g) In the case of a Member that is an estate, the distribution by the fiduciary of the estate's entire interest in the Company;

(h) In the case of a Member that is a limited liability company, the filing of a certificate of cancellation or articles of dissolution or termination, or their equivalent, for the limited liability company or a distribution of its entire interest in the Company;

(i) December 31, 2047;

(j) The affirmative vote or consent by all of the Members to dissolve, wind up and liquidate the Company;

(k) The happening of any other event that makes it unlawful or impossible to carry on the business of the Company; or

(l) Any event which causes there to be only one (1) Member.

Except as otherwise provided in this LLC Agreement or the Delaware Act, upon the occurrence of an event of withdrawal as described in subsection (a) through (h) above, the Member subject of such an event shall cease to be a Member and shall thereafter be an Economic Interest Owner. An event of withdrawal shall not include a Transfer of a Member's interest pursuant to Article 10 above.

12.4 Bankruptcy of a Member. A "Bankrupt Member" shall mean any Member or Economic Interest who:

(a) makes an assignment for the benefit of its creditors;

(b) files a voluntary petition in bankruptcy;

(c) files a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation or files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of such nature;

(d) seeks, consents or acquiesces in appointment of a trustee, receiver or liquidator of the Member or Economic Interest Owner or of all or any substantial part of its property; or

(e) is the subject of any proceeding seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, and one hundred twenty (120) days after commencement of such proceeding, the proceeding has not been dismissed; or without the Members' or Economic Interest Owners' consent or acquiescence has had a trustee, receiver or liquidator appointed for itself or for a substantial part of its property and the appointment is not vacated or stayed, or within ninety (90) days after the expiration of any such stay, the appointment is not vacated.

12.5 Option to Purchase. The remaining Members shall have the option to purchase the Economic Interest of a Bankrupt Member for the purchase price determined and paid in accordance with the methodology, terms and conditions provided in Section 12.2 above for the purchase of a withdrawing Member's interest; provided, however, that no discounts shall be made to the purchase price for any deemed breach of the LLC Agreement. If the remaining Members do not elect to acquire all of the Bankrupt Member's interest, the interest shall be transferred in accordance with Article 10 above, or if not transferred, retained by the Bankrupt Member. If the remaining Members exercise their option hereunder and the Bankrupt Member fails to assign its interest in the Company at the time and place fixed for closing, then the remaining Members may enforce the obligation of the Bankrupt Member by an action for specific performance.

12.6 Cessation of Business. In the event of the occurrence of any event effecting the dissolution of the Company, the Company shall cease to carry on its business, except insofar as may be necessary for the winding up of its business, but its separate existence shall continue until the General Manager has filed a certificate of cancellation in the office of Delaware Secretary of State or until a decree terminating the Company has been entered by a court of competent jurisdiction.

12.7 Winding Up, Liquidation, and Distribution of Assets. Upon dissolution, an accounting shall be made of the accounts of the Company and of the Company's assets, liabilities and operations, from the date of the last previous accounting until the

date of dissolution and the General Manager shall immediately proceed to wind up the affairs of the Company. If the Company is dissolved and its affairs are to be wound up, the General Manager shall:

(a) Collect and sell or otherwise liquidate all of the Company's assets as promptly as practicable (except to the extent the Members, by unanimous vote or consent, determine to distribute any assets to the Members and Economic Interest Owners in kind);

(b) Allocate any Net Profits or Net Losses resulting from such sale or other disposition of the Company's assets to the Members' and Economic Interest Owners' Capital Accounts in accordance with Section 2.1(b) above;

(c) Discharge all debts, liabilities and obligations of the Company, including those to Members and Economic Interest Owners who are creditors to the extent permitted by law, other than debts, liabilities and obligations to Members and Economic Interest Owners for distributions, and establish such reserves as the Members may deem reasonably necessary to provide for contingencies or liabilities of the Company (for purposes of determining the Capital Accounts of the Members and Economic Interest Owners, the amounts of such reserves shall be deemed to be an expense of the Company);

(d) Distribute the remaining assets to the Members and Economic Interest Owners either in cash or in kind, with any assets distributed in kind being valued for this purpose at their fair market value, as follows and in the following order of priority:

(i) First, to the Members and Economic Interest Owners with positive Preference Contribution Account balances, in proportion to their respective Preference Contribution Account balances, up to the amount necessary to reduce all such Preference Contribution Account balances to zero; and

(ii) The balance, if any, to the Members and Economic Interest Owners in proportion to their Percentage Interests.

If any assets of the Company are to be distributed in kind, the fair market value of those assets as of the date of dissolution, other than cash, certificates of deposit and other instruments the value of which are readily ascertainable, shall be as determined as provided in Section 12.2 above. Those assets shall be deemed to have been sold as of the date of dissolution for their fair market value, and the Capital Accounts of the Members and Economic Interest Owners shall be adjusted pursuant to the provisions of this LLC Agreement to reflect such deemed sale;

(e) Upon completion of the winding up, liquidation and distribution of the assets, the Company shall be deemed terminated; and

(f) The remaining Members shall comply with any applicable requirements of Delaware Act pertaining to the winding up of the affairs of the Company and the final distribution of its assets.

12.8 Certificate of Cancellation. When all debts, liabilities, and obligations have been paid and discharged or adequate provisions have been made therefor and all of the remaining assets have been distributed to the Members and Economic Interest Owners, the General Manager shall execute a certificate of cancellation setting forth the information required by the Delaware Act and shall be delivered to the Delaware Secretary of State.

12.9 Return of Contribution Nonrecourse to Other Members. Except as provided by law or as expressly provided in this LLC Agreement, upon dissolution, each Member and Economic Interest Owner shall look solely to the assets of the Company for the return of its Capital Contributions. If the Company assets remaining after the payment or discharge of the debts and liabilities of the Company is insufficient to return the Capital Contributions of the Members and Economic Interest Owners, the Members and Economic Interest Owners shall have no recourse against any other Member or Economic Interest Owner.

ARTICLE 13
MISCELLANEOUS PROVISIONS

13.1 Waiver of Right of Partition. It is specifically agreed that no Member or Economic Interest Owner shall have the right to ask for partition of the assets owned or hereafter acquired by the Company, nor shall any such Member or Economic Interest Owner have the right to any specific assets of the Company on the liquidation or winding up of the Company, except as may be otherwise specified by hereunder.

13.2 Notices. Except as otherwise provided in this LLC Agreement, any notice required or permitted herein shall be in writing and shall be deemed to have been delivered, whether actually received or not, two (2) calendar days after being deposited in the United States mail, by registered mail, return receipt requested, postage prepaid, addressed to the party entitled thereto at the last address of such party provided by such party to the Company. Any notice to the Company shall be sent to the Company's principal place of business.

13.3 Governing Law. This LLC Agreement has been made and executed in accordance with the Delaware Act and is to be construed, enforced, and governed in accordance therewith and with the laws of the State of Delaware. The parties agree that

all actions or proceedings arising directly or indirectly from this LLC Agreement shall be commenced and litigated only in the state or federal courts in the State of Maryland. The parties hereby consent to the jurisdiction over them of the state and federal courts in the State of Maryland in all actions or proceedings arising directly or indirectly from this LLC Agreement.

13.4 Entire Agreement. Except as otherwise provided herein, this LLC Agreement together with the recitals and Exhibits hereto, each of which are incorporated herein by this reference, constitutes the entire agreement among the Members on the subject matter hereof and may not be changed, modified, amended, or supplemented except in writing, signed by all of the Members. All other oral or written agreements, promises, and arrangements in relation to the subject matter of this LLC Agreement are hereby rescinded.

13.5 Binding Agreement. Subject to the restrictions and encumbrances set forth herein, the terms and provisions of this LLC Agreement shall be binding upon, be enforceable by and inure to the benefit of the Members, Economic Interest Owners and their respective heirs, executors, administrators, personal representatives, successors, and assigns.

13.6 Interpretation. The descriptive headings contained in this LLC Agreement are for convenience only and are not intended to define the subject matter of the provisions of this LLC Agreement and shall not be resorted to for interpretation thereof.

13.7 Severability. If any provision of this LLC Agreement or the application thereof to any individual or entity or circumstance shall be invalid or unenforceable to any extent, the remainder of this LLC Agreement and the application of such provisions to other individuals or entities or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

13.8 Waiver. No consent or waiver, express or implied, by any Member or Economic Interest Owner to or of any breach or default by any other Member or Economic Interest Owner in the performance by such other Member or Economic Interest Owner of its obligations under this LLC Agreement shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Member or Economic Interest Owner of the same or any other obligations hereunder. The failure on the part of any Member or Economic Interest Owner to complain of any act or failure to act of any of the other Members or Economic Interest Owners or to declare any of the other Members or Economic Interest Owners in default, irrespective of how long such failure continues, shall not constitute a waiver by such Member or Economic Interest Owner of its rights under this LLC Agreement.

13.9 Equitable Remedies. The rights and remedies of any of the Members or Economic Interest Owners hereunder shall not be mutually exclusive. Each of the Members and Economic Interest Owners confirms that damages at law may be an inadequate remedy for a breach or threatened breach of this LLC Agreement and agrees that in the event of a breach or threatened breach of any provision hereof, the respective rights and obligations hereunder shall be enforceable by specific performance, injunction or other equitable remedy, but nothing herein contained is intended to, nor shall it, limit or affect any right or rights at law or by statute or otherwise of a Member or Economic Interest Owners aggrieved as against a party for a breach or threatened breach of any provision hereof; it being the intention hereof to make clear the agreement of the Members and Economic Interest Owners that the respective rights and obligations of the Memb ers and Economic Interest Owners hereunder shall be enforceable in equity as well as at law or otherwise.

13.10 Attorney's Fees. In the event of a default by a Member or Economic Interest Owner under this LLC Agreement, the non-defaulting Members and Economic Interest Owners shall be entitled to recover all costs and expenses, including attorney's fees, incurred as a result of said default or in connection with the enforcement of this LLC Agreement.

13.11 Counterparts. This LLC Agreement may be executed in two (2) or more counterparts, all of which taken together shall constitute one (1) instrument.

13.12 Gender. Whenever in this LLC Agreement, words, including pronouns, are used in masculine or neuter, they shall be read and construed in the masculine, feminine or neuter, as the case may be, wherever they would so apply, and wherever in this LLC Agreement, words, including pronouns, are used in the singular or plural, they shall be read and construed in the plural or singular, respectively, wherever they would so apply.

13.13 Saving Clause. In the event any provision of this LLC Agreement shall be, or shall be found to be, contrary to the Delaware Act, such provision shall be deemed amended so as to conform with such Act.

13.14 Further Documentation. Each of the parties hereto agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this LLC Agreement.

13.15 Incorporation of Recitals. The preamble and recitals to this LLC Agreement are hereby incorporated by reference and made an integral part hereof.

13.16 Indemnification. The Company shall indemnify any Member, the General Manager or other officer of the Company who was or is a party or is threatened to be made a party to any threatened, pending or completed action, arbitration, suit or

proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the Company, by reason of the fact that such Member, General Manager or officer is or was a Member, the General Manager or officer of the Company or is or was serving at the request of the Company as a director or officer of another corporation, partnership, joint venture, trust, or other enterprise, against liability incurred in connection with such action, arbitration, suit or proceeding, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by such Member, the General Manager or officer in connection with such action, arbitr ation, suit or proceeding, including any appeal thereof, if such Member, the General Manager or officer acted in good faith and in a manner such Member, the General Manager or officer reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe such Member's, General Manager's or officer's conduct was unlawful, except that no indemnification shall be made in respect to any claim, issue or matter as to which such Member, General Manager, or officer shall have been adjudged to be liable for gross negligence or gross misconduct in the performance of such Member's, General Manager's, or officer's duty to the Company unless and only to the extent that the court or arbitration in which the action, arbitration or suit was brought determines upon application that, despite the adjudication of liability and in view of all the circumstances of the case, such Member, General Manager, or officer is fairly and re asonably entitled to indemnity for such expenses which the court or arbitration shall deem proper. The termination of any action, arbitration, 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 Member, General Manager or officer did not act in good faith and in a manner which such Member, General Manager or officer reasonably believed to be in or not opposed to the best interests of the Company and, with respect to any criminal action or proceeding, had reasonable cause to believe that such Member's, General Manager's or officer's conduct was unlawful.

IN WITNESS WHEREOF, the parties hereto have signed this LLC Agreement to be effective on the date first above written.

CUSTOM ENERGY, L.L.C.
a Delaware limited liability company

By: /s/Gregory J. Orman
Name: Gregory J. Orman
Title: CEO & President

MACHINERY & EQUIPMENT SALES, INC.
a Maryland corporation

By: Charles R. Higdon Jr.
Name: Charles R. Higdon Jr.
Title: Pres.

EXHIBIT A

COPY OF AGREEMENT WITH STATE OF MARYLAND

EXHIBIT B

COPY OF ASSIGNMENT OF AGREEMENT WITH STATE OF MARYLAND

EXHIBIT C

LIMITED LIABILITY COMPANY AGREEMENT OF CUSTOM ENERGY/M & E SALES, L.L.C.

Name	Description and Fair Market Value of Initial Capital Contribution	Initial Percentage Interest
Custom Energy, L.L.C. **FEIN: _____**	**$15,000 cash**	**50%**
Machinery & Equipment Sales, Inc. **FEIN: _____**	**$15,000 cash**	**50%**

EXHIBIT D

DIVISION OF RESPONSIBILITES

1. Custom Energy

   A. Custom Energy shall arrange for the following:
      1. Project financing
      2. Project bonding
      3. 50% of project guarantee of insurance, if required.

   B. Custom Energy shall have the opportunity to provide:

      1. On-site project management and supervision of the project.
      2. Engineering services for the project.
      3. All electrical work for the project.
      4. All lighting work for the project.
      5. On-going electrical service for the project.
      6. Monitoring and verification services for the project.

2. M&E Sales

   A. M&E Sales shall arrange for the following:
      1. 50% of project guarantee of insurance, if required.

   B. M&E Sales shall have the opportunity to provide:

      1. All temperature control work including control wiring for the project.
      2. All mechanical work and associated wiring for the project.
      3. Owner training for the project.
      4. On-going mechanical and controls service for the project.
      5. Monitoring and verification services for the project.
      6. On-site construction management of the project.

3. Company

   A. Company shall provide the following:
      1. Procure all major pieces of mechanical and electrical equipment for the project.
      2. Hire all subcontractors for the project.
      3. Process all paperwork associated with the project.

4. Prepare bid specifications for the potential subcontractors to base quotes on. The Construction Manger shall review the subcontractor quotes and present recommendations to the Project manager for final approval.

5. The Construction Manager shall report directly to the Project Manager, and the Project Manager shall have the ability to replace the Construction Manger if, in his sole discretion, he believes such replacement to be necessary.

CERTIFICATE OF FORMATION

OF

CM^2, L.L.C.

The undersigned, an authorized natural person, for the purpose of forming a limited liability company, under the provisions and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified, and referred to as the "Delaware Limited Liability Company Act"), hereby certifies that:

FIRST: The name of the limited liability company (hereinafter called the "limited liability company") is

CM^2, L.L.C.

SECOND: The address of the registered office and the name and the address of the registered agent of the limited liability company required to be maintained by Section 18-104 of the Delaware Limited Liability Company Act are Corporation Service Company, 1013 Centre Road, Wilmington, Delaware 19805.

Executed on February 13, 1998.

/s/ Gregory J. Orman
Gregory J. Orman, Authorized Person

BY-LAWS

OF

DIGITAL TELEPORT OF VIRGINIA, INC.

AS AMENDED AND RESTATED DECEMBER 28, 2001

BY-LAWS
OF
DIGITAL TELEPORT OF VIRGINIA, INC.

ARTICLE 1

SHAREHOLDERS' MEETINGS

Section 1.1 Annual Meetings. An annual meeting of shareholders shall be held during the month of April on such date and at such time as determined by the board of directors and as indicated in the notice of such meeting. Every meeting of the shareholders shall be convened at the hour stated in the notice for said meeting and continue until declared adjourned by a vote of the shareholders present or declared adjourned by the presiding officer. At such meeting, a board of directors shall be elected and such other business shall be transacted as may properly be brought before the meeting.

Section 1.2 Notice of Annual Meeting. Written or printed notice of the annual meeting stating the place, day and hour of the meeting shall be delivered or given, either personally or by mail, to each shareholder of record entitled to vote thereat at such address as appears on the books of the corporation, not less than ten or more than sixty days before the date of the meeting except that notice of a shareholders' meeting to act on an amendment of the articles of incorporation, a plan of merger or share exchange, a proposed sale of assets pursuant to Section 13.1-724 of the Virginia Stock Corporation Act, or the dissolution of the corporation shall be given not less than twenty-five nor more than sixty days before the meeting date.

Section 1.3 Special Meetings. Special meetings of the shareholders or of the holders of any special class of stock of the corporation may be called by the chairman of the board or the president at any time unless otherwise provided by law, and shall be directed to do so by resolution of the board of directors or whenever shareholders owning not less than one-fifth of all the shares issued and outstanding and entitled to vote at the particular meeting shall request such a meeting in writing. Such request shall be delivered to the president of the corporation and shall state the purpose or purposes of the proposed meeting. Upon such direction or request, it shall be the duty of the president to call a special meeting

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of the shareholders to be held at anytime, not less than ten (10) nor more than sixty (60) days thereafter, as the president may fix except that notice of a shareholders' meeting to act on an amendment of the articles of incorporation, a plan of merger or share exchange, a proposed sale of assets pursuant to Section 13.1-724 of the Virginia Stock Corporation Act, or the dissolution of the corporation shall be given not less than twenty-five nor more than sixty days before the meeting date. If the president shall neglect to issue such call, the person or persons making

such direction or request may issue the call. The business transacted at any special meeting of shareholders shall be confined to the purposes stated in the notice.

Section 1.4 Notice of Special Meeting. Written or printed notice of a special meeting of shareholders, stating the place, day, hour and purpose or purposes thereof, shall be delivered or given, either personally or by mail, to each shareholder of record entitled to vote thereat at such address as appears on the books of the corporation, not less than ten or more than seventy days before the date of the meeting.

Section 1.5 Place of Meetings. All meetings of the shareholders shall be held at the principal business office of the corporation or at such other place as the board of directors may specify in the notice of such meeting.

Section 1.6 Quorum: Adjournment. A majority of the shares issued and outstanding and entitled to vote thereat, represented in person or by proxy, shall constitute a quorum at all meetings of the shareholders for the transaction of business, except as otherwise provided by statute. If, however, such quorum shall not be present or represented at any meeting of the shareholders, the shareholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time for successive periods of not more than ninety days, without notice other than announcement at the meeting, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally scheduled.

Section 1.7 Voting. When a quorum is present at any meeting, the vote of the holders of a majority of the shares having voting power represented in person or by proxy shall decide any question brought before such meeting, unless the question is one upon which, by express provision of the statutes, the articles of incorporation, or these by-laws, a different vote is required, in which case such express provision shall govern and control the decision of such questions.

At any meeting of the shareholders, every shareholder having the right to vote shall be entitled to vote in person, or by proxy appointed by a proper instrument in writing subscribed by the shareholder or by his/her duly authorized attorney-in-fact. Each shareholder shall have one vote for each share having voting power, registered in his/her name on the books of the corporation.

Section 1.8 Action by Consent. Any action which may be taken at any meeting of the shareholders may be taken without a meeting if consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

Section 1.9 Waiver of Notice . Whenever any notice is required to be given, a waiver thereof in writing signed by the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

ARTICLE 2

DIRECTORS

Section 2.1 Number. Election and Term. Unless and until changed by the board of directors by amendment to this by-law, the number of directors to constitute the board of directors shall be three (3).

The directors, other than the first board of directors, shall be elected at the annual meeting of the shareholders, and each director shall serve until the next succeeding annual meeting of shareholders and until his/her successor shall have been elected and qualified. The first board of directors shall hold office until the first annual meeting of the shareholders.

Section 2.2 Resignation: Vacancy. Any director of the corporation may resign at any time by giving written notice of such resignation to the board of directors, the chairman of the board, the president, any vice president or the secretary of the corporation. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the board of directors or one of the above-named officers; and, unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

If the office of a director becomes vacant for any reason, the remaining directors shall choose a successor or successors who shall hold office for the unexpired term in respect of which such vacancy occurred or until the next election of directors.

Section 2.3 First Meeting of Newly Elected Board. The first meeting of each newly elected board shall be held at such time and place as shall be fixed by the vote of the shareholders at the annual meeting and no notice of such meeting shall be necessary to the newly elected directors in order legally to constitute the meeting provided a quorum shall be present, or they may meet at such place and time as shall be fixed by the consent in writing of all the directors.

Section 2.4 Regular Meetings. Regular meetings of the board of directors shall be held at such places, within or without the Commonwealth of Virginia, and on such days and at such times as shall be fixed from time to time by the board of directors. Notice of such regular meetings need not be given.

Section 2.5 Special Meetings. Special meetings of the board may be held at any time and place, within or without the Commonwealth of Virginia, upon the call of the chairman of the board, the president or secretary of the corporation by oral, written, telegraphic, facsimile transmission or any other mode of notice duly given, sent or mailed to each director, at such director's last known address, not less than two (2) days before such meeting provided.

Section 2.6 Quorum: Adjournment. At all meetings of the board, a majority of the directors shall be necessary and sufficient to constitute a quorum for the transaction of business and the act of a majority of the directors present at any meeting at which there is a quorum shall be the act of the board of directors, except as may be otherwise specifically provided by statute. If a quorum shall not be present at any meeting of directors, the directors present thereat may adjourn the meeting, from time to time, without notice other than announcement at the meeting, until a quorum shall be present.

Section 2.7 Place of Meetings. The directors may hold their meetings at the principal business office of the corporation or at such other place as they may determine.

Section 2.8 Board Committees. The board may designate an executive committee and one or more other committees, each committee to consist of one or more directors of the corporation. Any such committee, to the extent provided in any such resolution, shall have and may exercise all the powers and authority of the board in the management of the business and affairs of the corporation.

Section 2.9 Participation via Conference Telephone. Members of the board of directors or of any committee designated by the board of directors may participate in a meeting of the board or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

Section 2.10 Waiver of Notice . Whenever any notice is required to be given, a waiver thereof in writing, by telegram or facsimile transmission from the person or persons entitled to said notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

Section 2.11 Attendance Constitutes Waiver of Notice. Attendance of a director at any meeting shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 2.12 Action by Consent. Any action which is required to be or may be taken at a meeting of the directors may be taken without a meeting if consents in writing, setting forth the action so taken, are signed by all the directors.

Section 2.13 Compensation of Directors . Directors, as such, shall not receive any stated salary for their services, but by resolution of the board a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the board; provided that nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

ARTICLE 3

OFFICERS

Section 3.1 Number. Election. Salary and Term. The officers of the corporation shall be a president and a secretary who shall be chosen by the board of directors at its first meeting after each annual meeting of shareholders. The board of directors may also choose a chairman of the board, one or more vice chairman, one or more vice presidents, one or more of which may be designated as senior vice presidents or executive vice presidents, a treasurer, and one or more assistant secretaries and assistant treasurers.

The board may appoint such other officers and agents as it shall deem necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the board.

The salaries of all officers and agents of the corporation shall be fixed by the board of directors.

The officers of the corporation shall hold office until their successors are chosen.

Any officer elected or appointed by the board of directors may be removed at any time by the affirmative vote of a majority of the whole board of directors. If the office of any officer becomes vacant for any reason, the vacancy shall be filled by the board of directors.

Section 3.2 Chief Executive Officer. The chief executive officer shall have general and active management of the affairs of the corporation.

Section 3.3 Chairman of the Board. The chairman of the board, if any, shall preside at all meetings of the shareholders and directors at which he/she is present and shall perform such other duties as the board of directors or these by-laws may prescribe.

Section 3.4 Vice Chairmen. In the absence of the chairman of the board, the vice chairmen, if any, in order of their seniority, shall perform the duties and exercise the powers of the chairman of the board, preside at all meetings of the shareholders and directors at which any are present and perform such other duties as the board of directors may prescribe.

Section 3.5 President/Chief Executive Officer. In the absence of the chairman of the board and any vice chairmen, the president shall preside at all meetings of the shareholders and directors at which he/she is present. If no officer has been expressly designated as chief executive officer by the board of directors, the president shall be chief executive officer of the corporation, with the powers and duties which

attach to such position. He/she shall perform such duties as the board of directors may prescribe and shall see that all orders and resolutions of the board are carried into effect.

The president shall execute bonds, mortgages and other contracts requiring a seal, under the seal of the corporation, except where permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the board of directors to some other officer or agent of the corporation.

Section 3.6 Senior Vice Presidents and Executive Vice Presidents. Senior vice presidents and executive vice presidents shall perform such duties and exercise such powers as shall be delegated by the chief executive officer or as shall be designated by the board of directors.

Section 3.7 Vice Presidents. Vice presidents shall perform such duties and exercise such powers as shall be delegated by the chief executive officer or as shall be designated by the board of directors.

Section 3.8 Secretary and Assistant Secretaries . The secretary shall keep or cause to be kept a record of all meetings of the shareholders and the board of directors and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He/she shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the board of directors, and shall perform such other duties as may be prescribed by the board of directors or chief executive officer, under whose supervision he/she shall be. He/she shall keep in safe custody the seal of the corporation and shall affix the same to any instrument requiring it.

The assistant secretaries, if any, in order of their seniority shall, in the absence or disability of the secretary, perform the duties and exercise the powers of the secretary and shall perform such other duties as the board of directors may prescribe.

Section 3.9 Treasurer and Assistant Treasurers. The treasurer, if any, shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation, shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the board of directors and shall perform such other duties as the board of directors may prescribe.

The treasurer shall disburse the funds of the corporation as may be ordered by the board, taking proper vouchers for such disbursements, and shall render to the chairman of the board, chief executive officer, president and directors, at the regular meetings of the board, or whenever they may require it, an account of all his/her transactions as treasurer and of the financial condition of the corporation.

If required by the board of directors, the treasurer shall give the corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the board for the faithful performance of the duties of his/her office and for the restoration to the corporation, in case of his/her death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his/her possession or under his/her control belonging to the corporation.

The assistant treasurers, if any, in the order of their seniority shall, in the absence or disability of the treasurer, perform the duties and exercise the powers of the treasurer and shall perform such other duties as the board of directors may prescribe.

ARTICLE 4

CAPITAL STOCK

Section 4.1 Share Certificates. The certificates representing shares of the corporation shall be numbered and shall be entered in the books of the corporation as they are issued. They shall exhibit the holder's name and number of shares and shall be signed by the president and the secretary or by such other officers authorized so to do by law and shall bear the corporate seal or a facsimile thereof.

Section 4.2 Transfer of Stock. Upon surrender to the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books.

Section 4.3 Registered Shareholders. The corporation shall be entitled to treat the holder of record of any share or shares as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereon except as otherwise provided by law.

Section 4.4 Closing of Transfer Books and Fixing of Record Date. The board of directors shall have the power to close the transfer books of the corporation for a period not exceeding fifty (50) days preceding the date of any meeting of shareholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of shares shall go into effect; provided, however, that in lieu of closing the transfer books as aforesaid, the board of directors may fix in advance a date, not exceeding fifty (50) days preceding the date of any meeting of shareholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any

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change or conversion or exchange of shares shall go into effect, as a record date for the determination of the shareholders entitled to notice of, and to vote at any such meeting and any adjournment thereof, or entitled to receive payment of any such dividend, or to any such allotment of rights, or entitled to exercise the rights in respect of any such change, conversion or exchange of shares. In such case only the shareholders who are shareholders of record on the record date so fixed shall be entitled to such notice of and to vote at such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights as the case may be, notwithstanding any transfer of any shares on the books of the corporation after the date of closing of the transfer books or the record date fixed as aforesaid.

Section 4.5 Lost Certificate. The holder of any shares of stock of the corporation shall immediately notify the corporation and its transfer agents and registrars, if any, of any loss or destruction of the certificates representing the same. The corporation may issue a new certificate in the place of any certificate theretofore issued by it which is alleged to have been lost or destroyed and the board of directors may require the owner of the lost or destroyed certificate or such owner's legal representative to give the corporation a bond in such sum and in such form as the board of directors may direct or approve, and with such surety or sureties as may be satisfactory to the board of directors, to indemnify the corporation and its transfer agents and registrars, if any, against any claim or liability that may be asserted against or incurred by it or any transfer agent or registrar on account of the alleged loss or destruc tion of any such certificate or the issuance of such new certificate. A new certificate may be issued without requiring any bond when, in the judgment of the board of directors, it is proper so to do. The board of directors may delegate to any officer or officers of the corporation any of the powers and authorities contained in this section.

ARTICLE 5

DIVTDENDS

Dividends upon the issued shares of the corporation may be declared by the board of directors at any regular or special meeting pursuant to law.

Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the directors shall think conducive to the interest of the corporation, and the directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE 6

FISCAL YEAR

The fiscal year of the corporation shall begin the 1st day of January in each year.

ARTICLE 7

SEAL

The corporate seal shall have inscribed thereon the name of the corporation, the state of incorporation, the words, Corporate Seal, and such other inscriptions as the board of directors may deem appropriate. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE 8

INDEMNIFICATION OF AND INSURANCE ON
DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

Section 8.1 Indemnification. The corporation shall indemnify any 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 by reason of the fact that he/she is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, to the fullest extent provided by law.

Section 8.2 Insurance. The directors shall have the power to cause the corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability against him and incurred by him in any such capacity, arising out of his/her status as such, whether or not the corporation would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE 9

ALTERATION, AMENDMENT
OR REPEAL OF BY-LAWS

All by-laws of the corporation may be amended, altered or repealed, and new by-laws may be made, by the affirmative vote of a majority of the directors cast at any regular or special meeting at which a quorum is present provided that such authority has been delegated to the

board of directors by the Articles of Incorporation; subject to the right of the shareholders to amend, alter or repeal those by-laws by the affirmative vote of the holders of record of a majority of the outstanding shares of stock of the corporation entitled to vote cast at any annual or special meeting.

NEGOTIABLE PROMISSORY NOTE

$2,010,031.00 as of December 21, 1995

FOR VALUE RECEIVED, the undersigned ("Maker") hereby unconditionally promises to pay to the order of NDH CAPITAL CORPORATION, a New York corporation ("Payee") the amount of two million ten thousand thirty one and 00/100 ($2,010,031.00) at the offices of the Payee, or at such other place as the Payee may designate in writing to the Maker. This amount shall be payable in installments as follows:

$ 92,000.00 on May 15, 1997
$249,000.00 on May 15, 1998
$277,000.00 on May 15, 1999
$272,000.00 on May 15, 2000
$267,000.00 on May 15, 2001
$257,000.00 on May 15, 2002
$252,000.00 on May 15, 2003
$247,000.00 on May 15, 2004
$ 97,031.00 on May 15, 2005

This Note is secured by an assignment (as set forth in a Security Agreement between the Maker and Payee dated as of December 21, 1995 (the "Security Agreement")) of certain Collateral (as such term is defined in the Security Agreement) and may be negotiated, endorsed, assigned, transferred, pledged, or hypothecated by Payee and shall constitute a negotiable instrument. In the event that this Note is negotiated, endorsed, assigned, transferred, hypothecated and/or pledged, all references to Payee shall apply to the holder, pledgee or transferee as if named as original Payee under this Note.

The Maker hereby waives presentment, demand for payment, notice of dishonor, notice of protest, and protest, and all other notices or demands in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this instrument.

The obligation to make payments to the Payee hereunder is absolute and unconditional and the rights of said Payee shall not be subject to any defense, set-off, counterclaim or recoupment which the Maker may have against any person or entity, including, but not limited to the Payee.

Any of the following shall constitute an Event of Default ("Event of Default") hereunder: (a) the Maker shall fail to make any payment due hereunder as and when due and such failure shall continue for one day following Maker's receipt of notice thereof; (b) the Maker has made any material misrepresentation in or with respect to, or has breached or does breach any provision of, the Security Agreement or any other document or instrument delivered to Payee, which misrepresentation or breach is not cured to Payee' s or any successor's or assign's complete satisfaction 10 days after notice to the Maker by the Payee; (c) the Maker

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shall become insolvent or any proceeding shall be instituted by the Maker seeking relief on its behalf as a debtor, or to adjudicate it a bankrupt, or insolvent, or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointment of a trustee, custodian or other similar official for it or any substantial part of its property or the Maker shall consent by answer or otherwise to the institution of any such proceeding against it; (d) any proceeding is instituted against the Maker seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointment of a trustee, custodian or other similar official for it or any substantial part of its pro perty which either (i) results in any such entry of an order for relief, adjudication or bankruptcy or insolvency or issuance or entry of any other order having a similar effect or (ii) remains undismissed for a period of 60 days; (e) a receiver, trustee or other custodian is appointed for any substantial part of the Maker's assets; (f) any assignment is made for the benefit of Maker's creditors; or (g) any of the Collateral delivered under the Security Agreement is attached or distrained at any time pursuant to any court order or other legal process.

If an Event of Default shall occur by reason of the failure of Maker to make any payment when due hereunder on the due date, the Maker shall have the right to cure such Event of Default by paying, on or before the tenth day following the due date, the amount that was due on the due date and interest accrued from the due date at an annual rate equal to the lesser of 12% per annum and the highest amount permitted by applicable law.

In addition, upon such Event of Default, the Payee shall have the option to declare the entire outstanding principal balance and all accrued but unpaid interest on this Note immediately due and payable without presentment or protest or notice or demand, all of which are expressly waived by the Maker and shall have such other rights as set forth in the Security Agreement. Notwithstanding the foregoing, nothing herein is intended to result in interest being charged which would exceed the maximum rate permitted by law.

In the event that the Maker's limited partnership interest in COLUMBIA HOUSING PARTNERS CORPORATE TAX CREDIT IV LIMITED PARTNERSHIP (the "Partnership") is liquidated, the entire outstanding principal balance and all accrued but unpaid interest on this Note shall become due and payable; with out presentment or notice or protest or demand, all of which are expressly waived by the Maker, not later than the later of (i) the last day of the Partnership's taxable year in which such liquidation occurs and (ii) 90 days after the date of such liquidation.

Should this Note, or any part of the indebtedness evidenced hereby, be collected by law or through an attorney-at-law, the Payee shall be entitled to collect all costs of collection, including but not limited to, reasonable attorneys' fees.

All or any portion of this Note may be prepaid by the Maker without prepayment premium or penalty, provided that the amount due under this Note is paid without discount or setoff.

This Note shall be construed and enforced in accordance with the laws of the State of Missouri. For any dispute arising under or relating to this Note, the Maker hereby irrevocably submits to the jurisdiction of the Courts, Federal or State, of the State of Missouri.

WITNESS the execution hereof as of the 21st day of December, 1995.

KLT INVESTMENTS INC.

By: /s/John J. DeStefano
John J. DeStefano, President

ACKNOWLEDGEMENT

STATE OF MISSOURI)
)ss.
COUNTY OF JACKSON)

On the __ day of _____, 1995 before me came John J. DeStefano to me known, being by me duly sworn, did depose and say that he resides at 1201 Walnut, Kansas City, MO, 64105; that he is the President of KLT Investments Inc., the corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the board of directors of said corporation.

