

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant To Section 13 Or 15(d) of  
The Securities Exchange Act of 1934**

Date of report (Date of earliest event reported): June 30, 2005

**KANSAS GAS AND ELECTRIC COMPANY**

(Exact Name of Registrant as Specified in Charter)

**KANSAS**

(State or Other Jurisdiction of Incorporation)

**1-7324**

(Commission File Number)

**48-1093840**

(IRS Employer Identification No.)

**777 West Central, Wichita, Kansas**

(Address of Principal Executive Offices)

**67203**

(Zip Code)

**Registrant's telephone number, including area code: (316) 261-6611**

**Not Applicable**

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## Section 1. Registrant's Business and Operations

### Item 1.01. Entry into a Material Definitive Agreement.

In 1987, Kansas Gas And Electric Company (“**KGE**”) entered into a sale and leaseback transaction, in which KGE sold to the Owner Trustee (as defined below), and leased back from the Owner Trustee, its 50% undivided interest in La Cygne Unit 2 (“**Unit 2**”), an electric generating plant located in Linn County, Kansas. On June 30, 2005, KGE caused the Owner Trustee to refinance the bonds issued in connection with that sale and leaseback transaction. In addition to the refinancing, KGE and the other parties to the transaction amended certain terms of the Lease (as defined below), including an amendment to extend the term of the Lease. The bonds outstanding prior to the refinancing were redeemed with the proceeds from the offering of a new series of bonds— the 5.647% Secured Facility Bonds, Series 2005, due 2021 (the “**Bonds**”), in the principal amount of \$320,000,000. A portion of the proceeds from the offering of the Bonds was paid by the Owner Trustee, the issuer of such bonds, to Comcast MO Financial Services, Inc., the equity investor in, and beneficiary of, the owner trust of which the Owner Trustee acts as the trustee. The Bonds will be repaid through the rental and other payments made by KGE to the Owner Trustee, as the lessor, pursuant to the Lease. Neither KGE, nor its parent, Westar Energy, are direct obligors, or guarantors, of the Bonds.

Pursuant to Amendment No. 4 dated as of June 30, 2005 to the Lease Agreement dated as of September 1, 1987 as subsequently amended by Amendment No. 1 dated as of October 1, 1987, Amendment No. 2 dated as of August 1, 1989, and Amendment No. 3 dated as of September 18, 1992, between U.S. Bank National Association (as successor in interest to The Connecticut National Bank), as owner trustee (the “**Owner Trustee**”), and KGE, as lessee (as so amended, the “**Lease**”) the term of the Lease was extended for a term expiring on September 29, 2029. Additionally, KGE now has the right to exercise the option to buy back the 50% interest in Unit 2 on September 19<sup>th</sup> of 2015, 2020 or 2025. KGE has also obtained an additional right to request the Owner Trustee to effect a refinancing of the Bonds in the future.

In connection with the amendment to the Lease, KGE entered into the Second Supplemental Indenture dated as of June 30, 2005 to the Trust Indenture, Security Agreement and Mortgage, dated as of September 1, 1987, as supplemented by the First Supplemental Indenture, dated as of September 29, 1992, among the Owner Trustee (not in its individual capacity except to the extent set forth therein but solely as owner trustee under the Trust Agreement dated as of September 1, 1987, as supplemented, between Comcast MO Financial Services, Inc. (formerly named U S West Financial Services, Inc.), as Owner Participant, and the Owner Trustee, KGE and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company)), as Indenture trustee, governing the terms of the Bonds. The Bonds were issued in a private offering exempt from the registration requirements of the Securities Act of 1933, as amended. The Bonds were sold pursuant to a purchase agreement dated June 21, 2005 among KGE, the Owner Trustee and certain initial purchasers named therein. The Bonds bear interest at the rate of 5.647% per annum, payable semi-annually on March 29 and September 29, beginning September 29, 2005 and will mature on March 29, 2021. At any time from June 30, 2005 to, but not including September 29, 2015, the Bonds may be redeemed at a redemption price equal to the greater of (i) 100% of the principal amount or (ii) the sum of the present values of the remaining scheduled payments of the principal amount of the Bonds then outstanding and interest thereon (exclusive of interest to the redemption date) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the applicable Treasury Rate plus 25 basis points. On and after September 29, 2015, the Bonds may be redeemed at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, and additional interest, if any, to the redemption date.

KGE also entered into a registration rights agreement, dated June 30, 2005, with the certain initial purchasers named therein (the “**Registration Rights Agreement**”) in connection with the issuance of the Bonds. Pursuant to the Registration Rights Agreement, KGE has agreed to file an exchange offer registration statement or, under certain circumstances, a shelf registration statement, relating to the Bonds with the Securities and Exchange Commission. If KGE fails to comply with certain of its obligations under the Registration Rights Agreement, it will be required to pay additional interest to holders of the Bonds.

The Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act of 1933 and applicable state securities laws. This Current Report on Form 8-K does not constitute an offer to sell or the solicitation of an offer to buy the Bonds.

KGE maintains ordinary banking and trust relationships with the indenture trustee, Deutsche Bank Trust Company Americas and its affiliates.

The descriptions of the provisions of the agreements set forth above are qualified in their entirety by reference to the full and complete terms contained in such agreements, which are filed as exhibits to this Form 8-K.

***Section 2. Financial Information***

**Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

See Item 1.01, which is incorporated herein by reference.

## Section 9. Financial Statements and Exhibits

### Item 9.01. Financial Statements and Exhibits.

- Exhibit 4.1 Registration Rights Agreement among Kansas Gas and Electric Company, a Kansas corporation, U.S. Bank National Association, a national banking association, not in its individual capacity but solely as owner trustee, and Credit Suisse First Boston LLC, as Representative of the Several Purchasers, dated June 30, 2005
- Exhibit 4.2 Second Supplemental Indenture, dated as of June 30, 2005, to the Trust Indenture, Security Agreement and Mortgage dated as of September 1, 1987, as supplemented by the First Supplemental Indenture dated as of September 29, 1992, among U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association (not in its individual capacity except to the extent set forth therein but solely as owner trustee under the Trust Agreement dated as of September 1, 1987, as supplemented, between Comcast MO Financial Services, Inc. (formerly named U S West Financial Services, Inc.) as Owner Participant and U.S. Bank National Association (as successor in interest to The Connecticut National Bank) as Owner Trustee), Kansas Gas and Electric Company and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), a New York banking corporation, as trustee
- Exhibit 10.1 Amendment No. 1 to the Sublease, dated June 30, 2005, between U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity but solely as owner trustee under the Trust Agreement with Comcast MO Financial Services, Inc. (formerly named US West Financial Services, Inc.) dated as of September 1, 1987 as sublessor, and Kansas Gas and Electric Company, as sublessee, to the Sublease dated as of September 1, 1987 between the Sublessor and the Sublessee
- Exhibit 10.2 Amendment No. 1 to Ground Lease, dated June 30, 2005, between Kansas Gas and Electric Company, as lessor, and U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity but solely as owner trustee under the Trust Agreement with Comcast MO Financial Services, Inc. (formerly named US West Financial Services, Inc.) dated as of September 1, 1987, as lessee (this "Amendment") to the Ground Lease dated as of September 1, 1987 between the lessor and the lessee
- Exhibit 10.3 Amendment No. 4 to Lease Agreement, dated June 30, 2005, between U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity but solely as owner trustee under a Trust Agreement, dated as of September 1, 1987, between Comcast MO Financial Services, Inc., (formerly named US West Financial Services, Inc.), a Colorado corporation, and Owner Trustee, as lessor, and Kansas Gas and Electric Company, a Kansas corporation, as lessee
- Exhibit 10.4 Second Supplemental Participation Agreement, dated June 30, 2005, among U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity except to the extent set forth herein but solely as owner trustee under the Trust Agreement dated as of September 1, 1987, Deutsche Bank Trust Company Americas (as successor in interest to Bankers Trust Company), a New York banking corporation, in its individual capacity to the extent set forth therein and as indenture trustee, Comcast MO Financial Services, Inc. (formerly named US West Financial Services, Inc.), a Colorado corporation, as owner participant, and Kansas Gas and Electric Company, a Kansas corporation, as lessee

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**Kansas Gas and Electric Company**

Date: July 1, 2005

By: /s/ Larry D. Irick

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Name: Larry D. Irick

Title: Secretary

## EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
4.1	Registration Rights Agreement among Kansas Gas and Electric Company, a Kansas corporation, U.S. Bank National Association, a national banking association, not in its individual capacity but solely as owner trustee, and Credit Suisse First Boston LLC, as Representative of the Several Purchasers, dated June 30, 2005
4.2	Second Supplemental Indenture, dated as of June 30, 2005, to the Trust Indenture, Security Agreement and Mortgage dated as of September 1, 1987, as supplemented by the First Supplemental Indenture dated as of September 29, 1992, among U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association (not in its individual capacity except to the extent set forth therein but solely as owner trustee under the Trust Agreement dated as of September 1, 1987, as supplemented, between Comcast MO Financial Services, Inc. (formerly named U S West Financial Services, Inc.) as Owner Participant and U.S. Bank National Association (as successor in interest to The Connecticut National Bank) as Owner Trustee), Kansas Gas and Electric Company and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), a New York banking corporation, as trustee
10.1	Amendment No. 1 to the Sublease, dated June 30, 2005, between U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity but solely as owner trustee under the Trust Agreement with Comcast MO Financial Services, Inc. (formerly named US West Financial Services, Inc.) dated as of September 1, 1987 as sublessor, and Kansas Gas and Electric Company, as sublessee, to the Sublease dated as of September 1, 1987 between the Sublessor and the Sublessee
10.2	Amendment No. 1 to Ground Lease, dated June 30, 2005, between Kansas Gas and Electric Company, as lessor, and U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity but solely as owner trustee under the Trust Agreement with Comcast MO Financial Services, Inc. (formerly named US West Financial Services, Inc.) dated as of September 1, 1987, as lessee (this "Amendment") to the Ground Lease dated as of September 1, 1987 between the lessor and the lessee
10.3	Amendment No. 4 to Lease Agreement, dated June 30, 2005, between U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity but solely as owner trustee under a Trust Agreement, dated as of September 1, 1987, between Comcast MO Financial Services, Inc., (formerly named US West Financial Services, Inc.), a Colorado corporation, and Owner Trustee, as lessor, and Kansas Gas and Electric Company, a Kansas corporation, as lessee
10.4	Second Supplemental Participation Agreement, dated June 30, 2005, among U.S. Bank National Association (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity except to the extent set forth herein but solely as owner trustee under the Trust Agreement dated as of September 1, 1987, Deutsche Bank Trust Company Americas (as successor in interest to Bankers Trust Company), a New York banking corporation, in its individual capacity to the extent set forth therein and as indenture trustee, Comcast MO Financial Services, Inc. (formerly named US West Financial Services, Inc.), a Colorado corporation, as owner participant, and Kansas Gas and Electric Company, a Kansas corporation, as lessee