_____
Notary Public

NEGOTIABLE PROMISSORY NOTE

$906,864.00 as of May 1, 1996

FOR VALUE RECEIVED, the undersigned ("Maker") hereby unconditionally promises to pay to the order of NDH CAPITAL CORPORATION, a New York corporation ("Payee") the amount of nine hundred six thousand eight hundred sixty four and 00/100 ($906,864.00) at the offices of the Payee, or at such other place as the Payee may designate in writing to the Maker. This amount shall be payable in installments as follows:

$ 42,000.00 on May 15, 1997
$114,000.00 on May 15, 1998
$126,000.00 on May 15, 1999
$123,000.00 on May 15, 2000
$121,000.00 on May 15, 2001
$117,000.00 on May 15, 2002
$115,000.00 on May 15, 2003
$112,000.00 on May 15, 2004
$ 36,864.00 on May 15, 2005

This Note is secured by an assignment (as set forth in a Security Agreement between the Maker and Payee dated as of December 21, 1995 (the "Security Agreement")) of certain Collateral (as such term is defined in the Security Agreement) and may be negotiated, endorsed, assigned, transferred, pledged, or hypothecated by Payee and shall constitute a negotiable instrument. In the event that this Note is negotiated, endorsed, assigned, transferred, hypothecated and/or pledged, all references to Payee shall apply to the holder, pledgee or transferee as if named as original Payee under this Note.

The Maker hereby waives presentment, demand for payment, notice of dishonor, notice of protest, and protest, and all other notices or demands in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this instrument.

The obligation to make payments to the Payee hereunder is absolute and unconditional and the rights of said Payee shall not be subject to any defense, set-off, counterclaim or recoupment which the Maker may have against any person or entity, including, but not limited to the Payee.

Any of the following shall constitute an Event of Default ("Event of Default") hereunder: (a) the Maker shall fail to make any payment due hereunder as and when due and such failure shall continue for one day following Maker's receipt of notice thereof; (b) the Maker has made any material misrepresentation in or with respect to, or has breached or does breach any provision of, the Security Agreement or any other document or instrument delivered to Payee, which misrepresentation or breach is not cured to Payee' s or any successor's or

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assign's complete satisfaction 10 days after notice to the Maker by the Payee; (c) the Maker shall become insolvent or any proceeding shall be instituted by the Maker seeking relief on its behalf as a debtor, or to adjudicate it a bankrupt, or insolvent, or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointment of a trustee, custodian or other similar official for it or any substantial part of its property or the Maker shall consent by answer or otherwise to the institution of any such proceeding against it; (d) any proceeding is instituted against the Maker seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointmen t of a trustee, custodian or other similar official for it or any substantial part of its property which either (i) results in any such entry of an order for relief, adjudication or bankruptcy or insolvency or issuance or entry of any other order having a similar effect or (ii) remains undismissed for a period of 60 days; (e) a receiver, trustee or other custodian is appointed for any substantial part of the Maker's assets; (f) any assignment is made for the benefit of Maker's creditors; or (g) any of the Collateral delivered under the Security Agreement is attached or distrained at any time pursuant to any court order or other legal process.

If an Event of Default shall occur by reason of the failure of Maker to make any payment when due hereunder on the due date, the Maker shall have the right to cure such Event of Default by paying, on or before the tenth day following the due date, the amount that was due on the due date and interest accrued from the due date at an annual rate equal to the lesser of 12% per annum and the highest amount permitted by applicable law.

In addition, upon such Event of Default, the Payee shall have the option to declare the entire outstanding principal balance and all accrued but unpaid interest on this Note immediately due and payable without presentment or protest or notice or demand, all of which are expressly waived by the Maker and shall have such other rights as set forth in the Security Agreement. Notwithstanding the foregoing, nothing herein is intended to result in interest being charged which would exceed the maximum rate permitted by law.

In the event that the Maker's limited partnership interest in COLUMBIA HOUSING PARTNERS CORPORATE TAX CREDIT IV LIMITED PARTNERSHIP (the "Partnership") is liquidated, the entire outstanding principal balance and all accrued but unpaid interest on this Note shall become due and payable; with out presentment or notice or protest or demand, all of which are expressly waived by the Maker, not later than the later of (i) the last day of the Partnership's taxable year in which such liquidation occurs and (ii) 90 days after the date of such liquidation.

Should this Note, or any part of the indebtedness evidenced hereby, be collected by law or through an attorney-at-law, the Payee shall be entitled to collect all costs of collection, including but not limited to, reasonable attorneys' fees.

All or any portion of this Note may be prepaid by the Maker without prepayment premium or penalty, provided that the amount due under this Note is paid without discount or setoff.

This Note shall be construed and enforced in accordance with the laws of the State of Missouri. For any dispute arising under or relating to this Note, the Maker hereby irrevocably submits to the jurisdiction of the Courts, Federal or State, of the State of Missouri.

WITNESS the execution hereof as of the 1st day of May, 1996.

KLT INVESTMENTS INC.

By: /s/John J. DeStefano
John J. DeStefano, President

ACKNOWLEDGEMENT

STATE OF MISSOURI)
)ss.
COUNTY OF JACKSON)

On the 1st day of May, 1996 before me came John J. DeStefano to me known, being by me duly sworn, did depose and say that he resides at 1201 Walnut, Kansas City, MO, 64105; that he is the President of KLT Investments Inc., the corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the board of directors of said corporation.

/s/ Janee C. Rosenthal
Notary Public

JANEE C. ROSENTHAL
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
CLAY COUNTY
MY COMMISSION EXPIRES FEB. 23, 1997

Pay to the order of
JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY
without recourse to us
NDH CAPITAL CORPORATION
By: /s/ Scott Haber, President

NEGOTIABLE PROMISSORY NOTE

$1,361,428.00 as of October 1, 1996

FOR VALUE RECEIVED, the undersigned ("Maker") hereby unconditionally promises to pay to the order of NDH CAPITAL CORPORATION, a New York corporation ("Payee") the amount of one million three hundred sixty one thousand four hundred twenty eight and 00/100 ($1,361,428.00) at the offices of the Payee, or at such other place as the Payee may designate in writing to the Maker. This amount shall be payable in installments as follows:

$ 72,000.00 on May 15, 1997
$155,000.00 on May 15, 1998
$190,000.00 on May 15, 1999
$183,000.00 on May 15, 2000
$178,000.00 on May 15, 2001
$169,000.00 on May 15, 2002
$164,000.00 on May 15, 2003
$160,000.00 on May 15, 2004
$ 90,428.00 on May 15, 2005

This Note is secured by an assignment (as set forth in a Security Agreement between the Maker and Payee dated as of December 21, 1995 (the "Security Agreement")) of certain Collateral (as such term is defined in the Security Agreement) and may be negotiated, endorsed, assigned, transferred, pledged, or hypothecated by Payee and shall constitute a negotiable instrument. In the event that this Note is negotiated, endorsed, assigned, transferred, hypothecated and/or pledged, all references to Payee shall apply to the holder, pledgee or transferee as if named as original Payee under this Note.

The Maker hereby waives presentment, demand for payment, notice of dishonor, notice of protest, and protest, and all other notices or demands in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this instrument.

The obligation to make payments to the Payee hereunder is absolute and unconditional and the rights of said Payee shall not be subject to any defense, set-off, counterclaim or recoupment which the Maker may have against any person or entity, including, but not limited to the Payee.

Any of the following shall constitute an Event of Default ("Event of Default") hereunder: (a) the Maker shall fail to make any payment due hereunder as and when due and such failure shall continue for one day following Maker's receipt of notice thereof; (b) the Maker has made any material misrepresentation in or with respect to, or has breached or does breach any provision of, the Security Agreement or any other document or instrument delivered to Payee, which misrepresentation or breach is not cured to Payee' s or any successor's or

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assign's complete satisfaction 10 days after notice to the Maker by the Payee; (c) the Maker shall become insolvent or any proceeding shall be instituted by the Maker seeking relief on its behalf as a debtor, or to adjudicate it a bankrupt, or insolvent, or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointment of a trustee, custodian or other similar official for it or any substantial part of its property or the Maker shall consent by answer or otherwise to the institution of any such proceeding against it; (d) any proceeding is instituted against the Maker seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointmen t of a trustee, custodian or other similar official for it or any substantial part of its property which either (i) results in any such entry of an order for relief, adjudication or bankruptcy or insolvency or issuance or entry of any other order having a similar effect or (ii) remains undismissed for a period of 60 days; (e) a receiver, trustee or other custodian is appointed for any substantial part of the Maker's assets; (f) any assignment is made for the benefit of Maker's creditors; or (g) any of the Collateral delivered under the Security Agreement is attached or distrained at any time pursuant to any court order or other legal process.

If an Event of Default shall occur by reason of the failure of Maker to make any payment when due hereunder on the due date, the Maker shall have the right to cure such Event of Default by paying, on or before the tenth day following the due date, the amount that was due on the due date and interest accrued from the due date at an annual rate equal to the lesser of 12% per annum and the highest amount permitted by applicable law.

In addition, upon such Event of Default, the Payee shall have the option to declare the entire outstanding principal balance and all accrued but unpaid interest on this Note immediately due and payable without presentment or protest or notice or demand, all of which are expressly waived by the Maker and shall have such other rights as set forth in the Security Agreement. Notwithstanding the foregoing, nothing herein is intended to result in interest being charged which would exceed the maximum rate permitted by law.

In the event that the Maker's limited partnership interest in COLUMBIA HOUSING PARTNERS CORPORATE TAX CREDIT IV LIMITED PARTNERSHIP (the "Partnership") is liquidated, the entire outstanding principal balance and all accrued but unpaid interest on this Note shall become due and payable; with out presentment or notice or protest or demand, all of which are expressly waived by the Maker, not later than the later of (i) the last day of the Partnership's taxable year in which such liquidation occurs and (ii) 90 days after the date of such liquidation.

Should this Note, or any part of the indebtedness evidenced hereby, be collected by law or through an attorney-at-law, the Payee shall be entitled to collect all costs of collection, including but not limited to, reasonable attorneys' fees.

All or any portion of this Note may be prepaid by the Maker without prepayment premium or penalty, provided that the amount due under this Note is paid without discount or setoff.

This Note shall be construed and enforced in accordance with the laws of the State of Missouri. For any dispute arising under or relating to this Note, the Maker hereby irrevocably submits to the jurisdiction of the Courts, Federal or State, of the State of Missouri.

WITNESS the execution hereof as of the 1st day of October, 1996.

KLT INVESTMENTS INC.

By: /s/John J. DeStefano
John J. DeStefano, President

ACKNOWLEDGEMENT

STATE OF MISSOURI)
)ss.
COUNTY OF JACKSON)

On the 1st day of October, 1996 before me came John J. DeStefano to me known, being by me duly sworn, did depose and say that he resides at 1201 Walnut, Kansas City, MO, 64105; that he is the President of KLT Investments Inc., the corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the board of directors of said corporation.

/s/Janee C. Rosenthal
Notary Public

JANEE C. ROSENTHAL
NOTARY PUBLIC - NOTARY SEAL
STATE OF MISSOURI
CLAY COUNTY
MY COMMISSION EXP. FEB. 25, 1998

Pay to the order of
JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY
Without recourse to us
NDH CAPITAL CORPORATION

By: /s/Scott Haber, President

NEGOTIABLE PROMISSORY NOTE

$2,001,793.00 as of March 1, 1996

FOR VALUE RECEIVED, the undersigned ("Maker") hereby unconditionally promises to pay to the order of NDH CAPITAL CORPORATION, a New York corporation ("Payee") the amount of two million one thousand seven hundred ninety three and 00/100 ($2,001,793.00) at the offices of the Payee, or at such other place as the Payee may designate in writing to the Maker. This amount shall be payable in installments as follows:

$218,000.00 on May 15, 1997
$311,000.00 on May 15, 1998
$301,000.00 on May 15, 1999
$297,000.00 on May 15, 2000
$291,000.00 on May 15, 2001
$282,000.00 on May 15, 2002
$279,000.00 on May 15, 2003
$ 22,793.00 on May 15, 2004

This Note is secured by an assignment (as set forth in a Security Agreement between the Maker and Payee dated as of November 2, 1995 (the "Security Agreement")) of certain Collateral (as such term is defined in the Security Agreement) and may be negotiated, endorsed, assigned, transferred, pledged, or hypothecated by Payee and shall constitute a negotiable instrument. In the event that this Note is negotiated, endorsed, assigned, transferred, hypothecated and/or pledged, all references to Payee shall apply to the holder, pledgee or transferee as if named as original Payee under this Note.

The Maker hereby waives presentment, demand for payment, notice of dishonor, notice of protest, and protest, and all other notices or demands in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this instrument.

The obligation to make payments to the Payee hereunder is absolute and unconditional and the rights of said Payee shall not be subject to any defense, set-off, counterclaim or recoupment which the Maker may have against any person or entity, including, but not limited to the Payee.

Any of the following shall constitute an Event of Default ("Event of Default") hereunder: (a) the Maker shall fail to make any payment due hereunder as and when due and such failure shall continue for one day following Maker's receipt of notice thereof; (b) the Maker has made any material misrepresentation in or with respect to, or has breached or does breach any provision of, the Security Agreement or any other document or instrument delivered to

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Payee, which misrepresentation or breach is not cured to Payee' s or any successor's or assign's complete satisfaction 10 days after notice to the Maker by the Payee; (c) the Maker shall become insolvent or any proceeding shall be instituted by the Maker seeking relief on its behalf as a debtor, or to adjudicate it a bankrupt, or insolvent, or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointment of a trustee, custodian or other similar official for it or any substantial part of its property or the Maker shall consent by answer or otherwise to the institution of any such proceeding against it; (d) any proceeding is instituted against the Maker seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointment of a trustee, custodian or other similar official for it or any substantial part of its property which either (i) results in any such entry of an order for relief, adjudication or bankruptcy or insolvency or issuance or entry of any other order having a similar effect or (ii) remains undismissed for a period of 60 days; (e) a receiver, trustee or other custodian is appointed for any substantial part of the Maker's assets; (f) any assignment is made for the benefit of Maker's creditors; or (g) any of the Collateral delivered under the Security Agreement is attached or distrained at any time pursuant to any court order or other legal process.

If an Event of Default shall occur by reason of the failure of Maker to make any payment when due hereunder on the due date, the Maker shall have the right to cure such Event of Default by paying, on or before the tenth day following the due date, the amount that was due on the due date and interest accrued from the due date at an annual rate equal to the lesser of 12% per annum and the highest amount permitted by applicable law.

In addition, upon such Event of Default, the Payee shall have the option to declare the entire outstanding principal balance and all accrued but unpaid interest on this Note immediately due and payable without presentment or protest or notice or demand, all of which are expressly waived by the Maker and shall have such other rights as set forth in the Security Agreement. Notwithstanding the foregoing, nothing herein is intended to result in interest being charged which would exceed the maximum rate permitted by law.

In the event that the Maker's limited partnership interest in WNC INSTITUTIONAL TAX CREDIT FUND II, L.P., a California Limited Partnership (the "Partnership") is liquidated, the entire outstanding principal balance and all accrued but unpaid interest on this Note shall become due and payable; with out presentment or notice or protest or demand, all of which are expressly waived by the Maker, not later than the later of (i) the last day of the Partnership's taxable year in which such liquidation occurs and (ii) 90 days after the date of such liquidation.

Should this Note, or any part of the indebtedness evidenced hereby, be collected by law or through an attorney-at-law, the Payee shall be entitled to collect all costs of collection, including but not limited to, reasonable attorneys' fees.

All or any portion of this Note may be prepaid by the Maker without prepayment premium or penalty, provided that the amount due under this Note is paid without discount or setoff.

This Note shall be construed and enforced in accordance with the laws of the State of Missouri. For any dispute arising under or relating to this Note, the Maker hereby irrevocably submits to the jurisdiction of the Courts, Federal or State, of the State of Missouri.

WITNESS the execution hereof as of the 1st day of March, 1996.

KLT INVESTMENTS INC.

By: /s/Janee C. Rosenthal
Signature of Authorized Officer

Janee C. Rosenthal
Name and Title of Authorized Officer

ACKNOWLEDGEMENT

STATE OF MISSOURI)
)ss.
COUNTY OF JACKSON)

On the 1st day of November, 1995 before me came Janee C. Rosenthal to me known, being by me duly sworn, did depose and say that he resides at 1201 Walnut, Kansas City, MO, 64106; that he is the Corporate Secretary and Treasurer of KLT Investments Inc., the corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the board of directors of said corporation.

/s/ Jacquetta L. Hartman
Notary Public

JACQUETTA L. HARTMAN
Notary Public - State of Missouri
Ray County
My Commission Expires Apr. 8, 1996

Pay to the order of
JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY
without recourse to us
NDH CAPITAL CORPORATION
By: /s/ Scott Haber, President

NEGOTIABLE PROMISSORY NOTE

$1,540,161.00 as of January 29, 1998

FOR VALUE RECEIVED, the undersigned ("Maker") hereby unconditionally promises to pay to the order of NDH CAPITAL CORPORATION, a New York corporation ("Payee") the amount of one million five hundred forty thousand one hundred sixty one and 00/100 ($1,540,161.00) at the offices of the Payee, or at such other place as the Payee may designate in writing to the Maker. This amount shall be payable in installments as follows:

$199,000.00 on May 15, 1999
$219,000.00 on May 15, 2000
$215,000.00 on May 15, 2001
$212,000.00 on May 15, 2002
$208,000.00 on May 15, 2003
$203,000.00 on May 15, 2004
$200,000.00 on May 15, 2005
$ 84,161.00 on May 15, 2006

This Note is secured by an assignment (as set forth in a Security Agreement between the Maker and Payee dated of even date herewith (the "Security Agreement")) of certain Collateral (as such term is defined in the Security Agreement) and may be negotiated, endorsed, assigned, transferred, pledged, or hypothecated by Payee and shall constitute a negotiable instrument. In the event that this Note is negotiated, endorsed, assigned, transferred, hypothecated and/or pledged, all references to Payee shall apply to the holder, pledgee or transferee as if named as original Payee under this Note.

The Maker hereby waives presentment, demand for payment, notice of dishonor, notice of protest, and protest, and all other notices or demands in connection with the delivery, acceptance, performance, default, endorsement or guaranty of this instrument.

The obligation to make payments to the Payee hereunder is absolute and unconditional and the rights of said Payee shall not be subject to any defense, set-off, counterclaim or recoupment which the Maker may have against any person or entity, including, but not limited to the Payee.

Any of the following shall constitute an Event of Default ("Event of Default") hereunder: (a) the Maker shall fail to make any payment due hereunder as and when due and such failure shall continue for one day following Maker's receipt of notice thereof; (b) the Maker has made any material misrepresentation in or with respect to, or has breached or does breach any provision of, the Security Agreement or any other document or instrument delivered to Payee, which misrepresentation or breach is not cured to Payee' s or any successor's or assign's complete satisfaction 10 days after notice to the Maker by the Payee; (c) the Maker shall become insolvent or any proceeding shall be instituted by the Maker seeking relief on its behalf as a debtor, or to adjudicate it a bankrupt, or insolvent, or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointment of a trustee, custodian or other similar official for it or any substantial part of its property or the Maker

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shall consent by answer or otherwise to the institution of any such proceeding against it; (d) any proceeding is instituted against the Maker seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent or seeking reorganization, arrangement, adjustment or composition of its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the appointment of a trustee, custodian or other similar official for it or any substantial part of its property which either (i) results in any such entry of an order for relief, adjudication or bankruptcy or insolvency or issuance or entry of any other order having a similar effect or (ii) remains undismissed for a period of 60 days; (e) a receiver, trustee or other custodian is appointed for any substantial part of the Maker's assets; (f) any assignment is made for the benefit of Maker's creditors; or (g) any of the Collateral delivered under the Security Agreement is attached or distrained at any time pursuant to any court order or other legal process.

If an Event of Default shall occur by reason of the failure of Maker to make any payment when due hereunder on the due date, the Maker shall have the right to cure such Event of Default by paying, on or before the tenth day following the due date, the amount that was due on the due date and interest accrued from the due date at an annual rate equal to the lesser of 12% per annum and the highest amount permitted by applicable law.

In addition, upon such Event of Default, the Payee shall have the option to declare the entire outstanding principal balance and all accrued but unpaid interest on this Note immediately due and payable without presentment or protest or notice or demand, all of which are expressly waived by the Maker and shall have such other rights as set forth in the Security Agreement. Notwithstanding the foregoing, nothing herein is intended to result in interest being charged which would exceed the maximum rate permitted by law.

In the event that the Maker's limited partnership interest in MISSOURI AFFORDABLE HOUSING FUND VI, L.P. (the "Partnership") is liquidated, the entire outstanding principal balance and all accrued but unpaid interest on this Note shall become due and payable; with out presentment or notice or protest or demand, all of which are expressly waived by the Maker, not later than the later of (i) the last day of the Partnership's taxable year in which such liquidation occurs and (ii) 90 days after the date of such liquidation.

Should this Note, or any part of the indebtedness evidenced hereby, be collected by law or through an attorney-at-law, the Payee shall be entitled to collect all costs of collection, including but not limited to, reasonable attorneys' fees.

All or any portion of this Note may be prepaid by the Maker without prepayment premium or penalty, provided that the amount due under this Note is paid without discount or setoff.

This Note shall be construed and enforced in accordance with the laws of the State of Missouri. For any dispute arising under or relating to this Note, the Maker hereby irrevocably submits to the jurisdiction of the Courts, Federal or State, of the State of Missouri.

WITNESS the execution hereof as of the 29th day of January, 1998.

KLT INVESTMENTS INC.

By: /s/John J. DeStefano
John J. DeStefano, President

ACKNOWLEDGEMENT

STATE OF MISSOURI)
)ss.
COUNTY OF JACKSON)

On the 29th day of January, 1998 before me came John J. DeStefano to me known, being by me duly sworn, did depose and say that he resides at 1201 Walnut, Kansas City, MO, 64105; that he is the President of KLT Investments Inc., the corporation described in and which executed the foregoing instrument; that he signed his name thereto by order of the board of directors of said corporation.

/s/Carol Sivils
Notary Public

CAROL SIVILS
Notary Public - State of Missouri
Commissioned in Clay County
My Commission Expires June 15, 1999

Pay to the order of
JOHN HANCOCK MUTUAL LIFE
INSURANCE COMPANY
Without recourse to us
NDH CAPITAL CORPORATION

By: /s/Howard Kurtzberg
Howard Kurtzberg
Vice President

[redacted]

City of Burlington, Kansas

and

Kansas City Power & Light Company

Equipment Sublease Agreement

Dated as of December 1, 1993

[redacted]

The interest of the City of Burlington, Kansas (the *"Issuer"*), in the Subrentals and other moneys payable by the Company to the Issuer under this Equipment Sublease Agreement, except rights to payments under Sections 4.3(d), 6.4 and 8.4 of this Equipment Sublease Agreement, and certain other rights of the Issuer under this Equipment Sublease Agreement have been assigned and pledged to The Bank of New York, as Trustee, under the Indenture of Trust dated as of December 1, 1993, from the Issuer, to secure Environmental Improvement Revenue Refunding Bonds (Kansas City Power & Light Company Project) Series 1993A and Series 1993B of the Issuer.

Relating to
City of Burlington, Kansas
Environmental Improvement Revenue Refunding Bonds
(Kansas City Power & Light Company Project) Series 1993A and Series 1993B

Equipment Sublease Agreement

(This Table of Contents is for convenience of reference only
and is not a part of this Equipment Sublease Agreement)

Table of Contents

Equipment Sublease Agreement

This Equipment Sublease Agreement (this *"Sublease"*), made and entered into as of December 1, 1993, by and between the City of Burlington, Kansas, a municipal corporation organized and existing under the laws of the State of Kansas (the *"Issuer"*), and Kansas City Power & Light Company, a Missouri corporation duly qualified and admitted to do business in the State of Kansas (the *"Company"*).

Witnesseth: In consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

Article I

Definitions

All words and terms defined in Article I of the Indenture shall have the same meanings in this Sublease. In addition, the following term shall have the following meaning when used in this Sublease.

"Indenture" means the Indenture of Trust relating to the Bonds, including any indentures supplemental thereto as therein permitted, between the Issuer and The Bank of New York, as trustee, of even date herewith, pursuant to which the Bonds are authorized to be issued.

Article II

Representations

Section 2.1. Representations by the Issuer. The representations of the Issuer set forth in Section 2.2 of the Lease are incorporated herein by reference with the same effect as though set forth herein.

Section 2.2 Representations by the Company. The representations of the Company set forth in Section 2.1 of the Lease are incorporated herein by reference with the same effect as though set forth herein.

Article III

Sublease of Project; Prior Rights

Section 3.1. Sublease of the Project. Simultaneously with the delivery of this Sublease, the Company has leased to the Issuer the property now in existence or hereafter to be provided and defined herein as the Project. The Issuer hereby demises and subleases to the Company, and the Company hereby subleases from the Issuer, for the Sublease Term (unless sooner terminated in a manner authorized hereby), subject to Permitted Encumbrances, the Project for the Subrentals and other amounts set forth in Section 4.3 and in accordance with the provisions of this Sublease.

Section 3.2. Rights of Company Indenture Bondholders. It is understood and agreed by the Issuer and the Company, and it is hereby represented by them, that all rights of the Issuer with respect to the Project shall at all times be subject and subordinate to all Permitted Encumbrances, including the lien of the Company Indenture and all other rights, including the right to take possession of the Project, of the Mortgage Trustee or the holders of the mortgage bonds of the Company issued and outstanding or to be issued and outstanding under the Company Indenture; provided that nothing in any Permitted Encumbrance, including the Company Indenture, or in this Section shall in any way be construed to affect or diminish the obligation of the Company to pay all amounts required to be paid by it under the terms of this Sublease. The Company may at any time take any action pursuant to the Company Indenture as may be necessary to protect and preser ve the lien thereof in the property constituting the Project and to permit the Company to issue mortgage bonds pursuant to the terms of the Company Indenture on the basis of such property.

Article IV

Effective Date of this Sublease;
Duration of Sublease Term; Subrental Provisions

Section 4.1. Effective Date of this Sublease; Duration of Sublease Term. This Sublease shall become effective upon its delivery. Subject to the provisions of this Sublease (including particularly Articles VIII and IX), this Sublease shall expire on the day following the latest maturity date of the Bonds, or on the day following the date for redemption of all outstanding Bonds or, if all of the Bonds shall not then have been duly paid and retired on either of such dates (or provision for such payment made as provided in Article VII of the Indenture), on the day following such date as such payment or provision therefor shall have been made.

Section 4.2. Surrender and Acceptance of Possession. The Issuer agrees to deliver to the Company sole and exclusive possession of the Project (subject to the right of the Issuer and the Trustee to enter thereon for inspection purposes pursuant to Section 6.2) on the date of delivery hereof, and the Company agrees to accept possession of the Project at such time. The Issuer covenants and represents that so long as the Company has paid when due the Subrentals and all other sums payable by it hereunder and has duly observed all the covenants and agreements herein contained on its part to be performed, the Company shall have, hold and enjoy, during the Sublease Term, peaceful, quiet and undisturbed possession of the Project subject to the terms and provisions hereof, and the Issuer shall from time to time take all necessary action, at the request of the Company or otherwise, to that end.

Section 4.3. Subrentals and Other Amounts Payable. The Company agrees to pay the amounts required by subsections (a), (b), (c) and (d) of this Section.

(a) On or before each principal or interest payment date of the Bonds until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with Article VII of the Indenture, the Company shall pay to the Trustee, as the assignee of the Issuer, in funds which will be immediately available to the Trustee on the date payment is due, from time to time as Subrentals in respect of the Project, amounts which shall correspond to the payments in respect of the principal of, premium, if any, and interest on the Bonds whenever and in whatever manner the same shall become due, whether at stated maturity, upon redemption or declaration or otherwise.

The Company will pay also to the Tender Agent, on each day on which a payment of purchase price of a Bond which has been tendered shall become due, an amount which, together with other moneys held by the Tender Agent or the Trustee under the Indenture and available therefor, will enable the Tender Agent to make such payment in full in a timely manner.

In furtherance of the foregoing, so long as any Bonds are outstanding the Company will pay all amounts required to prevent any deficiency or default in any payment of the Bonds, including any deficiency caused by an act or failure to act by the Trustee, the Company, the Issuer, the Remarketing Agent, the Auction Agent, the Tender Agent or any other person.

All amounts payable under this Section by the Company are assigned by the Issuer to the Trustee pursuant to the Indenture for the benefit of the Bondholders. The Company consents to such assignment. Accordingly, the Company will pay directly to the Trustee at its principal corporate trust office all payments payable by the Company pursuant to this Section. The Company need not pay any amount paid to Bondholders by a draw on the Letter of Credit, if any.

To the extent that payments are received by the Trustee on the Mortgage Bond to be delivered to the Trustee pursuant to Section 4.6, the payments to be received by the Trustee pursuant to this subsection (a) shall be satisfied.

(b) Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid, the Company shall pay the fees and expenses of the Trustee, the Remarketing Agent, the Tender Agent, the Auction Agent, the Broker Dealers, the Securities Depository and all other fiduciaries and agents serving under the Indenture (including reasonable counsel fees of the Trustee), as and when the same become due. The obligation of the Company under this Subsection 4.3(b) shall survive termination of this Sublease.

(c) If the Company shall fail to make any payment required by subsection (a) of this Section, the payment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company agrees to pay the same with interest, to the extent permitted by law, on overdue payments at the rate of interest on the Bonds.

(d) The Company agrees to pay, upon written request of the Issuer, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid, an amount equal to the reasonable costs and expenses of the Issuer (including reasonable counsel fees) incurred in connection with the administration of the Project; provided that so long as the Company is not in default hereunder no such cost or expense shall be incurred without the prior consent of the Company Representative designated pursuant to Section 4.3 of the Lease.

Section 4.4. Notices Under the Indenture; Letter of Credit. The Company shall give timely written notice to the persons noted in Section 2.02(b) of the Indenture as required by such section, prior to any change in the method of determining interest on the Bonds. Notwithstanding the foregoing, the Company shall use its best efforts to notify the Issuer as early as possible prior to electing a Long-Term Interest Rate Period or Long-Term Auction Period of three years or longer duration. In addition, if the Company shall elect to change the method of determining interest on either series of the Bonds, the Company shall deliver to the persons noted in Section 2.02(b) of the Indenture concurrently with the giving of notice with respect thereto, and no such change shall be effective without, a Favorable Opinion of Tax Counsel, if required by the Indenture. The Company will also notify the Tender Agent of its election pursuant to Section 3. 07 of the Indenture to direct the Tender Agent to purchase certain Bonds in lieu of redemption.

Any Letter of Credit delivered by the Company pursuant to the Indenture must comply with the provisions of the Indenture, including but not limited to, Article V thereof.

Section 4.5. Obligations of Company Unconditional. The obligations of the Company to pay Subrentals and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and without any defense or any right of abatement, diminution, counterclaim or setoff. Until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with Article VII of the Indenture, the Company (i) will not suspend or discontinue or permit the suspension or discontinuance of any payment of Subrentals, (ii) will perform and observe all of its other agreements contained in this Sublease, and (iii) except as provided in Sections 9.1 and 9.2, will not terminate the Sublease Term for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure or defect of title to the Project or any part thereof, eviction or constructive eviction, failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Sublease. Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained; and in the event the Issuer should fail to perform any such agreement on its part, the Company may institute such action against the Issuer as the Company may deem necessary to compel performance or recover its damages for non-performance so long as such action shall not violate the agreements on the

part of the Company contained in the first and second sentences o f this Section or decrease the Subrentals required to be paid by the Company pursuant to Section 4.3. The Company may, however, at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which the Company deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Issuer in any action or proceeding if the Company shall so request.

Section 4.6. Mortgage Bond. Concurrently with the Issuer's delivery of Bonds to the Trustee, the Company will execute and deliver to the Trustee, for the account of the Issuer, in order to secure the Bonds and for the benefit of the holders thereof, the Mortgage Bond, registered in the name of the Trustee, equal in principal amount to the Bonds and maturing, whether by redemption or otherwise, in the same amounts, at the same prices and on the same dates and bearing interest at the same rates and due on the same dates as the Bonds, which Mortgage Bond is hereby pledged by the Company and the Issuer to the Trustee as security for payment of the principal of, premium, if any, purchase price of and interest on the Bonds.

The Issuer hereby agrees that the obligation of the Company to make payments of principal of, premium, if any, purchase price of and interest on the Mortgage Bond delivered in connection with the issuance of the Bonds will be satisfied in the manner and to the extent set forth in Article I of the Supplemental Indenture.

Section 4.7. Assignment and Pledge of Subrentals, Rights under the Sublease and Mortgage Bond. Pursuant to the Granting Clauses of the Indenture, the Issuer is concurrently assigning this Sublease and pledging and granting a security interest in all moneys receivable hereunder (except for payments under Sections 4.3(d), 6.4 and 8.4) to the Trustee as security for payment of the principal of, premium, if any, purchase price of and interest on the Bonds and is assigning and pledging its interest in the Mortgage Bond to the Trustee as additional security for the payment of the principal of, premium, if any, purchase price of and interest on the Bonds. The Company assents to assignment of the Sublease, the Subrentals receivable hereunder and the Mortgage Bond and hereby agrees that, as to the Trustee, its obligation to make such payments shall be absolute and unconditional and without any defense or right of abatement, diminution, count erclaim or setoff arising out of any breach by the Issuer or the Trustee of any obligation to the Company, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Company by the Issuer or the Trustee.

To the extent, if any, that this Sublease constitutes chattel paper (as such term is defined in the Kansas Uniform Commercial Code as in effect), no security interest in this Sublease may be created by the transfer of possession of any counterpart thereof other than the original counterpart which shall be identified as the counterpart containing the receipt therefor executed by the Trustee on or immediately following the signature page hereof.

Article V

Maintenance; Changes in and Removal of Portions of the Project; Taxes and Insurance

Section 5.1. Maintenance; Changes and Removal of Portions of the Project by Company. The Company agrees that during the Lease Term it will at its own expense pay all costs and expenses of operation, maintenance and upkeep of the Project.

The Company shall be authorized to change the Project by omitting, adding or substituting components of the Project including buying, selling or otherwise changing percentage interests in, or portions of, such components of the Project. The Company shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary portion of the Project. In any instance where the Company determines that any portion of the Project has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such portion of the Project and sell, trade in, exchange or otherwise dispose of such removed portion. The making of the aforesaid changes and the removal of portions of the Project shall be subject to the Company obtaining a legal opinion in accordance with Section 5.2 if such opinion is required by that Section.

Any portion of the Project or percentage interest in any portion of the Project changed or removed pursuant to this Section may be disposed of by the Company free from any interest of the Issuer under this Sublease or the Trustee under the

Indenture. The removal of any portion of the Project pursuant to the provisions of this Section shall not entitle the Company to any abatement or diminution of Subrentals.

In the event of any change provided for herein, the Company and the Issuer shall revise *Exhibit A* to this Sublease to reflect such change and mail a copy of such revised *Exhibit A* to the Trustee. The consent of the Trustee shall not be required for any such revision of *Exhibit A.*

Section 5.2. Legal Opinion Relating to Changes or Removal of Portions of the Project. If a change in the Project or the removal of a portion of the Project pursuant to Section 5.1 would, in the opinion of the Trustee, alter the physical character, useful life, or function of the Project or any substantial part thereof, the Company, prior to making any such change or removing any such portion, shall file with the Issuer and the Trustee a Favorable Opinion of Tax Counsel with respect to such change or removal.

Section 5.3. Taxes and Other Governmental Charges and Utility Charges. The Company will promptly pay, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against the Company or the Issuer with respect to the Project or any portion thereof or with respect to the original issuance of the Bonds, including, without limiting the generality of the foregoing, any taxes levied against the Company or the Issuer upon or with respect to the income or profits of the Issuer from the Project or a charge on the Subrentals prior to or on a parity with the charge under the Indenture thereon and the pledge or assignment thereof to be created and made in the Indenture, and including all payments in lieu of taxes lawfully required to be paid or assessments lawfully imposed, all ad valorem taxes lawfully assessed upon the Project, all utility and other charges incu rred in the operation, maintenance, use, occupancy and upkeep of the Project, all assessments and charges lawfully made by any governmental body against the Company or the Issuer for or on account of the Project and in addition any excise tax levied against the Company or the Issuer on the Subrentals or the Mortgage Bond, provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as are required to be paid during the Lease Term.

If the Company shall first notify the Trustee of its intention so to do, the Company may, at its expense and in its own name and behalf or in the name and behalf of the Issuer, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Issuer or the Trustee shall notify the Company that by nonpayment of any such items the lien of the Indenture as to any part of the Subrentals or the Mortgage Bond will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly or secured by posting a bond, in form satisfactory to the Issuer, with the Trustee. The Issuer will cooperate fully with the Company in any such contest.

Section 5.4. Insurance Required. The Company agrees that throughout the Lease Term it will keep the Plant, including the Project, continuously insured in accordance with the applicable provisions of the Company Indenture, or cause the Plant to be so insured.

Article VI

Special Covenants

Section 6.1. No Warranty of Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition of the Project or as to the suitability thereof for the Company's purposes or needs.

Section 6.2. Access to the Project. The Company agrees that the Issuer and the Trustee and their duly authorized agents shall, subject to advance written notice and such other limitations, restrictions and requirements as the Company may reasonably prescribe for Plant security and safety reasons, at all reasonable times have such rights of access to the Project as may be reasonably necessary for the inspection of the Project during the Sublease Term.

Section 6.3. Company to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Company agrees that during the Lease Term it will maintain in good standing its corporate existence and its qualification to do business in the State, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that

the Company may, without violating the agreement contained in this Section, consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if (a) all restrictions relating thereto in the Company Indenture are satisfied and (b) the surviving, resulting or transferee corporation (if other than the Company) is a corporation validly organized and existing in good standing under the laws of one of the states of the United States, irrevocably and unconditionally assumes in writing all of the obligations of the Company hereunder in an instrument which is satisfactory and delivered to the Issuer and the Trustee and is qualified to do business in the State.

Section 6.4. Release and Indemnification Covenants. The Company releases the Issuer from, agrees that the Issuer shall not be liable for and agrees to hold the Issuer harmless against any loss or damage to property or any injury to or death of any person that may be occasioned by any defect in the Project or by any cause whatsoever pertaining to the Project or the use thereof; provided that the indemnity provided in this Section shall be effective only to the extent of any loss that might be sustained by the Issuer in excess of the proceeds received from any insurance carried with respect to the loss sustained.

The Company will indemnify and hold the Issuer and the Trustee free and harmless from any loss, claim, damage, tax, penalty, liability (including but not limited to, liability for any patent infringement), disbursement, litigation expenses, attorneys' fees and expenses or court costs arising out of, or in any way relating to, the execution or performance of the Lease, this Sublease, the Indenture, the issuance or sale of the Bonds, acceptance or administration of the trust or other duties under the Indenture or any other cause whatsoever pertaining to the Project, except in any case as a result of the negligence or bad faith of the Issuer or the Trustee.

The obligations of the Company under this Section shall survive termination of this Sublease.

Section 6.5. Financial Statements of Company. The Company agrees that during the Lease Term it will furnish to the Trustee and the Issuer audited financial statements of the Company, for and as of the end of each fiscal year of the Company, within 120 days after the end thereof, or if not then available, as soon as available, as included in the annual report of the Company to its shareholders, or, in lieu of such audited financial statements, this requirement may be satisfied by furnishing to the Trustee and Issuer, within 120 days after the end of such fiscal year, the annual report of the Company for such fiscal year in the form distributed to the shareholders of the Company.

Section 6.6. Granting of Easements. The Issuer acknowledges the right of the Company, as lessor under the Lease, to grant non-exclusive easements, licenses, rights-of-way and other rights or privileges in the nature of easements with respect to any property or rights subject to this Sublease or the Lease.

Section 6.7. No Supplements or Amendments to the Indenture to Which Company Objects. So long as the Company is not in default hereunder, the Issuer agrees it will not enter into any supplement or amendment to the Indenture proposed under Article XI thereof if the Company reasonably objects to such supplement or amendment in writing.

Section 6.8. Company's Obligation with Respect to Exclusion of Interest Paid on the Bonds. Notwithstanding any other provision hereof, the Company covenants and agrees that it will not knowingly take or authorize or permit, to the extent such action is within the control of the Company, any action to be taken with respect to the Project, or the proceeds of the Bonds (including investment earnings thereon), insurance, condemnation, or any other proceeds derived directly or indirectly in connection with the Project, which will result in the loss of the exclusion of interest on the Bonds from federal gross income under Section 103 of the Code (except for any Bond during any period while any such Bond is held by a person referred to in Section 103(b)(13) of the 1954 Code); and the Company also will not knowingly omit to take any action in its power which, if omitted, would cause the above result. The Company covenants for the benef it of the Bondholders to comply with all of the requirements of Section 6.03 of the Indenture. This provision shall control in case of conflict or ambiguity with any other provision of this Sublease.

The Company covenants and agrees to notify the Trustee and the Issuer of the occurrence of any event of which the Company has notice and which event would require the Company to prepay the amounts due hereunder because of a redemption of the Bonds upon a determination of taxability.

Section 6.9. Covenants and Representations with Respect to Arbitrage. The Issuer, to the extent it has any control over proceeds of the Bonds, and the Company covenant and represent to each other and to and for the benefit of the purchasers and owners of the Bonds from time to time outstanding that so long as any of the Bonds remain outstanding, moneys on deposit in any fund in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and any lawful regulations promulgated thereunder, including Sections 1.148-1 through 1.148-11 and 1.150-1 and 1.150-2 of the Income Tax Regulations, as the same exist on this date, or may from time to time hereafter be

amended, supplemented or revised. The Company also covenants for the benefit of the Bondholders to comply with all of the provisions of the Tax Agreement. The Company reserves the right, however, to make any investment of such moneys permitted by State law, if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only upon receipt of a Favorable Opinion of Tax Counsel with respect to such investment.

Section 6.10. Use of Facilities. The Project shall be used for air and water pollution control facilities and solid waste disposal facilities as described in Section 103(b)(4)(E) and (F) of the 1954 Code, or for any other purpose specified under Section 103(b)(4) of the 1954 Code.

Section 6.11. Payment of Prior Bonds. The Company shall, at its own expense, pay to the Prior Trustee all amounts in excess of the proceeds of the Bonds necessary to accomplish the refunding of the Prior Bonds as described in Section 4.01 of the Indenture.

Article VII

Assignment, Resubleasing and Transfer

Section 7.1. Assignment and Resubleasing. This Sublease may be assigned, and the Project may be resubleased as a whole or in part, by the Company without the necessity of obtaining the consent of either the Issuer or the Trustee, subject, however, to each of the following conditions:

(a) No assignment or resubleasing (other than pursuant to Section 6.3) shall relieve the Company from liability for any of its obligations hereunder, and in the event of any such assignment or resubleasing the Company shall continue to remain primarily liable for payment of the Subrentals and for performance and observance of the other agreements on its part herein provided to be performed and observed by it to the same extent as if no assignment or resublease had been made.

(b) The assignee or resublessee shall irrevocably and unconditionally assume in writing, in an instrument which is satisfactory and delivered to the Issuer and the Trustee, the obligations of the Company hereunder to the extent of the interest assigned or resubleased.

(c) The Company shall, not less than 30 days prior to the effective date thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of each such assignment or resublease, as the case may be.

Section 7.2. Transfer of Issuer's Interest in Project. The Issuer agrees that, except for the assignment of this Sublease, the Subrentals hereunder and the Mortgage Bond to the Trustee pursuant to the Indenture, it will not sell, assign, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Project (except as permitted by the Lease and Sublease pursuant to Sections 6.1 and 5.1 thereof and hereof, respectively), the Sublease (except as permitted by Section 5.1 hereof), the Subrentals or the Mortgage Bond during the Sublease Term. If the laws of the State at the time shall so permit, nothing contained in this Section shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or transfer of the complete interest of the Issuer in the Project to, any public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning a nd leasing the Project; provided that upon any such consolidation, merger or transfer, the due and punctual payment of the principal of, premium, if any, and interest on the Bonds according to their tenor, and the due and punctual performance and observance of all the agreements and conditions of this Sublease to be kept and performed by the Issuer, shall be expressly irrevocably and unconditionally assumed in writing in an instrument which is satisfactory and delivered to the Company and the Trustee by the entity resulting from such consolidation or surviving such merger or to which the Issuer's complete interest in the Project shall be transferred.

Article VIII

Events of Default and Remedies

Section 8.1. Events of Default Defined. The following shall be "events of default" under this Sublease, and the terms "event of default" or "default" shall mean, wherever they are used in this Sublease, any one or more of the following events:

(a) Failure by the Company to pay or cause to be paid that portion of the Subrentals which is attributable to the interest due or becoming due on any of the Bonds for a period of five days after the same shall become due and payable.

(b) Failure by the Company to pay or cause to be paid that portion of the Subrentals which is attributable to the principal of, or premium, if any, on any of the Bonds for a period of one day after the same shall become due and payable.

(c) Failure by the Company to pay or cause to be paid that portion of the Subrentals which is attributable to the purchase price on any of the Bonds after the same shall become due and payable.

(d) Failure by the Company to observe and perform any covenant, condition or agreement in the Lease or this Sublease on its part to be observed or performed, other than as referred to in subsections (a), (b) and (c) of this Section, for a period of 90 days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Issuer or the Trustee. Notwithstanding the foregoing, under no circumstances shall failure by the Company to observe any covenant, agreement or representation in the Lease or this Sublease, which failure results in a mandatory redemption as provided in Section 9.2, be considered, in and of itself, an "event of default" under this Section unless the mandatory redemption provided in said Section 9.2 shall not occur in accordance with the terms of said Section 9.2.

(e) An "event of default" as defined in Section 8.01 of the Indenture shall have occurred and be continuing.

A default under clause (d) of this Section is not an Event of Default until the Trustee or the holders of at least 25% in principal amount of the Bonds then outstanding give the Issuer and the Company a notice specifying the default, demanding that it be remedied and stating that the notice is a "Notice of Default" and the Company does not cure the default within 30 days after

receipt of the notice, or within such longer period as the Trustee shall agree to. The Trustee shall not unreasonably refuse to agree to a longer period if the default cannot reasonably be cured within 30 days after receipt of the notice and the Company has begun within 30 days and continued diligent efforts to correct the default. The foregoing provisions of clause (d) of this Section are subject to the further qualification that if by reason of force majeure the Company is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Company contained in Article IV and Sections 5.3, 6.3, 6.4, 7.1 and 8.4, the Company shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or of any of their departments, ag encies or officials, or of any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company. The Company agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Company from carrying out its agreements; provided that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Company unfavorable to the Company.

Section 8.2. Remedies on Default. In the event any of the Bonds shall at the time be outstanding and provision for the payment thereof shall not have been made in accordance with the provisions of the Indenture, whenever any event of default referred to in Section 8.1 shall have happened and be continuing, the Issuer may take any one or more of the following remedial steps:

(a) The Issuer may declare, as liquidated damages, all Subrentals payable under Section 4.3(a) for the remainder of the Sublease Term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) The Issuer may take whatever action which may be available at law or in equity, including mandamus, as may appear necessary or desirable to collect the Subrentals then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Company under this Sublease.

Any amounts collected pursuant to action taken under this Section shall be paid to the Trustee and applied in accordance with the provisions of Section 8.10 of the Indenture, or if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), such amounts shall be paid to the Company.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Sublease or under the Indenture or now or hereafter existing at law or in equity or by statute; *provided, however,* that no remedy shall be exercised in any manner so as to impair the payment of principal of, premium, if any, purchase price of, or interest on any of the Bonds. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Sublease and the Issuer and the Trustee should employ attorneys or incur other reasonable expenses for the collection of the Subrentals or the enforcement of the performance or observance of any obligation or agreement of the Company herein contained, the Company agrees that it will on demand therefor pay to the Issuer and the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Issuer or the Trustee.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Sublease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be effective unless in writing and signed by the party making the waiver. The Issuer shall have no power to waive any default hereunder by the Company without the consent of the Trustee to such waiver.

Section 8.6. Remedial Rights Assigned to the Trustee. Upon the execution and delivery of the Indenture and the issuance and delivery of the Bonds, the Issuer will, pursuant to the Indenture, have assigned to the Trustee all rights and remedies conferred upon or reserved to the Issuer by this Sublease, reserving only its rights under Section 4.3(d), Section 6.4 and Section 8.4. The Issuer and the Company agree that the Trustee shall have the exclusive right to exercise such rights and remedies conferred upon or reserved to the Issuer by this Sublease in the same manner and to the same extent, but under the limitations and conditions imposed hereby, that the Trustee is authorized to exercise rights and remedies upon the occurrence of an event of default under the Indenture.

Article IX

Prepayment of Subrentals

Section 9.1. Options to Prepay. The Company shall have the following option to prepay Subrentals payable under this Sublease:

(a) At any time, the Company may prepay any and all the Subrentals payable under this Sublease by paying to the Trustee moneys or U.S. Government Obligations the principal of and interest on which U.S. Government Obligations when due, when added to the amount on deposit with the Trustee and available for the purpose, will be sufficient to pay, retire and redeem all the outstanding Bonds in accordance with the provisions of Article VII of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption and the fees and expenses of the Trustee and Issuer), and in case of redemption, making arrangements satisfactory to the Trustee for the giving of the required notice of redemption, whereupon the Sublease Term shall terminate.

(b) At any time, the Company may prepay any portion of the Subrentals payable under this Sublease for deposit with the Trustee in order to redeem Bonds as set forth in the Indenture and the Bonds.

Section 9.2. Extraordinary Mandatory Prepayment of Subrentals in Whole or in Part. In the event of a mandatory redemption of the Bonds, the Company shall prepay the Subrentals payable hereunder in an aggregate amount that shall be sufficient to provide for such redemption.

If such prepayment of Subrentals and the resulting redemption shall occur in accordance with the terms hereof, then failure by the Company to observe a covenant, agreement or representation in the Lease or this Sublease (which failure results in such redemption) shall not in and of itself constitute an "event of default" under Section 8.1 hereof or Section 8.01 of the Indenture.

Article X

Miscellaneous

Section 10.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed as provided in the Indenture.

Section 10.2. Other Instruments. The Issuer and the Company will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, from time to time, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be or for carrying out the intention of or facilitating the performance of this Sublease.

Section 10.3. Binding Effect. This Sublease shall inure to the benefit of and shall be binding upon the Issuer, the Company and their respective successors and assigns, subject, however, to the limitations contained in Section 6.3 and Article VII.

Section 10.4. Severability. In the event any provision of this Sublease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.5. Amounts Remaining under the Indenture. It is agreed by the parties hereto that any amounts remaining under the Indenture upon the expiration or sooner termination of the Sublease Term, as provided in this Sublease, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of Article VII of the Indenture), the fees, charges and expenses of the Trustee and the Issuer in accordance with the Indenture and all other amounts required to be paid under the Lease, this Sublease or the Indenture shall belong to and shall be paid to the Company by the Trustee as overpayment of Subrentals.

Section 10.6. Project to be Personalty. The Project and every part thereof shall be deemed to be personal property and not fixtures or real estate, whatever the manner of affixation.

Section 10.7. Issuer Not Liable. Notwithstanding any other provision of this Sublease, (a) the Issuer shall not be liable to the Company, the Trustee, any holder of any of the Bonds, or any other person for any failure of the Issuer to take action under this Sublease unless the Issuer (i) is reasonably requested in writing by an appropriate person to take such action and (ii) is assured of payment of or reimbursement for any expenses in such action as provided by Section 4.3(d), and (b) neither the Issuer nor any member of the governing body or any other official of the Issuer shall be liable to the Company, the Trustee, any holder of any of the Bonds, or any other person for any action taken by it or by its officers, servants, agents or employees, or for any failure to take action under this Sublease, except from funds received pursuant to this Sublease or the Indenture.

No provision, covenant or agreement contained in this Sublease, the Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon the general credit or taxing powers of the Issuer or the State. The Bonds shall not be payable from or a charge upon any funds other than the revenues pledged to the payment thereof under the Indenture, and the Issuer shall not be subject to any liability thereon. No owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer to pay any such Bonds or the interest thereon, or to enforce payment thereon against any property of the Issuer. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer. The Company covenants and agrees that it will perform, on behalf of the Issue r, all affirmative obligations of the Issuer under the Indenture and this Sublease, except such affirmative obligations that only the Issuer may legally perform.

No covenant or agreement contained in the Bonds or in the Indenture shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the Issuer in his individual capacity, and neither the members of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 10.8. Amendments. Subsequent to the issuance of the Bonds and prior to the payment in full of all Bonds (or provision for the payment thereof having been made in accordance with the provisions of Article VII of the Indenture), this Sublease may not be amended, changed, modified, altered or terminated except as provided in Article XI of the Indenture.

Section 10.9. Net Lease. This Sublease shall be deemed and construed to be a "net lease," and the Company shall pay absolutely net during the Sublease Term the Subrentals and all other payments required hereunder, without abatement, diminution, counterclaim or set-off.

Section 10.10. Approvals. Whenever under the provisions of this Sublease the approval of the Company is required, or the Issuer is required to take some action at the request of the Company, such approval shall be given or such request shall be made by the Company Representative unless otherwise specified in this Sublease, and the Issuer shall be authorized to act on any such approval or request, and the Company shall have no complaint or recourse against the Issuer as a result of any such action taken.

Section 10.11. Covenant Against Default. The Issuer covenants and agrees that it will not take any action which would result in the occurrence of an "event of default" as such term is defined in the Lease, this Sublease or the Indenture and will, at the expense of the Company, take all actions necessary to prevent any such default.

Section 10.12. References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of Article VII of the Indenture), all fees and charges of the Trustee and all other liabilities of the Company accrued under this Sublease and the Lease, all references in this Sublease to the Bonds and the Trustee shall be ineffective, and neither the Trustee nor the holders of any of the Bonds shall thereafter have any rights hereunder, excepting those that shall have theretofore vested.

Section 10.13. If Payment or Performance Date a Non-Business Day. If the date for making any payment, or the last date for performance of any act or the exercise of any right, as provided in this Sublease, shall not be a Business Day, such payment may be made or act performed or right exercised on the next Business Day, with the same force and effect as if done on the nominal date provided in this Sublease, and no interest shall accrue for the period after such nominal date to the date of performance.

Section 10.14. Headings Not Part of Lease. Any headings preceding the text of the articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Sublease, and shall not affect its meaning, construction or effect.

Section 10.15. Execution of Counterparts. This Sublease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.16. Kansas Law Governs. This Sublease shall be governed by, and construed in accordance with, the laws of the State.

In Witness Whereof, the Issuer and the Company have caused this Sublease to be executed in their respective corporate names and their respective seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

City of Burlington, Kansas

(Seal)

By /s/Gene L. Merry
Mayor

Attest:

/s/Daniel K. Allen
City Clerk

Kansas City Power & Light Company

(Seal)

By /s/B. J. Beaudoin
Senior Vice President-Finance

Attest:

/s/Jeanie Sell Latz
Corporate Secretary

DOCUMENT MARKED AS "SPECIMEN"

The Bank of New York, as the Trustee referred to in the attached Sublease, hereby acknowledges receipt of the attached Sublease, which Sublease shall be the original counterpart of such Sublease as described in Section 4.7 of such Sublease and for purposes of the Uniform Commercial Code.

Dated this 7th day of December, 1993.

The Bank of New York, as Trustee

By /s/Dorothy Strelzick
Authorized Officer

The interest of the City of Burlington, Kansas, in the Subrentals and other moneys payable by the Company to the Issuer under this Sublease, except rights to payments under Sections 4.3(d), 6.4 and 8.4 of this Sublease, and certain other rights of the Issuer under this Sublease have been assigned and pledged to The Bank of New York, as Trustee, under the Indenture of Trust dated as of December 1, 1993, from the Issuer, to secure Environmental Improvement Revenue Refunding Bonds (Kansas City Power & Light Company Project) Series 1993A and Series 1993B of the Issuer.

State of NY)
) ss.
County of NY)

Be It Remembered, that on this 6th day of December, 1993, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Gene L. Merry, Mayor of the City of Burlington, Kansas, and Daniel K. Allen, City Clerk of said Issuer, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said Issuer, and such persons duly acknowledged the execution of the same to be the act and deed of said Issuer.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, the day and year last above written.

/s/Dalgis Fonseca
Notary Public

[Seal]

Typed name: Dalgis Fonseca
Notary Public State of New York
No.01F05018163
Qualified in Queens County
Commission Expires September 25, 1995

My commission expires:

_____

State of Missouri)
) ss.
County of Jackson)

Be It Remembered, that on this 6th day of December, 1993, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came B.J. Beaudoin, Senior Vice President-Finance of Kansas City Power & Light Company, and Jeanie Sell Latz, Corporate Secretary of said corporation, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said corporation and such persons duly acknowledged the execution of the same to be the act and deed of said Corporation.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, the day and year last above written.

/s/Janee C. Rosenthal
Notary Public

Typed name: Janee Rosenthal

My commission expires:

February 25, 1995

Exhibit A

To Equipment Lease Agreement, dated as of December 1, 1993, between Kansas City Power & Light Company and City of Burlington, Kansas and to Equipment Sublease Agreement, dated as of December 1, 1993, between the City of Burlington, Kansas, and Kansas City Power & Light Company.

The Project consists of (i) the facilities financed with the proceeds of the Series 1983 Bonds (the *"1983 Project"*) and (ii) the facilities financed with the proceeds of the December 1983 Bonds (the *"December 1983 Project"*).

The 1983 Project consists of the following undivided interests in the Company's undivided interest in the following described components and related equipment and facilities acquired, constructed and installed on the Project Site at the Wolf Creek Generating Station in Coffey County, Kansas.

A 12.018% undivided interest in:

(1) the Oil Waste Treatment System;
(2) the Lime Sludge Pond;
(3) the Settling Pond;
(4) the Yard Drainage System;
(5) the Secondary Liquid System;
(6) the Liquid Radwaste System;
(7) the Sanitary Waste Treatment Systems;
(8) the Solid Waste System; and
(9) the Chemical Waste Treatment System.

A 6.967% undivided interest in

(1) the Boron Recycle System;
(2) the Chemical Volume Control Letdown; Waste Generator Blowdown System;
(3) the Steam Generator Blowdown System;

(4) the Control Building Ventilation Exhaust System;
(5) the Auxiliary Building Ventilation Exhaust System;
(6) the Condensor Air Removal System;
(7) the Containment Atmospheric Control System;
(8) the Containment Purge System; and
(9) the Radiation Monitoring System.

A 10.629% undivided interest in:

the Waste Storage Warehouse.

A 14.781% undivided interest in:

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the Radwaste Building and Tunnel.

The December 1983 Project consists of the following undivided interests in the Company's undivided interest in the following described components and related equipment and facilities acquired, constructed and installed on the Project Site at the Wolf Creek Generating Station in Coffey County, Kansas.

A 39.779% undivided interest in:

(1) the Oil Waste Treatment System:
(2) the Lime Sludge Pond;
(3) the Settling Pond;
(4) the Yard Drainage System;
(5) the Secondary Liquid System;
(6) the Liquid Radwaste System;
(7) the Sanitary Waste Treatment Systems;
(8) the Solid Waste System; and
(9) the Chemical Waste Treatment System.

A 23.058% undivided interest in:

(1) the Boron Recycle System;
(2) the Chemical Volume Control Letdown; Waste Generator Blowdown System;
(3) the Steam Generator Blowdown System;
(4) the Control Building Ventilation Exhaust System;
(5) the Auxiliary Building Ventilation Exhaust System;
(6) the Condensor Air Removal System;
(7) the Containment Atmospheric Control System;
(8) the Containment Purge System; and
(9) the Radiation Monitoring System.

A 35.179% undivided interest in:

the Waste Storage Warehouse.

A 48.921% undivided interest in:

the Radwaste Building and Tunnel.

Exhibit B

To Equipment Lease Agreement, dated as of December 1, 1983, between Kansas City Power & Light Company and City of Burlington, Kansas and to Equipment Sublease Agreement, dated as of December 1, 1983, between the City of Burlington, Kansas, and Kansas City Power & Light Company.

The Project Site

The Project Site consists of the following land and easements:

Beginning at the W 1/4 Cor Sec 24-T20S-Rl5E, thence East to the NE Cor W 1/2 W 1/2 SE 1/4 of said Sec 24, thence South to the SE Cor W 1/2 NW 1/4 NE 1/4 Sec 25-T20S-Rl5E, thence West to the West line of NE 1/4 of said Sec 25, thence South to the S 1/4 Cor said Sec 25, thence West to a point 797.8 feet East of the NW Cor NW 1/4 Sec 36-T20S-Rl5E, thence South 520 feet, thence Southeasterly to a point 1020 feet West of the SE Cor N 1/2 NW 1/4 of said Sec 36, thence South 200 Feet, thence West 621.85 feet, thence South 1198.97 feet, thence Southeasterly 350.7 feet to a point 180 feet South of the NE Cor W 1/2 SW 1/4, of said Section 36, thence South to the NE Cor SW 1/4 SW 1/4 of said Sec 36, thence East to the East line of W 1/2 of said Sec 36, thence South to the S 1/4 Cor of said Sec 36, thence East to the SW Cor E 1/2 SE 1/4 SE 1/4 of said Sec 36, thence North to the NW Cor E 1/2 SE 1/4 SE 1/4 of said Sec 36, thence East to the NE Cor W 1/2 SW 1/4 SW 1/4 Sec 31-T20S-Rl6E, thence South to the SE Cor of said W 1/2 SW 1/4 SW 1/4, thence East to the NE Cor Sec 6-T21S-Rl6E, thence South to the NW Cor S 1/2 N 1/2 Sec 5-T21S-Rl6E thence East to the NE Cor SW 1/4 NW 1/4 Sec 4-T21S-Rl6E, thence South to the SE Cor SW 1/4 SW 1/4 of said Sec 4, thence West to the NE Cor Sec 8-T21S-Rl6E, thence South to the SE Cor of said Sec 8, thence West 1704.96 feet, thence South to the North line S 1/2 NE 1/4 Sec 17-T21S-Rl6E, thence East to the NE Cor S 1/2 NW 1/4 Sec 16-T21S-Rl6E, thence South to the S 1/4 Cor Sec 21-T21S-Rl6E, thence West to a point 450 feet West of SE Cor Sec. 20-T21S-Rl6E, thence South to a point 450 feet West of the E 1/4 Cor Sec 29-T21S-Rl6E, thence West to the center of said Sec 29, thence South to the SE Cor N 1/2 SW 1/4 of said Sec 29, thence West to the SW Cor of said N 1/2 SW 1/4, thence North to the SE Cor of the North 70 acres of the SE 1/4 Sec 30-T21S-R16E, thence West to the SW Cor of the North 70 acres of said SE 1/4, thence Nort h to the center of said Sec 30, thence West to the W 1/4 Cor of said Sec 30, thence North to the NW Cor of said Sec 30, thence West to the SW Cor E 1/2 E 1/2 SE 1/4 of Sec 24-T21S-Rl5E, thence North to the NW Cor of said E 1/2 E 1/2 SE 1/4, thence East to the SE Cor NE 1/4 of said Sec 24, thence North to the SE Cor NE 1/4 SE 1/4 Sec 13-T21S-Rl5E, thence West to the SW Cor of said NE 1/4 SE 1/4, thence North to the NW Cor of said NE 1/4 SE 1/4, thence West to the center of said Sec 13, thence North to the N 1/4 Cor said Sec 13, thence West to the SW Cor SE 1/4 SW 1/4 of Sec 12-T21S-R15E, thence North to the NW Cor of said SE 1/4 SW 1/4, thence West to the SW Cor NW 1/4 SW 1/4 of said Sec 12, thence North to the NW Cor of said Sec 12, thence West to the SW Cor E 1/2 SE 1/4 Sec 2-T21S-R15E, thence North 1700 feet, thence West 670 feet, thence North to the North line S 1/2 NE 1/4 of said Sec 2, thence West to the NW Cor S 1/2 NE 1/4 of said Sec 2, thence North to a point 1050 feet South of the North line of said Sec 2, thence West 600 feet, thence North to a point 720 feet West of NE Cor SE 1/4 Sec 34-T20S-Rl5E, thence East to the center of Sec 35-T20S-R15E, thence North to the center of Sec 26-T20S-Rl5E, thence East to the SE Cor W 1/2 SE 1/4 NE 1/4 of said Sec 26, thence North to the NE Cor of said W 1/2 SE 1/4 NE 1/4, thence East to the East line of said Sec 26, thence North to the W 1/4 Cor Sec 24-T20S-

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R15E being the point of beginning, except Stringtown Cemetery and except a tract in the NE 1/4 NE 1/4 Sec 1-T21S-Rl5E described as beginning at a point 1060.0 feet South of NE Cor said NE 1/4, thence West 446.9 feet, thence South 730.0 feet, thence East 446.0 feet, thence North 726.2 feet to point of beginning.

With respect to the following properties, which are contained within the above perimeter description, said properties are held by way of an easement acquired by way of condemnation and are subject to certain rights of reversion:

The Southeast 1/4 of the Southwest 1/4 of Section 35, Township 20 South, Range 15 East, and a tract beginning at the Northwest corner of the South 1/2 of the Southeast Quarter of Section 35, Township 20 South, Range 15 East; thence South 89 degrees, 53 minutes, 38 seconds, East, 410.00 feet along the North line of the South one-half of said quarter section; thence South 00 degrees, 38 minutes, 42 seconds, West, 400.00 feet parallel with the West line of said quarter section; thence South 46 degrees, 16 minutes, 17 seconds, West, 148.58 feet; thence North 89 degrees, 53 minutes, 38 seconds, West, 303.79 feet to a point on the West line of said quarter section; thence North 00 degrees, 38 minutes, 42 seconds, East, 502.91 feet to the Point of Beginning.

A tract in Section 1, Township 21 South, Range 15 East described as commencing at a point situated in the center of Wolf Creek about 41 rods West of the Southeast corner of said Section 1 thence West on said section line to another point in the center of said Wolf Creek, thence down the center of said creek to the place of beginning.

The East 1/2 of the Northwest 1/4, the East 1/2 of the Southwest 1/4, the Northwest 1/4 of the Southwest 1/4, the West 1/2 of the Northeast 1/4 and the Northeast 1/4 of the Northeast 1/4 of Section 12, Township 21 South, Range 15 East, except that part of the North 1/2 of the Northeast 1/4 of Section 12 lying North of Wolf Creek.

The North 1/2 of the Southwest 1/4 of the Northeast 1/4 and the Southwest 1/4 of the Southwest 1/4 of the Northeast 1/4 of Section 30, Township 21 South, Range 16 East.

The West 1/2 of the Northwest 1/4 of Section 29 and the Southeast 1/4 of the Northeast 1/4 and the Southeast 1/4 of the Southwest 1/4 of the Northeast l/4 of Section 30, all in Township 21 South, Range 16 East.

The South 1/2 of the Southwest 1/4 of Section 19, Township 21 South, Range 16 East, except tract 16 rods X 20 rods for school located in Southeast corner hereof.

[redacted]

City of LaCygne, Kansas

and

Kansas City Power & Light Company

Equipment Sublease Agreement

Dated as of February 1, 1994

[redacted]

The interest of the City of LaCygne, Kansas (the *"Issuer"*), in the Subrentals and other moneys payable by the Company to the Issuer under this Equipment Sublease Agreement, except rights to payments under Sections 4.3(d), 6.4 and 8.4 of this Equipment Sublease Agreement, and certain other rights of the Issuer under this Equipment Sublease Agreement have been assigned and pledged to The Bank of New York, as Trustee, under the Indenture of Trust dated as of February 1, 1994, from the Issuer, to secure Environmental Improvement Revenue Refunding Bonds (Kansas City Power & Light Company Project) Series 1994 of the Issuer.

Relating to
City of LaCygne, Kansas
Environmental Improvement Revenue Refunding Bonds
(Kansas City Power & Light Company Project) Series 1994

Equipment Sublease Agreement

(This Table of Contents is for convenience of reference only
and is not a part of this Equipment Sublease Agreement)

Table of Contents

Equipment Sublease Agreement

This Equipment Sublease Agreement (this *"Sublease"*), made and entered into as of February 1, 1994, by and between the City of LaCygne, Kansas, a municipal corporation organized and existing under the laws of the State of Kansas (the *"Issuer"*), and Kansas City Power & Light Company, a Missouri corporation duly qualified and admitted to do business in the State of Kansas (the *"Company"*).

Witnesseth: In consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

Article I

Definitions

All words and terms defined in Article I of the Indenture shall have the same meanings in this Sublease. In addition, the following term shall have the following meaning when used in this Sublease.

"Indenture" means the Indenture of Trust relating to the Bonds, including any indentures supplemental thereto as therein permitted, between the Issuer and The Bank of New York, as trustee, of even date herewith, pursuant to which the Bonds are authorized to be issued.

Article II

Representations

Section 2.1. Representations by the Issuer. The representations of the Issuer set forth in Section 2.2 of the Lease are incorporated herein by reference with the same effect as though set forth herein.

Section 2.2 Representations by the Company. The representations of the Company set forth in Section 2.1 of the Lease are incorporated herein by reference with the same effect as though set forth herein.

Article III

Sublease of Project; Prior Rights

Section 3.1. Sublease of the Project. Simultaneously with the delivery of this Sublease, the Company has leased to the Issuer the property now in existence or hereafter to be provided and defined herein as the Project. The Issuer hereby demises and subleases to the Company, and the Company hereby subleases from the Issuer, for the Sublease Term (unless sooner terminated in a manner authorized hereby), subject to Permitted Encumbrances, the Project for the Subrentals and other amounts set forth in Section 4.3 and in accordance with the provisions of this Sublease.