\$320,000,000

**Kansas Gas and Electric Company**  
As Lessee

5.647% Secured Facility Bonds, Series 2005, Due 2021

**REGISTRATION RIGHTS AGREEMENT**

June 30, 2005

Credit Suisse First Boston LLC  
Citigroup Global Markets Inc.  
ABN AMRO Incorporated  
Barclays Capital Inc.  
Deutsche Bank Securities Inc.  
Piper Jaffray & Co.  
Hibernia Southcoast Capital, Inc.

c/o Credit Suisse First Boston LLC  
Eleven Madison Avenue  
New York, New York 10010-3629

Dear Sirs:

Kansas Gas and Electric Company, a Kansas corporation (the "Company") and U.S. Bank National Association, a national banking association ("USB"), not in its individual capacity but solely as owner trustee (the "Owner Trustee"), have entered into a Purchase Agreement dated June 21, 2005 (the "Purchase Agreement") with Credit Suisse First Boston LLC, Citigroup Global Markets Inc., ABN AMRO Incorporated, Barclays Capital Inc., Deutsche Bank Securities Inc, Piper Jaffray & Co. and Hibernia Southcoast Capital, Inc. (each, an "Initial Purchaser" and collectively, the "Initial Purchasers"), relating to \$320,000,000 aggregate principal amount of 5.647% Secured Facility Bonds, Series 2005, Due 2021 (the "Initial Securities"). The Initial Securities will be issued pursuant to the Trust Indenture, Security Agreement and Mortgage dated as of September 1, 1987 (the "Original Indenture") among the Company, the Owner Trustee and Deutsche Bank Trust Company Americas (formerly known as Bankers Trust Company), acting not in its individual capacity but solely as indenture trustee (the "Indenture Trustee"), as amended by the First Supplemental Indenture dated as of September 29, 1992 (the "First Supplemental Indenture" and, together with the Original Indenture, the "Existing Indenture") and the Second Supplemental Indenture to be dated as of June 30, 2005 (together with the Existing Indenture, the "Indenture"). As an inducement to the Initial Purchasers to enter into the Purchase Agreement, the Company and the Owner Trustee, as applicable, agree with the Initial Purchasers, for the benefit of the holders of the Initial Securities (including, without limitation, the Initial Purchasers), the Exchange Securities (as defined below) and the Private Exchange Securities (as defined below) (collectively the "Holders"), as follows:

1. *Registered Exchange Offer*. The Company shall, at its own cost, prepare and, not later than 90 days after (or if the 90th day is not a business day, the first business day thereafter) the date of original

issue of the Initial Securities (the “Issue Date”), file with the Securities and Exchange Commission (the “Commission”) a registration statement (the “Exchange Offer Registration Statement”) on an appropriate form under the Securities Act of 1933, as amended (the “Securities Act”), with respect to a proposed offer (the “Registered Exchange Offer”) to the Holders of Transfer Restricted Securities (as defined in Section 6 hereof), who are not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer, to issue and deliver to such Holders, in exchange for the Initial Securities, a like aggregate principal amount of debt securities (the “Exchange Securities”) of the Owner Trust (as defined in the Indenture) issued under the Indenture and identical in all material respects to the Initial Securities (except for the transfer restrictions relating to the Initial Securities and the provisions relating to the matters described in Section 6 hereof) that would be registered under the Securities Act. The Company shall use its reasonable best efforts to cause such Exchange Offer Registration Statement to become effective under the Securities Act within 210 days (or if the 210th day is not a business day, the first business day thereafter) after the Issue Date of the Initial Securities and shall keep the Exchange Offer Registration Statement effective for not less than 20 business days (or longer, if required by applicable law) after the date notice of the Registered Exchange Offer is mailed to the Holders (such period being called the “Exchange Offer Registration Period”).

If the Registered Exchange Offer is effected, the Registered Exchange Offer will be entitled to be closed 20 business days after the commencement thereof provided that the Company has accepted all the Initial Securities theretofore validly tendered in accordance with the terms of the Registered Exchange Offer.

Following the declaration of the effectiveness of the Exchange Offer Registration Statement, the Company shall promptly commence the Registered Exchange Offer, it being the objective of such Registered Exchange Offer to enable each Holder of Transfer Restricted Securities (as defined in Section 6 hereof) electing to exchange the Initial Securities for Exchange Securities (assuming that such Holder is not an affiliate of the Company within the meaning of the Securities Act, acquires the Exchange Securities in the ordinary course of such Holder’s business and has no arrangements with any person to participate in the distribution of the Exchange Securities and is not prohibited by any law or policy of the Commission from participating in the Registered Exchange Offer) to trade such Exchange Securities from and after their receipt without any limitations or restrictions under the Securities Act and without material restrictions under the securities laws of the several states of the United States.

The Company acknowledges that, pursuant to current interpretations by the Commission’s staff of Section 5 of the Securities Act, in the absence of an applicable exemption therefrom, (i) each Holder which is a broker-dealer electing to exchange Initial Securities, acquired for its own account as a result of market making activities or other trading activities, for Exchange Securities (an “Exchanging Dealer”), is required to deliver a prospectus containing the information substantially to the effect set forth in (a) Annex A hereto on the cover, (b) Annex B hereto in the “Exchange Offer Procedures” section and the “Purpose of the Exchange Offer” section, and (c) Annex C hereto in the “Plan of Distribution” section of such prospectus in connection with a sale of any such Exchange Securities received by such Exchanging Dealer pursuant to the Registered Exchange Offer and (ii) an Initial Purchaser that elects to sell Exchange Securities acquired in exchange for Initial Securities constituting any portion of an unsold allotment is required to deliver a prospectus containing the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in connection with such sale.

The Company shall, subject to Section 6(b) hereof, use its reasonable best efforts to keep the Exchange Offer Registration Statement effective and to amend and supplement the prospectus contained therein, in order to permit such prospectus to be lawfully delivered by all persons subject to the prospectus delivery requirements of the Securities Act for such period of time as such persons must comply with such requirements in order to resell the Exchange Securities; provided, however, that (i) in the case where such prospectus and any amendment or supplement thereto must be delivered by an Exchanging Dealer or an Initial Purchaser, such period shall be the lesser of 180 days and the date on which all Exchanging Dealers and the Initial Purchasers have sold all Exchange Securities held by them (unless such period is extended



pursuant to Section 3(j) below) and (ii) the Company shall make such prospectus and any amendment or supplement thereto, available to any broker-dealer for use in connection with any resale of any Exchange Securities for a period of not less than 90 days after the consummation of the Registered Exchange Offer.

If, upon consummation of the Registered Exchange Offer, any Initial Purchaser holds Initial Securities acquired by it as part of its initial distribution, the Company, simultaneously with the delivery of the Exchange Securities pursuant to the Registered Exchange Offer, shall cause the Owner Trustee to, and the Owner Trustee shall, issue and deliver to such Initial Purchaser upon the written request of such Initial Purchaser, in exchange (the "Private Exchange") for the Initial Securities held by such Initial Purchaser, a like principal amount of debt securities issued under the Indenture and identical in all material respects (including the existence of restrictions on transfer under the Securities Act and the securities laws of the several states of the United States, but excluding provisions relating to the matters described in Section 6 hereof) to the Initial Securities (the "Private Exchange Securities"). The Initial Securities, the Exchange Securities and the Private Exchange Securities are herein collectively called the "Securities".

In connection with the Registered Exchange Offer, the Company shall:

- (a) mail to each Holder a copy of the prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;
- (b) keep the Registered Exchange Offer open for not less than 30 days (or longer, if required by applicable law) after the date notice thereof is mailed to the Holders;
- (c) utilize the services of a depository for the Registered Exchange Offer with an address in the Borough of Manhattan, The City of New York, which may be the Indenture Trustee or an affiliate of the Indenture Trustee;
- (d) permit Holders to withdraw tendered Securities at any time prior to the close of business, New York time, on the last business day on which the Registered Exchange Offer shall remain open; and
- (e) otherwise comply with all applicable laws.

As soon as practicable after the close of the Registered Exchange Offer or the Private Exchange, as the case may be, the Company shall:

- (x) accept for exchange all the Securities validly tendered and not withdrawn pursuant to the Registered Exchange Offer and the Private Exchange;
- (y) deliver to the Indenture Trustee for cancellation all the Initial Securities so accepted for exchange; and
- (z) cause the Owner Trustee to, and the Owner Trustee shall cause the Indenture Trustee to, authenticate and deliver promptly to each Holder of the Initial Securities, Exchange Securities or Private Exchange Securities, as the case may be, equal in principal amount to the Initial Securities of such Holder so accepted for exchange.

The Indenture will provide that the Exchange Securities will not be subject to the transfer restrictions set forth in the Indenture and that all the Securities will vote and consent together on all matters as one class and that none of the Securities will have the right to vote or consent as a class separate from one another on any matter.

Interest on each Exchange Security and Private Exchange Security issued pursuant to the Registered Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Initial Securities surrendered in exchange therefor or, if no interest has been paid on the Initial Securities, from the date of original issue of the Initial Securities.

Each Holder participating in the Registered Exchange Offer shall be required to represent to the Company that at the time of the consummation of the Registered Exchange Offer that: (i) any Exchange Securities received by such Holder will be acquired in the ordinary course of business, (ii) such Holder will have no arrangements or understanding with any person to participate in the distribution of the Securities or the Exchange Securities within the meaning of the Securities Act, (iii) such Holder is not an “affiliate,” as defined in Rule 405 of the Securities Act, of the Company or if it is an affiliate, such Holder will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iv) if such Holder is not a broker-dealer, that it is not engaged in, and does not intend to engage in, the distribution of the Exchange Securities and (v) if such Holder is a broker-dealer, that it will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities and that it will be required to acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities.

Notwithstanding any other provisions hereof, the Company will ensure that (i) any Exchange Offer Registration Statement and any amendment thereto and any prospectus forming part thereof and any supplement thereto complies in all material respects with the Securities Act and the rules and regulations thereunder, (ii) any Exchange Offer Registration Statement and any amendment thereto does not, when it becomes effective, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and (iii) any prospectus forming part of any Exchange Offer Registration Statement, and any supplement to such prospectus, does not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

2. *Shelf Registration.* If, (i) because of any change in law or in applicable interpretations thereof by the staff of the Commission, a Registered Exchange Offer is not permitted to be effected, as contemplated by Section 1 hereof, (ii) the Registered Exchange Offer is not consummated within 240 days of the Issue Date, (iii) any Initial Purchaser so requests in writing on or prior to the 20<sup>th</sup> business day following the consummation of the Registered Exchange Offer with respect to the Initial Securities (or the Private Exchange Securities) not eligible to be exchanged for Exchange Securities in the Registered Exchange Offer and held by it following consummation of the Registered Exchange Offer or (iv) any Holder (other than an Exchanging Dealer) notifies the Company in writing on or prior to the 20<sup>th</sup> business day following the consummation of the Registered Exchange Offer that it is not eligible to participate in the Registered Exchange Offer or, in the case of any Holder (other than an Exchanging Dealer) that participates in the Registered Exchange Offer, such Holder does not receive freely tradeable Exchange Securities on the date of the exchange, the Company shall take the following actions:

(a) The Company shall, at its cost, prepare and, not later than 60 days after so required or requested pursuant to this Section 2, file with the Commission and thereafter shall use its reasonable best efforts to cause to be declared effective (in no event more than 120 days after so required or requested pursuant to this Section 2) a registration statement (the “Shelf Registration Statement” and, together with the Exchange Offer Registration Statement, a “Registration Statement”) on an appropriate form under the Securities Act relating to the offer and sale of the Transfer Restricted Securities (as defined in Section 6 hereof) by the Holders thereof from time to time in accordance with the methods of distribution set forth in the Shelf Registration Statement and Rule 415 under the Securities Act (hereinafter, the “Shelf Registration”); provided, however, that no Holder (other than an Initial Purchaser) shall be entitled to have the Securities held by it covered by such Shelf Registration Statement unless such Holder agrees in writing to be bound by all the provisions of this Agreement applicable to such Holder.

(b) The Company shall use its reasonable best efforts to keep the Shelf Registration Statement continuously effective in order to permit the prospectus included therein to be lawfully delivered by the Holders of the relevant Securities, for a period of two years (or for such longer period if extended pursuant to Section 3(j) below) from the Issue Date or such shorter period that will terminate when all the Securities covered by the Shelf Registration Statement (i) have been sold pursuant thereto or (ii) are no longer restricted securities (as defined in Rule 144 under the Securities Act, or any successor rule thereof). The Company shall be deemed not to have used its reasonable best efforts to keep the Shelf Registration Statement effective during the requisite period if it voluntarily takes any action (other than an action permitted by Section 6(b)) that would result in Holders of Securities covered thereby not being able to offer and sell such Securities during that period, unless such action is required by applicable law.

(c) Notwithstanding any other provisions of this Agreement to the contrary, the Company shall cause the Shelf Registration Statement and the related prospectus and any amendment or supplement thereto, as of the effective date of the Shelf Registration Statement, amendment or supplement, (i) to comply in all material respects with the applicable requirements of the Securities Act and the rules and regulations of the Commission and (ii) not to contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. *Registration Procedures.* In connection with any Shelf Registration contemplated by Section 2 hereof and, to the extent applicable, any Registered Exchange Offer contemplated by Section 1 hereof, the following provisions shall apply:

(a) The Company shall (i) furnish to each Initial Purchaser, prior to the filing thereof with the Commission, a copy of the Registration Statement and each amendment thereof and each supplement, if any, to the prospectus included therein (except for documents to be filed under the Securities Exchange Act of 1934, as amended) and, in the event that an Initial Purchaser (with respect to any portion of an unsold allotment from the original offering) is participating in the Registered Exchange Offer or the Shelf Registration Statement, the Company shall use its reasonable best efforts to reflect in each such document, when so filed with the Commission, such comments as such Initial Purchaser reasonably may propose; (ii) include information substantially to the effect set forth in Annex A hereto on the cover, in Annex B hereto in the “Exchange Offer Procedures” section and the “Purpose of the Exchange Offer” section and in Annex C hereto in the “Plan of Distribution” section of the prospectus forming a part of the Exchange Offer Registration Statement and include the information set forth in Annex D hereto in the Letter of Transmittal delivered pursuant to the Registered Exchange Offer; (iii) if requested by an Initial Purchaser in connection with a Shelf Registration, include the information required by Items 507 or 508 of Regulation S-K under the Securities Act, as applicable, in the prospectus forming a part of the Shelf Registration Statement; and (iv) in the case of a Shelf Registration Statement, include the names of the Holders, who propose to sell Securities pursuant to the Shelf Registration Statement, as selling securityholders.

(b) The Company shall give written notice to the Initial Purchaser, the Holders of the Securities (only in the event of a Shelf Registration Statement) and any broker-dealer participating in the Registered Exchange Offer (a “Participating Broker-Dealer”) from whom the Company has received prior written notice that it will be a Participating Broker-Dealer in the Registered Exchange Offer (which notice pursuant to clauses (ii)-(v) hereof shall be accompanied by an instruction to suspend the use of the prospectus until the requisite changes have been made):

(i) when the Registration Statement or any amendment thereto has been filed with the Commission and when the Registration Statement or any post-effective amendment thereto has become effective;

(ii) of any request by the Commission for amendments or supplements to the Registration Statement or the prospectus included therein or for additional information;

(iii) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings for that purpose;

(iv) of the receipt by the Company or its legal counsel of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose; and

(v) of the happening of any event that requires the Company to make changes in the Registration Statement or the prospectus in order that the Registration Statement or the prospectus do not contain an untrue statement of a material fact nor omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the prospectus, in light of the circumstances under which they were made) not misleading.

(c) The Company shall make every reasonable effort to obtain the withdrawal at the earliest possible time, of any order suspending the effectiveness of the Registration Statement.

(d) The Company shall, upon request, furnish to each Holder of Securities included within the coverage of the Shelf Registration, without charge, at least one copy of the Shelf Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if the Holder so requests in writing, all exhibits thereto (excluding those exhibits or any other documents, if any, incorporated by reference).

(e) The Company shall deliver to each Exchanging Dealer and each Initial Purchaser, and to any other Holder who so requests, without charge, at least one copy of the Exchange Offer Registration Statement and any post-effective amendment thereto, including financial statements and schedules, and, if any Initial Purchaser or any such Holder requests, all exhibits thereto (excluding those exhibits or any other documents incorporated by reference).

(f) The Company shall, during the Shelf Registration Period, deliver to each Holder of Securities included within the coverage of the Shelf Registration, without charge, as many copies of the prospectus (including each preliminary prospectus) included in the Shelf Registration Statement and any amendment or supplement thereto as such person may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by each of the selling Holders of the Securities in connection with the offering and sale of the Securities covered by the prospectus, or any amendment or supplement thereto, included in the Shelf Registration Statement.

(g) The Company shall deliver to each Initial Purchaser, any Exchanging Dealer, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer, without charge, as many copies of the final prospectus included in the Exchange Offer Registration Statement and any amendment or supplement thereto as such persons may reasonably request. The Company consents, subject to the provisions of this Agreement, to the use of the prospectus or any amendment or supplement thereto by any Initial Purchaser, if

necessary, any Participating Broker-Dealer and such other persons required to deliver a prospectus following the Registered Exchange Offer in connection with the offering and sale of the Exchange Securities covered by the prospectus, or any amendment or supplement thereto, included in such Exchange Offer Registration Statement.

(h) Prior to any public offering of the Securities, pursuant to any Registration Statement, the Company shall register or qualify or cooperate with the Holders of the Securities included therein and their respective counsel in connection with the registration or qualification of the Securities for offer and sale under the securities or "blue sky" laws of such states of the United States as any Holder of the Securities reasonably requests in writing and do any and all other acts or things necessary or advisable to enable the offer and sale in such jurisdictions of the Securities covered by such Registration Statement; provided, however, that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it is not then so qualified or (ii) take any action which would subject it to general service of process or to taxation in any jurisdiction where it is not then so subject.