Section 3.2. Rights of Company Indenture Bondholders. It is understood and agreed by the Issuer and the Company, and it is hereby represented by them, that all rights of the Issuer with respect to the Project shall at all times be subject and subordinate to all Permitted Encumbrances, including the lien of the Company Indenture and all other rights, including the right to take possession of the Project, of the Mortgage Trustee or the holders of the mortgage bonds of the Company issued and outstanding or to be issued and outstanding under the Company Indenture; provided that nothing in any Permitted Encumbrance, including the Company Indenture, or in this Section shall in any way be construed to affect or diminish the obligation of the Company to pay all amounts required to be paid by it under the terms of this Sublease. The Company may at any time take any action pursuant to the Company Indenture as may be necessary to protect and preser ve the lien thereof in the property constituting the Project and to permit the Company to issue mortgage bonds pursuant to the terms of the Company Indenture on the basis of such property.

Section 3.3. Ownership Agreement. The Ownership Agreement contains provisions governing the rights, duties and relationships of the Company with the other owner of the Plant. The rights and interests of the Issuer with respect to the Project and this Sublease shall be subject to and subordinate to the provisions of the Ownership Agreement as the same may be amended from time to time.

Article IV

Effective Date of this Sublease;
Duration of Sublease Term; Subrental Provisions

Section 4.1. Effective Date of this Sublease; Duration of Sublease Term. This Sublease shall become effective upon its delivery. Subject to the provisions of this Sublease (including particularly Articles VIII and IX), this Sublease shall expire on the day following the latest maturity date of the Bonds, or on the day following the date for redemption of all outstanding Bonds or, if all of the Bonds shall not then have been duly paid and retired on either of such dates (or provision for such payment made as provided in Article VII of the Indenture), on the day following such date as such payment or provision therefor shall have been made.

Section 4.2. Surrender and Acceptance of Possession. The Issuer agrees to deliver to the Company sole and exclusive possession of the Project (subject to the right of the Issuer and the Trustee to enter thereon for inspection purposes pursuant to Section 6.2) on the date of delivery hereof, and the Company agrees to accept possession of the Project at such time. The Issuer covenants and represents that so long as the Company has paid when due the Subrentals and all other sums payable by it hereunder and has duly observed all the covenants and agreements herein contained on its part to be performed, the Company shall have, hold and enjoy, during the Sublease Term, peaceful, quiet and undisturbed possession of the Project subject to the terms and provisions hereof, and the Issuer shall from time to time take all necessary action, at the request of the Company or otherwise, to that end.

Section 4.3. Subrentals and Other Amounts Payable. The Company agrees to pay the amounts required by subsections (a), (b), (c) and (d) of this Section.

(a) On or before each principal or interest payment date of the Bonds until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with Article VII of the Indenture, the Company shall pay to the Trustee, as the assignee of the Issuer, in funds which will be immediately available to the Trustee on the date payment is due, from time to time as Subrentals in respect of the Project, amounts which shall correspond to the payments in respect of the principal of, premium, if any, and interest on the Bonds whenever and in whatever manner the same shall become due, whether at stated maturity, upon redemption or declaration or otherwise.

The Company will also pay to the Trustee, on each day on which a payment of purchase price of a Bond which has been tendered shall become due, an amount which, together with other moneys held by the Trustee under the Indenture and available therefor, will enable the Trustee to make such payment in full in a timely manner.

In furtherance of the foregoing, so long as any Bonds are outstanding the Company will pay all amounts required to prevent any deficiency or default in any payment of the Bonds, including any deficiency caused by an act or failure to act by the Trustee, the Company, the Issuer, the Remarketing Agent or any other person.

All amounts payable under this Section by the Company are assigned by the Issuer to the Trustee pursuant to the Indenture for the benefit of the Bondholders. The Company consents to such assignment. Accordingly, the Company will pay directly to the Trustee at its principal corporate trust office all payments payable by the Company pursuant to this Section.

To the extent that payments are received by the Trustee on the Mortgage Bond to be delivered to the Trustee pursuant to Section 4.5, the payments to be received by the Trustee pursuant to this subsection (a) shall be satisfied.

(b) Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid, the Company shall pay the fees and expenses of the Trustee, the Remarketing Agent, the Securities Depository and all other fiduciaries and agents serving under the Indenture (including reasonable counsel fees of the Trustee), as and when the same become due. The obligation of the Company under this Subsection 4.3(b) shall survive termination of this Sublease.

(c) If the Company shall fail to make any payment required by subsection (a) of this Section, the payment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company agrees to pay the same with interest, to the extent permitted by law, on overdue payments at the rate of interest on the Bonds.

(d) The Company agrees to pay, upon written request of the Issuer, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid, an amount equal to the reasonable costs and expenses of the Issuer (including reasonable counsel fees) incurred in connection with the administration of the Project; provided that so long as the Company is not in default hereunder no such cost or expense shall be incurred without the prior consent of the Company Representative designated pursuant to Section 4.3 of the Lease.

Section 4.4. Obligations of Company Unconditional. The obligations of the Company to pay Subrentals and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and without any defense or any right of abatement, diminution, counterclaim or setoff. Until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with Article VII of the Indenture, the Company (i) will not suspend or discontinue or permit the suspension or discontinuance of any payment of Subrentals, (ii) will perform and observe all of its other agreements contained in this Sublease, and (iii) except as provided in Sections 9.1 and 9.2, will not terminate the Sublease Term for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure or defect of title to the Project or any part thereof, eviction or constructive eviction, failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Sublease. Nothing contained in this Section shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained; and in the event the Issuer should fail to perform any such agreement on its part, the Company may institute such action against the Issuer as the Company may deem necessary to compel performance or recover its damages for non-performance so long as such action shall not violate the agreements on the part of the Company contained in the first and second sentences o f this Section or decrease the Subrentals required to be paid by the Company pursuant to Section 4.3. The Company may, however, at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which the Company deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Issuer in any action or proceeding if the Company shall so request.

Section 4.5. Mortgage Bond. Concurrently with the Issuer's delivery of Bonds to the Trustee, the Company will execute and deliver to the Trustee, for the account of the Issuer, in order to secure the Bonds and for the benefit of the holders thereof, the Mortgage Bond, registered in the name of the Trustee, equal in principal amount to the Bonds and maturing, whether by redemption or otherwise, in the same amounts, at the same prices and on the same dates and bearing interest at the same rates and due on the same dates as the Bonds, which Mortgage Bond is hereby pledged by the Company and the Issuer to the Trustee as security for payment of the principal of, premium, if any, purchase price of and interest on the Bonds.

The Issuer hereby agrees that the obligation of the Company to make payments of principal of, premium, if any, purchase price of and interest on the Mortgage Bond delivered in connection with the issuance of the Bonds will be satisfied in the manner and to the extent set forth in Article I of the Supplemental Indenture.

Section 4.6. Assignment and Pledge of Subrentals, Rights under the Sublease and Mortgage Bond. Pursuant to the granting clauses of the Indenture, the Issuer is concurrently assigning this Sublease and pledging and granting a security interest in all moneys receivable hereunder (except for payments under Sections 4.3(d), 6.4 and 8.4) to the Trustee as security for payment of the principal of, premium, if any, purchase price of and interest on the Bonds and is assigning and pledging its interest in the Mortgage Bond to the Trustee as additional security for the payment of the principal of, premium, if any, purchase price of and interest on the Bonds. The Company assents to assignment of the Sublease, the Subrentals receivable hereunder and the Mortgage Bond and hereby agrees that, as to the Trustee, its obligation to make such payments shall be absolute and unconditional and without any defense or right of abatement, diminution, count erclaim or setoff arising out of any breach by the Issuer or the Trustee of any obligation to the Company, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Company by the Issuer or the Trustee.

To the extent, if any, that this Sublease constitutes chattel paper (as such term is defined in the Kansas Uniform Commercial Code as in effect), no security interest in this Sublease may be created by the transfer of possession of any counterpart thereof other than the original counterpart which shall be identified as the counterpart containing the receipt therefor executed by the Trustee on or immediately following the signature page hereof.

Article V

Maintenance; Changes in and Removal of Portions of the Project; Taxes and Insurance

Section 5.1. Maintenance; Changes and Removal of Portions of the Project by Company. The Company agrees that during the Lease Term it will at its own expense pay all costs and expenses of operation, maintenance and upkeep of the Project.

The Company shall be authorized to change the Project by omitting, adding or substituting components of the Project including buying, selling or otherwise changing percentage interests in, or portions of, such components of the Project. The Company shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary portion of the Project. In any instance where the Company determines that any portion of the Project has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such portion of the Project and sell, trade in, exchange or otherwise dispose of such removed portion. The making of the aforesaid changes and the removal of portions of the Project shall be subject to the Company obtaining a legal opinion in accordance with Section 5.2 if such opinion is required by that Section.

Any portion of the Project or percentage interest in any portion of the Project changed or removed pursuant to this Section may be disposed of by the Company free from any interest of the Issuer under this Sublease or the Trustee under the Indenture. The removal of any portion of the Project pursuant to the provisions of this Section shall not entitle the Company to any abatement or diminution of Subrentals.

In the event of any change provided for herein, the Company and the Issuer shall revise *Exhibit A* to this Sublease to reflect such change and mail a copy of such revised *Exhibit A* to the Trustee. The consent of the Trustee shall not be required for any such revision of *Exhibit A*.

Section 5.2. Legal Opinion Relating to Changes or Removal of Portions of the Project. If a change in the Project or the removal of a portion of the Project pursuant to Section 5.1 would, in the opinion of the Trustee, alter the physical character, useful life, or function of the Project or any substantial part thereof, the Company, prior to making any such change or removing any such portion, shall file with the Issuer and the Trustee a Favorable Opinion of Tax Counsel with respect to such change or removal.

Section 5.3. Taxes and Other Governmental Charges and Utility Charges. The Company will promptly pay, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully

assessed or levied against the Company or the Issuer with respect to the Project or any portion thereof or with respect to the original issuance of the Bonds, including, without limiting the generality of the foregoing, any taxes levied against the Company or the Issuer upon or with respect to the income or profits of the Issuer from the Project or a charge on the Subrentals prior to or on a parity with the charge under the Indenture thereon and the pledge or assignment thereof to be created and made in the Indenture, and including all payments in lieu of taxes lawfully required to be paid or assessments lawfully imposed, all ad valorem taxes lawfully assessed upon the Project, all utility and other charges incu rred in the operation, maintenance, use, occupancy and upkeep of the Project, all assessments and charges lawfully made by any governmental body against the Company or the Issuer for or on account of the Project and in addition any excise tax levied against the Company or the Issuer on the Subrentals or the Mortgage Bond, provided that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as are required to be paid during the Lease Term.

If the Company shall first notify the Trustee of its intention so to do, the Company may, at its expense and in its own name and behalf or in the name and behalf of the Issuer, in good faith contest any such taxes, assessments and other charges

and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Issuer or the Trustee shall notify the Company that by nonpayment of any such items the lien of the Indenture as to any part of the Subrentals or the Mortgage Bond will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly or secured by posting a bond, in form satisfactory to the Issuer, with the Trustee. The Issuer will cooperate fully with the Company in any such contest.

Section 5.4. Insurance Required. The Company agrees that throughout the Lease Term it will keep the Plant, including the Project, continuously insured in accordance with the applicable provisions of the Company Indenture, or cause the Plant to be so insured.

Article VI

Special Covenants

Section 6.1. No Warranty of Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition of the Project or as to the suitability thereof for the Company's purposes or needs.

Section 6.2. Access to the Project. The Company agrees that the Issuer and the Trustee and their duly authorized agents shall, subject to advance written notice and such other limitations, restrictions and requirements as the Company may reasonably prescribe for Plant security and safety reasons, at all reasonable times have such rights of access to the Project as may be reasonably necessary for the inspection of the Project during the Sublease Term.

Section 6.3. Company to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Company agrees that during the Lease Term it will maintain in good standing its corporate existence and its qualification to do business in the State, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; provided that the Company may, without violating the agreement contained in this Section, consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if (a) all restrictions relating thereto in the Company Indenture are satisfied and (b) the surviving, resulting or transferee corporation (if other than the Company) is a corporation validly organized and existing in good standing under the laws of one of the states of the United States, is qualified to do business in the State, and irrevocably and unconditionally assumes in writing all of the obligations of the Company hereunder in an instrument which is satisfactory to, and delivered to, the Issuer and the Trustee.

Section 6.4. Release and Indemnification Covenants. The Company releases the Issuer from, agrees that the Issuer shall not be liable for and agrees to hold the Issuer harmless against any loss or damage to property or any injury to or death of any person that may be occasioned by any defect in the Project or by any cause whatsoever pertaining to the Project or the use thereof; provided that the indemnity provided in this Section shall be effective only to the extent of any loss that might be sustained by the Issuer in excess of the proceeds received from any insurance carried with respect to the loss sustained.

The Company will indemnify and hold the Issuer and the Trustee free and harmless from any loss, claim, damage, tax, penalty, liability (including but not limited to, liability for any patent infringement), disbursement, litigation expenses, attorneys' fees and expenses or court costs arising out of, or in any way relating to, the execution or performance of the Lease, this Sublease, the Indenture, the issuance or sale of the Bonds, acceptance or administration of the trust or other duties under the Indenture or any other cause whatsoever pertaining to the Project, except in any case as a result of the negligence or bad faith of the Issuer or the Trustee.

The obligations of the Company under this Section shall survive termination of this Sublease.

Section 6.5. Financial Statements of Company. The Company agrees that during the Lease Term it will furnish to the Trustee and the Issuer audited financial statements of the Company, for and as of the end of each fiscal year of the Company, within 120 days after the end thereof, or if not then available, as soon as available, as included in the annual report of the Company to its shareholders, or, in lieu of such audited financial statements, this requirement may be satisfied by furnishing to the Trustee and the Issuer, within 120 days after the end of such fiscal year, the annual report of the Company for such fiscal year in the form distributed to the shareholders of the Company.

Section 6.6. Granting of Easements. The Issuer acknowledges the right of the Company, as lessor under the Lease, to grant non-exclusive easements, licenses, rights-of-way and other rights or privileges in the nature of easements with respect to any property or rights subject to this Sublease or the Lease.

Section 6.7. Payment of Prior Bonds. The Company shall, at its own expense, pay to each of the Series 1973 Trustee and the Series 1977 Trustee, all amounts in excess of the proceeds of the Bonds necessary to accomplish the refunding of $13,982,500 in principal amount of the Series 1973 Bonds and all of the Series 1977 Bonds, respectively, all as described in Section 4.01 of the Indenture.

Section 6.8. Company's Obligation with Respect to Exclusion of Interest Paid on the Bonds. Notwithstanding any other provision hereof, the Company covenants and agrees that it will not knowingly take or authorize or permit, to the extent such action is within the control of the Company, any action to be taken with respect to the Project, or the proceeds of the Bonds (including investment earnings thereon), insurance, condemnation, or any other proceeds derived directly or indirectly in connection with the Project, which will result in the loss of the exclusion of interest on the Bonds from federal gross income under Section 103 of the Code (except for any Bond during any period while any such Bond is held by a person referred to in Section 103(b)(13) of the 1954 Code); and the Company also will not knowingly omit to take any action in its power which, if omitted, would cause the above result. The Company covenants for the benef it of the Bondholders to comply with all of the requirements of Section 6.03 of the Indenture. This provision shall control in case of conflict or ambiguity with any other provision of this Sublease.

The Company covenants and agrees to notify the Trustee and the Issuer of the occurrence of any event of which the Company has notice and which event would require the Company to prepay the amounts due hereunder because of a redemption of the Bonds upon a determination of taxability.

Section 6.9. Covenants and Representations with Respect to Arbitrage. The Issuer, to the extent it has any control over proceeds of the Bonds, and the Company covenant and represent to each other and to and for the benefit of the purchasers and owners of the Bonds from time to time outstanding that so long as any of the Bonds remains outstanding, moneys on deposit in any fund in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code, and any lawful regulations promulgated thereunder, including Sections 1.148-1 through 1.148-11 and 1.150-1 and 1.150-2 of the Income Tax Regulations, as the same exist on this date, or may from time to time hereafter be amended, supplemented or revised. The Company also covenants for the benefi t of the Bondholders to comply with all of the provisions of the Tax Agreement. The Company reserves the right, however, to make any investment of such moneys permitted by State law, if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only upon receipt of a Favorable Opinion of Tax Counsel with respect to such investment.

Section 6.10. Use of Facilities. The Project shall be used for air pollution control facilities as described in Section 103(b)(4)(F) of the 1954 Code, or for any other purpose specified under Section 103(b)(4) of the 1954 Code.

Article VII

Assignment, Resubleasing and Transfer

Section 7.1. Assignment and Resubleasing. This Sublease may be assigned, and the Project may be resubleased as a whole or in part, by the Company without the necessity of obtaining the consent of either the Issuer or the Trustee, subject, however, to each of the following conditions:

(a) No assignment or resubleasing (other than pursuant to Section 6.3) shall relieve the Company from liability for any of its obligations hereunder, and in the event of any such assignment or resubleasing the Company shall continue to remain primarily liable for payment of the Subrentals and for performance and observance of the other agreements on its part herein provided to be performed and observed by it to the same extent as if no assignment or resublease had been made.

(b) The assignee or resublessee shall irrevocably and unconditionally assume in writing, in an instrument which is satisfactory and delivered to the Issuer and the Trustee, the obligations of the Company hereunder to the extent of the interest assigned or resubleased.

(c) The Company shall, not less than 30 days prior to the effective date thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of each such assignment or resublease, as the case may be.

Section 7.2. Transfer of Issuer's Interest in Project. The Issuer agrees that, except for the assignment of this Sublease, the Subrentals hereunder and the Mortgage Bond to the Trustee pursuant to the Indenture, it will not sell, assign, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Project (except as permitted by the Lease and Sublease pursuant to Sections 6.1 and 5.1 thereof and hereof, respectively), the Sublease (except as permitted by Section 5.1 hereof), the Subrentals or the Mortgage Bond during the Sublease Term. If the laws of the State at the time shall so permit, nothing contained in this Section shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or transfer of the complete interest of the Issuer in the Project to, any public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning a nd leasing the Project; provided that upon any such consolidation, merger or transfer, the due and punctual payment of the principal of, premium, if any, and interest on the Bonds according to their tenor, and the due and punctual performance and observance of all the agreements and conditions of this Sublease to be kept and performed by the Issuer, shall be expressly irrevocably and unconditionally assumed in writing in an instrument which is satisfactory and delivered to the Company and the Trustee by the entity resulting from such consolidation or surviving such merger or to which the Issuer's complete interest in the Project shall be transferred.

Article VIII

Events of Default and Remedies

Section 8.1. Events of Default Defined. The following shall be "events of default" under this Sublease, and the terms "event of default" or "default" shall mean, wherever they are used in this Sublease, any one or more of the following events:

(a) Failure by the Company to pay or cause to be paid that portion of the Subrentals which is attributable to the interest due or becoming due on any of the Bonds for a period of five days after the same shall become due and payable.

(b) Failure by the Company to pay or cause to be paid that portion of the Subrentals which is attributable to the principal of, or premium, if any, on any of the Bonds for a period of one day after the same shall become due and payable.

(c) Failure by the Company to pay or cause to be paid that portion of the Subrentals which is attributable to the purchase price on any of the Bonds after the same shall become due and payable.

(d) Failure by the Company to observe and perform any covenant, condition or agreement in the Lease or this Sublease on its part to be observed or performed, other than as referred to in subsections (a), (b) and (c) of this Section, for a period of 90 days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Issuer or the Trustee. Notwithstanding the foregoing, under no circumstances shall failure by the Company to observe any covenant, agreement or representation in the Lease or this Sublease, which failure results in a mandatory redemption as provided in Section 9.2, be considered, in and of itself, an "event of default" under this Section unless the mandatory redemption provided in said Section 9.2 shall not occur in accordance with the terms of said Section 9.2.

(e) An "event of default" as defined in Section 8.01 of the Indenture shall have occurred and be continuing.

A default under clause (d) of this Section is not an Event of Default until the Trustee or the holders of at least 25% in principal amount of the Bonds then outstanding give the Issuer and the Company a notice specifying the default, demanding that it be remedied and stating that the notice is a "Notice of Default" and the Company does not cure the default within 30 days after receipt of the notice, or within such longer period as the Trustee shall agree to. The Trustee shall not unreasonably refuse to agree to a longer period if the default cannot reasonably be cured within 30 days after receipt of the notice and the Company has begun within 30 days and continued diligent efforts to correct the default. The foregoing provisions of clause (d) of this Section are subject to the further qualification that if by reason of force majeure the Company is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Company contained in Article IV and Sections 5.3, 6.3, 6.4, 7.1 and 8.4, the Company shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company. The Company agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Company from carrying out its agreements; provided that the settlement of strikes, lockouts and other industrial disturbanc es shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Company unfavorable to the Company.

Section 8.2. Remedies on Default. In the event any of the Bonds shall at the time be outstanding and provision for the payment thereof shall not have been made in accordance with the provisions of the Indenture, whenever any event of default referred to in Section 8.1 shall have happened and be continuing, the Issuer may take any one or more of the following remedial steps:

(a) The Issuer may declare, as liquidated damages, all Subrentals payable under Section 4.3(a) for the remainder of the Sublease Term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) The Issuer may take whatever action which may be available at law or in equity, including mandamus, as may appear necessary or desirable to collect the Subrentals then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Company under this Sublease.

Any amounts collected pursuant to action taken under this Section shall be paid to the Trustee and applied in accordance with the provisions of Section 8.10 of the Indenture, or if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), such amounts shall be paid to the Company.

Section 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Sublease or under the Indenture or now or hereafter existing at law or in equity or by statute; *provided, however,* that no remedy shall be exercised in any manner so as to impair the payment of principal of, premium, if any, purchase price of, or interest on any of the Bonds. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

Section 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Sublease and the Issuer and the Trustee should employ attorneys or incur other reasonable expenses for the collection of the Subrentals or the enforcement of the performance or observance of any obligation or agreement of the Company herein contained, the Company agrees that it will on demand therefor pay to the Issuer and the Trustee the reasonable fees of such attorneys and such other reasonable expenses so incurred by the Issuer or the Trustee.

Section 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Sublease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be effective unless in writing and signed

by the party making the waiver. The Issuer shall have no power to waive any default hereunder by the Company without the consent of the Trustee to such waiver.

Section 8.6. Remedial Rights Assigned to the Trustee. Upon the execution and delivery of the Indenture and the issuance and delivery of the Bonds, the Issuer will, pursuant to the Indenture, have assigned to the Trustee all rights and remedies conferred upon or reserved to the Issuer by this Sublease, reserving only its rights under Section 4.3(d), Section 6.4 and Section 8.4. The Issuer and the Company agree that the Trustee shall have the exclusive right to exercise such rights and remedies conferred upon or reserved to the Issuer by this Sublease in the same manner and to the same extent, but under the limitations and conditions imposed hereby, that the Trustee is authorized to exercise rights and remedies upon the occurrence of an event of default under the Indenture.

Article IX

Prepayment of Subrentals

Section 9.1. Options to Prepay. The Company shall have the following option to prepay Subrentals payable under this Sublease:

(a) At any time, the Company may prepay any and all the Subrentals payable under this Sublease by paying to the Trustee moneys or U.S. Government Obligations the principal of and interest on which U.S. Government Obligations when due, when added to the amount on deposit with the Trustee and available for the purpose, will be sufficient to pay, retire and redeem all the outstanding Bonds in accordance with the provisions of Article VII of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption and the fees and expenses of the Trustee and Issuer), and in case of redemption, making arrangements satisfactory to the Trustee for the giving of the required notice of redemption, whereupon the Sublease Term shall terminate.

(b) At any time, the Company may prepay any portion of the Subrentals payable under this Sublease for deposit with the Trustee in order to redeem Bonds as set forth in the Indenture and the Bonds.

Section 9.2. Extraordinary Mandatory Prepayment of Subrentals in Whole or in Part. In the event of a mandatory redemption of the Bonds, the Company shall prepay the Subrentals payable hereunder in an aggregate amount that shall be sufficient to provide for such redemption.

If such prepayment of Subrentals and the resulting redemption shall occur in accordance with the terms hereof, then failure by the Company to observe a covenant, agreement or representation in the Lease or this Sublease (which failure results in such redemption) shall not in and of itself constitute an "event of default" under Section 8.1 hereof or Section 8.01 of the Indenture.

Article X

Miscellaneous

Section 10.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed as provided in the Indenture.

Section 10.2. Other Instruments. The Issuer and the Company will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, from time to time, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be or for carrying out the intention of or facilitating the performance of this Sublease.

Section 10.3. Binding Effect. This Sublease shall inure to the benefit of and shall be binding upon the Issuer, the Company and their respective successors and assigns, subject, however, to the limitations contained in Section 6.3 and Article VII.

Section 10.4. Severability. In the event any provision of this Sublease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 10.5. Amounts Remaining under the Indenture. It is agreed by the parties hereto that any amounts remaining under the Indenture upon the expiration or sooner termination of the Sublease Term, as provided in this Sublease, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of Article VII of the Indenture), the fees, charges and expenses of the Trustee and the Issuer in accordance with the Indenture and all other amounts required to be paid under the Lease, this Sublease or the Indenture shall belong to and shall be paid to the Company by the Trustee as overpayment of Subrentals.

Section 10.6. Project to be Personalty. The Project and every part thereof shall be deemed to be personal property and not fixtures or real estate, whatever the manner of affixation.

Section 10.7. Issuer Not Liable. Notwithstanding any other provision of this Sublease, (a) the Issuer shall not be liable to the Company, the Trustee, any holder of any of the Bonds, or any other person for any failure of the Issuer to take action under this Sublease unless the Issuer (i) is reasonably requested in writing by an appropriate person to take such action and (ii) is assured of payment of or reimbursement for any expenses in such action as provided by Section 4.3(d), and (b) neither the Issuer nor any member of the governing body or any other official of the Issuer shall be liable to the Company, the Trustee, any holder of any of the Bonds, or any other person for any action taken by it or by its officers, servants, agents or employees, or for any failure to take action under this Sublease, except from funds received pursuant to this Sublease or the Indenture.

No provision, covenant or agreement contained in this Sublease, the Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof, shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon the general credit or taxing powers of the Issuer or the State. The Bonds shall not be payable from or a charge upon any funds other than the revenues pledged to the payment thereof under the Indenture, and the Issuer shall not be subject to any liability thereon. No owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer to pay any such Bonds or the interest thereon, or to enforce payment thereon against any property of the Issuer. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer. The Company covenants and agrees that it will perform, on behalf of the Issue r, all affirmative obligations of the Issuer under the Indenture and this Sublease, except such affirmative obligations that only the Issuer may legally perform.

No covenant or agreement contained in the Bonds or in the Indenture shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the Issuer in his individual capacity, and neither the members of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 10.8. Amendments. Subsequent to the issuance of the Bonds and prior to the payment in full of all Bonds (or provision for the payment thereof having been made in accordance with the provisions of Article VII of the Indenture), this Sublease may not be amended, changed, modified, altered or terminated except as provided in Article XI of the Indenture.

Section 10.9. Net Sublease. This Sublease shall be deemed and construed to be a "net lease," and the Company shall pay absolutely net during the Sublease Term the Subrentals and all other payments required hereunder, without abatement, diminution, counterclaim or set-off.

Section 10.10. Approvals. Whenever under the provisions of this Sublease the approval of the Company is required, or the Issuer is required to take some action at the request of the Company, such approval shall be given or such request shall be made by the Company Representative unless otherwise specified in this Sublease, and the Issuer shall be authorized to act on any such approval or request, and the Company shall have no complaint or recourse against the Issuer as a result of any such action taken.

Section 10.11. Covenant Against Default. The Issuer covenants and agrees that it will not take any action which would result in the occurrence of an "event of default" as such term is defined in the Lease, this Sublease or the Indenture and will, at the expense of the Company, take all actions necessary to prevent any such default.

Section 10.12. References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of Article VII of the Indenture), all fees and charges of the Trustee and all other liabilities of the Company accrued under this Sublease and the Lease, all references in this Sublease to the Bonds and the Trustee shall be ineffective, and neither the Trustee nor the holders of any of the Bonds shall thereafter have any rights hereunder, excepting those that shall have theretofore vested.

Section 10.13. If Payment or Performance Date a Non-Business Day. If the date for making any payment, or the last date for performance of any act or the exercise of any right, as provided in this Sublease, shall not be a Business Day, such payment may be made or act performed or right exercised on the next Business Day, with the same force and effect as if done on the nominal date provided in this Sublease, and no interest shall accrue for the period after such nominal date to the date of performance.

Section 10.14. Headings Not Part of Sublease. Any headings preceding the text of the articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Sublease, and shall not affect its meaning, construction or effect.

Section 10.15. Execution of Counterparts. This Sublease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.16. Kansas Law Governs. This Sublease shall be governed by, and construed in accordance with, the laws of the State.

In Witness Whereof, the Issuer and the Company have caused this Sublease to be executed in their respective corporate names and their respective seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

City of LaCygne, Kansas

(Seal)

By /s/Nate Harris
Mayor

Attest:

/s/Marsha Baker
City Clerk

Kansas City Power & Light Company

(Seal)

By /s/S. P. Cowley
Senior Vice President

Attest:

/s/Jeanie Sell Latz
Corporate Secretary

The Bank of New York, as the Trustee referred to in the attached Sublease, hereby acknowledges receipt of the attached Sublease, which Sublease shall be the original counterpart of such Sublease as described in Section 4.6 of such Sublease and for purposes of the Uniform Commercial Code.

Dated this 23rd day of February, 1994.

The Bank of New York, as Trustee

By_____
Title_____

The interest of the City of LaCygne, Kansas, in the Subrentals and other moneys payable by the Company to the Issuer under this Sublease, except rights to payments under Sections 4.3(d), 6.4 and 8.4 of this Sublease, and certain other rights of the Issuer under this Sublease have been assigned and pledged to The Bank of New York, as Trustee, under the Indenture of Trust dated as of February 1, 1994, from the Issuer, to secure Environmental Improvement Revenue Refunding Bonds (Kansas City Power & Light Company Project) Series 1994 of the Issuer.

State of New York)
) ss.
County of New York)

Be It Remembered, that on this 22nd day of February, 1994, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came Nate Harris, Mayor of the City of LaCygne, Kansas, and Marsha Baker, City Clerk of said Issuer, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said Issuer, and such persons duly acknowledged the execution of the same to be the act and deed of said Issuer.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, the day and year last above written.

/s/Hallie Albert
Notary Public

[Seal]

Typed name: Hallie Albert

My commission expires:

Feb. 28, 1994
Hallie Albert
Notary Public, State of New York
No. 24-4740022
Qualified in Kings County
Cert. Filed in New York County
Commission Expires February 28, 1994

State of Missouri)
) ss.
County of Jackson)

Be It Remembered, that on this 22nd day of February, 1994, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came S.P. Cowley, Senior Vice President of Kansas City Power & Light Company, and Jeanie Sell Latz, Corporate Secretary of said corporation, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said corporation and such persons duly acknowledged the execution of the same to be the act and deed of said Corporation.

In Witness Whereof, I have hereunto set my hand and affixed my official seal, the day and year last above written.

/s/Janee C. Rosenthal
Notary Public

Typed name: Janee Rosenthal

Janee C. Rosenthal
Notary Public State of Missouri
Clay County
My Commission Exp. Feb. 25, 1995

My commission expires:

February 25, 1995

Exhibit A

The Project

To Equipment Lease Agreement, dated as of February 1, 1994, between Kansas City Power & Light Company and City of LaCygne, Kansas and to Equipment Sublease Agreement, dated as of February 1, 1994, between the City of LaCygne, Kansas, and Kansas City Power & Light Company.

The Project consists of the facilities financed or refinanced with the proceeds of the Prior Bonds, i.e., the Company's interest in the following described components and related equipment and facilities acquired, constructed, installed and equipped on the Project Site for Unit #1 and Unit #2 at the LaCygne Steam Electric Generating Station in Linn County, Kansas.

Unit #1:

1. Scrubber Building

(1) Venturi Scrubbers
(2) Absorbers
(3) Sump Tanks
(4) Venturi Recirculation Pumps
(5) Absorber Recirculation Pumps
(6) Induced Draft Fans
(7) Steam Coil Reheaters
(8) Flues and Ducts
(9) Expansion Joints and Dampers
(10) Recirculation Tanks
(11) Sootblowers
(12) Mixers
(13) Piping, Valves and Fittings
(14) Rubber Lining for Tanks
(15) Heating, Ventilating and Air Conditioning Equipment
(16) 480 Volt Motor Control Centers
(17) Insulation and Lagging
(18) Structural Support and Building Steel
(19) Earthwork, Piling, Concrete, Foundations Material, Paint and any other material or equipment necessary to erect the structure

2. Mill House

(1) Ball Mills
(2) Mill Classifier Feed Pumps
(3) Classifier
(4) Slurry Surge Tank Mixers

(5) Slurry Storage Tanks
(6) Slurry Transfer Pumps
(7) Foundation Material
(8) Earthwork and Piling, Concrete, Structural Steel, and any other material or equipment necessary to erect the structure

3. Electrical Switchgear House

(1) 6.9 KV Switchgear
(2) 480 V Switchgear
(3) Concrete and any other material or equipment necessary to erect the structure

4. Piping from Scrubber Building to Ash Pond

(1) Support Steel
(2) Pipe
(3) Concrete
(4) Excavation and Backfill, and any other material or equipment necessary to install the piping from the scrubber building to the ash pond

5. Ash Pond

(1) Dike and Weir
(2) Clearwater Pump Station

a. Concrete
b. Pumps
c. Motors
d. Excavation and Backfill, and any other material or equipment necessary to erect the clearwater pump station

6. 30 MVA Air Quality Control Transformer

A transformer which constitutes the 30 MVA Air Quality Control Transformer

7. Miscellaneous Equipment

(1) Limestone Conveyor from Transfer Tower #3 to Limestone Silos
(2) Switchgear, Relays and Controls:

a. Clear Water Pump Motor Control Center
b. Air Quality Control Panel
c. Balance of Electrical Equipment, including auxiliary relay panel, isolated phase bus, non-segregated bus, cable tray, conduit cable, lighting and grounding

(3) Balance of Piping, including instrument and control tubing
(4) Instrumentation and Controls

(5) Drainage and Sewage Systems necessary to the Project

Unit #2:

1. Electrostatic Precipitator Area

(1) Electrostatic Precipitators
(2) Insulation and Lagging
(3) Grating and Stair Treads
(4) Structural Steel
(5) Foundations

(6) Mouthpieces (Entrance Ducts)
(7) Electrical Wiring and Cable Tray
(8) 480 Volt Motor Control Center
(9) 7.2. KV Switch Gear
(10) Instruments and Control
(11) Emissions Monitor
(12) Breeching

2. Fly Ash Collection Area

(1) Fly Ash Collection System
(2) Fly Ash Transportation and Storage Equipment
(3) Fly Ash Pumps
(4) Foundations
(5) Electrical Wiring and Cable Tray
(6) Piping and Pipe Supports
(7) Valves

Exhibit B

To Equipment Lease Agreement, dated as of February 1, 1994, between Kansas City Power & Light Company and City of LaCygne, Kansas and to Equipment Sublease Agreement, dated as of February 1, 1994, between the City of LaCygne, Kansas, and Kansas City Power & Light Company.

The Project Site

The Project Site consists of the following land and easements:

1. Site of Scrubber Building, Mill House and Electrical Switch Gear House

That portion of the Southeast quarter of Section 33, Township 19 South, Range 25 East, in Linn County, Kansas, described as follows: Based on an east-west base line, which is the South line of said Section 33, and a north-south base line at an angle of 90 degrees from the east-west base line and intersecting said east-west base line at the Southeast corner of said Section 33, to determine the LaCygne S.E.S. coordinates, thence: beginning at a point 897.96 feet West of the LaCygne S.E.S. - Unit No. 1 north-south base line and 803.25 feet North of the east-west base line, said point being the southeast corner of parcel hereinafter described and designated as Parcel "A"; thence west for a distance of 133.54 feet, thence turning right 90 degrees and proceeding for a distance of 12.75 feet to a point, thence turning left 90 degrees and proceeding a distance of 87.10 feet to a point, thence turning right 90 degrees and proceeding for a distan ce of 113.25 feet to a point, thence turning right 90 degrees and proceeding for a distance of 87.10 feet to a point, thence turning left 90 degrees and proceeding for a distance of 42.00 feet to a point, thence turning right 90 degrees and proceeding for a distance of 26.00 feet to a point, thence turning left 90 degrees and proceeding for a distance of 132.00 feet to a point, thence turning right 90 degrees and proceeding for a distance of 154.83 feet to a point, thence turning right 90 degrees and proceeding for a distance of 109.00 feet to a point, thence turning right 90 degrees and proceeding for a distance of 47.29 feet to a point, thence turning left 90 degrees and proceeding for a distance of 191.00 feet to the point of beginning. This parcel herein described contains approximately 51,650 square feet.

2. Site of Piping from Scrubber Building to Ash Pond

Those portions of Sections 27, 33 and 34, Township 19 South, Range 25 East, in Linn County, Kansas, described as follows: Based on an east-east base line, which is the South line of said Section 33, and a north-south base line at an angle of 90 degrees from the east-west base line and intersecting said east-west base line at the Southeast corner of said Section 33, to determine the LaCygne S.E.S. coordinates, thence: beginning at a point 1034.25 feet North of the LaCygne S.E.S.-Unit No. 1 east-west base line and 1006.00 feet West of the north-south base line said point of beginning being formed by the intersection of the Westerly sideline of Parcel "A" and the workline for parcel hereinafter described and designated as Parcel "B", thence with a right boundary of 3.00 feet and a left boundary of 20.00 feet proceeding West for a distance of 70.33 feet to a point, thence N 60 degrees 00' 00" W proceeding for a distance of 125.29 feet to a point, thence N 39 degrees 37' 06" W proceeding for a distance of 126.06 feet to a point, thence N 30 degrees 22' 54" E proceeding for a distance of 202.18 feet to a point, thence N 59 degrees 37' 06" W

proceeding for a distance of 4.50 feet to a point, thence N 30 degrees 22' 54" E proceeding for a distance of 1042.42 feet to a point, thence N 8 degrees 11' 54" E proceeding for a distance of 739.35 feet to point, thence N 90 degrees 00' 00" E proceeding for a distance of 2739.57 feet to a point, thence N 20 degrees 00' 00" E proceeding for a distance of 900.00 feet to a point ending Parcel "B" having a total area of approximately 137,480 square feet.

3. Site of Ash Pond

Those portions of Sections 27, 33 and 34, Township 19 South, Range 25 East, in Linn County, Kansas, described as follows: Based on an east-west base line, which is the South line of said Section 33, and a north-south base line at an angle of 90 degrees from the east-west base line and intersecting said east-west base line at the Southeast corner of said Section 33, to determine the LaCygne S.E.S. coordinates, thence: beginning at a point 3019.50 feet north of the LaCygne S.E.S.-Unit No. 1 east-west base line and 555.90 feet west of the north-south base line said point being southwest corner of parcel hereinafter described and designated as Parcel "C"; thence N 12 degrees 00' 49.5" W for a distance of 94.78 feet to a point, thence S 77 degrees 59' 10.5" W for a distance of 76.86 feet to a point, thence N 12 degrees 00' 49.5" W for a distance of 70.25 feet to a point, thence N 77 degrees 59' 10.5" E for a distance of 76.86 feet to a point , thence N 12 degrees 00' 49.5" W for a distance of 899.65 feet to a point, thence N 49 degrees 36' 00" E for a distance of 2605.91 feet to a point, thence East for a distance of 1305.54 feet to a point, thence South for a distance of 1884.58 feet to a point, thence S 20 degree 00' 00" W for a distance of 900.00 feet to a point, thence West for a distance of 2761.68 feet to the point of beginning. This parcel herein described contains approximately 7,067,350 square feet (approximately 162 acres).

4. Site of 30 MVA Air Quality Control Transformer

That portion of the Southeast Quarter of Section 33, Township 19 South, Range 25 East, in Linn County, Kansas, described as follows: Based on an east-west base line, which is the South line of said Section 33, and a north-south base line at an angle of 90 degrees from the east-west base line and intersecting said east-west base line at the Southeast corner of said Section 33, to determine the LaCygne S.E.S. coordinates, thence: beginning at a point, said point located at the LaCygne S.E.S. coordinates N 1041.00 W 550.00, thence proceeding North for a distance of 29.58 feet to a point, thence turning to the right and proceeding east for a distance of 20.33 feet to a point said being the Southwest corner of the parcel hereinafter described, thence proceeding North for a distance of 24.83 feet to a point, thence proceeding East for a distance of 19.33 feet to a point, thence proceeding South for a distance of 24.83 feet, thence West for a distance of 19.33 feet to the point of beginning. This parcel herein described contains approximately 480 square feet.

5. Equipment Without Property Description

Those portions of Sections 33 and 34, Township 19 South, Range 25 East, in Linn County, Kansas, upon which is located the following:

1. Limestone Conveyor from Transfer Tower #3 to Limestone Silos

2. Switchgear, Relays and Controls:

   a. Clear Water Pump Motor Control Center

   b. Air Quality Control Panel

   c. Balance of Electrical Equipment, including auxiliary relay panel, isolated phase bus, non-segregated bus, cable tray, conduit cable, lighting and grounding

3. Balance of Piping, including instrument and control tubing

4. Instrumentation and Controls

5. Where necessary and related to the Project, Drainage and Sewage Systems constructed over the above-described lands

CITY OF BURLINGTON, KANSAS

and

KANSAS CITY POWER & LIGHT COMPANY

EQUIPMENT SUBLEASE AGREEMENT

Dated as of August 1, 1998

The interest of the City of Burlington, Kansas (the "*Issuer*"), in the Subrentals and other moneys payable by the Company to the Issuer under this Equipment Sublease Agreement, except rights to payments under Sections 4.3(d), 6.4 and 8.4 of this Equipment Sublease Agreement, and certain other rights of the Issuer under this Equipment Sublease Agreement have been assigned and pledged to The Bank of New York, as Trustee, under the Indenture of Trust dated as of August 1, 1998, from the Issuer, to secure Environmental Improvement Revenue Refunding Bonds (Kansas City Power & Light Company Project) Series 1998A, Series 1998B, Series 1998C and Series 1998D
of the Issuer.

Relating to
City of Burlington, Kansas
Environmental Improvement Revenue Refunding Bonds
(Kansas City Power & Light Company Project)
Series 1998A, Series 1998B, Series 1998C and Series 1998D

EQUIPMENT SUBLEASE AGREEMENT
(This Table of Contents is for convenience of reference only
and is not a part of this Equipment Sublease Agreement)

Table of Contents

EQUIPMENT SUBLEASE AGREEMENT

THIS EQUIPMENT SUBLEASE AGREEMENT (this "Sublease"), made and entered into as of August 1, 1998, by and between the CITY OF BURLINGTON, KANSAS, a municipal corporation organized and existing under the laws of the State of Kansas (the "Issuer"), and KANSAS CITY POWER & LIGHT COMPANY, a Missouri corporation duly qualified and admitted to do business in the State of Kansas (the "Company").

WITNESSETH: In consideration of the respective representations and agreements hereinafter contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

All words and terms defined in Article I of the Indenture shall have the same meanings in this Sublease. In addition, the following term shall have the following meaning when used in this Sublease.

"Indenture" means the Indenture of Trust relating to the Bonds, including any indentures supplemental thereto as therein permitted, between the Issuer and The Bank of New York, as trustee, of even date herewith, pursuant to which the Bonds are authorized to be issued.

ARTICLE II
REPRESENTATIONS

SECTION 2.1. Representations by the Issuer. The representations of the Issuer set forth in Section 2.2 of the Lease are incorporated herein by reference with the same effect as though set forth herein.

SECTION 2.2. Representations by the Company. The representations of the Company set forth in Section 2.1 of the Lease are incorporated herein by reference with the same effect as though set forth herein.

ARTICLE III
SUBLEASE OF PROJECT; PRIOR RIGHTS

SECTION 3.1. Sublease of the Project. Simultaneously with the delivery of this Sublease, the Company has leased to the Issuer the property now in existence or hereafter to be provided and defined herein as the Project. The Issuer hereby demises and subleases to the Company, and the Company hereby subleases from the Issuer, for the Sublease Term (unless sooner terminated in a manner authorized hereby), subject to Permitted Encumbrances, the Project for the Subrentals and other amounts set forth in Section 4.3 and in accordance with the provisions of this Sublease.

SECTION 3.2. Rights of Company Indenture Bondholders. It is understood and agreed by the Issuer and the Company, and it is hereby represented by them, that all rights of the Issuer with respect to the Project shall at all times be subject and subordinate to all Permitted Encumbrances, including the lien of the Company Indenture and all other rights, including the right to take possession of the Project, of the Mortgage Trustee or the holders of the mortgage bonds of the Company issued and outstanding or to be issued and outstanding under the Company Indenture; *provided* that nothing in any Permitted Encumbrance, including the Company Indenture, or in this Section 3.2 shall in any way be construed to affect or diminish the obligation of the Company to pay all amounts required to be paid by it under the terms of this Sublease. The Company may at any time take any action pursuant to the Compa ny Indenture as may be necessary to protect and preserve the lien thereof in the property constituting the Project and to permit the Company to issue mortgage bonds pursuant to the terms of the Company Indenture on the basis of such property.

ARTICLE IV
EFFECTIVE DATE OF THIS SUBLEASE; DURATION OF SUBLEASE TERM; SUBRENTAL PROVISIONS

SECTION 4.1. Effective Date of this Sublease; Duration of Sublease Term. This Sublease shall become effective upon its delivery. Subject to the provisions of this Sublease (including particularly Articles VIII and IX), (a) this Sublease of the portion of the Project described in Section I of Exhibit A shall expire on the day following the latest maturity date of the Series 1998A Bonds and Series 1998B Bonds, or on the day following the date for redemption of all outstanding Series 1998A Bonds and Series 1998B Bonds or, if all of the Series 1998A Bonds and Series 1998B Bonds shall not then have been duly paid and retired on either of such dates (or provision for such payment made as provided in Article VII of the Indenture), on the day following such date as such payment or provision therefor shall have been made, and (b) this Sublease of the portion of the Project described in Section II of Exhi bit A shall expire on the day following the latest maturity date of the Series 1998C Bonds and Series 1998D Bonds, or on the day following the date for redemption of all outstanding Series 1998C Bonds and Series 1998D Bonds or, if all of the Series 1998C Bonds and Series 1998D Bonds shall not then have been duly paid and retired on either of such dates (or provision for such payment made as provided in Article VII of the Indenture), on the day following such date as such payment or provision therefor shall have been made.

SECTION 4.2. Surrender and Acceptance of Possession. The Issuer agrees to deliver to the Company sole and exclusive possession of the Project (subject to the right of the Issuer and the Trustee to enter thereon for inspection purposes pursuant to Section 6.2) on the date of delivery hereof, and the Company agrees to accept possession of the Project at such time. The Issuer covenants and represents that so long as the Company has paid when due the Subrentals and all other sums payable by it hereunder and has duly observed all the covenants and agreements herein contained on its part to be performed, the Company shall have, hold and enjoy, during the Sublease Term, peaceful, quiet and undisturbed possession of the Project subject to the terms and provisions hereof, and the Issuer shall from time to time take all necessary action, at the request of the Company or otherwise, to that end.

SECTION 4.3. Subrentals and Other Amounts Payable. The Company agrees to pay the amounts required by subsections (a), (b), (c) and (d) of this Section 4.3.

(a) On or before each principal or interest payment date of the Bonds until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with Article VII of the Indenture, the Company shall pay to the Trustee, as the assignee of the Issuer, in funds which will be immediately available to the Trustee on the date payment is due, from time to time as Subrentals in respect of the Project, amounts which shall correspond to the payments in respect of the principal of, premium, if any, and interest on the Bonds whenever and in whatever manner the same shall become due, whether at stated maturity, upon redemption or declaration or otherwise.

The Company will pay also to the Tender Agent, on each day on which a payment of purchase price of a Bond which has been tendered shall become due, an amount which, together with other moneys held by the Tender Agent or the Trustee under the Indenture and available therefor, will enable the Tender Agent to make such payment in full in a timely manner.

In furtherance of the foregoing, so long as any Bonds are outstanding the Company will pay all amounts required to prevent any deficiency or default in any payment of the Bonds,

including any deficiency caused by an act or failure to act by the Trustee, the Company, the Issuer, the Remarketing Agent, the Auction Agent, the Tender Agent or any other person.

All amounts payable under this Section 4.3 by the Company are assigned by the Issuer to the Trustee pursuant to the Indenture for the benefit of the Bondholders. The Company consents to such assignment. Accordingly, the Company will pay directly to the Trustee at its principal corporate trust office all payments payable by the Company pursuant to this Section 4.3. The Company need not pay any amount paid to Bondholders under a Support Facility, if any.

(b) Until the principal of, premium, if any, and interest on the Bonds shall have been fully paid, the Company shall pay the fees and expenses of the Trustee, the Remarketing Agent, the Tender Agent, the Auction Agent, the Broker Dealers, the Securities Depository and all other fiduciaries and agents serving under the Indenture (including reasonable counsel fees of the Trustee), as and when the same become due. The obligation of the Company under this Subsection 4.3(b) shall survive termination of this Sublease.

(c) If the Company shall fail to make any payment required by subsection (a) of this Section 4.3, the payment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company agrees to pay the same with interest, to the extent permitted by law, on overdue payments at the rate of interest on the Bonds.

(d) The Company agrees to pay, upon written request of the Issuer, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid, an amount equal to the reasonable costs and expenses of the Issuer (including reasonable counsel fees) incurred in connection with the administration of the Project; *provided* that so long as the Company is not in default hereunder no such cost or expense shall be incurred without the prior consent of the Company Representative designated pursuant to Section 4.3 of the Lease.

SECTION 4.4. Notices Under the Indenture; Support Facility. The Company shall give timely written notice to the persons noted in Section 2.02(b) of the Indenture as required by such Section 2.02(b), prior to any change in the method of determining interest on the Bonds. Notwithstanding the foregoing, the Company shall use its best efforts to notify the Issuer as early as possible prior to electing a Long-Term Interest Rate Period or Long-Term Auction Period of three years or longer duration. In addition, if the Company shall elect to change the method of determining interest on any series of Bonds, the Company shall deliver to the persons noted in Section 2.02(b) of the Indenture concurrently with the giving of notice with respect thereto, and no such change shall be effective without, a Favorable Opinion of Tax Counsel, if required by the Indenture. The Company will also notify the Tender Agent of its election pursuant to Section 3.07 of the Indenture to direct the Tender Agent to purchase certain Bonds in lieu of redemption.

Any Support Facility delivered by the Company pursuant to the Indenture must comply with the provisions of the Indenture, including but not limited to, Article V thereof.

SECTION 4.5. Obligations of Company Unconditional. The obligations of the Company to pay Subrentals and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and without any defense or any right of abatement, diminution, counterclaim or setoff. Until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with Article VII of the Indenture, the Company (i) will not suspend or discontinue or permit the suspension or discontinuance of any payment of Subrentals, (ii) will perform and observe all of its other agreements contained in this Sublease, and (iii) except as provided in Sections 9.1 and 9.2, will not terminate the Sublease Term for any cause including, without limiting the generality of the foregoing, any acts or circumsta nces that may constitute failure or defect of title to the Project or any part thereof, eviction or constructive eviction, failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State, or any political subdivision of either thereof, or any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Sublease. Nothing contained in this Section 4.5 shall be construed to release the Issuer from the performance of any of the agreements on its part herein contained; and in the event the Issuer should fail to perform any such agreement on its part, the Company may institute such action against the Issuer as the Company

may deem necessary to compel performance or recover its damages for non-performance so long as such action shall not violate the agreements on the part of the Company containe d in the first and second sentences of this Section 4.5 or decrease the Subrentals required to be paid by the Company pursuant to Section 4.3. The Company may, however, at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which the Company deems reasonably necessary in order to secure or protect its right of possession, occupancy and use hereunder, and in such event the Issuer hereby agrees to cooperate fully with the Company and to take all action necessary to effect the substitution of the Company for the Issuer in any action or proceeding if the Company shall so request.

SECTION 4.6. Assignment and Pledge of Subrentals, Rights under the Sublease. Pursuant to the Granting Clauses of the Indenture, the Issuer is concurrently assigning this Sublease and pledging and granting a security interest in all moneys receivable hereunder (except for payments under Sections 4.3(d), 6.4 and 8.4) to the Trustee as security for payment of the principal of, premium, if any, purchase price of and interest on the Bonds. The Company assents to assignment of the Sublease and the Subrentals receivable hereunder and hereby agrees that, as to the Trustee, its obligation to make such payments shall be absolute and unconditional and without any defense or right of abatement, diminution, counterclaim or setoff arising out of any breach by the Issuer or the Trustee of any obligation to the Company, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Company by the Issuer or the Trustee.

To the extent, if any, that this Sublease constitutes chattel paper (as such term is defined in the Kansas Uniform Commercial Code as in effect), no security interest in this Sublease may be created by the transfer of possession of any counterpart thereof other than the original counterpart which shall be identified as the counterpart containing the receipt therefor executed by the Trustee on or immediately following the signature page hereof.

ARTICLE V
MAINTENANCE; CHANGES IN AND REMOVAL OF PORTIONS OF THE PROJECT: TAXES AND INSURANCE

SECTION 5.1. Maintenance; Changes and Removal of Portions of the Project by Company. The Company agrees that during the Lease Term it will at its own expense pay all costs and expenses of operation, maintenance and upkeep of the Project.

The Company shall be authorized to change the Project by omitting, adding or substituting components of the Project including buying, selling or otherwise changing percentage interests in, or portions of, such components of the Project. The Company shall not be under any obligation to renew, repair or replace any inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary portion of the Project. In any instance where the Company determines that any portion of the Project has become inadequate, obsolete, worn out, unsuitable, undesirable or unnecessary, the Company may remove such portion of the Project and sell, trade in, exchange or otherwise dispose of such removed portion. The making of the aforesaid changes and the removal of portions of the Project shall be subject to the Company obtaining a legal opinion in accordance with Section 5.2 if such opinion is required by that Section 5.2.

Any portion of the Project or percentage interest in any portion of the Project changed or removed pursuant to this Section 5.1 may be disposed of by the Company free from any interest of the Issuer under this Sublease or the Trustee under the Indenture. The removal of any portion of the Project pursuant to the provisions of this Section 5.1 shall not entitle the Company to any abatement or diminution of Subrentals.

In the event of any change provided for herein, the Company and the Issuer shall revise *Exhibit A* to this Sublease to reflect such change and mail a copy of such revised *Exhibit A* to the Trustee. The consent of the Trustee shall not be required for any such revision of *Exhibit A*.

SECTION 5.2. Legal Opinion Relating to Changes or Removal of Portions of the Project. If a change in the Project or the removal of a portion of the Project pursuant to Section 5.1 would alter the physical character, useful life, or function of the Project or any substantial part thereof, the Company, prior to making any such change or removing any such

portion, shall file with the Issuer and the Trustee a Favorable Opinion of Tax Counsel with respect to such change or removal.

SECTION 5.3. Taxes and Other Governmental Charges and Utility Charges. The Company will promptly pay, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against the Company or the Issuer with respect to the Project or any portion thereof or with respect to the original issuance of the Bonds, including, without limiting the generality of the foregoing, any taxes levied against the Company or the Issuer upon or with respect to the income or profits of the Issuer from the Project or a charge on the Subrentals prior to or on a parity with the charge under the Indenture thereon and the pledge or assignment thereof to be created and made in the Indenture, and including all payments in lieu of taxes lawfully required to be paid or assessments lawfully imposed, all ad valorem taxes lawfully assessed upon the Project, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, all assessments and charges lawfully made by any governmental body against the Company or the Issuer for or on account of the Project and in addition any excise tax levied against the Company or the Issuer on the Subrentals, *provided* that, with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Company shall be obligated to pay only such installments as are required to be paid during the Lease Term.

If the Company shall first notify the Trustee of its intention so to do, the Company may, at its expense and in its own name and behalf or in the name and behalf of the Issuer, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Issuer or the Trustee shall notify the Company that by nonpayment of any such items the lien of the Indenture as to any part of the Subrentals will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly or secured by posting a bond, in form satisfactory to the Issuer, with the Trustee. The Issuer will cooperate fully with the Company in any such contest.

SECTION 5.4. Insurance Required. The Company agrees that throughout the Lease Term it will keep the Plant, including the Project, continuously insured in accordance with the applicable provisions of the Company Indenture, or cause the Plant to be so insured.

ARTICLE VI
SPECIAL COVENANTS

SECTION 6.1. No Warranty of Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the condition of the Project or as to the suitability thereof for the Company's purposes or needs.

SECTION 6.2. Access to the Project. The Company agrees that the Issuer and the Trustee and their duly authorized agents shall, subject to advance written notice and such other limitations, restrictions and requirements as the Company may reasonably prescribe for Plant security and safety reasons, at all reasonable times have such rights of access to the Project as may be reasonably necessary for the inspection of the Project during the Sublease Term.

SECTION 6.3. Company to Maintain its Corporate Existence; Conditions Under Which Exceptions Permitted. The Company agrees that during the Lease Term it will maintain in good standing its corporate existence and its qualification to do business in the State, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it; *provided* that the Company may, without violating the agreement contained in this Section 6.3, consolidate with or merge into another corporation, or permit one or more other corporations to consolidate with or merge into it, or sell or otherwise transfer to another corporation all or substantially all of its assets as an entirety and thereafter dissolve, if (a) all restrictions relating thereto in the Company Indent ure are satisfied and (b) the surviving, resulting or transferee corporation (if other than the Company) is a corporation validly organized and existing in good standing under the laws of one of the states of the United States, irrevocably and unconditionally assumes in writing all of the obligations of the Company hereunder in an instrument which is satisfactory in form and delivered to the Issuer and the Trustee and is qualified to do business in the State.

SECTION 6.4. Release and Indemnification Covenants. The Company releases the Issuer from, agrees that the Issuer shall not be liable for and agrees to hold the Issuer harmless against any loss or damage to property or any injury to or death of any person that may be occasioned by any defect in the Project or by any cause whatsoever pertaining to the Project or the use thereof; *provided* that the indemnity provided in this Section 6.4 shall be effective only to the extent of any loss that might be sustained by the Issuer in excess of the proceeds received from any insurance carried with respect to the loss sustained.

The Company will indemnify and hold the Issuer and the Trustee free and harmless from any loss, claim, damage, tax, penalty, liability (including but not limited to, liability for any patent infringement), disbursement, litigation expenses, attorneys' fees and expenses or court costs arising out of, or in any way relating to, the execution or performance of the Lease, this Sublease, the Indenture, the issuance or sale of the Bonds, acceptance or administration of the trust or other duties under the Indenture or any other cause whatsoever pertaining to the Project, except in any case as a result of the negligence or bad faith of the Issuer or the Trustee.

The obligations of the Company under this Section 6.4 shall survive termination of this Sublease.

SECTION 6.5. Financial Statements of Company. The Company agrees that during the Lease Term it will furnish to the Trustee and the Issuer audited financial statements of the Company, for and as of the end of each fiscal year of the Company, within 120 days after the end thereof, or if not then available, as soon as available, as included in the annual report of the Company to its shareholders, or, in lieu of such audited financial statements, this requirement may be satisfied by furnishing to the Trustee and Issuer, within 120 days after the end of such fiscal year, the annual report of the Company for such fiscal year in the form distributed to the shareholders of the Company.

Delivery of such information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder.

SECTION 6.6. Granting of Easements. The Issuer acknowledges the right of the Company, as lessor under the Lease, to grant non-exclusive easements, licenses, rights-of-way and other rights or privileges in the nature of easements with respect to any property or rights subject to this Sublease or the Lease.

SECTION 6.7. No Supplements or Amendments to the Indenture to Which Company Objects. So long as the Company is not in default hereunder, the Issuer agrees it will not enter into any supplement or amendment to the Indenture proposed under Article XI thereof if the Company reasonably objects to such supplement or amendment in writing.

SECTION 6.8. Company's Obligation with Respect to Exclusion of Interest Paid on the Bonds. Notwithstanding any other provision hereof, the Company covenants and agrees that it will not knowingly take or authorize or permit, to the extent such action is within the control of the Company, any action to be taken with respect to the Project, or the proceeds of the Bonds (including investment earnings thereon), insurance, condemnation, or any other proceeds derived directly or indirectly in connection with the Project, which will result in the loss of the exclusion of interest on the Bonds from federal gross income under Section 103 of the Code (except for any Bond during any period while any such Bond is held by a person referred to in Section 103(b)(13) of the 1954 Code); and the Company also will not knowingly omit to take any action in its power which, if omitted, would cause the above result. Th e Company covenants for the benefit of the Bondholders to comply with all of the requirements of Section 6.03 of the Indenture. This provision shall control in case of conflict or ambiguity with any other provision of this Sublease.

The Company covenants and agrees to notify the Trustee and the Issuer of the occurrence of any event of which the Company has notice and which event would require the Company to prepay the amounts due hereunder because of a redemption of the Bonds upon a determination of taxability.

SECTION 6.9. Covenants and Representations with Respect to Arbitrage. The Issuer, to the extent it has any control over proceeds of the Bonds, and the Company covenant and represent to each other and to and for the benefit of the purchasers and owners of the Bonds from time to time outstanding that so long as any of the Bonds remain outstanding, moneys on deposit in any fund in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be "*arbitrage bonds*" within the meaning of Section 148 of the Code, and any lawful regulations promulgated thereunder, including Sections 1.148-1 through 1.148-11 and 1.150-1 and 1.150-2 of the Income Tax Regulations, as the same exist on this date, or may from time to time hereafter be amended, supplemented or revised. Th e Company also covenants for the benefit of the Bondholders to comply with all of the provisions of the Tax Agreement. The Company reserves the right, however, to make any investment of such moneys permitted by State law, if, when and to the extent that said Section 148 or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final judgment of a court of competent jurisdiction, but only upon receipt of a Favorable Opinion of Tax Counsel with respect to such investment.

SECTION 6.10. Use of Facilities. The Project shall be used for air and water pollution control facilities and solid waste disposal facilities as described in Section 103(b)(4)(E) and (F) of the 1954 Code, or for any other purpose specified under Section 103(b)(4) of the 1954 Code.

SECTION 6.11. Payment of Prior Bonds. The Company shall, at its own expense, pay to the Prior Trustees all amounts in excess of the proceeds of the Bonds and other moneys available to the Prior Trustees necessary to accomplish the refunding of the Prior Bonds as described in Section 4.01 of the Indenture.

ARTICLE VII
ASSIGNMENT, RESUBLEASING AND TRANSFER

SECTION 7.1. Assignment and Resubleasing. This Sublease may be assigned, and the Project may be resubleased as a whole or in part, by the Company without the necessity of obtaining the consent of either the Issuer or the Trustee, subject, however, to each of the following conditions:

(a) No assignment or resubleasing (other than pursuant to Section 6.3) shall relieve the Company from liability for any of its obligations hereunder, and in the event of any such assignment or resubleasing the Company shall continue to remain primarily liable for payment of the Subrentals and for performance and observance of the other agreements on its part herein provided to be performed and observed by it to the same extent as if no assignment or resublease had been made.

(b) The assignee or resublessee shall irrevocably and unconditionally assume in writing, in an instrument which is satisfactory and delivered to the Issuer and the Trustee, the obligations of the Company hereunder to the extent of the interest assigned or resubleased.

(c) The Company shall, not less than 30 days prior to the effective date thereof, furnish or cause to be furnished to the Issuer and to the Trustee a true and complete copy of each such assignment or resublease, as the case may be.

SECTION 7.2. Transfer of Issuer's Interest in Project. The Issuer agrees that, except for the assignment of this Sublease and the Subrentals hereunder to the Trustee pursuant to the Indenture, it will not sell, assign, convey, mortgage, encumber or otherwise dispose of any part of its interest in the Project (except as permitted by the Lease and Sublease pursuant to Sections 6.1 and 5.1 thereof and hereof, respectively), the Sublease (except as permitted by Section 5.1 hereof) or the Subrentals during the Sublease Term. If the laws of the State at the time shall so permit, nothing contained in this Section 7.2 shall prevent the consolidation of the Issuer with, or merger of the Issuer into, or transfer of the complete interest of the Issuer in the Project to, any public corporation whose property and income are not subject to taxation and which has corporate authority to carry on the business of owning and leasing the Project; *provided* that upon any such consolidation, merger or transfer, the due and punctual payment of the principal of, premium, if any, and interest on the Bonds according to their tenor, and the due and punctual performance and observance of all the agreements and conditions of this Sublease to be kept and performed by the Issuer, shall be expressly irrevocably and unconditionally assumed in writing in an instrument which is satisfactory and delivered to the Company and the Trustee by the entity resulting from such consolidation or surviving such merger or to which the Issuer's complete interest in the Project shall be transferred.

ARTICLE VIII
EVENTS OF DEFAULT AND REMEDIES

SECTION 8.1. Events of Default Defined. The following shall be "events of default" under this Sublease, and the terms "event of default" or "default" shall mean, wherever they are used in this Sublease, any one or more of the following events:

(a) Failure by the Company to pay or cause to be paid that portion of the Subrentals which is attributable to the interest due or becoming due on any of the Bonds for a period of five days after the same shall become due and payable.

(b) Failure by the Company to pay or cause to be paid that portion of the Subrentals which is attributable to the principal of, or premium, if any, on any of the Bonds for a period of one day after the same shall become due and payable.

(c) Failure by the Company to pay or cause to be paid that portion of the Subrentals which is attributable to the purchase price of any of the Bonds after the same shall become due and payable.

(d) Failure by the Company to observe and perform any covenant, condition or agreement in the Lease or this Sublease on its part to be observed or performed, other than as referred to in subsections (a), (b) and (c) of this Section 8.1, for a period of 90 days after written notice, specifying such failure and requesting that it be remedied, is given to the Company by the Issuer or the Trustee. Notwithstanding the foregoing, under no circumstances shall failure by the Company to observe any covenant, agreement or representation in the Lease or this Sublease, which failure results in a mandatory redemption as provided in Section 9.2, be considered, in and of itself, an "event of default" under this Section 8.1 unless the mandatory redemption provided in said Section 9.2 shall not occur in accordance with the terms of said Section 9.2.

(e) An "event of default" as defined in Section 8.01 of the Indenture shall have occurred and be continuing.

A default under clause (d) of this Section 8.1 is not an Event of Default until the Trustee or the holders of at least 25% in principal amount of the Bonds then outstanding give the Issuer and the Company a notice specifying the default, demanding that it be remedied and stating that the notice is a "Notice of Default" and the Company does not cure the default within 30 days after receipt of the notice, or within such longer period as the Trustee shall agree to. The Trustee shall not unreasonably refuse to agree to a longer period if the default cannot reasonably be cured within 30 days after receipt of the notice and the Company has begun within 30 days and continued diligent efforts to correct the default. The foregoing provisions of clause (d) of this Section 8.1 are subject to the further qualification that if by reason of force majeure the Company is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Company contained in Article IV and Sections 5.3, 6.3, 6.4, 7.1 and 8.4, the Company shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean the following: acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Company. The Company agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Company from carrying out its agreements; *provided* that the settlement of strikes, lockouts and o ther industrial disturbances shall be entirely within the discretion of the Company, and the Company shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Company unfavorable to the Company.

SECTION 8.2. Remedies on Default. In the event any of the Bonds shall at the time be outstanding and provision for the payment thereof shall not have been made in accordance with the provisions of the Indenture, whenever any event of default referred to in Section 8.1 shall have happened and be continuing, the Issuer may take any one or more of the following remedial steps:

(a) The Issuer may declare, as liquidated damages, all Subrentals payable under Section 4.3(a) for the remainder of the Sublease Term to be immediately due and payable, whereupon the same shall become immediately due and payable.

(b) The Issuer may take whatever action which may be available at law or in equity, including mandamus, as may appear necessary or desirable to collect the Subrentals then due and thereafter to become due or to enforce the performance and observance of any obligation, agreement or covenant of the Company under this Sublease.

Any amounts collected pursuant to action taken under this Section 8.2 shall be paid to the Trustee and applied in accordance with the provisions of Section 8.10 of the Indenture, or if the Bonds have been fully paid (or provision for payment thereof has been made in accordance with the provisions of the Indenture), such amounts shall be paid to the Company.

SECTION 8.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Sublease or under the Indenture or now or hereafter existing at law or in equity or by statute; *provided, however,* that no remedy shall be exercised in any manner so as to impair the payment of principal of, premium, if any, purchase price of, or interest on any of the Bonds. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Art icle VIII, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

SECTION 8.4. Agreement to Pay Attorneys' Fees and Expenses. In the event the Company should default under any of the provisions of this Sublease and the Issuer and the Trustee should employ attorneys or incur other reasonable expenses for the collection of the Subrentals or the enforcement of the performance or observance of any obligation or agreement of the Company herein contained, the Company agrees that it will on demand therefor pay to the Issuer and the Trustee the reasonable fees and expenses of such attorneys and such other reasonable expenses so incurred by the Issuer or the Trustee.

SECTION 8.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Sublease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver shall be effective unless in writing and signed by the party making the waiver. The Issuer shall have no power to waive any default hereunder by the Company without the consent of the Trustee to such waiver.

SECTION 8.6. Remedial Rights Assigned to the Trustee. Upon the execution and delivery of the Indenture and the issuance and delivery of the Bonds, the Issuer will, pursuant to the Indenture, have assigned to the Trustee all rights and remedies conferred upon or reserved to the Issuer by this Sublease, reserving only its rights under Section 4.3(d), Section 6.4 and Section 8.4. The Issuer and the Company agree that the Trustee shall have the exclusive right to exercise such rights and remedies conferred upon or reserved to the Issuer by this Sublease in the same manner and to the same extent, but under the limitations and conditions imposed hereby, that the Trustee is authorized to exercise rights and remedies upon the occurrence of an event of default under the Indenture.