(i) The Company shall cause the Owner Trustee, and the Owner Trustee shall, cooperate with the Holders of the Securities to facilitate the timely preparation and delivery of certificates representing the Securities to be sold pursuant to any Registration Statement free of any restrictive legends and in such denominations and registered in such names as the Holders may request a reasonable period of time prior to sales of the Securities pursuant to such Registration Statement.

(j) Upon the occurrence of any event contemplated by paragraphs (ii) through (v) of Section 3(b) above during the period for which the Company is required to maintain an effective Registration Statement, the Company shall, subject to Section 6(b), promptly prepare and file a post-effective amendment to the Registration Statement or a supplement to the related prospectus and any other required document so that, as thereafter delivered to Holders of the Securities or purchasers of Securities, the prospectus will not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. If the Company notifies the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer in accordance with paragraphs (ii) through (v) of Section 3(b) above to suspend the use of the prospectus until the requisite changes to the prospectus have been made, then the Initial Purchasers, the Holders of the Securities and any such Participating Broker-Dealers shall suspend use of such prospectus, and the period of effectiveness of the Shelf Registration Statement provided for in Section 2(b) above and the Exchange Offer Registration Statement provided for in Section 1 above shall each be extended by the number of days from and including the date of the giving of such notice to and including the date when the Initial Purchasers, the Holders of the Securities and any known Participating Broker-Dealer shall have received such amended or supplemented prospectus pursuant to this Section 3(j).

(k) Not later than the effective date of the applicable Registration Statement, the Company will provide a CUSIP number for the Exchange Securities or the Private Exchange Securities, as the case may be, and shall cause the Owner Trustee to provide, and the Owner Trustee shall provide, the Indenture Trustee with printed certificates for the Exchange Securities or the Private Exchange Securities, as the case may be, in a form eligible for deposit with The Depository Trust Company.

(l) The Company will comply with all rules and regulations of the Commission to the extent and so long as they are applicable to the Registered Exchange Offer or the Shelf Registration and will make generally available to its security holders (or otherwise provide in accordance with Section 11(a) of the Securities Act) an earnings statement satisfying the provisions of Section 11(a) of the Securities Act, no later than 45 days after the end of a 12-month

period (or 90 days, if such period is a fiscal year) beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement, which statement shall cover such 12-month period.

(m) The Company shall cause the Indenture to be qualified, to the extent such Indenture is not already so qualified, under the Trust Indenture Act of 1939, as amended, in a timely manner and containing such changes, if any, as shall be necessary for such qualification. In the event that such qualification would require the appointment of a new indenture trustee under the Indenture, the Company shall appoint a new indenture trustee thereunder pursuant to the applicable provisions of the Indenture.

(n) The Company may require each Holder of Securities to be sold pursuant to the Shelf Registration Statement to furnish to the Company such information regarding the Holder and the distribution of the Securities as the Company may from time to time reasonably require for inclusion in the Shelf Registration Statement, and the Company may exclude from such registration the Securities of any Holder that unreasonably fails to furnish such information within a reasonable time after receiving such request.

(o) Each of the Company and the Owner Trustee shall enter into such customary agreements (including, if requested, an underwriting agreement in customary form) and take all such other action, if any, as any Holder of the Securities shall reasonably request in order to facilitate the disposition of the Securities pursuant to any Shelf Registration.

(p) In the case of any Shelf Registration, each of the Company and the Owner Trustee shall (i) make reasonably available for inspection by the Holders of the Securities, any underwriter participating in any disposition pursuant to the Shelf Registration Statement and any attorney, accountant or other agent retained by the Holders of the Securities or any such underwriter all relevant financial and other records, pertinent corporate documents and properties of the Company or the Owner Trustee, as applicable, and (ii) cause the Company's or the Owner Trustee's officers, directors, employees, accountants and auditors to supply all relevant information reasonably requested by the Holders of the Securities or any such underwriter, attorney, accountant or agent in connection with the Shelf Registration Statement, in each case, as shall be reasonably necessary to enable such persons, to conduct a reasonable investigation within the meaning of Section 11 of the Securities Act; provided, however, that the foregoing inspection and information gathering shall be coordinated on behalf of the Initial Purchasers by you and on behalf of the other parties, by one counsel designated by and on behalf of such other parties as described in Section 4 hereof.

(q) In the case of any Shelf Registration, each of the Company and, if applicable, the Owner Trustee, if requested by any Holder of Securities covered thereby, shall cause (i) its counsel to deliver an opinion and updates thereof relating to the Securities in customary form addressed to such Holders and the managing underwriters, if any, thereof and dated, in the case of the initial opinion, the effective date of such Shelf Registration Statement (it being agreed that the matters to be covered by such opinion shall include, without limitation, the due incorporation and good standing of the Company and its respective subsidiaries or the Owner Trustee, as applicable; the qualification of the Company and its subsidiaries or the Owner Trustee, as applicable, to transact business as foreign corporations; the due authorization, execution and delivery of the relevant agreement of the type referred to in Section 3(o) hereof; the due authorization, execution, authentication and issuance, and the validity and enforceability, of the applicable Securities; the absence of material legal or governmental proceedings involving the Company and its subsidiaries or the Owner Trustee, as applicable; the absence of governmental approvals required to be obtained in connection with the Shelf Registration Statement, the offering and sale of the applicable Securities, or any agreement of the type referred to in Section 3(o) hereof; the compliance as to form of such Shelf Registration Statement and any documents incorporated by

reference therein and of the Indenture with the requirements of the Securities Act and the Trust Indenture Act, respectively; and, as of the date of the opinion and as of the effective date of the Shelf Registration Statement or most recent post-effective amendment thereto, as the case may be, the absence from such Shelf Registration Statement and the prospectus included therein, as then amended or supplemented, and from any documents incorporated by reference therein of an untrue statement of a material fact or the omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading (in the case of any such documents, in the light of the circumstances existing at the time that such documents were filed with the Commission under the Exchange Act); (ii) its officers to execute and deliver all customary documents and certificates and updates thereof requested by any underwriters of the applicable Securities and (iii) its independent public accountants to provide to the selling Holders of the applicable Securities and any underwriter therefor a comfort letter in customary form and covering matters of the type customarily covered in comfort letters in connection with primary underwritten offerings, subject to receipt of appropriate documentation as contemplated, and only if permitted, by Statement of Auditing Standards No. 72.

(r) In the case of the Registered Exchange Offer, if requested by any Initial Purchaser or any known Participating Broker-Dealer, the Company shall cause (i) its counsel to deliver to such Initial Purchaser or such Participating Broker-Dealer a signed opinion in the form set forth in Section 7(a) and 7(b) of the Purchase Agreement with such changes as are customary in connection with the preparation of a Registration Statement and (ii) its independent public accountants to deliver to such Initial Purchaser or such Participating Broker-Dealer a comfort letter, in customary form, meeting the requirements as to the substance thereof as set forth in Section 7(g) of the Purchase Agreement, with appropriate date changes.

(s) In the case of the Registered Exchange Offer, if requested by any Initial Purchaser or any known Participating Broker-Dealer, the Owner Trustee shall cause (i) its counsel to deliver to such Initial Purchaser or such Participating Broker-Dealer a signed opinion in the form set forth in Section 7(c) of the Purchase Agreement with such changes as are customary in connection with the preparation of a Registration Statement, with appropriate date changes.

(t) If a Registered Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Initial Securities by Holders to the Company (or to such other Person as directed by the Company) in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be, the Company shall instruct the Owner Trustee to mark, and the Owner Trustee shall so mark, or cause to be marked, on the Initial Securities so exchanged that such Initial Securities are being canceled in exchange for the Exchange Securities or the Private Exchange Securities, as the case may be; in no event shall the Initial Securities be marked as paid or otherwise satisfied.

(u) The Company will use its reasonable best efforts to (a) if the Initial Securities have been rated prior to the initial sale of such Initial Securities, confirm such ratings will apply to the Securities covered by a Registration Statement, or (b) if the Initial Securities were not previously rated, cause the Securities covered by a Registration Statement to be rated with the appropriate rating agencies, if so requested by Holders of a majority in aggregate principal amount of Securities covered by such Registration Statement, or by the managing underwriters, if any.

(v) In the event that any broker-dealer registered under the Exchange Act shall underwrite any Securities or participate as a member of an underwriting syndicate or selling group or "assist in the distribution" (within the meaning of the Conduct Rules (the "Rules") of the National Association of Securities Dealers, Inc. ("NASD")) thereof, whether as a Holder of such Securities or as an underwriter, a placement or sales agent or a broker or dealer in respect thereof, or otherwise, the Company will assist such broker-dealer in complying with the requirements of such Rules, including, without limitation, by (i) if such Rules, including Rule 2720, shall so

require, engaging a “qualified independent underwriter” (as defined in Rule 2720) to participate in the preparation of the Registration Statement relating to such Securities, to exercise usual standards of due diligence in respect thereto and, if any portion of the offering contemplated by such Registration Statement is an underwritten offering or is made through a placement or sales agent, to recommend the yield of such Securities, (ii) indemnifying any such qualified independent underwriter to the extent of the indemnification of underwriters provided in Section 5 hereof and (iii) providing such information to such broker-dealer as may be required in order for such broker-dealer to comply with the requirements of the Rules.

(w) The Company shall use its reasonable best efforts to take all other steps necessary to effect the registration of the Securities covered by a Registration Statement contemplated hereby.

4. *Registration Expenses.* The Company shall bear all fees and expenses incurred in connection with the performance of its obligations relating to the Exchange Registration under Sections 1 through 3 hereof (including the reasonable fees and expenses, if any, of Milbank, Tweed, Hadley & McCloy LLP, counsel for the Initial Purchasers, incurred in connection with the Registered Exchange Offer), whether or not the Registered Exchange Offer is filed or becomes effective, and, in the event of a Shelf Registration, shall bear or reimburse the Holders of the Securities covered thereby for the reasonable fees and disbursements of one firm of counsel designated by the Holders of a majority in principal amount of the Initial Securities covered thereby to act as counsel for the Holders of the Initial Securities in connection therewith.

5. *Indemnification.* (a) The Company agrees to indemnify and hold harmless each Holder of the Securities, any Participating Broker-Dealer and each person, if any, who controls such Holder or such Participating Broker-Dealer within the meaning of the Securities Act or the Exchange Act (each Holder, any Participating Broker-Dealer and such controlling persons are referred to collectively as the “Indemnified Parties”) from and against any losses, claims, damages or liabilities, joint or several, or any actions in respect thereof (including, but not limited to, any losses, claims, damages, liabilities or actions relating to purchases and sales of the Securities) to which each Indemnified Party may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of, or are based upon, the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse, as incurred, the Indemnified Parties for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action in respect thereof; provided, however, that (i) the Company shall not be liable in any such case to the extent that such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein and (ii) with respect to any untrue statement or omission or alleged untrue statement or omission made in any preliminary prospectus relating to a Shelf Registration Statement, the indemnity agreement contained in this subsection (a) shall not inure to the benefit of any Holder or Participating Broker-Dealer from whom the person asserting any such losses, claims, damages or liabilities purchased the Securities concerned, to the extent that a prospectus relating to such Securities was required to be delivered by such Holder or Participating Broker-Dealer under the Securities Act in connection with such purchase and any such loss, claim, damage or liability of such Holder or Participating Broker-Dealer results from the fact that there was not sent or given to such person, at or prior to the written confirmation of the sale of such Securities to such person, a copy of the final prospectus if the Company had previously furnished copies thereof to such Holder or Participating Broker-Dealer; provided further, however, that this indemnity agreement will be in addition to any liability which the Company may otherwise have to such Indemnified Party. The Company



shall also indemnify underwriters, their officers and directors and each person who controls such underwriters within the meaning of the Securities Act or the Exchange Act to the same extent as provided above with respect to the indemnification of the Holders of the Securities if requested by such Holders.

(b) Each Holder of the Securities, severally and not jointly, will indemnify and hold harmless the Company and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act from and against any losses, claims, damages or liabilities or any actions in respect thereof, to which the Company or any such controlling person may become subject under the Securities Act, the Exchange Act or otherwise, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in a Registration Statement or prospectus or in any amendment or supplement thereto or in any preliminary prospectus relating to a Shelf Registration, or arise out of or are based upon the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or omission or alleged untrue statement or omission was made in reliance upon and in conformity with written information pertaining to such Holder and furnished to the Company by or on behalf of such Holder specifically for inclusion therein; and, subject to the limitation set forth immediately preceding this clause, shall reimburse, as incurred, the Company for any legal or other expenses reasonably incurred by the Company or any such controlling person in connection with investigating or defending any loss, claim, damage, liability or action in respect thereof. This indemnity agreement will be in addition to any liability which such Holder may otherwise have to the Company or any of its controlling persons.

(c) Promptly after receipt by an indemnified party under this Section 5 of notice of the commencement of any action or proceeding (including a governmental investigation), such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 5, notify the indemnifying party of the commencement thereof; but the failure to notify the indemnifying party shall not relieve the indemnifying party from any liability that it may have under subsection (a) or (b) above except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve the Indemnifying Party from any liability that it may have to an indemnified party otherwise than under subsection (a) or (b) above. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party, be counsel to the indemnifying party), and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof the indemnifying party will not be liable to such indemnified party under this Section 5 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened action in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party unless such settlement (i) includes an unconditional release of such indemnified party from all liability on any claims that are the subject matter of such action, and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.

(d) If the indemnification provided for in this Section 5 is unavailable or insufficient to hold harmless an indemnified party under subsections (a) or (b) above, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to in subsection (a) or (b) above (i) in such proportion as is appropriate to reflect the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the exchange of the Securities, pursuant to the Registered Exchange Offer, or, if applicable, the Shelf Registration (ii) if the allocation provided by the

foregoing clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities (or actions in respect thereof) as well as any other relevant equitable considerations. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or such Holder or such other indemnified party, as the case may be, on the other, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The amount paid by an indemnified party as a result of the losses, claims, damages or liabilities referred to in the first sentence of this subsection (d) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any action or claim which is the subject of this subsection (d). Notwithstanding any other provision of this Section 5(d), the Holders of the Securities shall not be required to contribute any amount in excess of the amount by which the net proceeds received by such Holders from the sale of the Securities pursuant to a Registration Statement exceeds the amount of damages which such Holders have otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this paragraph (d), each person, if any, who controls such indemnified party within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as such indemnified party and each person, if any, who controls the Company within the meaning of the Securities Act or the Exchange Act shall have the same rights to contribution as the Company.

(e) The agreements contained in this Section 5 shall survive the sale of the Securities pursuant to a Registration Statement and shall remain in full force and effect, regardless of any termination or cancellation of this Agreement or any investigation made by or on behalf of any indemnified party.

6. *Additional Interest Under Certain Circumstances.* (a) Additional interest (the "Additional Interest") with respect to the Initial Securities shall be assessed as follows if any of the following events occur (each such event in clauses (i) through (iii) below a "Registration Default"):

(i) the Exchange Offer Registration Statement required by this Agreement is not filed with the Commission on or prior to the 90<sup>th</sup> day after the Issue Date;

(ii) the Exchange Offer Registration Statement required by this Agreement is not declared effective by the Commission on or prior to the 210<sup>th</sup> day after the Issue Date;

(iii) the Exchange Offer has not been consummated on or before the 30<sup>th</sup> business day after the Exchange Offer Registration Statement is declared effective by the Commission;

(iv) if obligated to file the Shelf Registration Statement, the Company fails to file the Shelf Registration Statement with the Commission on or prior to the 60<sup>th</sup> day after the obligation to file a Shelf Registration Statement arises;

(v) if the Company is obligated to file the Shelf Registration Statement and the Shelf Registration Statement is not declared effective by the Commission on or prior to the 120<sup>th</sup> day after the obligation to file a Shelf Registration Statement arises; or

(vi) if after either the Exchange Offer Registration Statement or the Shelf Registration Statement, as the case may be, is declared effective (A) such Registration Statement thereafter ceases to be effective; or (B) such Registration Statement or the related prospectus ceases to be usable (except as permitted in paragraph (b) of this Section 6) in connection with resales of

Transfer Restricted Securities during the periods specified herein because either (1) any event occurs as a result of which the related prospectus forming part of such Registration Statement would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or (2) it shall be necessary to amend such Registration Statement or supplement the related prospectus, to comply with the Securities Act or the Exchange Act or the respective rules thereunder.

Additional Interest shall accrue on the Initial Securities over and above the interest set forth in the title of the Initial Securities from and including the date on which any such Registration Default shall occur to but excluding the date on which all such Registration Defaults have been cured, at a rate of 0.50% per annum; *provided, however*, that Additional Interest on the Initial Securities may not accrue under more than one of the foregoing clauses (i) through (vi) at any one time and *provided, further*, however, that upon the cessation of a Registration Default pursuant to any of the foregoing clauses (i) through (vi), Additional Interest on the Initial Securities as a result of such clause shall cease to accrue.

(b) A Registration Default referred to in Section 6(a)(vi)(B) hereof shall be deemed not to have occurred and be continuing in relation to an Exchange Offer Registration Statement or the related prospectus or a Shelf Registration Statement or the related prospectus if (i) such Registration Default has occurred solely as a result of (x) the filing of a post-effective amendment to such Registration Statement to incorporate annual audited financial information with respect to the Company where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related prospectus or (y) other material events, with respect to the Company that would need to be described in such Registration Statement or the related prospectus and (ii) in the case of clause (y), the Company is proceeding promptly and in good faith to amend or supplement such Registration Statement and related prospectus to describe such events; provided, however, that in any case if such Registration Default occurs for a continuous period in excess of 30 days, Additional Interest shall be payable in accordance with the above paragraph from the day such Registration Default occurs until such Registration Default is cured.

(c) Any amounts of Additional Interest due pursuant to clause (i), (ii) or (iii) of Section 6(a) above will be payable in cash on the regular interest payment dates with respect to the Securities. The amount of Additional Interest will be determined by multiplying the applicable Additional Interest rate by the principal amount of the Initial Securities, multiplied by a fraction, the numerator of which is the number of days such Additional Interest rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months), and the denominator of which is 360.

(d) "Transfer Restricted Securities" means each Security until the earliest of (i) the date on which such Transfer Restricted Security has been exchanged by a person other than a broker-dealer for a freely transferable Exchange Security in the Registered Exchange Offer, (ii) following the exchange by a broker-dealer in the Registered Exchange Offer of a Initial Security for an Exchange Security, the date on which such Exchange Security is sold to a purchaser who receives from such broker-dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (iii) the date on which such Initial Security has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (iv) the date on which such Initial Securities is distributed to the public pursuant to Rule 144 under the Securities Act or is saleable pursuant to Rule 144(k) under the Securities Act.

7. *Rules 144 and 144A.* The Company shall use its reasonable best efforts to file the reports required to be filed by it under the Securities Act and the Exchange Act in a timely manner and, if at any time the Company is not required to file such reports, it will, upon the request of any Holder of Initial Securities, make publicly available other information so long as necessary to permit sales of their securities pursuant to Rules 144 and 144A. The Company covenants that it will take such further action as any Holder of Initial Securities may reasonably request, all to the extent required from time to time to enable

such Holder to sell Initial Securities without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A (including the requirements of Rule 144A(d)(4)). Upon the request of any Holder of Initial Securities, the Company shall deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding the foregoing, nothing in this Section 7 shall be deemed to require the Company to register any of its securities pursuant to the Exchange Act.