ARTICLE IX
PREPAYMENT OF SUBRENTALS

SECTION 9.1. Options to Prepay. The Company shall have the following option to prepay Subrentals payable under this Sublease:

(a) At any time, the Company may prepay any and all the Subrentals payable under this Sublease by paying to the Trustee moneys or U.S. Government Obligations the principal of and interest on which U.S. Government Obligations when due, when added to the amount on deposit with the Trustee and available for the purpose, will be sufficient to pay, retire and redeem all the outstanding Bonds in accordance with the provisions of Article VII of the Indenture (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable redemption date, as the case may be, premium, if any, expenses of redemption and the fees and expenses of the Trustee and Issuer), and in case of redemption,

making arrangements satisfactory to the Trustee for the giving of the required notice of redemption, whereupon the Sublease Term shall terminate.

(b) At any time, the Company may prepay any portion of the Subrentals payable under this Sublease for deposit with the Trustee in order to redeem Bonds as set forth in the Indenture and the Bonds.

SECTION 9.2. Extraordinary Mandatory Prepayment of Subrentals in Whole or in Part. In the event of a mandatory redemption of the Bonds, the Company shall prepay the Subrentals payable hereunder in an aggregate amount that shall be sufficient to provide for such redemption.

If such prepayment of Subrentals and the resulting redemption shall occur in accordance with the terms hereof, then failure by the Company to observe a covenant, agreement or representation in the Lease or this Sublease (which failure results in such redemption) shall not in and of itself constitute an "event of default" under Section 8.1 hereof or Section 8.01 of the Indenture.

ARTICLE X
MISCELLANEOUS

SECTION 10.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed as provided in the Indenture.

SECTION 10.2. Other Instruments. The Issuer and the Company will execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, from time to time, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be or for carrying out the intention of or facilitating the performance of this Sublease.

SECTION 10.3. Binding Effect. This Sublease shall inure to the benefit of and shall be binding upon the Issuer, the Company and their respective successors and assigns, subject, however, to the limitations contained in Section 6.3 and Article VII.

SECTION 10.4. Severability. In the event any provision of this Sublease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 10.5. Amounts Remaining under the Indenture. It is agreed by the parties hereto that any amounts remaining under the Indenture upon the expiration or sooner termination of the Sublease Term, as provided in this Sublease, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of Article VII of the Indenture), the fees, charges and expenses of the Trustee and the Issuer in accordance with the Indenture and all other amounts required to be paid under the Lease, this Sublease or the Indenture shall belong to and shall be paid to the Company by the Trustee as overpayment of Subrentals.

SECTION 10.6. Project to be Personalty. The Project and every part thereof shall be deemed to be personal property and not fixtures or real estate, whatever the manner of affixation.

SECTION 10.7. Issuer Not Liable. Notwithstanding any other provision of this Sublease, (a) the Issuer shall not be liable to the Company, the Trustee, any holder of any of the Bonds, or any other person for any failure of the Issuer to take action under this Sublease unless the Issuer (i) is reasonably requested in writing by an appropriate person to take such action and (ii) is assured of payment of or reimbursement for any expenses in such action as provided by Section 4.3(d), and (b) neither the Issuer nor any member of the governing body or any other official of the Issuer shall be liable to the Company, the Trustee, any holder of any of the Bonds, or any other person for any action taken by it or by its officers, servants, agents or employees, or for any failure to take action under this Sublease, except from funds received pursuant to this Sublease or the Indenture.

No provision, covenant or agreement contained in this Sublease, the Indenture or the Bonds, or any obligation herein or therein imposed upon the Issuer, or the breach thereof,

shall constitute or give rise to or impose upon the Issuer a pecuniary liability or a charge upon the general credit or taxing powers of the Issuer or the State. The Bonds shall not be payable from or a charge upon any funds other than the revenues pledged to the payment thereof under the Indenture, and the Issuer shall not be subject to any liability thereon. No owner or owners of any of the Bonds shall ever have the right to compel any exercise of the taxing power of the Issuer to pay any such Bonds or the interest thereon, or to enforce payment thereon against any property of the Issuer. The Bonds shall not constitute a charge, lien or encumbrance, legal or equitable, upon any property of the Issuer. The Company covenants and agrees that it will perform, on behalf of the Issuer, all affirmative obligations of the Issuer under the Indenture and this Sublease, except such affirmative obligations that only the Issuer may legally perform.

No covenant or agreement contained in the Bonds or in the Indenture shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the Issuer in his or her individual capacity, and neither the members of the Issuer nor any official executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

SECTION 10.8. Amendments. Subsequent to the issuance of the Bonds and prior to the payment in full of all Bonds (or provision for the payment thereof having been made in accordance with the provisions of Article VII of the Indenture), this Sublease may not be amended, changed, modified, altered or terminated except as provided in Article XI of the Indenture.

SECTION 10.9. Net Lease. This Sublease shall be deemed and construed to be a "net lease," and the Company shall pay absolutely net during the Sublease Term the Subrentals and all other payments required hereunder, without abatement, diminution, counterclaim or set-off.

SECTION 10.10 Approvals. Whenever under the provisions of this Sublease the approval of the Company is required, or the Issuer is required to take some action at the request of the Company, such approval shall be given or such request shall be made by the Company Representative unless otherwise specified in this Sublease, and the Issuer shall be authorized to act on any such approval or request, and the Company shall have no complaint or recourse against the Issuer as a result of any such action taken.

SECTION 10.11. Covenant Against Default. The Issuer covenants and agrees that it will not take any action which would result in the occurrence of an "event of default" as such term is defined in the Lease, this Sublease or the Indenture and will, at the expense of the Company, take all actions necessary to prevent any such default.

SECTION 10.12. References to Bonds Ineffective After Bonds Paid. Upon payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of Article VII of the Indenture), all fees and charges of the Trustee and all other liabilities of the Company accrued under this Sublease and the Lease, all references in this Sublease to the Bonds and the Trustee shall be ineffective, and neither the Trustee nor the holders of any of the Bonds shall thereafter have any rights hereunder, excepting those that shall have theretofore vested.

SECTION 10.13. If Payment or Performance Date a Non-Business Day. If the date for making any payment, or the last date for performance of any act or the exercise of any right, as provided in this Sublease, shall not be a Business Day, such payment may be made or act performed or right exercised on the next Business Day, with the same force and effect as if done on the nominal date provided in this Sublease, and no interest shall accrue for the period after such nominal date to the date of performance.

SECTION 10.14. Headings Not Part of Lease. Any headings preceding the text of the articles and sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this Sublease, and shall not affect its meaning, construction or effect.

SECTION 10.15. Execution of Counterparts. This Sublease may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 10.16. Kansas Law Governs. This Sublease shall be governed by, and construed in accordance with, the laws of the State.

IN WITNESS WHEREOF, the Issuer and the Company have caused this Sublease to be executed in their respective corporate names and their respective seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

CITY OF BURLINGTON, KANSAS

BY /s/Dr. L. Dean Kirchner
Mayor

ATTEST:

/s/Daniel K. Allen
City Clerk

KANSAS CITY POWER & LIGHT COMPANY

BY /s/B. J. Beaudoin
Executive Vice President and
Chief Financial Officer

ATTEST:

/s/Jeanie Sell Latz
Corporate Secretary

The Bank of New York, as the Trustee referred to in the attached Sublease, hereby acknowledges receipt of the attached Sublease, which Sublease shall be the original counterpart of such Sublease as described in Section 4.7 of such Sublease and for purposes of the Uniform Commercial Code.

Dated this 11 day of August, 1998

By /s/Shanti Singh
Authorized Signatory

The interest of the City of Burlington, Kansas, in the Subrentals and other moneys payable by the Company to the Issuer under this Sublease, except rights to payments under Sections 4.3(d), 6.4 and 8.4 of this Sublease, and certain other rights of the Issuer under this Sublease have been assigned and pledged to The Bank of New York, as Trustee, under the Indenture of Trust dated as of August 1, 1998, from the Issuer, to secure Environmental Improvement Revenue Refunding Bonds (Kansas City Power & Light Company Project) Series 1998A, Series 1998B, Series 1998C and Series 1998D of the Issuer.

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

BE IT REMEMBERED, that on this 11 day of August, 1998, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came L. Dean Kirchner, Mayor of the City of Burlington, Kansas, and Daniel K. Allen, City Clerk of said Issuer, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said Issuer, and such persons duly acknowledged the execution of the same to be the act and deed of said Issuer.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

[SEAL]

Typed Name:

Jacquetta L. Hartman
Notary Public, State of Missouri
County of Ray
My Commission Expires 04/08/00

My commission expires:

STATE OF MISSOURI)
) SS.
COUNTY OF JACKSON)

BE IT REMEMBERED, that on this 11 day of August, 1998, before me, the undersigned, a Notary Public in and for the County and State aforesaid, came B.J. Beaudoin, Executive Vice President and Chief Financial Officer of Kansas City Power & Light Company, and Jeanie Sell Latz, Corporate Secretary of said corporation, who are personally known to me to be such officers, and who are personally known to me to be the same persons who executed, as such officers, the within instrument on behalf of said corporation and such persons duly acknowledged the execution of the same to be the act and deed of said Corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, the day and year last above written.

/s/Jacquetta L. Hartman
Notary Public

Typed Name:

Jacquetta L. Hartman
Notary Public, State of Missouri
County of Ray
My Commission Expires 04/08/00

My commission expires:

EXHIBIT A

To Equipment Lease Agreement, dated as of August 1, 1998, between Kansas City Power & Light Company and City of Burlington, Kansas and to Equipment Sublease Agreement, dated as of August 1, 1998, between the City of Burlington, Kansas, and Kansas City Power & Light Company.

The Project consists of (i) the facilities financed with the proceeds of the Series 1985 Bonds (the *"1985 Project"*) and (ii) the facilities financed with the proceeds of the 1987 Bonds (the *"1987 Project"*).

SECTION I

The 1985 Project consists of the following undivided interests in the Company's undivided interest in the following described components and related equipment and facilities acquired, constructed and installed on the Project Site at the Wolf Creek Generating Station in Coffey County, Kansas.

A 5.483% undivided interest in:

the Circulating Water Cooling System, which includes a circulating water piping system, circulating water pumphouse, circulating water make-up system and an approximately 5,000 acre circulating water reservoir.

A 24.461% undivided interest in:

(1) the Oil Waste Treatment System;
(2) the Lime Sludge Pond;
(3) the Settling Pond;
(4) the Yard Drainage System;
(5) the Secondary Liquid System;

(6) the Liquid Radwaste System;
(7) the Sanitary Waste Treatment Systems;
(8) the Solid Radwaste System; and
(9) the Chemical Waste Treatment System.

A 34.455% undivided interest in:

(1) the Boron Recycle System;
(2) the Chemical Volume Control Letdown; Waste Generator Blowdown System;
(3) the Steam Generator Blowdown System;
(4) the Control Building Ventilation Exhaust System;
(5) the Auxiliary Building Ventilation Exhaust System;
(6) the Condensor Air Removal System;
(7) the Containment Atmospheric Control System;
(8) the Containment Purge System; and
(9) the Radiation Monitoring System.

A 16.227% undivided interest in:

(1) the Make-up Water Treatment Chemical Waste System;
(2) the Gaseous Radwaste System;
(3) the Decontamination System;
(4) the Condensate Polisher Resin Regeneration; and
(5) the Spent Fuel Facility.

A 3.059% undivided interest in:

the Radwaste Building and Tunnel.

A 100% undivided interest in:

(1) the wastewater treatment facility; and
(2) the environmental monitoring facilities.

SECTION II

The 1987 Project consists of the following undivided interests in the Company's undivided interest in the following described components and related equipment and facilities acquired, constructed and installed on the Project Site at the Wolf Creek Generating Station in Coffey County, Kansas:

A 28.070% undivided interest in:

the Circulation Water Cooling System, which includes a circulating water piping system, circulating water pumphouse, circulating water make-up system and an approximately 5,000 acre circulating water reservoir.

A 29.698% undivided interest in:

the Sewage Treatment Plant.

A 23.742% undivided interest in:

(1) the Oil Waste Treatment Plant;
(2) the Lime Sludge Pond;
(3) the Settling Pond;
(4) the Yard Drainage System;
(5) the Secondary Liquid System;

(6) the Liquid Radwaste System;
(7) the Sanitary Waste Treatment Systems;
(8) the Solid Radwaste System; and
(9) the Chemical Waste Treatment System.

A 33.239% undivided interest in:

the Radwaste Building and Tunnel.

A 35.520% undivided interest in:

(1) the Boron Recycle System;
(2) the Chemical Volume Control Letdown; Waste Generator Blowdown System;
(3) the Steam Generator Blowdown System;
(4) the Control Building Ventilation Exhaust System;
(5) the Auxiliary Building Ventilation Exhaust System;
(6) the Condensor Air Removal System;
(7) the Containment Atmospheric Control System;
(8) the Containment Purge System; and
(9) the Radiation Monitoring System.

A 54.192% undivided interest in:

the Waste Storage Warehouse.

A 83.883% undivided interest in:

(1) the Make-up Water Treatment Chemical Waste System;
(2) the Gaseous Radwaste System;
(3) the Decontamination System;
(4) the Condensate Polisher Resin Regeneration; and
(5) the Spent Fuel Facility.

EXHIBIT B

To Equipment Lease Agreement, dated as of August 1, 1998, between Kansas City Power & Light Company and the City of Burlington, Kansas and to Equipment Sublease Agreement, dated as of August 1, 1998, between the City of Burlington, Kansas and Kansas City Power & Light Company.

THE PROJECT SITE

The Project Site consists of the following land and easements:

Beginning at the W 1/4 Cor Sec 24-T20S-Rl5E, thence East to the NE Cor W 1/2 W 1/2 SE 1/4 of said Sec 24, thence South to the SE Cor W 1/2 NW 1/4 NE 1/4 Sec 25-T20S-Rl5E, thence West to the West line of NE 1/4 of said Sec 25, thence South to the S 1/4 Cor said Sec 25, thence West to a point 797.8 feet East of the NW Cor NW 1/4 Sec 36-T20S-Rl5E, thence South 520 feet, thence Southeasterly to a point 1020 feet West of the SE Cor N 1/2 NW 1/4 of said Sec 36, thence South 200 Feet, thence West 621.85 feet, thence South 1198.97 feet, thence Southeasterly 350.7 feet to a point 180 feet South of the NE Cor W 1/2 SW 1/4 of said Section 36, thence South to the NE Cor SW 1/4 SW 1/4 of said Sec 36, thence East to the East line of W 1/2 of said Sec 36, thence South to the S 1/4 Cor of said Sec 36, thence East to the SW Cor E 1/2 SE 1/4 SE 1/4 of said Sec 36, thence North to the NW Cor E 1/2 SE 1/4 SE 1/4 of said Sec 36, thence East to the NE

Cor W 1/2 SW 1/4 SW 1/4 Sec 31-T20S-Rl6E, thence South to th e SE Cor of said W 1/2 SW 1/4 SW 1/4, thence East to the NE Cor Sec 6-T21S-Rl6E, thence South to the NW Cor S 1/2 N 1/2 Sec 5-T21S-Rl6E thence East to the NE Cor SW 1/4 NW 1/4 Sec 4-T21S-Rl6E, thence South to the SE Cor SW 1/4 SW 1/4 of said Sec 4, thence West to the NE Cor Sec 8-T21S-Rl6E, thence South to the SE Cor of said Sec 8, thence West 1704.96 feet, thence South to the North line S 1/2 NE 1/4 Sec 17-T21S-Rl6E, thence East to the NE Cor S 1/2 NW 1/4 Sec 16-T21S-Rl6E, thence South to the S 1/4 Cor Sec 21-T21S-Rl6E, thence West to a point 450 feet West of SE Cor Sec. 20-T21S-Rl6E, thence South to a point 450 feet West of the E 1/4 Cor Sec 29-T21S-Rl6E, thence West to the center of said Sec 29, thence South to the SE Cor N 1/2 SW 1/4 of said Sec 29, thence West to the SW Cor of said N 1/2 SW 1/4, thence North to the SE Cor of the North 70 acres of the SE 1/4 Sec 30-T21S-Rl6E, thence West to the SW Cor of the North 70 acres of said SE 1/4, thence North to the center of said Sec 30, thence West to the W 1/ 4 Cor of said Sec 30, thence North to the NW Cor of said Sec 30, thence West to the SW Cor E 1/2 E 1/2 SE 1/4 of Sec 24-T21S-Rl5E, thence North to the NW Cor of said E 1/2 E 1/2 SE 1/4, thence East to the SE Cor NE 1/4 of said Sec

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24, thence North to the SE Cor NE 1/4 SE 1/4 Sec 13-T21S-RI5E, thence West to the SW Cor of said NE 1/4 SE 1/4, thence North to the NW Cor of said NE 1/4 SE 1/4, thence West to the center of said Sec 13, thence North to the N 1/4 Cor said Sec 13, thence West to the SW Cor SE 1/4 SW 1/4 of Sec 12-T21S-Rl5E, thence North to the NW Cor of said SE 1/4 SW 1/4, thence West to the SW Cor NW 1/4 SW 1/4 of said Sec 12, thence North to the NW Cor of said Sec 12, thence West to the SW Cor E 1/2 SE 1/4 Sec 2-T21S-Rl5E, thence North 1700 feet, thence West 670 feet, thence North to the North line S 1/2 NE 1/4 of said Sec 2, thence West to the NW Cor S 1/2 NE 1/4 of said Sec 2, thence North to a point 1050 feet South of the North line of said Sec 2, thence West 600 feet, thence North to a point 720 feet West of NE Cor SE 1/4 Sec 34-T20S-Rl5E, thence East to the center of Sec 35-T20S-Rl5E, thence North to the center of Sec 26-T20S-Rl5E, thence East to the SE Cor W 1/2 SE 1/4 NE 1/ 4 of said Sec 26, thence North to the NE Cor of said W 1/2 SE 1/4 NE 1/4, thence East to the East line of said Sec 26, thence North to the W 1/4 Cor Sec 24-T20S-Rl5E being the point of beginning, except Stringtown Cemetery and except a tract in the NE 1/4 NE 1/4 Sec 1-T21S-Rl5E described as beginning at a point 1060.0 feet South of NE Cor said NE 1/4, thence West 446.9 feet, thence South 730.0 feet, thence East 446.0 feet, thence North 726.2 feet to point of beginning.

With respect to the following properties, which are contained within the above perimeter description, said properties are held by way of an easement acquired by way of condemnation and are subject to certain rights of reversion:

The Southeast 1/4 of the Southwest 1/4 of Section 35, Township 20 South, Range 15 East, and a tract beginning at the Northwest corner of the South 1/2 of the Southeast Quarter of Section 35, Township 20 South, Range 15 East; thence South 89 degrees, 53 minutes, 38 seconds, East, 410.00 feet along the North line of the South one-half of said quarter section; thence South 00 degrees, 38 minutes, 42 seconds, West, 400.00 feet parallel with the West line of said quarter section; thence South 46 degrees, 16 minutes, 17 seconds, West, 148.58 feet; thence North 89 degrees, 53 minutes, 38 seconds, West, 303.79 feet to a point on the West line of said quarter section; thence North 00 degrees, 38 minutes, 42 seconds, East, 502.91 feet to the Point of Beginning.

A tract in Section 1, Township 21 South, Range 15 East described as commencing at a point situated in the center of Wolf Creek about 41 rods West of the Southeast corner of said Section 1 thence West on said section line to another point in the center of said Wolf Creek, thence down the center of said creek to the place of beginning.

The East 1/2 of the Northwest 1/4, the East 1/2 of the Southwest 1/4, the Northwest 1/4 of the Southwest 1/4, the West 1/2 of the Northeast 1/4 and the Northeast 1/4 of the Northeast 1/4 of Section 12, Township 21 South, Range 15 East, except that part of the North 1/2 of the Northeast 1/4 of Section 12 lying North of Wolf Creek.

The North 1/2 of the Southwest 1/4 of the Northeast 1/4 and the Southwest 1/4 of the Southwest 1/4 of the Northeast 1/4 of Section 30, Township 21 South, Range 16 East.

The West 1/2 of the Northwest 1/4 of Section 29 and the Southeast 1/4 of the Northeast 1/4 and the Southeast 1/4 of the Southwest 1/4 of the Northeast 1/4 of Section 30, all in Township 21 South, Range 16 East.

The South 1/2 of the Southwest 1/4 of Section 19, Township 21 South, Range 16 East, except tract 16 rods X 20 rods for school located in Southeast corner hereof.

SECURED PROMISSORY NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES OR BLUE SKY LAWS OF ANY OTHER JURISDICTION OR POLITCIAL SUBDIVISION (THE "OTHER LAWS") AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF REGISTRATION OR QUALIFICATION UNDER THE ACT AND OTHER LAWS OR AN EXEMPTION FROM REGISTRATION OR QUALIFICATION THEREUNDER.

$3,407,022

Date of Issuance: December 23, 2002
Effective as of December 1, 2002

FOR VALUE RECEIVED, the undersigned, R. S. Andrews of Maryland, Inc., a Georgia corporation ("Maker"), hereby promises to pay to the order of Richard Roeder, Jr., his successors and assigns or order (the "Holder"), at Maker's principal offices, or such other place as the Holder may direct, the principal sum of Three Million, Four Hundred Seven Thousand Twenty-Two Dollars and 00/100 ($3,407,022.00) plus interest on the principal amount outstanding at the rate per annum equal to three and two-hundredths percent (3.02%) (the "stated rate"). Principal and accrued interest shall be payable in monthly installments, in accordance with the amortization schedule attached hereto as Exhibit A (as adjusted from time to time in accordance herewith), beginning on January 1, 2003, and continuing for a period of sixty (60) months (as such period may be shortened or lengthened from time to time in accordance herewith) until paid in full. Beginning on January 15, 2004, Maker shall cause the Chief Financial Officer of R.S. Andrews Enterprises, Inc. ("RSAE"), or such other senior financial officer as he may designate, to: (i) determine the Free Cash Flow (as hereinafter defined) of Maker for the prior twelve (12) month period ending on December 31, 2003; and (ii) prepare a new amortization schedule for the remaining installment payments hereunder so that the ensuing adjusted installment payments, beginning on February 1, 2004, equal one-twelfth (1/12) of the Free Cash Flow as so determined (or the remaining balance of principal and interest, if less) and the number of months for payment is lengthened or shortened to conform to the outstanding principal balance using the same stated rate of interest. On July 15, 2004, the Chief Financial Officer, or such other senior financial officer as he may designate, shall repeat such process by determining the Free Cash Flow for the twelve month period ending June 30, 2004, with the ensuing installment paymen ts, adjusted as provided above, beginning on August 1, 2004. The process shall be repeated on each subsequent January 15 and July 15, with adjusted payments beginning on each subsequent February 1 and August 1, respectively, until principal and interest is paid in full, unless sooner paid as provided herein or in the Transaction Documents (as defined in the Security Agreement). Provided, however, that in the event that the employment of Richard Roeder, Jr. with Maker is terminated, no adjustment as provided above will result in any subsequent monthly installment payment being less than two-thirds (2/3) of the monthly installment payment in effect as of the date of such termination. Any dispute or controversy over the determination of Free Cash Flow shall be submitted to binding arbitration as provided below.

Immediately upon determining Free Cash Flow and the revised amortization schedule as provided herein, the Chief Financial Officer of RSAE will provide to Holder, by written notice as provided in Section 12 of the Security Agreement, a copy of the calculation and backup support for the numbers used in the calculation, tied into Maker's accounting records. Holder or his accountants or advisors shall, subject to prior notice, have access at all reasonable times during business hours to the books and records (and the right to make copies thereof) of Maker for purposes of determining the validity of such calculations.

For purposes of this Note, "Free Cash Flow" means, for any period of twelve (12) consecutive months, (i) Operating Cash Flow (as defined below) of Maker for such period minus (ii) the sum of Maker's (a) taxes, federal and state, imposed on income, to the extent actually paid, and (b) total interest expense (including non-cash interest, but excluding intercompany interest payments, tax penalties and interest thereon, and back taxes, whether or not paid), and (c) cash disbursed for depreciable assets as approved by Holder, whose approval shall not be unreasonably withheld, provided however that only the current portion of depreciation or amortization of such assets shall be treated as a disbursement in the applicable twelve month period. "Operating Cash Flow" means (x) all cash receipts from sales of any kind to customers in the ordinary course of Maker's business, minus (y) all cash disbursements for inventory, supplies, payroll (including, without limitat ion, bonuses to Holder under Maker's Annual Incentive Plan for General Managers), professional fees, rent, and other operating expenses required in the ordinary course of Maker's business operations. The foregoing notwithstanding, payments under Section 14(i) of the General Agreement, the Note, Security Agreement, Pledge Agreement, or Guaranty shall not be deducted in the calculation of Operating Cash Flow. Capital leases will be treated as operating leases for purposes of the calculation of Operating Cash Flow.

For purposes of illustration only, attached hereto as Exhibit B are examples of the amortization schedule adjustments based on Free Cash Flow surpluses or deficiencies.

This Note is intended to evidence a full recourse obligation of Maker. If any scheduled installment remains unpaid for thirty (30) days following receipt by Maker of notice from Holder that such installment is past due, the interest rate applied to the installment (whether or not adjusted as provided above) from the date it is past due until paid shall be the lesser of (i) the maximum rate permitted by applicable law or (ii) the stated rate increased by a factor of six percent (6%) per annum ("increased interest"). For the avoidance of doubt, the increased interest rate shall apply to only the unpaid principal installment and not to accrued but unpaid interest or fees or charges or to any portion of principal which is due in advance of the normal amortization schedule as a result of acceleration. Holder shall retain all other rights and remedies available to a secured party under applicable law, including, without limitation, the Uniform Commercial Code of the State of Georgia or the Stat e where such rights are asserted.

This Note is executed in connection with the transactions pursuant to that certain General Agreement (the "General Agreement") of even date herewith, by and among Holder, RSAE, and Maker.

This Note is executed and delivered together with a Security Agreement by and between Maker and Holder (the "Security Agreement") by which Maker has granted to Holder a security interest in all of its assets, as more fully set forth therein as security for the obligations evidenced by such Note.

In addition, this Note is executed and delivered together with a Pledge Agreement by and between RSAE and Holder (the "Pledge Agreement"), by which RSAE has pledged to Holder, among other things, its right, title, and interest in and to all of the shares of the capital stock of Maker held or later acquired by RSAE as security for the obligations evidenced by such Note.

Holder may declare the entire outstanding principal amount of this Note and any accrued interest owing thereon immediately due and payable:

(i) upon the occurrence of a Change of Control of Maker (as defined below) and if the entire outstanding principal amount of this Note and any accrued interest owing thereon is not paid in full within 10 days thereafter;

(ii) if an Event of Default (as hereinafter defined) occurs hereunder and is not cured within six (6) months; provided, however, that for purposes of determining such six month period, an Event of Default shall be deemed continuing from the time of an initial Event of Default until the time that such initial Event of Default and all subsequent Events of Default occurring after such initial Event of Default are fully cured at the same time, it being the intention of the parties that once begun, the period of default shall continue without interruption, whether or not the initial Event of Default or any subsequent Event of Default has been cured, until all outstanding Events of Default have been cured;

(iii) Maker makes a general assignment for the benefit of creditors; or

(iv) any proceeding is instituted by or against the Maker seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debt under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking the entry of an order for relief or for any substantial part of its property, and with respect to any such proceeding instituted against Maker, such proceeding is not dismissed within 90 days of commencement.

For purposes of this Note, a "Change of Control" shall be deemed to have occurred with respect to Maker upon the occurrence of any of the following events in a transaction or series of transactions: (A) the sale of all or substantially all of the assets of Maker or RSAE; (B) the sale of 50% or more of the capital stock of Maker or RSAE or issuance of additional shares of Maker or RSAE constituting, in the aggregate, 50% or more of the capital stock of Maker or RSAE (except to an ESOP or the current management group, in which Holder has a substantial participation, or to financial or institutional (i.e., not industry-based) investors who do not substantially change management, direction or operations of RSAE or RSAM; or (C) a merger or consolidation of Maker or RSAE with or into any other entity; provided, however, that any such transactions, alone or in combination, shall not constitute a "Change of Control" if (i) control of Maker is retained by Home Service Solutions, Inc. ("HSS"), Great Plains Energy Incorporated ("Great Plains") or Kansas City Power & Light ("KCPL"), its or their

direct or indirect subsidiaries or any entity who, through one or more intermediaries controls, is controlled by, or is under common control with, Maker, HSS, Great Plains or KCPL, or its or their commercial lenders, including LaSalle Bank, N.A., or a trust or holding company established for its or their sole benefit. As used in this paragraph, "sale" means any sale, conveyance, transfer, gift, assignment, disposition or alienation of any nature, but shall exclude a sale of the Collateral pursuant to the Security Agreement or the RSAM Stock pursuant to the Pledge Agreement; and "control" means the possession, directly or indirectly, of either (i) fifty percent (50%) or more of the outstanding voting equity of a given entity, or (ii) the power to direct or cause the direction of management and policies of a person or entity, whether through the ownership of voting securities, by contract, or otherwise.

Each of the following shall constitute an Event of Default hereunder: (i) Maker fails to pay any amount due and payable under this Note (a "Payment Default"), or (ii) (A) there is a material breach or default under, or Maker or RSAE fails in any material respect to perform any of its duties or obligations as specified in (1) that certain secured promissory note, in the principal amount of $655,926.00 dated as of even date herewith, by RSAE in favor of Chamberlain & Cansler, Inc. (the "C&C Note"), (2) the Security Agreement, (3) the Pledge Agreement, or (4) the Limited Recourse Corporate Guaranty executed in connection herewith, including, in each case their respective amendments and supplements thereto, restatements thereof and renewals, extensions, restructurings and refinancings thereof, and (B) Maker or RSAE, as applicable, does not cure said breach or default within ten (10) days after notice thereof from Holder (a "Cross Default"). For purpos es of this paragraph, "material" means greater than Twenty-Five Thousand Dollars ($25,000) in value in any single instance or One Hundred Thousand Dollars ($100,000) in value in the aggregate.

Upon the occurrence of a Payment Default, Holder shall have the right (and shall, if reasonably possible, exercise such right in order to cure a Payment Default) to access seventy-five percent (75%) of Maker's Free Cash Flow and draw upon the Free Cash Flow to such degree as necessary to cure such Payment Default. Promptly following any such Payment Default and on the first day of each month thereafter as long as the Payment Default remains uncured, Maker shall cause the Chief Financial Officer of RSAE, or such other financial officer as he may designate, to certify to Holder the amount of Maker's Free Cash Flow available and also provide instructions to Holder regarding access to or payments from the Free Cash Flow. The percentage of Maker's Free Cash Flow upon which Holder may draw upon shall increase by five percent (5%), per month, up to a maximum of ninety percent (90%), until all past due installments are paid in full. Notwithstanding the foregoing, if Holder accesses Maker's Free Ca sh Flow at any time between July 1, 2003 and December 31, 2003 in order to cure a Payment Default, Holder shall have the right to access one hundred percent (100%) of Maker's Free Cash Flow and draw upon the Free Cash Flow to such degree as necessary to cure such Payment Default. In the event that more than one installment under this Note is past due at any one time, any increased percentage of Maker's Free Cash Flow that Holder may draw upon shall remain at the increased level until all such past due installments are paid. Payments shall be applied first toward interest that is due and payable, then toward past due installments in order of maturity, then to current installments of principal that are due and payable in the manner specified by Maker.

In the event an action is instituted to enforce or interpret any of the terms of this Note including but not limited to, any action or participation by the Maker in, or in connection with, a case or proceeding under the Bankruptcy Code or any successor statute, the prevailing party shall be entitled to recover all expenses reasonably and actually incurred at, before and after trial and on appeal or review, whether or not taxable as costs, including, without limitation, reasonable and actual attorney fees, witness fees (expert and otherwise), deposition costs, copying charges and other expenses associated with any enforcement required because of breach or collection.

The Maker shall have the privilege of prepaying the principal due under this Note, in whole or in part, without penalty or premium at any time; provided, however, no prepayment shall operate to suspend any scheduled installment when due hereunder. Upon any such prepayment, the prepayment amount shall be applied directly to the outstanding principal balance, in accordance with Exhibit C, discounted at 5.72%, and the term of the Note shall be shortened accordingly. Interest normally accruing hereunder at 3.02% per annum shall not continue to accrue or be payable on prepaid principal.

All parties to this Note hereby waive presentment, dishonor, notice of dishonor, and protest, except as set forth herein. All parties hereto consent to, and Holder is hereby expressly authorized to make, without notice, any and all renewals, extensions, modifications, or waivers of the time for or the terms of payment of any sum or sums due hereunder, or under any documents or instruments relating to or securing this Note, or of the performance of any covenants, conditions or agreements hereof or thereof or the taking or release of collateral securing this Note. Any such action taken by Holder shall not discharge the liability of any party to this Note.

Any claim or controversy arising out of or related to this Note shall be resolved by binding arbitration pursuant to Section 14(g) "Arbitration" of the General Agreement, which Section is incorporated by reference herein.

The parties indicate their acceptance of the foregoing arbitration provisions by initialing below:

MWG	RR
For RSAM and RSAE	Roeder

Time is of the essence in the performance of this Note.

This Note has been duly executed and delivered under seal in the State of Georgia and shall be governed and construed in accordance with the laws of the State of Georgia.

R. S. ANDREWS OF MARYLAND, INC.

By: /s/Mercer W. Granade
Name: Mercer W. Granade
Title: Chief Financial Officer

[SEAL]

SECURED PROMISSORY NOTE

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR THE SECURITIES OR BLUE SKY LAWS OF ANY OTHER JURISDICTION OR POLITCIAL SUBDIVISION (THE "OTHER LAWS") AND MAY NOT BE SOLD OR TRANSFERRED IN THE ABSENCE OF REGISTRATION OR QUALIFICATION UNDER THE ACT AND OTHER LAWS OR AN EXEMPTION FROM REGISTRATION OR QUALIFICATION THEREUNDER.

$655,926 Date of Issuance: December 23, 2002
Effective as of December 1, 2002

FOR VALUE RECEIVED, the undersigned, R. S. Andrews Enterprises, Inc., a Delaware corporation ("Maker"), hereby promises to pay to the order of Chamberlain & Cansler, Inc., a Georgia corporation ("CCI"), its successors and assigns or order (collectively, the "Holder"), at 13 Ivy Chase, Atlanta, Georgia 30342 or such other place as the Holder may direct, the principal sum of Six Hundred Fifty-Five Thousand Nine Hundred Twenty-Six Dollars and 00/100 ($655,926.00) plus interest on the principal amount outstanding at the rate per annum equal to eight percent (8%). Principal and accrued interest shall be payable in monthly installments, in accordance with the amortization schedule attached hereto as Exhibit A, beginning on January 1, 2003, and continuing for a period of twenty-four (24) months until paid in full.