8. *Underwritten Registrations.* If any of the Transfer Restricted Securities covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will administer the offering ("Managing Underwriters") will be selected by the Holders of a majority in aggregate principal amount of such Transfer Restricted Securities to be included in such offering.

No person may participate in any underwritten registration hereunder unless such person (i) agrees to sell such person's Transfer Restricted Securities on the basis reasonably provided in any underwriting arrangements approved by the persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents reasonably required under the terms of such underwriting arrangements.

9. *Miscellaneous.*

(a) *Amendments and Waivers.* The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, except by the Company and the written consent of the Holders of a majority in principal amount of the Securities affected by such amendment, modification, supplement, waiver or consents.

(b) *Notices.* All notices and other communications provided for or permitted hereunder shall be made in writing by hand delivery, first-class mail, facsimile transmission, or air courier which guarantees overnight delivery:

(1) if to a Holder of the Securities, at the most current address given by such Holder to the Company.

(2) if to the Initial Purchasers:

Credit Suisse First Boston LLC  
Eleven Madison Avenue  
New York, NY 10010-3629  
Fax No.: (212) 325-4296  
Attention: Transactions Advisory Group

with a copy to:

Milbank, Tweed, Hadley & McCloy LLP  
1 Chase Manhattan Plaza  
New York, NY 10005  
Fax No.: (212) 530-5219  
Attention: Robert W. Mullen, Jr.

(3) if to the Company, at its address as follows:

Kansas Gas & Electric Company  
777 West Central  
Wichita, KS 67203  
Fax No.: (785) 575-8061  
Attention: Larry D. Irick

with a copy to:

Davis Polk & Wardwell  
1600 El Camino Real  
Menlo Park, CA 94025  
Fax No: (650) 752-2111  
Attention: Daniel G. Kelly, Jr.

(4) if to the Owner Trustee, at its address as follows:

U.S. Bank National Association  
Corporate Trust Services  
Goodwin Square  
225 Asylum Street, 23rd Floor  
Hartford, CT 06103  
Fax No.: (860) 241-6881  
Attention: Melissa Dumont

with a copy to:

Shipman & Goodwin LLP  
One Constitution Plaza  
Hartford, CT 06103  
Fax No.: (860) 251-5212  
Attention: Daniel Putnam Brown, Jr.

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; three business days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by recipient's facsimile machine operator, if sent by facsimile transmission; and on the day delivered, if sent by overnight air courier guaranteeing next day delivery.

(c) *No Inconsistent Agreements.* Neither the Company nor the Owner Trustee has, as of the date hereof, entered into, nor shall it, on or after the date hereof, enter into, any agreement with respect to its securities that is inconsistent with the rights granted to the Holders herein or otherwise conflicts with the provisions hereof.

(d) *Successors and Assigns.* This Agreement shall be binding upon the Company, the Owner Trustee and its successors and assigns.

(e) *Counterparts.* This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(f) *Headings.* The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(g) *Governing Law.* THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAWS.

(h) *Severability.* If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(i) *Securities Held by the Company.* Whenever the consent or approval of Holders of a specified percentage of principal amount of Securities is required hereunder, Securities held by the Company or its affiliates (other than subsequent Holders of Securities if such subsequent Holders are deemed to be affiliates solely by reason of their holdings of such Securities) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(j) *Exoneration of Owner Trustee.* The Company and each Initial Purchaser hereby agree that USB shall not have any personal liability whatsoever to such parties for any claim based on or otherwise in respect of this Agreement; it being expressly understood that all obligations of the Owner Trustee to such parties under this Agreement are solely non-recourse obligations and that all such personal liability of USB is expressly waived and that all such personal liability of USB is expressly waived and released as a condition of, and as consideration for, the execution and delivery of this Agreement by the Owner Trustee, solely as Owner Trustee, and this Agreement is executed and delivered by the Owner Trustee solely in the exercise of the powers expressly conferred upon it as trustee under the Trust Agreement (as defined in the Indenture); provided, however, that nothing herein shall be deemed to prevent recourse to and enforcement against the Trust Estate (as defined in the Participation Agreement) for performance of the covenants of the Owner Trustee contained in this Agreement or shall be deemed to excuse USB for liability for its own willful misconduct or negligence.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to the Company a counterpart hereof, whereupon this instrument, along with all counterparts, will become a binding agreement among the several Initial Purchasers, the Owner Trustee and the Company in accordance with its terms.

Very truly yours,  
KANSAS GAS AND ELECTRIC COMPANY

By: /s/ Mark A. Ruelle

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Name: Mark A. Ruelle  
Title: Vice President and Treasurer

U.S. BANK NATIONAL ASSOCIATION (NOT IN ITS  
INDIVIDUAL CAPACITY BUT SOLELY AS OWNER  
TRUSTEE UNDER A TRUST AGREEMENT DATED AS OF  
SEPTEMBER 1, 1987 WITH COMCAST MO FINANCIAL  
SERVICES INC. (SUCCESSOR IN INTEREST TO US  
WEST FINANCIAL SERVICES, INC.))

By: /s/ Michael M. Hopkins

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Name: Michael M. Hopkins

Title: Vice President

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

CREDIT SUISSE FIRST BOSTON LLC  
CITIGROUP GLOBAL MARKETS INC.  
ABN AMRO INCORPORATED  
BARCLAYS CAPITAL INC.  
DEUTSCHE BANK SECURITIES INC.  
PIPER JAFFRAY & CO.  
HIBERNIA SOUTHCOAST CAPITAL, INC.

by: CREDIT SUISSE FIRST BOSTON LLC

By: /s/ Reiner Boehning

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Name: Reiner Boehning

Title: Director

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. The Letter of Transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date (as defined herein), it will make this Prospectus available to any broker-dealer for use in connection with any such resale. See “Plan of Distribution.”



Each broker-dealer that receives Exchange Securities for its own account in exchange for Securities, where such Initial Securities were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. See “Plan of Distribution.”

## PLAN OF DISTRIBUTION

Each broker-dealer that receives Exchange Securities for its own account pursuant to the Exchange Offer must acknowledge that it will deliver a prospectus in connection with any resale of such Exchange Securities. This Prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of Exchange Securities received in exchange for Initial Securities where such Initial Securities were acquired as a result of market-making activities or other trading activities. The Company has agreed that, for a period of 180 days after the Expiration Date, it will make this prospectus, as amended or supplemented, available to any broker-dealer for use in connection with any such resale. In addition, until \_\_\_\_\_, 200\_\_, all dealers effecting transactions in the Exchange Securities may be required to deliver a prospectus.<sup>(1)</sup>

Neither the Company nor the Owner Trustee will receive any proceeds from any sale of Exchange Securities by broker-dealers. Exchange Securities received by broker-dealers for their own account pursuant to the Exchange Offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the Exchange Securities or a combination of such methods of resale, at market prices prevailing at the time of resale, at prices related to such prevailing market prices or negotiated prices. Any such resale may be made directly to purchasers or to or through brokers or dealers who may receive compensation in the form of commissions or concessions from any such broker-dealer or the purchasers of any such Exchange Securities. Any broker-dealer that resells Exchange Securities that were received by it for its own account pursuant to the Exchange Offer and any broker or dealer that participates in a distribution of such Exchange Securities may be deemed to be an “underwriter” within the meaning of the Securities Act and any profit on any such resale of Exchange Securities and any commission or concessions received by any such persons may be deemed to be underwriting compensation under the Securities Act. The Letter of Transmittal states that, by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

For a period of 180 days after the Expiration Date the Company will promptly send additional copies of this Prospectus and any amendment or supplement to this Prospectus to any broker-dealer that requests such documents in the Letter of Transmittal. The Company has agreed to pay all expenses incident to the Exchange Offer (including the expenses of one counsel for the Holders of the Securities) other than commissions or concessions of any brokers or dealers and will indemnify the Holders of the Securities (including any broker-dealers) against certain liabilities, including liabilities under the Securities Act.

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<sup>(1)</sup> In addition, the legend required by Item 502(b) of Regulation S-K will appear on the back cover page of the Exchange Offer prospectus.

CHECK HERE IF YOU ARE A BROKER-DEALER AND WISH TO RECEIVE 10 ADDITIONAL COPIES OF THE PROSPECTUS AND 10 COPIES OF ANY AMENDMENTS OR SUPPLEMENTS THERETO.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

If the undersigned is not a broker-dealer, the undersigned represents that it is not engaged in, and does not intend to engage in, a distribution of Exchange Securities. If the undersigned is a broker-dealer that will receive Exchange Securities for its own account in exchange for Initial Securities that were acquired as a result of market-making activities or other trading activities, it acknowledges that it will deliver a prospectus in connection with any resale of such Exchange Securities; however, by so acknowledging and by delivering a prospectus, the undersigned will not be deemed to admit that it is an “underwriter” within the meaning of the Securities Act.

## SECOND SUPPLEMENTAL INDENTURE

Dated as of June 30, 2005

to

TRUST INDENTURE, SECURITY AGREEMENT AND MORTGAGE  
Dated as of September 1, 1987, as supplemented by the First Supplemental  
Indenture dated as of September 29, 1992

Among

U.S. BANK NATIONAL ASSOCIATION,  
Not in its individual capacity,  
except as expressly provided therein, but  
solely as Owner Trustee,

KANSAS GAS AND ELECTRIC COMPANY

and

DEUTSCHE BANK TRUST COMPANY AMERICAS,  
as Indenture Trustee

50% Undivided Interest in La Cygne Unit 2  
674 MW (Accredited Capability) Coal-Fired Base-Load  
Electric Generating Unit  
Located in Linn County, Kansas

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The Trust Indenture, Security Agreement and Mortgage dated as of September 1, 1987, as supplemented by the First Supplemental Indenture dated as of September 29, 1992, which is further supplemented hereby, is filed for record as a mortgage of real property in the office of the Register of Deeds of Linn County, Kansas (filed on September 29, 1987, Book 151, page 1).

THIS SECOND SUPPLEMENTAL INDENTURE dated as of June 30, 2005 to the TRUST INDENTURE, SECURITY AGREEMENT AND MORTGAGE dated as of September 1, 1987 (the "**Original Indenture**"), as supplemented by the FIRST SUPPLEMENTAL INDENTURE dated as of September 29, 1992 (the "**First Supplemental Indenture**", and the Original Indenture, as so supplemented, the "**Indenture**"), among U.S. BANK NATIONAL ASSOCIATION (as successor in interest to The Connecticut National Bank), a national banking association (not in its individual capacity except to the extent set forth therein but solely as owner trustee under the Trust Agreement dated as of September 1, 1987, as supplemented, between COMCAST MO FINANCIAL SERVICES, INC. (formerly named U S West Financial Services, Inc.) as Owner Participant and U.S. BANK NATIONAL ASSOCIATION (as successor in interest to The Connecticut National Bank) as Owner Trustee (the "**Owner Trustee**"), KANSAS GAS AND ELECTRIC COMPANY ("**KGE**") and DEUTSCHE BANK TRUST COMPANY AMERICAS (formerly known as Bankers Trust Company), a New York banking corporation, as trustee for the benefit of the holders of the Bonds (the "**Indenture Trustee**").

R E C I T A L S :

A. The Owner Trustee, KGE and the Indenture Trustee entered into the Original Indenture, pursuant to which the Initial Series Bonds were authenticated and delivered.

B. The Original Indenture was filed for record as a mortgage of real property in the office of the Register of Deeds of Linn County, Kansas (filed on September 29, 1987, Book 151, page 1).

C. On September 29, 1987, there was paid to the Register of Deeds of Linn County, Kansas, that being the county in which the Original Indenture was first filed for record as a mortgage of real property, the amount of \$852,817.50, such amount being in payment of the Kansas mortgage registration tax as provided by the then currently applicable sections of the statutes of the State of Kansas in effect on that date.

D. On September 29, 1992, the Owner Trustee and KGE issued under the Indenture a series of Bonds (the "**1992 Series Bonds**") in the same aggregate principal amount as the Initial Series Bonds in substitution for, and to refinance, the Initial Series Bonds and for certain other purposes related thereto.

E. The Owner Trustee and KGE have determined to issue under the Indenture as further supplemented hereby a series of Bonds (the "**2005 Series Bonds**") in an aggregate principal amount of \$320,000,000 in substitution for, and to refinance, the 1992 Series Bonds and to make a distribution to the Owner Participant in the amount of the Additional Borrowing (as defined below) and for certain other purposes related thereto.

F. Section 2.15 of the Indenture provides that the Owner Trustee may from time to time issue Bonds (in addition to the Initial Series Bonds) for the purpose of, among other things, redeeming outstanding amounts of previously issued Bonds plus related commissions, fees and expenses.

G. Under Sections 2.15, 11.01(6) and 11.01(8) of the Indenture, the Owner Trustee, KGE and the Indenture Trustee may enter into indentures supplemental to the Indenture setting forth the terms, conditions and designations of an additional series of Bonds and amending the Indenture without the consent of the Bondholders provided that the amendment will not be applicable to any Bonds Outstanding prior to the date hereof.

H. The Owner Trustee, KGE and the Indenture Trustee wish to enter into this Second Supplemental Indenture to establish the terms, conditions and designations of the 2005 Series Bonds to be issued hereunder and to amend the Indenture to permit the issuance thereof and in certain other respects.

NOW, THEREFORE, in consideration of the premises and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

Section 1. *Definitions.*

(a) For purposes hereof, capitalized terms used herein and not otherwise defined herein or in the recitals shall have the meanings assigned to such terms in the Indenture. For all purposes of this Second Supplemental Indenture and the Indenture, as amended by this Second Supplemental Indenture, the term “**2005 Series Bonds**” shall include the Initial 2005 Series Bonds and any Exchange Bonds or Private Exchange Bonds to be issued and exchanged for any Initial 2005 Series Bonds pursuant to the Registration Rights Agreement and this Second Supplemental Indenture. For purposes of the Indenture, as amended by this Second Supplemental Indenture, all Initial 2005 Series Bonds, Exchange Bonds and Private Exchange Bonds shall vote and consent together as one series of Bonds and shall not have the right to vote and consent as a series separate from one another on any matter under the Indenture, as so amended.

(b) The following terms have the meanings given to them in this Section 1(b):

“**Additional Borrowing**” shall have the meaning set forth in Section 2.01(c) of the Participation Agreement.

“**Depository**” means the clearing agency registered under the Exchange Act that is designated to act as the Depository for the Series 2005 Bonds. The

Depository Trust Company shall be the initial Depository, until a successor shall have been appointed and become such pursuant to the applicable provisions of this Second Supplemental Indenture, and thereafter, "Depository" shall mean or include such successor.

**"Exchange Bonds"** means the debt securities to be offered to Holders in exchange for Initial 2005 Series Bonds pursuant to the Exchange Offer or otherwise pursuant to a Registration of Exchange Bonds containing terms identical to the Initial 2005 Series Bonds for which they are exchanged (except that (i) interest thereon shall accrue from the last date on which interest was paid on the Initial 2005 Series Bonds or, if no such interest has been paid, from the date of issuance of the Initial 2005 Series Bonds and (ii) the Exchange Bonds will contain the alternative fifth paragraph appearing on the face of the 2005 Series Bonds in the form recited below and will not contain terms with respect to transfer restrictions).

**"Exchange Offer"** means the exchange offer by KGE of Exchange Bonds for Initial 2005 Series Bonds pursuant to the Registration Rights Agreement.

**"Global Bond"** shall have the meaning set forth in Section 3(a) hereof.

**"Initial 2005 Series Bonds"** means the Bonds issued under this Second Supplemental Indenture which are not Exchange Bonds or Private Exchange Bonds.

**"Private Exchange"** shall have the meaning set forth in the Registration Rights Agreement.

**"Private Exchange Bonds"** means the debt securities to be offered to Holders in exchange for Initial 2005 Series Bonds pursuant to the Private Exchange containing terms identical to the Initial 2005 Series Bonds for which they are exchanged (except that (i) interest thereon shall accrue from the last date on which interest was paid on the Initial 2005 Series Bonds or, if no such interest has been paid, from the date of issuance of the Initial 2005 Series Bonds and (ii) the Private Exchange Bonds will contain the alternative fifth paragraph appearing on the face of the 2005 Series Bonds in the form recited below).

**"Registration"** means a registered exchange offer for the 2005 Series Bonds by KGE or other registration of the 2005 Series Bonds under the Securities Act pursuant to and in accordance with the terms of the Registration Rights Agreement.

**"Registration Rights Agreement"** means the Registration Rights Agreement, dated as of June 30, 2005 among KGE and Credit Suisse First Boston LLC, on behalf of the initial purchasers of the 2005 Series Bonds.

“**Restricted Legend**” means the legend initially set forth on the 2005 Series Bonds in the form set forth in Section 4(a) hereof.

“**Rule 144A**” means Rule 144A under the Securities Act.

Section 2. *2005 Series Bonds.*

(a) There is hereby created a series of Bonds, the 2005 Series Bonds, designated “**Secured Facility Bonds, Refunding Series 2005**”. The 2005 Series Bonds will be issued in the aggregate principal amount of \$320,000,000, will bear interest at a rate of 5.647% per annum and will mature on March 29, 2021. The 2005 Series Bonds may forthwith be executed by the Owner Trustee and delivered to the Indenture Trustee in accordance with the provisions of Section 2.12 of the Indenture.

The 2005 Series Bonds shall be payable, bear interest and have and be subject to such other terms as provided in the form of 2005 Series Bond attached as Exhibit A hereto. The 2005 Series Bonds shall be subject to redemption as provided in Section 6 hereof and in accordance with Sections 6.03 through 6.08 and Article Seven of the Indenture.

(b) In the event that a Registration Default (as defined in the Registration Rights Agreement) occurs, the Owner Trustee shall pay additional interest (in addition to the interest otherwise due herein) (“**Additional Interest**”) to the Holder during the period immediately following the occurrence of any such Registration Default in an amount equal to 0.5% per annum (regardless of the number of Registration Defaults) from and including the date on which any such Registration Default shall occur (subject to the terms of the Registration Rights Agreement) to but excluding the date on which all such Registration Defaults have been cured. The Owner Trustee shall pay amounts due in respect of Additional Interest on each Interest Payment Date (or, if the Owner Trustee shall default in the payment of interest on any Interest Payment Date, on the date such interest is otherwise paid as provided in the Indenture).

There shall also be payable in respect of the 2005 Series Bonds all Additional Interest that may have accrued on such 2005 Series Bonds for which the 2005 Series Bonds were exchanged pursuant to the Exchange Offer or the Private Exchange, such Additional Interest to be calculated in accordance with the terms of such 2005 Series Bonds and payable at the same time and in the same manner as periodic interest on such 2005 Series Bonds.

Section 3. *Form; Denomination.* (a) The 2005 Series Bonds shall be issued initially in the form of one or more permanent global 2005 Series Bonds in registered form, substantially in the form herein below recited (each and collectively, the “**Global Bond**”), deposited with the Indenture Trustee, as custodian for the Depository, duly executed by the Owner Trustee and authenticated by the Indenture Trustee as herein provided; *provided* that in the



case of Exchange Bonds and the Private Exchange Bonds, such Bonds shall contain the alternative fifth paragraph appearing on the face of the 2005 Series Bonds in the form recited below, and *provided further* that in the case of Exchange Bonds, such Bonds shall not contain terms with respect to transfer restrictions.