For purposes of this Note, "Free Cash Flow" means, for any period of twelve (12) consecutive months, (i) Operating Cash Flow (as defined below) of Maker for such period minus (ii) the sum of Maker's (a) taxes, federal and state, imposed on income, to the extent actually paid, (b) total interest expense (including non-cash interest, but excluding intercompany interest payments, tax penalties and interest thereon, and back taxes, whether or not paid), and (c) cash disbursed for depreciable assets as approved by Holder, whose approval shall not be unreasonably withheld, provided, however, that only the current portion of depreciation or amortization of such assets shall be treated as a disbursement in the applicable twelve-month period. "Operating Cash Flow" means (x) all cash receipts from sales of any kind to customers in the ordinary course of Maker's business, minus (y) all cash disbursements for inventory, supplies, payroll (including, without limitation, bonuses paid to Richard R oeder, Jr. under Maker's Annual Incentive Plan for General Managers), professional fees, rent, and other operating expenses required in the ordinary course of Maker's business operations. The foregoing notwithstanding, payments under the Note, the Security Agreement, the Pledge Agreement, or the Corporate Guaranty by RSAM shall not be deducted in the calculation of Operating Cash Flow. Capital leases will be treated as operating leases for purposes of calculation of Operating Cash Flow.

This Note is intended to evidence a full recourse obligation of Maker. If any scheduled installment remains unpaid for thirty (30) days following receipt by Maker of notice from Holder that such installment is past due, the interest rate applied to the installment from the date it is past due until paid shall be the lesser of (i) the maximum rate permitted by applicable law or (ii) the stated rate increased by a factor of three percent (3%) per annum. For the avoidance of doubt, the increased interest rate shall apply to only the unpaid principal installment and not to accrued but unpaid interest or fees or charges or to any portion of principal which is due in advance of the normal maturity date as a result of acceleration. Holder shall retain all other rights and remedies available to a secured party under applicable law, including, without limitation, the Uniform Commercial Code of the State of Georgia or the State where such rights are asserted.

This Note is executed in connection with the transactions pursuant to that certain letter agreement (the "C & C Agreement") of even date herewith, by and among Holder, R. S. Andrews of Maryland, Inc., a Georgia corporation ("RSAM"), and Maker.

This Note is executed and delivered together with a Security Agreement by and between RSAM and Holder (the "Security Agreement") by which RSAM has granted to Holder a security interest in all of its assets, as more fully set forth therein as security for the obligations evidenced by such Note and the Corporate Guaranty.

In addition, this Note is executed and delivered together with a Pledge Agreement by and between Maker and Holder (the "Pledge Agreement"), by which Maker has pledged to Holder, among other things, its right, title, and interest in and to all of the shares of the capital stock of Maker held or later acquired by Maker as security for the obligations evidenced by such Note.

Holder may declare the entire outstanding principal amount of this Note and any accrued interest owing thereon immediately due and payable:

(i) upon the occurrence of a Change of Control of Maker (as defined below) and if the entire outstanding principal amount of this Note and any accrued interest owing thereon is not paid in full within 10 days thereafter;

(ii) if an Event of Default (as hereinafter defined) occurs hereunder and is not cured within six (6) months; provided, however, that for purposes of determining such six-month period, an Event of Default shall be deemed continuing from the time of an initial Event of Default until the time that such initial Event of Default and all subsequent Events of Default occurring after such initial Event of Default are fully cured at the same time, it being the intention of the parties that once begun, the period of default shall continue without interruption, whether or not the initial Event of Default or any subsequent Event of Default has been cured, until all outstanding Events of Default have been cured;

(iii) Maker makes a general assignment for the benefit of creditors; or

(iv) any proceeding is instituted by or against the Maker seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its debt under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking the entry of an order for relief or for any substantial part of its property, and with respect to any such proceeding instituted against Maker, such proceeding is not dismissed within 90 days of commencement.

For purposes of this Note, a "Change of Control" shall be deemed to have occurred with respect to Maker upon the occurrence of any of the following events in a transaction or series of transactions: (A) the sale of all or substantially all of the assets of Maker or RSAM; (B) the sale of 50% or more of the capital stock of Maker or RSAM or issuance of additional shares of Maker or RSAM constituting, in the aggregate, 50% or more of the capital stock of Maker or RSAM

(except to an ESOP or the current management group, in which Richard Roeder, Jr. ("Roeder") has a substantial participation, or to financial or institutional (i.e. not industry based) investors who do not substantially change management, direction or operations of Maker or RSAM; (C) a merger or consolidation of Maker or RSAM with or into any other entity; provided, however, that any such transactions, alone or in combination, shall not constitute a "Change of Control" if (i) control of Maker is retained by Home Service Solutions, Inc. ("HSS"), Great Plains Energy Incorporated ("Great Plains") or Kansas City Power & Light ("KCPL"), its or their direct or indirect subsidiaries or any entity who, through one or more intermediaries controls, is controlled by, or is under common control with, Maker, HSS, Great Plains or KCPL, or its or their commercial lenders, including LaSalle Bank, N.A., or a trust or holding company established for its or their sole benefit. As used in this paragraph, "sale" means any sale, conveyance, transfer, gift, assignment, disposition or alienation of any nature, but shall exclude a sale of the Collateral pursuant to the Security Agreement or the RSAM Stock pursuant to the Pledge Agreement; and "control" means the possession, directly or indirectly, of either (i) fifty percent (50%) or more of the outstanding voting equity of a given entity, or (ii) the power to direct or cause the direction of management and policies of a person or entity, whether through the ownership of voting securities, by contract, or otherwise.

Each of the following shall constitute an Event of Default hereunder: (i) Maker fails to pay any amount due and payable under this Note (a "Payment Default"), or (ii) (A) there is a material breach or default under, or Maker or RSAM fails in any material respect to perform any of its duties or obligations as specified in, (a) that certain secured promissory note, in the principal amount of $3,407,022.00, dated as of even date herewith, by RSAM in favor of Roeder, (b) the Security Agreement or (c) the Pledge Agreement, or (d) the Corporate Guaranty executed in connection herewith, including, in each case, their respective amendments and supplements thereto, restatements thereof, and renewals, extensions, restructurings and refinancings thereof, and (B) Maker or RSAM, as applicable, does not cure said breach or default within ten (10) days after notice thereof from Holder (a "Cross Default"). For purposes of this paragraph, "material" means greater than Twenty Fiv e Thousand Dollars ($25,000) in value in any single instance or One Hundred Thousand Dollars ($100,000) in value in the aggregate.

Upon the occurrence of a Payment Default, Holder shall have the right (and shall, if reasonably possible, exercise such right in order to cure a Payment Default) to access seventy-five percent (75%) of RSAM's Free Cash Flow and draw upon the Free Cash Flow to such degree as necessary to cure such Payment Default. Promptly following any such Payment Default and on the first day of each month thereafter as long as the Payment Default remains uncured, Maker shall cause its Chief Financial Officer, or such other financial officer as he may designate, to certify to Holder the amount of RSAM's Free Cash Flow available and also provide instructions to Holder regarding access to or payments from the Free Cash Flow. The percentage of RSAM's Free Cash Flow upon which Holder may draw upon shall increase by five percent (5%), per month, up to a maximum of ninety percent (90%), until all past due installments are paid in full. Notwithstanding the foregoing, if Holder accesses Maker's Free Cash Flow at any time between July 1, 2003 and December 31, 2003 in order to cure a Payment Default, Holder shall have the right to access one hundred percent (100%) of Maker's Free Cash Flow and draw upon the Free Cash Flow to such degree as necessary to cure such Payment Default. In the event that more than one installment under this Note is past due at any one time, any increased percentage of RSAM's Free Cash Flow that Holder may draw upon shall remain at the increased level until all such past due installments are paid. Payments shall be applied first toward interest that is due and payable, then toward past due installments in order of maturity, then to current installments of principal that are due and payable in the manner specified by Maker.

50:

In the event an action is instituted to enforce or interpret any of the terms of this Note including, but not limited to, any action or participation by the Maker in, or in connection with, a case or proceeding under the Bankruptcy Code or any successor statute, the prevailing party shall be entitled to recover all expenses reasonably and actually incurred at, before and after trial and on appeal or review, whether or not taxable as costs, including, without limitation, reasonable and actual attorney fees, witness fees (expert and otherwise), deposition costs, copying charges and other expenses associated with any enforcement required because of breach or collection.

The Maker shall have the privilege of prepaying the principal due under this Note, in whole or in part, without penalty or premium at any time; provided, however, no prepayment shall operate to suspend any scheduled installment when due hereunder.

All parties to this Note hereby waive presentment, dishonor, notice of dishonor, and protest, except as set forth herein. All parties hereto consent to, and Holder is hereby expressly authorized to make, without notice, any and all renewals, extensions, modifications, or waivers of the time for or the terms of payment of any sum or sums due hereunder, or under any documents or instruments relating to or securing this Note, or of the performance of any covenants, conditions or agreements hereof or thereof or the taking or release of collateral securing this Note. Any such action taken by Holder shall not discharge the liability of any party to this Note.

Any claim or controversy arising out of or related to this Note shall be resolved by binding arbitration pursuant to Section 18 "Arbitration" of the C&C Agreement, which Section is incorporated by reference herein.

The parties indicate their acceptance of the foregoing arbitration provisions by initialing below:

MWG

For Maker

FMC

For C&C

Time is of the essence in the performance of this Note.

[Signature appears on following page]

This Note has been duly executed and delivered under seal in the State of Georgia and shall be governed and construed in accordance with the laws of the State of Georgia.

R. S. ANDREWS ENTERPRISES, INC.

By: /s/Mercer W. Granade
Name: Mercer W. Granade
Title: Chief Financial Officer

[SEAL]

[Signature Page to C&C Secured Promissory Note]

STATE TAX RETURN ADDENDUM TO TAX ALLOCATION AGREEMENT
AMONG
GREAT PLAINS ENERGY INCORPORATED
AND SUBSIDIARIES

This State Tax Return Addendum to Tax Allocation Agreement (the "Addendum") is made effective as of October 1, 2001, by and among Great Plains Energy Incorporated ("GPE"), Great Plains Energy Services Incorporated, Kansas City Power & Light Company, Great Plains Power Incorporated, Home Service Solutions Inc., Worry Free Services, Inc., KLT Inc., KLT Investments Inc., KLT Investments II Inc., KLT Energy Services Inc., KLT Gas Inc., KLT Telecom Inc., FAR Gas Acquisitions Corporation, KLT Gas Operating Company, Kansas City Power & Light Receivables Company and Innovative Energy Consultants Inc. (collectively, the "members of the GPE Group" or "GPE Group" and individually "member of the GPE Group" or "GPE member"), and R. S. Andrews Enterprises, Inc., RSA Services Termite & Pest Control, Inc., R. S. Andrews Enterprises of Charleston, Inc., R. S. Andrews Enterprises of Dallas, Inc., R. S. Andrews Enterprises of Kansas, Inc., R. S. Andrews Enterprises o f South Carolina, Inc., R. S. Andrews of Chattanooga, Inc., R. S. Andrews of Fairfax, Inc., R. S. Andrews of Maryland, Inc., R. S. Andrews Services, Inc., R. S. Andrews of Stuart II, Inc., R. S. Andrews of Tidewater, Inc. and R. S. Andrews of Wilmington, Inc (collectively, "RSAE" and individually "RSAE company").

Whereas, the members of the GPE Group, have executed a certain Tax Allocation Agreement effective as of October 1, 2001, as amended (the "Agreement"), and

Whereas, the Agreement does not explicitly address the allocation of liabilities and benefits arising from the filing of consolidated, combined or unitary state tax returns, and

Whereas, the RSAE companies are not affiliated corporations with members of the GPE Group within the meaning of section 1504 of the Internal Revenue Code of 1986, as amended, and are not parties to the Agreement, and

Whereas, the RSAE companies and certain members of the GPE Group file certain combined, consolidated or unitary combined state tax returns, and wish to provide for the allocation of state tax return liabilities, credits or other benefits thereunder, and

Whereas, the members of the GPE group wish to clarify their mutual understanding that the terms and conditions of the Agreement apply to consolidated and combined state tax returns, as supplemented by this Addendum.

Therefore, in consideration of the mutual promises and undertakings contained herein, the receipt and sufficiency of which is acknowledged, the members of the GPE Group and RSAE agree as follows:

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1. **DEFINITIONS**

a. "State tax" is any net income, state alternative or add-on minimum, franchise, excise, net profits, license, or occupational tax together with any interest and penalty, and any additional amount imposed by any state or local governmental authority.

b. "State group" means a state combined group, a state consolidated group or a state unitary combined group, as applicable, which has as members (i) one or more GPE members or (ii) one or more RSAE companies and one or more GPE members.

c. "Member" means a GPE member or RSAE company which is a member of a state group.

2. **ALLOCATION OF TAX LIABILITY**

a. Any state tax liability before tax credits (including liability for interest, penalties, and/or other additions to such taxes) associated with the filing of a consolidated, combined or unitary combined state tax return shall be allocated to the GPE members and RSAE companies included in such returns following the procedures set forth in the Agreement, subject to the provisions of this Section 2.

b. Because certain states utilize a combined, consolidated or unitary combined reporting methodology, the aggregate state tax liability before credits of the members within a state group may exceed the sum of the members' separate return state tax liabilities to that state. Conversely, the sum of the members' separate state tax return liabilities may exceed the state group's aggregate state tax liability to the state before credits. Notwithstanding anything to the contrary in the Agreement, subject to the next sentence and Sections 2.c. and 2.d., the liability or benefit allocated to each member in a state group will be the member's corporate taxable income or corporate taxable loss modified by appropriate state tax adjustments, in compliance with state statutes and regulations, multiplied by the state group's apportionment factor multiplied by the appropriate state statutory rate. Any benefit arising out of GPE's corporate taxable loss will be allocated to those members of th e relevant state group or groups with corporate taxable income.

c. If an RSAE company does not have a positive separate return tax for a tax year, that RSAE company shall not receive any payment from other members of any state group as a result of any such loss or credit attributable to that RSAE company. If and when that RSAE company would be able to utilize any previous losses or credits if, under the applicable state tax law, it had filed a state tax return on a separate basis, the members of the state groups who received the benefit of such losses or credits shall, on a proportionate basis, pay to that RSAE company an amount equal to the refund which would have been realized by that RSAE company as a result of the carry over of such loss or credit, with such payment being made in the year in which that RSAE company would have received the refund for such loss or credit on a separate return basis.

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d. In the event that an RSAE company is no longer a part of a state group with any GPE member, it shall immediately cease being a party to this Addendum and shall not be entitled to any further payment or other benefits pursuant to this Addendum.

[signature page follows]

Great Plains Energy Incorporated

By /s/Bernard J. Beaudoin
Title: President and CEO

Great Plains Power Incorporated

By John J. DeStefano
Title: President

Kansas City Power & Light Company

By William Downey
Title: President

Home Service Solutions, Inc.

By John J. DeStefano
Title: President

KLT Inc.

By David J. Haydon
Title: President

KLT Energy Services Inc.

By David J. Haydon
Title: President

KLT Investments Inc.

By James P. Gilligan
Title: President

KLT Gas Inc.

By Charles W. Dein
Title: President

KLT Investments II Inc.

By David J. Haydon
Title: President

KLT Telecom Inc.

By Mark R. Schroeder
Title: President

Worry Free Services, Inc.

By: John J. DeStefano
Title: President

KLT Gas Operating Company

By: Charles W. Dein
Title: President

FAR Gas Acquisitions Corporation Incorporated

By: Charles W. Dein
Title: President

Great Plains Energy Services

By: Bernard J. Beaudoin
Title: President

Kansas City Power & Light Receivables Company

By: Andrea F. Bielsker
Title: President

Innovative Energy Consultants Inc

By: Bernard J. Beaudoin
Title: President

R. S. Andrews of Wilmington, Inc.

R. S. Andrews Enterprises, Inc.

By: John J. DeStefano
Title: Director

By: John J. DeStefano
Title: Director

RSA Services Termite & Pest Control, Inc.

R. S. Andrews Enterprises of Charleston, Inc.

By John J. DeStefano
Title: Director

By John J. DeStefano
Title: Director

R. S. Andrews Enterprises of Dallas, Inc.

R. S. Andrews Enterprises of Kansas, Inc.

By John J. DeStefano
Title: Director

By John J. DeStefano
Title: Director

R. S. Andrews Enterprises of South Carolina, Inc.

R. S. Andrews of Chattanooga, Inc.

By John J. DeStefano
Title: Director

By John J. DeStefano
Title: Director

R. S. Andrews of Fairfax, Inc.

R. S. Andrews of Maryland, Inc.

By: John J. DeStefano
Title: Director

By: John J. DeStefano
Title: Director

R. S. Andrews Services, Inc.

R. S. Andrews of Stuart II, Inc.

By: John J. DeStefano
Title: Director

By: John J. DeStefano
Title: Director

R. S. Andrews of Tidewater, Inc.

By: John J. DeStefano
Title: Director

Kansas City Power & Light Company

EMPLOYEE COMFORT PLUS

(Heat Pump and A/C Financing Program)

As a Kansas City Power & Light employee, you are eligible to receive

ZERO INTEREST FINANCING

for your new residential heat pump or central air conditioning system! Here are some highlights regarding **Employee Comfort Plus**:

* Employees requesting financing must have completed six months of employment prior to the equipment's installation.
* Financing approval must be received prior to your installation.
* A five-percent transaction fee will be waived on any heat pump purchase with a SEER of 12 and above, or a central air conditioning system with a SEER of 13 and above.
* Finance up to $3,000 for a new 12 SEER central air conditioner.
* Finance up to $6,000 for a new heat pump (depending on SEER).
* Gas-fired furnaces may be included in the financing of dual-fuel heat pumps.
* If you are a KCP&L customer, your new heat pump system may qualify your home for the reduced eight-month winter pricing!
* The amount financed is deducted monthly from your second paycheck.
* A certified dealer list is available to assist you in finding the perfect HVAC dealer for your heat pump or air conditioning needs.

Before installing a new heat pump or central air conditioning system in your home, please contact Dave Wagner at 816-556-2169. Ask about **Employee Comfort Plus.**

Kansas City Power & Light Company

EMPLOYEE COMFORT PLUS

(Heat Pump and A/C Financing Program)

Name	_____	Employee No.	_____
Home Address	_____		
Work Phone	_____	Work Location	_____
Employment Date	_____	Scheduled Install Date	_____
KCPL Customer	YES? Or NO?	Social Security No.	_____

After completing this form please attach cost proposal or invoice, from the dealer you have chosen for your installation, and fax to Dave Wagner 816-654-1646, or send by interoffice mail to 1201-13. The cost proposal or invoice must include the following information regarding the new equipment:

* Equipment model number(s) for your furnace and air conditioner or heat pump
* Size of the heat pump or air conditioner (tons)
* SEER (Seasonal Energy Efficiency Ratio) - Excluding Geothermal
* Your installer's company name, address, and phone number

* The amount of your loan request (if different from the cost proposal or invoice)
* Your preferred financing term (if different from the maximum)

After your paperwork has been reviewed you will be contacted regarding the approval of your financing. A promissory note detailing your loan and a payroll deduction card will be mailed for your signature. The financing guidelines are as follows:

Heat Pump					Air Conditioning			
SEER	Maximum Purchase Allowance	Minimum Monthly Deduction	Maximum Financing Term		SEER	Maximum Purchase Allowance	Minimum Monthly Deduction	Maximum Financing Term
12	$4,000	$40	3 Yrs.		12*	$3,000	$40	3 Yrs.
13 & Up	$6,000	$40	5 Yrs.		13 & Up	$5,000	$40	5 Yrs.
Geo HP	$6,000	$40	5 Yrs.		*Transaction fee of 5% (Max $115) on A/C under 13 SEER.			

Upon completion of your installation, please notify Dave Wagner 816-556-2169. Payment processing for your new heat pump or central air conditioning system will begin at that time.

Your payroll deduction will be taken from the second paycheck of each month.

PLEASE DO NOT PAY THE INSTALLER!

Kansas City Power & Light will mail a check directly to the dealer.

Exhibit F-1

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Great Plains Energy Incorporated Annual Report on Form U5S, filed pursuant to the Public Utility Holding Company Act of 1935, for the year ended December 31, 2002, of our reports dated February 27, 2003 (which reports express an unqualified opinion and include an explanatory paragraph relating to a change in accounting principle) related to the 2002 consolidated financial statements of Great Plains Energy Incorporated and of Kansas City Power & Light Company, included in the combined Annual Report on Form 10-K for the year ended December 31, 2002 of Great Plains Energy Incorporated and Kansas City Power & Light Company.

/s/Deloitte & Touche LLP

Kansas City, Missouri
April 29, 2003

WOLF CREEK NUCLEAR OPERATING CORPORATION
STATEMENT OF OWNERS' ASSETS

As of December 31, 2002
Exhibit F-8

	(Thousands of Dollars) 2002
Electric Plant - at original cost:	
Nuclear Production Plant	
Land and Land Rights	$ 7,258.7
Structures and Improvements	870,528.8
Reactor Plant Equipment	1,381,780.0
Turbogenerator Units	361,899.5
Accessory Electric Equipment	288,064.2
Misc. Power Plant Equipment	134,772.8
Total Nuclear Production Plant	3,044,304.0
Transmission Plant	23,547.0
General Plant	4,100.5
Miscellaneous Intangible Plant	16,330.7
Plant In Service	3,088,282.2
Less Accumulated Depreciation & Amortization	1,245,710.9
Net Plant In Service	1,842,571.3
Construction Work In Progress	9,366.0
Electric Plant Held for Future Use	657.2
Nuclear Fuel - Net	45,920.5
Total Electric Plant - Net	1,898,515.0
Other Property and Investments:	
Special Funds	25,321.5
Other	0.0
Total Other Property and Investments	25,321.5
Current Assets:	
Accounts Receivable	544.0
Fuel	345.2
Materials and Supplies	36,403.5
Prepayments and Other Current Assets	3,638.9
Total Current Assets	40,931.6
Deferred Debits	6,988.9
Total Assets	$1,971,757.0
TOTAL ASSETS BY OWNER	
Kansas Gas and Electric Company	$ 934,931.7
Kansas City Power & Light Company	866,862.6
Kansas Electric Power Cooperative, Inc.	169,962.7
Total Assets	$1,971,757.0

WOLF CREEK NUCLEAR OPERATING CORPORATION
STATEMENT OF EXPENSES

For the Year Ended December 31, 2002
Exhibit F-8

	(Thousands of Dollars) 2002
Production Expenses:	
Nuclear Fuel	$ 37,759.6
Operations	75,074.2
Maintenance	41,325.1
Total Production	154,158.9
Transmission Expenses:	
Operations	0.0
Maintenance	137.6
Total Transmission	137.6
Administrative and General Expenses:	
Operations	28,740.8
Maintenance	239.0
Total Administrative and General	28,979.8
Total Operations and Maintenance	

Expenses	183,276.3
Payroll taxes	5,066.6
Total O&M Including Payroll Taxes	188,342.9
Ad Valorem Taxes	24,477.7
Depreciation & Amortization	81,353.7
Total Operating Expenses	294,174.3
Less: Other Operating Revenues	42.5
Net Operating Expenses	294,131.8
Add: Nonoperating Expenses	1,257.9
Total Expenses	$295,389.7

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	$4,420,500,293	4,420,500,293
4	Property Under Capital Leases	2,432,041	2,432,041
5	Plant Purchased or Sold		
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	TOTAL (Enter Total of lines 3 thru 7)	4,422,932,334	4,422,932,334
9	Leased to Others		
10	Held for Future Use	5,500,577	5,500,577
11	Construction Work in Progress	39,518,842	39,518,842
12	Acquisition Adjustments		
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	4,467,951,753	4,467,951,753
14	Accum. Prov. for Depr., Amort., & Depl.	1,885,389,002	1,885,389,002
15	Net Utility Plant (Enter total of line 13 less 14)	$2,582,562,751	$2,582,562,751
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION, AND DEPLETION		
17	In Service:		
18	Depreciation	$1,834,977,918	1,834,977,918
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights		
20	Amort. of Underground Storage Land and Land Rights		
21	Amort. of Other Utility Plant	50,411,084	50,411,084
22	TOTAL in Service (Enter Total of lines 18 thru 21)	1,885,389,002	1,885,389,002
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	TOTAL Held for Future Use (Enter Total of lines 28 and 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort. of Plant Acquisition Adjustment		
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	$1,885,389,002	$1,885,389,002

NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent

2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

Line No.	Description of Item (a)	Balance Beginning of Year (b)	Changes During Year Additions (c)
1	Nuclear Fuel in Process of Refinement, Conversion, Enrichment & Fabrication (120.1)		
2	Fabrication		
3	Nuclear Materials	$ 19,440,776	$ 562,386
4	Allowance for Funds Used during Construction	134,745	38,096
5	Other Overhead Construction Costs	394,773	244,478
6	SUBTOTAL (Enter Total of lines 2 thru 5)	19,970,294	
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)	0	20,556,323

9	In Reactor (120.3)		49,812,895	20,556,323
10	SUBTOTAL (Enter Total of lines 8 and 9)		49,812,895	
11	Spent Nuclear Fuel (120.4)		91,088,296	23,968,574
12	Nuclear Fuel Under Capital Leases (120.6)			
13	(Less) Accum. Prov. for Amortization of Nuclear Fuel Assemblies (120.5)		127,100,837	13,109,110
14	TOTAL Nuclear Fuel Stock (Enter Total lines 6, 10, 11 and 12 less line 13)	$	33,770,648	
15	Estimated Net Salvage Value of Nuclear Materials in line 9			
16	Estimated Net Salvage Value of Nuclear Materials in line 11			
17	Estimated Net Salvage Value of Nuclear Materials in line 11			
18	Nuclear Materials Held for Sale (157)			
19	Uranium			
20	Plutonium			
21	Other			
22	TOTAL Nuclear Materials Held for Sale (Enter Total of lines 19, 20 and 21)			

NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 and 157) (Continued)

Changes During the Year				
Amortization (d)	Other Reductions (Explain in a footnote) (e)		Balance End of Year (f)	Line No.
				1
				2
	$19,985,646		17,516	3
	165,011		7,830	4
	405,674		233,577	5
			258,923	6
				7
	20,556,323		0	8
	23,968,574		46,400,644	9
			46,400,644	10
	18,258,702		96,798,168	11
				12
($17,087,310)	18,258,702		121,951,245	13
			$21,506,490	14
				15
				16
				17
				18
				19
				20
				21
				22

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts

2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric

3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year

4. Enclose in parentheses credit adjustments of plant accounts to indicate the negative effect of such accounts

5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries in column (c) . Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of unclassified retirements. Show in a footnote the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years

Line No.	Account (a)		Balance at Beginning of Year (b)	Additions (c)
1		1. INTANGIBLE PLANT		
2	(301)	Organization	$ 72,186	
3	(302)	Franchises and Consents	22,937	
4	(303)	Miscellaneous Intangible Plant	$ 81,212,675	$ 4,375,355
5		TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	81,307,798	4,375,355
6		2. PRODUCTION PLANT		
7		A. Steam Production Plant		
8	(310)	Land and Land Rights	8,653,870	0
9	(311)	Structures and Improvements	91,769,683	194,289
10	(312)	Boiler Plant Equipment	789,850,944	28,643,899
11	(313)	Engines and Engine-Driven Generators	0	
12	(314)	Turbogenerator Units	193,618,134	7,100,691
13	(315)	Accessory Electric Equipment	92,983,156	10,186,701
14	(316)	Misc. Power Plant Equipment	23,108,775	1,205,433
15		TOTAL Steam Production Plant (Enter Total of lines 8 thru 14)	1,199,984,562	47,331,013
16		B. Nuclear Production Plant		
17	(320)	Land and Land Rights	3,411,585	
18	(321)	Structures and Improvements	418,434,278	1,814,866
19	(322)	Reactor Plant Equipment	542,061,137	3,728,543
20	(323)	Turbogenerator Units	171,673,936	84,407
21	(324)	Accessory Electric Equipment	139,652,318	983,906
22	(325)	Misc. Power Plant Equipment	64,060,863	2,041,720
23		TOTAL Nuclear Production Plant (Enter Total of lines 17 thru 22)	1,339,294,117	8,653,442
24		C. Hydraulic Production Plant		
25	(330)	Land and Land Rights		
26	(331)	Structures and Improvements		
27	(332)	Reservoirs, Dams, and Waterways		
28	(333)	Water Wheels, Turbines, and Generators		
29	(334)	Accessory Electric Equipment		
30	(335)	Misc. Power Plant Equipment		
31	(336)	Roads, Railroads, and Bridges		
32		TOTAL Hydraulic Production Plant (Enter Total of lines 25 thru 31)		
33		D. Other Production Plant		
34	(340)	Land and Land Rights	136,550	
35	(341)	Structures and Improvements	898,894	18,560
36	(342)	Fuel Holders, Products, and Accessories	5,667,010	38,586
37	(343)	Prime Movers		
38	(344)	Generators	122,050,270	649,200
39	(345)	Accessory Electric Equipment	8,548,051	57,000

Name of Respondent	This Report is:	Date of Report	Year of Report
Kansas City Power & Light Company	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	4/30/2003	Dec. 31, 2002

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

tentative account distributions of these amounts Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction.

recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquistion adjustments, etc., and show in column (f)

If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
			$ 72,186	(301)	2
			$ 22,937	(302)	3
$ 1,615,426			$ 83,972,604	(303)	4
1,615,426			84,067,727		5
					6
					7
		151,400	$ 8,805,270	(310)	8
9,072		(238,299)	$ 91,716,601	(311)	9
9,610,681		(2,877,305)	$ 806,006,857	(312)	10
			$ 0	(313)	11
1,910,394		3,110,335	$ 201,918,766	(314)	12
5,860,176		(837,895)	$ 96,471,786	(315)	13
26,101		(106,800)	$ 24,181,307	(316)	14
17,416,424		(798,564)	$ 1,229,100,587		15
					16
			$ 3,411,585	(320)	17
$ 2,183,054		1	418,066,091	(321)	18
1,861,277			543,928,403	(322)	19
14,158			171,744,185	(323)	20
1,906,899			138,729,325	(324)	21
2,155,165			63,947,418	(325)	22
8,120,553		1	1,339,827,007		23
					24
			-	(330)	25
			-	(331)	26
			-	(332)	27
			-	(333)	28
			-	(334)	29
			-	(335)	30
			-	(336)	31
					32
					33
			136,550	(340)	34
			917,454	(341)	35
			5,705,596	(342)	36
			-	(343)	37
718,746		1,017,664	122,998,388	(344)	38
			8,605,051	(345)	39

Name of Respondent	This Report is:	Date of Report	Year of Report
Kansas City Power & Light Company	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	4/30/2003	Dec. 31, 2002

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Line No.	Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346) Misc. Power Plant Equipment		
41	TOTAL Other Prod. Plant (Enter Total of lines 34 thru 40)	137,300,775	763,346
42	TOTAL Prod. Plant (Enter Total of lines 15, 23, 32 and 41)	$ 2,676,579,454	$ 56,747,801
43	3. TRANSMISSION PLANT		
44	(350) Land and Land Rights	21,941,972	1,010,084
45	(352) Structures and Improvements	3,574,163	222,239
46	(353) Station Equipment	78,496,549	1,403,083
47	(354) Towers and Fixtures	4,029,692	
48	(355) Poles and Fixtures	72,292,526	3,486,605
49	(356) Overhead Conductors and Devices	58,514,455	985,024
50	(357) Underground Conduit	3,080,287	
51	(358) Underground Condutors and Devices	2,822,718	
52	(359) Roads and Trails		
53	TOTAL Transmission Plant (Enter Total of lines 44 thru 52)	244,752,362	7,107,035
54	4. DISTRIBUTION PLANT		
55	(360) Land and Land Rights	19,633,529	313,612

56	(361) Structures and Improvements	7,562,816	1,308,632
57	(362) Station Equipment	149,287,418	6,346,186
58	(363) Storage Battery Equipment		
59	(364) Poles, Towers, and Fixtures	170,660,896	14,889,240
60	(365) Overhead Conductors and Devices	147,671,930	7,751,225
61	(366) Underground Conduit	99,562,238	5,078,762
62	(367) Underground Condutors and Devices	222,858,625	15,899,538
63	(368) Line Transformers	179,545,282	8,368,180
64	(369) Services	78,675,133	8,768,428
65	(370) Meters	65,868,119	1,153,099
66	(371) Installations on Customer Premises	8,194,993	623,280
67	(372) Leased Property on Customer Premises		
68	(373) Street Lighting and Signal Systems	30,216,729	1,393,247
69	TOTAL Distribution Plant (Enter Total of lines 55 thru 68)	1,179,737,708	71,893,429
70	5. GENERAL PLANT		
71	(389) Land and Land Rights	1,729,738	
72	(390) Structures and Improvements	46,192,105	(4,075)
73	(391) Office Furniture and Equipment	10,423,964	1,027,509
74	(392) Transportation Equipment	507,250	
75	(393) Stores Equipment	602,188	2,159
76	(394) Tools, Shop and Garage Equipment	2,726,143	91,183
77	(395) Laboratory Equipment	4,020,396	42,067
78	(396) Power Operated Equipment	576,941	3,340
79	(397) Communication Equipment	75,369,326	2,535,503
80	(398) Miscellaneous Equipment	266,162	0
81	SUBTOTAL(Enter Total of lines 71 thru 80)	142,414,213	3,697,686
82	(399) Other Tangible Property		
83	TOTAL General Plant (Enter Total of lines 81 and 82)	142,414,213	3,697,686
84	TOTAL (Accounts 101 and 106)	4,324,791,535	143,821,306
85	(102) Electric Plant Purchased (See Instr. 8)		
86	(Less)(102) Electric Plant Sold (See Instr. 8)		
87	(103) Experimental Plant Unclassified		
83	TOTAL Electric Plant in Service (Enter Total of lines 84 and 87)	$4,324,791,535	$143,821,306

Name of Respondent	This Report is:	Date of Report	Year of Report
Kansas City Power & Light Company	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	4/30/2003	Dec. 31, 2002

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
			$ 0	(346)	40
718,746		1,017,664	$ 138,363,039		41
$ 26,255,723		219101	$2,707,290,633		42
					43
0		3201	$ 22,955,257	(350)	44
$ 58,880		$51,688	3,789,210	(352)	45
502,692		28,479,700	107,876,640	(353)	46
			4,029,692	(354)	47
452,280			75,326,851	(355)	48
100,368			59,399,111	(356)	49
			3,080,287	(357)	50
			2,822,718	(358)	51
			0	(359)	52
1,114,220		$ 28,534,589	$279,279,766		53
					54
18,807		167,439	20,095,773	(360)	55
5,829		(53,443)	8,812,176	(361)	56
652,999		(21,242,978)	133,737,627	(362)	57
			0	(363)	58
756,230		64,766	184,858,672	(364)	59
966,277		(1,762)	154,455,116	(365)	60
389,526		(6,640)	104,244,834	(366)	61
1,721,679		734	237,037,218	(367)	62
6,848,809		671,529	181,736,182	(368)	63
46,575			87,396,986	(369)	64
1,088,404		181	65,932,995	(370)	65
16,301		0	8,801,972	(371)	66
			0	(372)	67

338,985	9,545	31,280,536	(373)	68
12,850,421	(20,390,629)	1,218,390,087		69
				70
	(151,400)	1,578,338	(389)	71
0	(76,563)	46,111,467	(390)	72
46,034	3,600	11,409,039	(391)	73
15,628		491,622	(392)	74
	3,385	607,732	(393)	75
		2,817,326	(394)	76
		4,062,463	(395)	77
392,052	(1)	188,228	(396)	78
5,916,272	(7,971,443)	64,017,114	(397)	79
77,411	0	188,751	(398)	80
6,447,397	(8,192,422)	131,472,080		81
			(399)	82
6,447,397		131,472,080		83
48,283,187	170,639	4,420,500,293		84
			(102)	85
				86
			(103)	87
48,283,187	170,639	4,420,500,293		88

Name of Respondent	This Report is:	Date of Report	Year of Report
Kansas City Power & Light Company	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	4/30/2003	Dec. 31, 2002

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $250,000 or more. Group other items of property held for future use.
2. For property having an original cost of $250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Land and Rights:			
2	Easements for Iatan to Nashua 345 KV Line in			
3	Platte Co., Missouri	1992	(1)	83,671
4				
5	Land for Hawthorn Ash Pond Expansion in			
6	Jackson Co., Missouri	1996	(1)	3,651,070
7				
8	Site of future Ash Pond at Iatan Station in			
9	Platte Co. , Missouri	1998	(1)	502,529
10				
11				
12	Engineering cost for future developments of Iatan 2	1999		371,201
13				
14	Engineering for future bridge project over the Missouri	2001	(1)	326,214
15	river at Iatan Station			
16				
17				
18	Other Property:			
19	Property with original cost of less			
20	than $250,000			
21	(8 items)		(1)	565,892
22				
23				
24				
25				
26				
27				
28				
29				
30				
31				

32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
47	TOTAL	5,500,577

Name of Respondent	This Report is:	Date of Report	Year of Report
Kansas City Power & Light Company	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	4/30/2003	Dec. 31, 2002

CONSTRUCTION WORK IN PROGRESS-ELECTRIC (Account 107)

Line No.	Description of Project (a)	Construction Work in Progress - Electric (Account 107) (b)
1 .	Install Transformer, Switchgear, and Circuit at Olather Substation #41	267,566
2 .	Install Transformer, Switchgear, and Circuit at Murlen Substation #82	195,824
3 .	Install Transformer, Switchgear, and Circuit at Oxford Substation #38	459,585
4 .	Install new Circuit at Oxford Substation #38	232,678
5 .	Install new 161 KV Line Termination at Cedar Creek Substation #51	368,511
6 .	Replace Network Protectors	227,336
7 .	Replace 161 KV Lightning Arresters at Distribution Substations	212,309
8 .	Replace PCB Control Powered Transformers in Switchgears	268,364
9 .	Replace Type U Bushings in Distribution Substations	1,347,066
10 .	Automated Security System	160,126
11 .	Fleet Fuel Management System	218,487
12 .	Company Security Upgrades	143,649
13 .	Relocate Fuels and General Service & Sales Offices to 1201 Walnut	103,514
14 .	Install Optical Ground Wire - Overland Park to Kenilworth Substation	189,896
15 .	Add-Inn Sites for new 900 MHz Radios	148,777
16 .	Purchase Backup Generators - East District	132,237
17 .	Power Production - Project Management Software System (CMMS)	193,017
18 .	Power Marketing Group Software	479,078
19 .	AM/FM Phase IV System	145,750
20 .	Install PeopleSoft Release 8.0	866,428
21 .	Data Warehouse Software	189,664
22 .	Voice Response Unit (VRU) Hardware for Customer Service	217,723
23 .	IT Project Management Implementation	225,691
24 .	KCPL Bill Redesign Software	199,064
25 .	MISC Projects under $100,000	10,837,226
26 .		
27 .		
28 .		
29 .		
30 .		
31 .		
32 .		
33 .		
34 .		
35 .		
36 .		0.00
37 .		
38 .	The total of $39,518,842 does not include Nuclear Fuel or AFUDC on Nuclear	
39.	Fuel in the amount of $258,923.	
40.		
41 .		
42 .		
43 .	TOTAL	39,518,842

Name of Respondent	This Report is:	Date of Report	Year of Report
Kansas City Power & Light Company	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	4/30/2003	Dec. 31, 2002

CONSTRUCTION WORK IN PROGRESS-ELECTRIC (Account 107)

Line No.	Description of Project (a)	Construction Work in Progress - Electric (Account 107) (b)
1	West Gardner Combustion Turbine	258,529
2	Osawatomie Combustion Turbine	665,274
3	Hawthorn Station - Pulverizer Wheel Assembly	217,043
4	Hawthorn Station - Hawthorn 9 Simulator	255,508
5	Hawthorn Station - Facilities Upgrade	2,888,496
6	Hawthorn Station - Hawthorn Auxiliary Boilers	1,497,832
7	Montrose Station - New Ash Pond Landfill	144,046
8	Montrose Station - Unit 2B Pulverizer Bowl Replacement	154,702
9	LaCygne Station - Mist Eliminator Tray Replacement	142,863
10	LaCygne Station - Fuel Yard Wash Down System	155,749
11	Iatan Station - Feed Water Heater Replacement	383,904
12	Wolf Creek - Distributed Control System to Digital	668,711
13	Wolf Creek - Turbine Generator Study	107,356
14	Wolf Creek - Replace #SGK04 and #SGK05 Air Conditioner Units	791,895
15	Wolf Creek - Main Steam Isolation Valve (MSIV) Actuator Replacement	139,608
16	Wolf Creek - Reactor Head Reconfiguration	1,047,985
17	Wolf Creek - High Ammonia Secondary Chemistry	206,893
18	Wolf Creek - Feed Water Actuator Replacement	139,492
19	Wolf Creek - Security Order Response	246,727
20	Wolf Creek - Health Physics Computer System Software	113,541
21	Wolf Creek - Electronic Management Operating System	180,011
22	Wolf Creek - Miscellaneous Projects under $100,000	757,705
23	345 KV Line #11 Hawthorn-St. Joseph Line Panels	116,788
24	345 KV System Storm Dead-end Installation	391,826
25	Build New 161 KV Transmission Line - Hawthorn to Leeds	2,231,561
26	Build New 161 KV Transmission Line - West Gardner to Cedar Creek	700,399
27	Install new 161 KV Line Termination at Hawthorn Substation #96	225,673
28	Replace 161 KV Lightning Arresters at Transmission Substations	167,295
29	Replace Disconnect Switches at Transmission Substations	308,834
30	Install Differential Relays with Oscillography on Critical Transformers	163,823
31	Install third Transformer 161 KV - 34 KV Ottawa Substation	1,114,786

32	Combustion Turbine 161 KV Line Termination - West Gardner Substation #81	181,635
33	New 69 KV Source - Liberty South Substation #2418	1,272,848
34	New Baldwin South Regulator- Baldwin South Substation #487	240,380
35	New Baldwin East Regulator - Baldwin East Substation #486	162,689
36	Rebuild 1.5 miles 12 KV Distribution Line - Highway 69 to Louisburg	217,156
37	Build Miami Substation	830,615
38	Install new Transformer and Switchgear at Bucyrus Substation #117	1,138,003
39	Extend Feeder to new Visteon Plant	144,034
40	Install new 161 KV Line Termination at Leeds Substation #61	364,992
41	Install Feeder for St. Luke's Hospital and change Circuit #1141 to Circuit #1112	177,126
42	Install new Distribution Circuit from Martin City Substation #66	174,943
43	TOTAL	39,518,842

Name of Respondent	This Report is:	Date of Report	Year of Report
Kansas City Power & Light Company	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	4/30/2003	Dec. 31, 2002

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during the year
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	$ 1,753,362,231	$ 1,753,362,231		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	132,599,638	132,599,638		
4	(413) Exp. of Elec. Plt. Leas. to Others				
5	Transportation Expenses-Clearing	32,201	32,201		
6	Other Clearing Accounts	0			
7	Other Accounts (Specify):	(64,439)	-64439		
8	Charged to Other Affiliates-Depr	86,551	86,551		
9	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	132,653,951	132,653,951		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	46,648,954	46,648,954		
12	Cost of Removal	11,657,970	11,657,970		
13	Salvage (Credit)	2,299,493	2,299,493		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	56,007,431	56,007,431		
15	Other Debit or Credit Items (Describe):	0	0		
16	Other Changes for Retirement Work in Pro	4,969,167	4,969,167		
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)	$ 1,834,977,918	$ 1,834,977,918		

Section B. Balances at End of Year According to

	Functional Classifications		
18	Steam Production	619,066,667	619,066,667
19	Nuclear Production	572,894,664	572,894,664
20	Hydraulic Production - Conventional		
21	Hydraulic Production - Pumped Storage		
22	Other Production	51,549,937	51,549,937
23	Transmission	123,868,954	123,868,954
24	Distribution	419,086,333	419,086,333
25	General	48,511,363	48,511,363
26	TOTAL (Enter Total of lines 18 thru 25)	1,834,977,918	1,834,977,918

Name of Respondent	This Report is:	Date of Report	Year of Report
Kansas City Power & Light Company	(1) X An Original	(Mo, Da, Yr)	
	(2) A Resubmission	4/30/2003	Dec. 31, 2002

1. Report below investments in Accounts 123.1, investments in Subsidiary Companies.

2. Provide a subheading for each company and List there under the information called for below. Sub-TOTAL by company and give a TOTAL in columns (e), (f), (g), and (h) (a) Investment in Securities-List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.

(b) Investment Advances — Report separately the amounts of loans or investment advances wich are subject to repayment, but which are not subject t current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal. (3) report separately the equity in undistributed subsidiary earnings since acquisition. The TOTAL in column (e) should equal the amount entered for Account 418.1.

4. For any securities, notes, or accounts that were pledged designate such securities, notes, or accounts in a footnote, and state te name of pledgee and purposes of the pledge.
5. If Commission approval was required for any advance made or security acquired, designate such fact I a footnote and give name of Commission.

6. Report column (f) interest and dividend revenues from investments, including such revenues from securities disposed of during the year. 7. In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if difference from cost) and the selling price thereof, not including interest adjustment includible in column (f).

8. Report on Line 42, column (a) the TOTAL cost of Account 123.1

INVESTMENTS IN SUBSIDIARY COMPANIES (Account 123.1)

Line No.	Description of Investment (a)		Date Acquired (b)	Date of Maturity (c)	Amount of Investment at the Beginning of Year (d)	Line No.
1					0	1
2					0	2
3					0	3
4	Home Service Solutions Inc.				0	4
5					0	5
6	SHARES	AMOUNT			0	6
7	5,500,000	5,500,000	05/29/98		0	7
8	9,500,000	9,500,000	08/28/98		0	8
9	2,000,000	2,000,000	09/16/98		0	9
10	3,000,000	3,000,000	10/22/98		0	10
11	1,150,158	1,150,158	12/02/98		0	11
12	3,000,000	3,000,000	2/23/99		0	12
13	849,842	849,842	4/30/99		0	13
14	2,000,000	2,000,000	5/12/99		0	14
15	3,000,000	3,000,000	6/29/99		0	15
16	6,500,000	6,500,000	8/24/99		0	16
17	3,000,000	3,000,000	8/26/99		0	17
18	854,934	854,934	10/24/99		0	18
19	940,302	940,302	10/27/99		0	19
20	2,440,498	2,440,498	11/12/99		0	20
21	1,506,406	1,506,406	11/26/99		0	21
22	1,100,000	1,100,000	12/13/99		0	22
23	560,000	560,000	03/08/01		0	23
24					0	24
25					0	25
26	46,902,140	46,902,140			46,902,140	26
27					0	27
28	Income (loss) from subsidiaries				-23,582,650	28
29					0	29
26	46,902,140	46,902,140			-23,319,490	30
31					0	31
32					0	32
33					0	33

34				0	34
35				0	35
36				0	36
37				0	37
38				0	38
39				0	39
40				0	40
41					41
42	Total Cost of Account 123.1	$46,902,140	TOTAL	23,319,490	42

Equity in Subsidiary Earnings of Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposes of (h)	Line No.
0	0	0	0	1
0	0	0	0	2
0	0	0	0	3
0	0	0	0	4
0	0	0	0	5
0	0	0	0	6
0	0	0	0	7
0	0	0	0	8
0	0	0	0	9
0	0	0	0	10
0	0	0	0	11
0	0	0	0	12
0	0	0	0	13
0	0	0	0	14
0	0	0	0	15
0	0	0	0	16
0	0	0	0	17
0	0	0	0	18
0	0	0	0	19
0	0	0	0	20
0	0	0	0	21
0	0	0	0	22
0	0	0	0	23
0	0	0	0	24
0	0	0	0	25
0	0	46,902,140	0	26
0	0	0	0	27
-7,196,330	0	-30,778,98	0	28
0	0	0	0	29
-7,196,330	0	16,123,160	0	30
0	0	0	0	31
0	0	0	0	32
0	0	0	0	33
0	0	0	0	34
0	0	0	0	35
0	0	0	0	36
0	0	0	0	37
0	0	0	0	38
0	0	0	0	39
0	0	0	0	40
0	0	0	0	41
-7,196,330	0	16,123,160		42

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material
2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected - debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 151)	$ 22,246,432	$ 21,310,585	
2	Fuel Stock Expenses Undistributed (Account 152)			
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)			
10	Assigned to - Other	50,348,952	50,531,677	
11	TOTAL Account 154 (Total of lines 5 thru 10)	50,348,952	50,531,677	All Departments
12	Merchandise (Account 155)			
13	Other Materials and Supplies (Account 156)			
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)			
15	Stores Expense Undistributed (Account 163)	346,882	268,600	
16				
17				
18				
19				
20	TOTAL Materials and Supplies (per Balance Sheet)	$ 72,942,266	$ 72,110,862	

FOOTNOTE DATA

Schedule Page: 202 Line No:3 Column: e

Fabricated assemblies were transferred to Stock(120.2) upon delivery.

Schedule Page: 202 Line No:4 Column: e

Fabricated assemblies were transferred to Stock(120.2) upon delivery.

Schedule Page: 202 Line No:5 Column: e

Fabricated assemblies were transferred to Stock(120.2) upon delivery.

Schedule Page: 202 Line No:8 Column: e

Assemblies placed in-service were transferred to In-Reactor (120.3) at cycle start.

Schedule Page: 202 Line No:9 Column: e

Discharged assemblies were transferred to Spent Nuclear Fuel (120.4) for their cooling period.

Schedule Page: 202 Line No:11 Column: e

Assemblies meeting five year cooling period were retired from the books.

Schedule Page: 202 Line No:13 Column: e

Assemblies meeting the five year cooling period were retired from the books.

Schedule Page: 214 Line No:9 Column: c

Anticipated within the next 10 years.

Schedule Page: 214 Line No: 11 Column: c

Anticipated within the next 10 years.

Schedule Page: 214 Line No: 14 Column: c

Anticipated within the next 10 years.

Schedule Page: 214 Line No: 24 Column: c

Anticipated within the next 10 years.

Schedule Page: 214 Line No: 14 Column: c

Anticipated within the next 10 years.

Schedule Page: 214 Line No: 24 Column: c

Anticipated within the next 10 years.

Schedule Page: 219 Line No: 7 Column: b

Included in Line 3, Column (b) is $64,439 in amortization that was erroneously recorded to 403 rather than 405

Schedule Page: 219 Line No: 11 Column: b

Book cost of plant retired shown here is $1,634,233 less than the retirements shown on page 207, Line 88, Column (d), because page 219, Line 11, Column © does not include retirements of intangibles, software, land rights or leasehold improvements.

Schedule Page: 227 Line No: 11 Column: d

Information requested for lines 5-9 is not available. The level of material and supplies inventory is determined by the the maintenance needs of plant in service and is that level required to ensure that KCPL may provide good system reliability. The size of inventory on hand is not determined by the level of new construction activity.

SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION

Line No.	Item (a)	Total (b)	Electric (c)
1	UTILITY PLANT		
2	In Service		
3	Plant in Service (Classified)	$3,088,282,223	Same
4	Property Under Capital Leases		as
5	Plant Purchased or Sold		Total
6	Completed Construction not Classified		
7	Experimental Plant Unclassified		
8	TOTAL (Enter Total of lines 3 thru 7)	3,088,282,223	
9	Leased to Others		
10	Held for Future Use	657,178	
11	Construction Work in Progress	9,366,028	
12	Acquisition Adjustments		
13	TOTAL Utility Plant (Enter Total of lines 8 thru 12)	3,098,305,429	
14	Accum. Prov. for Depr., Amort., & Depl.	1,245,710,935	
15	Net Utility Plant (Enter total of line 13 less 14)	$1,852,594,494	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION, AMORTIZATION AND DEPLETION		
17	In Service:		
18	Depreciation	$1,233,200,054	
19	Amort. and Depl. of Producing Natural Gas Land and Land Rights		
20	Amort. of Underground Storage Land and Land Rights		
21	Amort. of Other Utility Plant	12,510,881	
22	TOTAL in Service (Enter Total of lines 18 thru 21)	1,245,710,935	
23	Leased to Others		
24	Depreciation		
25	Amortization and Depletion		
26	TOTAL Leased to Others (Enter Total of lines 24 and 25)		
27	Held for Future Use		
28	Depreciation		
29	Amortization		
30	TOTAL Held for Future Use (Enter Total of lines 28 and 29)		
31	Abandonment of Leases (Natural Gas)		
32	Amort. of Plant Acquisition Adjustment		
33	TOTAL Accumulated Provisions (Should agree with line 14 above) (Enter Total of lines 22, 26, 30, 31, and 32)	$1,245,710,935	

NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 and 157)

1. Report below the costs incurred for nuclear fuel materials in process of fabrication, on hand, in reactor, and in cooling; owned by the respondent

2. If the nuclear fuel stock is obtained under leasing arrangements, attach a statement showing the amount of nuclear fuel leased, the quantity used and quantity on hand, and the costs incurred under such leasing arrangements.

Line No.	Description of Item (a)	Balance Beginning of Year (b)	Changes During Year Additions (c)
1	Nuclear Fuel in Process of Refinement, Conversion, Enrichment & Fabrication (120.1)		
2	Fabrication		
3	Nuclear Materials	$ 41,363,353	$ 1,196,567
4	Allowance for Funds Used during Construction	423,128	184,623
5	Other Overhead Construction Costs	839,962	520,147
6	SUBTOTAL (Enter Total of lines 2 thru 5)	42,626,443	
7	Nuclear Fuel Materials and Assemblies		
8	In Stock (120.2)	0	43,977,164
9	In Reactor (120.3)	105,348,086	43,977,164
10	SUBTOTAL (Enter Total of lines 8 and 9)	105,348,086	
11	Spent Nuclear Fuel (120.4)	192,713,742	50,476,478
12	Nuclear Fuel Under Capital Leases (120.6)		
13	(Less) Accum. Prov. for Amortization of Nuclear Fuel Assemblies (120.5)	268,768,230	0
14	TOTAL Nuclear Fuel Stock (Enter Total lines 6, 10, 11, and 12 less line 13)	$ 71,920,041	
15	Estimated Net Salvage Value of Nuclear		

	Materials in line 9					
16	Estimated Net Salvage Value of Nuclear Materials in line 11					
17	Estimated Net Salvage Value of Nuclear Materials in Chamical Processing					
18	Nuclear Materials Held for Sale (157)					
19	Uranium					
20	Plutonium					
21	Other					
22	TOTAL Nuclear Materials Held for Sale (Enter Total of lines 19, 20 and 21)					

NUCLEAR FUEL MATERIALS (Accounts 120.1 through 120.6 and 157) (Continued)

Changes During the Year					
Amortization (d)	Other Reductions (Explain in a footnote) (e)		Balance End of Year (f)	Line No.
				1
				2
	$42,522,652	(1)	$ 37,268	3
	591,375	(1)	16,376	4
	863,137	(1)	496,972	5
			550,616	6
				7
	43,977,164	(2)	0	8
	50,476,478	(3)	98,848,772	9
			98,848,772	10
	40,066,166	(4)	203,124,054	11
				12
$27,900,878	40,066,166	(4)	256,602,942	13
			$ 45,920,500	14
				15
				16
				17
				18
				19
				20
				21
				22

(1) Fabricated assemblies were transferred to Stock (120.2) upon delivery.
(2) Assemblies placed in-service were transferred to In-Reactor (120.3) at cycle start.
(3) Discharged assemblies were transferred to Spent Nuclear Fuel (120.4) for their cooling period.
(4) Assemblies meeting the five year cooling period were retired from the books.

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106)

1. Report below the original cost of electric plant in service according to the prescribed accounts
2. In addition to Account 101, Electric Plant in Service (Classified), this page and the next include Account 102, Electric Plant Purchased or Sold; Account 103, Experimental Electric Plant Unclassified; and Account 106, Completed Construction Not Classified - Electric
3. Include in column (c) or (d), as appropriate, corrections of additions and retirements for the current or preceding year
4. Enclose in parentheses credit adjustments of plant in column (c) . Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b). Likewise, if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements, on an estimated basis, with appropriate contra entry to the account for accumulated depreciation provision. Include also in column (d) reversals of tentative distributions of prior year of

accounts to indicate the negative effect of such accounts

5. Classify Account 106 according to prescribed accounts, on an estimated basis if necessary, and include the entries

unclassified retirements. Show in a footnote the account distributions of these tentative classifications in columns (c) and (d), including the reversals of the prior years

Line No.		Account (a)	Balance at Beginning of Year (b)	Additions (c)
1		1.INTANGIBLE PLANT		
2	(301)	Organization		
3	(302)	Franchises and Consents		
4	(303)	Miscellaneous Intangible Plant	$ 16,594,298	$ 846,752
5		TOTAL Intangible Plant (Enter Total of lines 2, 3, and 4)	16,594,298	846,752
6		2. PRODUCTION PLANT		
7		A. Steam Production Plant		
8	(310)	Land and Land Rights		
9	(311)	Structures and Improvements		
10	(312)	Boiler Plant Equipment		
11	(313)	Engines and Engine-Driven Generators		
12	(314)	Turbogenerator Units		
13	(315)	Accessory Electric Equipment		
14	(316)	Misc. Power Plant Equipment		
15		TOTAL Steam Production Plant (Enter Total of Lines 8 thru 14)		
16		B. Nuclear Production Plant		
17	(320)	Land and Land Rights	7,258,691	
18	(321)	Structures and Improvements	871,363,422	3,877,850
19	(322)	Reactor Plant Equipment	1,379,208,432	7,929,897
20	(323)	Turbogenerator Units	361,771,286	179,589
21	(324)	Accessory Electric Equipment	289,897,752	2,096,459
22	(325)	Misc. Power Plant Equipment	135,122,258	4,368,387
23		TOTAL Nuclear Production Plant (Enter Total of lines 17 thru 22)	3,044,621,841	18,452,182
24		C. Hydraulic Production Plant		
25	(330)	Land and Land Rights		
26	(331)	Structures and Improvements		
27	(332)	Reservoirs, Dams, and Waterways		
28	(333)	Water Wheels, Turbines, and Generators		
29	(334)	Accessory Electric Equipment		
30	(335)	Misc. Power Plant Equipment		
31	(336)	Roads, Railroads, and Bridges		
32		TOTAL Hydraulic Production Plant (Enter Total of lines 25 thru 31)		
33		D. Other Production Plant		
34	(340)	Land and Land Rights		
35	(341)	Structures and Improvements		
36	(342)	Fuel Holders, Products, and Accessories		
37	(343)	Prime Movers		
38	(344)	Generators		
39	(345)	Accessory Electric Equipment		

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

tentative account distributions of these amounts Careful observance of the above instructions and the texts of Accounts 101 and 106 will avoid serious omissions of the reported amount of respondent's plant actually in service at end of year

6. Show in column (f) reclassifications or transfers within utility plant accounts. Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102. In showing the clearance of Account 102, include in column (e) the amounts with respect to accumulated provision for depreciation, acquistion adjustments, etc., and show in column (f) only the offset to the debits or credits distributed in column (f) to primary account classifications.

7. For Account 399, state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages.

8. For each amount comprising the reported balance and changes in Account 102, state the property purchased or sold, name of vendor or purchaser, and date of transaction. If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts, give also date of such filing.

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
					1
				(301)	2
				(302)	3
$1,110,395			$ 16,330,655	(303)	4
1,110,395			16,330,655		5
					6

				7
			(310)	8
			(311)	9
			(312)	10
			(313)	11
			(314)	12
			(315)	13
			(316)	14
				15
				16
		$ 7,258,691	(320)	17
$4,712,489		870,528,783	(321)	18
5,358,274		1,381,780,055	(322)	19
51,367		361,899,508	(323)	20
3,929,977		288,064,234	(324)	21
4,717,876		134,772,769	(325)	22
18,769,983		3,044,304,040		23
				24
			(330)	25
			(331)	26
			(332)	27
			(333)	28
			(334)	29
			(335)	30
			(336)	31
				32
				33
			(340)	34
			(341)	35
			(342)	36
			(343)	37
			(344)	38
			(345)	39

Wolf Creek Nuclear Operating Corporation An Original Dec. 31, 2002

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Line No.		Account (a)	Balance at Beginning of Year (b)	Additions (c)
40	(346)	Misc. Power Plant Equipment		
41		TOTAL Other Prod. Plant (Enter Total lof lines 34 thru 40)		
				$
42		TOTAL Prod. Plant (Enter Total of lines 15, 23, 32 and 41)	$3,044,621,841	18,452,182
43		3. TRANSMISSION PLANT		
44	(350)	Land and Land Rights	756	
45	(352)	Structures and Improvements	555,454	0
46	(353)	Station Equipment	22,782,978	0
47	(354)	Towers and Fixtures		
48	(355)	Poles and Fixtures	123,948	0
49	(356)	Overhead Conductors and Devices	83,867	0
50	(357)	Underground Conduit		
51	(358)	Underground Condutors and Devices		
52	(359)	Roads and Trails		
53		TOTAL Transmission Plant (Enter Total of lines 44 thru 52)	23,547,003	0
54		4. DISTRIBUTION PLANT		
55	(360)	Land and Land Rights		
56	(361)	Structures and Improvements		
57	(362)	Station Equipment		
58	(363)	Storage Battery Equipment		
59	(364)	Poles, Towers, and Fixtures		
60	(365)	Overhead Conductors and Devices		
61	(366)	Underground Conduit		
62	(367)	Underground Condutors and Devices		
63	(368)	Line Transformers		
64	(369)	Services		
65	(370)	Meters		
66	(371)	Installations on Customer Premises		
67	(372)	Leased Property on Customer Premises		
68	(373)	Street Lighting and Signal Systems		
69		TOTAL Distribution Plant (Enter Total of lines 55 thru 68)		
70		5. GENERAL PLANT		
71	(389)	Land and Land Rights		

72	(390)	Structures and Improvements		
73	(391)	Office Furniture and Equipment	3,205,420	504,327
74	(392)	Transportation Equipment		
75	(393)	Stores Equipment		
76	(394)	Tools, Shop and Garage Equipment		
77	(395)	Laboratory Equipment		
78	(396)	Power Operated Equipment		
79	(397)	Communication Equipment	390,778	0
80	(398)	Miscellaneous Equipment		
81		SUBTOTAL (Enter Total of lines 71 thru 80)	3,596,198	504,327
82	(399)	Other Tangible Property		
83		TOTAL General Plant (Enter Total of lines 81 and 82)	3,596,198	504,327
84		TOTAL (Accounts 101 and 106)	3,088,359,340	19,803,261
85	(102)	Electric Plant Purchased (See Instr. 8)		
86	(Less)	(102) Electric Plant sold (See Instr. 8)		
87	(103)	Experimental Plant Unclassified		
				$
88		TOTAL Electric Plant in Service (Enter Total of Lines 84 thru 87)	$3,088,359,340	19,803,261

ELECTRIC PLANT IN SERVICE (Accounts 101, 102, 103, and 106) (Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)		Line No.
				(346)	40
					41
$18,769,983			$3,044,304,040		42
					43
			$ 756	(350)	44
$ 0			555,454	(352)	45
			22,782,978	(353)	46
				(354)	47
			123,948	(355)	48
			83,867	(356)	49
				(357)	50
				(358)	51
				(359)	52
0			$ 23,547,003		53
					54
				(360)	55
				(361)	56
				(362)	57
				(363)	58
				(364)	59
				(365)	60
				(366)	61
				(367)	62
				(368)	63
				(369)	64
				(370)	65
				(371)	66
				(372)	67
				(373)	68
					69
					70
				(389)	71
				(390)	72
0			3,709,747	(391)	73
				(392)	74
				(393)	75
				(394)	76
				(395)	77
				(396)	78
0			390,778	(397)	79
				(398)	80
0			4,100,525		81
				(399)	82
0			4,100,525		83
19,880,378			3,088,282,223		84
				(102)	85
					86
				(103)	87

ELECTRIC PLANT HELD FOR FUTURE USE (Account 105)

1. Report separately each property held for future use at end of the year having an original cost of $250,000 or more Group other items of property held for future use

2. For property having an original cost of $250,000 or more previously used in utility operations, now held for future use, give in column (a), in addition to other required information, the date that utility use of such property was discontinued, and the date the original cost was transferred to Account 105.

Line No.	Description and Location of Property (a)	Date Originally Included in This Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1	Land and Land Rights:			
2				
3	None			
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21	Other Property:			
22				
23	Reclassified from Account 107	Dec. 1985	Unknown	$ 657,178
24	(KGE only)			
25				
26				
27				
28				
29				
30				
31				
32				
33				
34				
35				
36				
37				
38				
39				
40				
41				
42				
43				
44				
45				
46				
47	TOTAL			$ 657,178

CONSTRUCTION WORK IN PROGRESS-ELECTRIC (Account 107)

1. Report below descriptions and balances at end of year of projects in process of construction (107)
2. Show items relating to "research, development, and demonstration" projects last, under a caption Research, Development, and Demonstration (see Account 107 of the Uniform System of Accounts).
3. Minor projects (5% of the Balance End of the Year for Account 107 or $100,000, whichever is less) may be grouped.

Line No.	Description of Project (a)	Construction Work in Progress - Electric (Account 107) (b)
1		
2	Reactor Head Reconfiguration	2,228,656
3	Replace #SGK04 and 05 Air Conditioner Units	1,682,047
4	Distribution Control System to Digital	1,429,404
5	Security Order Response	524,951
6	High Ammonia Secondary Chemistry	440,100
7	Electronic Management Operations System	383,002
8	Main Steam Isolation Valve Actuator Replacement	297,038
9	Main Steam and Feedwater Isolation Valve Actuator Replacement	296,791
10	Health Physics Computer System Software	241,577
11	Turbine Generator Study	229,811
12	Chemistry Computer Replacement	196,413
13	Miscellaneous Minor Projects (33) and Unapplied Engineering	1,416,238
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
26		
27		
28		
29		
30		
31		
32		
33		
34		
35		
36		
37		
38		
39		
40		
41		
42		
43		
44		
45		
46		
	TOTAL	9,366,028

ACCUMULATED PROVISION FOR DEPRECIATION OF ELECTRIC UTILITY PLANT (Account 108)

1. Explain in a footnote any important adjustments during the year
2. Explain in a footnote any difference between the amount for book cost of plant retired, line 11, column (c), and that reported for electric plant in service, pages 204-207, column (d), excluding retirements of non-depreciable property
3. The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service. If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications, make preliminary closing entries to tentatively functionalize the book cost of the plant retired. In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications.
4. Show separately interest credits under a sinking fund or similar method of depreciation accounting.

Section A. Balances and Changes During Year

Line No.	Item (a)	Total (c+d+e) (b)	Electric Plant in Service (c)	Electric Plant Held for Future Use (d)	Electric Plant Leased to Others (e)
1	Balance Beginning of Year	$1,173,660,208	$1,173,660,208		
2	Depreciation Provisions for Year, Charged to				
3	(403) Depreciation Expense	78,246,113	78,246,113		
4	(413) Exp. of Elec. Plt. Leas. to Others				
5	Transportation Expenses-Clearing				
6	Other Clearing Accounts				
7	Other Accounts (Specify):				
8					
9	TOTAL Deprec. Prov. for Year (Enter Total of lines 3 thru 8)	78,246,113	78,246/113		
10	Net Charges for Plant Retired:				
11	Book Cost of Plant Retired	18,769,983	18,769,983		
12	Cost of Removal	14,822	14,822		
13	Salvage (Credit)	78,538	78,538		
14	TOTAL Net Chrgs. for Plant Ret. (Enter Total of lines 11 thru 13)	18,706,267	18,706,267		
15	Other Debit or Credit Items (Describe):				
16					
17	Balance End of Year (Enter Total of lines 1, 9, 14, 15, and 16)				
	Section B. Balances at End of Year According to Functional Classifications				
18	Steam Production				
19	Nuclear Production	Accumulated depreciation is not recorded on a functional basis. However, over 99% is under nuclear production.			
20	Hydraulic Production - Conventional				
21	Hydraulic Production - Pumped Storage				
22	Other Production				
23	Transmission				
24	Distribution				
25	General				
26	TOTAL (Enter Total of lines 18 thru 25)	$1,233,200,054	$1,233,200,054		

Wolf Creek Nuclear Operating Corporation An Original Dec. 31, 2002

MATERIALS AND SUPPLIES

1. For Account 154, report the amount of plant materials and operating supplies under the primary functional classifications as indicated in column (a); estimates of amounts by function are acceptable. In column (d), designate the department or departments which use the class of material

2. Give an explanation of important inventory adjustments during the year (in a footnote) showing general classes of material and supplies and the various accounts (operating expenses, clearing accounts, plant, etc.) affected - debited or credited. Show separately debits or credits to stores expense-clearing, if applicable.

Line No.	Account (a)	Balance Beginning of Year (b)	Balance End of Year (c)	Department or Departments Which Use Material (d)
1	Fuel Stock (Account 151)	$ 292,176	$345,243	Electric
2	Fuel Stock Expenses Undistributed (Account 152)			Only
3	Residuals and Extracted Products (Account 153)			
4	Plant Materials and Operating Supplies (Account 154)			
5	Assigned to - Construction (Estimated)			
6	Assigned to - Operations and Maintenance			
7	Production Plant (Estimated)			
8	Transmission Plant (Estimated)			
9	Distribution Plant (Estimated)			
10	Assigned to - Other			
11	TOTAL Account 154 (Total of lines 5 thru 10)	37,650,172	36,403,453	
12	Merchandise (Account 155)			

13	Other Materials and Supplies (Account 156)		
14	Nuclear Materials Held for Sale (Account 157) (Not applicable to Gas Utilities)		
15	Stores Expense Undistributed (Account 163)	737,833	571,490
16			
17			
18			
19			
20	TOTAL Materials and Supplies (per Balance Sheet)	$38,680,181	$37,320,186