The aggregate principal amount of the Global Bond may from time to time be increased or decreased by adjustments made on the records of the Indenture Trustee, as custodian for the Depositary or its nominee, as hereinafter provided.

(a) The 2005 Series Bonds shall be issuable in denominations provided for in the form of 2005 Series Bonds recited below. The 2005 Series Bonds shall be numbered, lettered, or otherwise distinguished in such manner or in accordance with such plans as the officers of the Owner Trustee executing the same may determine with the approval of the Indenture Trustee.

Section 4. *Restrictive Legends.* (a) Except as otherwise provided in paragraph (c) of this Section 4, each Global Bond shall bear the following legend on the face thereof:

THIS BOND (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS BOND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS BOND IS HEREBY NOTIFIED THAT THE SELLER OF THIS BOND MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS BOND AGREES FOR THE BENEFIT OF KANSAS GAS AND ELECTRIC COMPANY THAT (A) THIS BOND MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS BOND FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

(b) Each Global Bond shall also bear the following legend on the face thereof:

THIS BOND IS A GLOBAL BOND WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS BOND (OTHER THAN A TRANSFER OF THIS BOND AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN LIMITED CIRCUMSTANCES.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE OWNER TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

(c) (i) If KGE determines (upon the advice of counsel and such other certifications and evidence as KGE may reasonably require) that any 2005 Series Bond is eligible for resale pursuant to Rule 144(k) under the Securities Act (or a successor provision) and that the Restricted Legend is no longer necessary or appropriate in order to ensure that subsequent transfers of such Bond (or a beneficial interest therein) are effected in compliance with the Securities Act, or

(ii) (x) after an Initial 2005 Series Bond or Private Exchange Bond is sold pursuant to an effective registration statement under the Securities Act, pursuant to the Registration Rights Agreement (if applicable) or otherwise, or (y) after an Initial 2005 Series Bond is exchanged for an Exchange Bond,

KGE may instruct the Owner Trustee, and the Owner Trustee shall so instruct the Indenture Trustee, to cancel such 2005 Series Bond and issue to the Holder thereof (or to its transferee) a new 2005 Series Bond of like tenor and amount, registered in the name of the Holder thereof (or its transferee), that does not bear the Restricted Legend, and the Indenture Trustee will comply with such instruction.

Section 5. *Special Transfer Provisions.* Unless and until (i) an Initial 2005 Series Bond is exchanged for an Exchange Bond in connection with an effective Registration pursuant to the Registration Rights Agreement and/or (ii) a Private Exchange Bond is sold pursuant to an effective Registration, the following provisions shall apply:

(a) The registration of transfer or exchange of any 2005 Series Bond (or a beneficial interest therein) that bears the Restricted Legend may only be made in compliance with the provisions of the Restricted Legend.

(b) The Indenture Trustee will retain copies of all certificates, opinions and other documents received in connection with the registration of transfer or exchange of a 2005 Series Bond (or a beneficial interest therein) in accordance with its customary policy, and KGE will have the right to inspect and make copies thereof at any reasonable time upon written notice to the Indenture Trustee.

(c) By its acceptance of any 2005 Series Bond bearing the Restricted Legend, each Holder of such a 2005 Series Bond acknowledges the restrictions on registrations of transfer of such 2005 Series Bond set forth in this Second Supplemental Indenture and in the Restricted Legend and agrees that it will register the transfer of such 2005 Series Bond only as provided in this Second Supplemental Indenture. The Bond Registrar shall not register a transfer of any 2005 Series Bond unless such transfer complies with the restrictions on transfer of such 2005 Series Bond set forth in this Second Supplemental Indenture. In connection with any registration of transfer of 2005 Series Bonds, each Holder agrees by its acceptance of the 2005 Series Bonds to furnish the Bond Registrar or KGE such certifications, legal opinions or other information as either of them may reasonably require to confirm that such registration of transfer is being made pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act; provided that the Bond Registrar shall not be required to determine (but may rely on a determination made by KGE with respect to) the sufficiency of any such certifications, legal opinions or other information.

The Bond Registrar shall retain copies of all letters, notices and other written communications received pursuant to Section 1.05 of the Indenture or this Section 5 in accordance with its customary policy. KGE shall have the right to inspect and make copies of all such letters, notices or other written communications at any reasonable time upon the giving of reasonable written notice to the Bond Registrar.

Each Holder of a 2005 Series Bond agrees to indemnify the Owner Trustee, KGE and the Indenture Trustee against any liability that may result from the registration of transfer, exchange or assignment of such Holder's 2005 Series Bond in violation of any provision of this Second Supplemental Indenture and/or applicable United States Federal or state securities law.

The Indenture Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any restrictions on transfer imposed under this Second Supplemental Indenture or under applicable law with respect to any registrations of transfer of any interest in any 2005 Series Bond (including any transfers between or among members of, or participants in, the Depositary or beneficial owners of interests in any Global Bond) other than to require delivery of such certificates and other documentation or evidence as are expressly required by, and to do so if and when expressly required by the terms of, this Second Supplemental Indenture, and to examine the same to determine substantial compliance as to form with the express requirements hereof.

(d) A Global Bond may be transferred, in whole but not in part, only to another nominee of the Depositary, or to a successor Depositary selected or approved by the Owner Trustee or to a nominee of such successor Depositary.

(e) If at any time the Depositary notifies the Owner Trustee that it is unwilling or unable to continue as Depositary, and a successor Depositary for such series is not appointed by the Owner Trustee within 90 days after the Owner Trustee receives such notice, the Owner Trustee will execute, and, subject to Article Two of the Indenture, the Indenture Trustee, upon the written order of the Owner Trustee, will authenticate and make available for delivery the 2005 Series Bonds in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Bond in exchange for the Global Bond. In addition, the Owner Trustee may at any time determine that the 2005 Series Bonds shall no longer be represented by a Global Bond. In such event, the Owner Trustee will execute, and subject to Article Two of the Indenture, the Indenture Trustee, upon receipt of an Owner Trustee Certificate evidencing such instruction by the Owner Trustee, will authenticate and deliver the 2005 Series Bonds in definitive registered form without coupons, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the Global Bond in exchange for the Global Bond. Upon the exchange of the Global Bond for such 2005 Series Bonds in definitive registered form without coupons, in authorized denominations, the Global Bond shall be cancelled by the Indenture Trustee. Such Bonds in definitive registered form issued in exchange for the Global Bond shall be registered in such names and in such authorized denominations as the Depositary, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Indenture Trustee. The Indenture Trustee shall deliver such Bonds to the Depositary for delivery to the Persons in whose names such Bonds are so registered.

Section 6. *Redemption of 2005 Series Bonds*. Section 6.02 of the Indenture is hereby amended by (i) renaming such section “Redemption of 2005 Series Bonds” and (ii) deleting in its entirety the text set forth therein and substituting in lieu thereof, the following:

(a) “Optional Redemption. At any time from the date hereof to, but not including September 29, 2015, the Owner Trustee may redeem all or any portion of the 2005 Series Bonds then outstanding, after giving the required notice under the Indenture, at a redemption price equal to the greater of:

(i) 100% of the principal amount of the 2005 Series Bonds then outstanding, or

(ii) the sum of the present values of the remaining scheduled payments of the principal amount of the 2005 Series Bonds then outstanding and interest thereon (exclusive of interest to the Redemption Date) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points,

plus, in either case, accrued and unpaid interest, if any, and Additional Interest, if any, to, but excluding, the Redemption Date (subject to the right of holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

On and after September 29, 2015, the 2005 Series Bonds shall be redeemable prior to Maturity at the option of the Owner Trustee, in whole or in part, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, and Additional Interest, if any, to the Redemption Date.

(b) Mandatory Redemption. In addition to the purchase option described in Section 8.09(c) hereof, the 2005 Series Bonds shall be subject to mandatory redemption, in whole but not in part, at 100% of the principal amount thereof, together with accrued and unpaid interest, if any, and Additional Interest, if any, to, but excluding, the Redemption Date, under any of the following circumstances:

(i) The receipt of payment of the applicable Casualty Value under the Lease upon the occurrence of an Event of Loss under the Lease, unless, in connection with an Event of Loss described in clause (e) of the definition thereof, KGE assumes the 2005 Series Bonds then Outstanding pursuant to Section 2.16 hereof; or

(ii) The receipt of payment of the applicable purchase price or Casualty Value resulting from a termination of the Lease pursuant to Section 7 thereof;  
or

(iii) The receipt of payment of the applicable purchase price or Casualty Value due upon an exercise by KGE of its option to purchase the Assets under subsection 6.1(c)(iii) of the Lease, unless in connection therewith KGE assumes the 2005 Series Bonds then Outstanding pursuant to Section 2.16 hereof; or

(iv) The receipt of payment of the applicable purchase price or Casualty Value due upon the exercise by KGE of its option to purchase the Assets under subsection 6.1(c)(ii) of the Lease in connection with a required Nonseverable Alteration, as contemplated by Section 11.4 of the Lease, unless in connection therewith KGE assumes the 2005 Series Bonds then Outstanding pursuant to Section 2.16 hereof.

(c) Special Mandatory Redemption. The 2005 Series Bonds shall be subject to special mandatory redemption, in whole but not in part, at the applicable redemption prices set forth under Section 6.02(a) hereof upon the receipt of payment of the applicable purchase price upon the exercise by KGE of its option to purchase the Assets on September 29, 2015 or September 29, 2020 under Section 6.1(c)(i) of the Lease or, in the case of a Nonseverable Alteration not required by Section 11.4 of the Lease, Section 6.1(c)(ii) of the Lease unless, in either case, KGE shall assume the 2005 Series Bonds then Outstanding pursuant to Section 2.16 hereof.

(d) Sinking Fund Amounts and Dates. The 2005 Series Bonds shall be redeemed through operation of a sinking fund. The amount of each sinking fund payment (subject to adjustment as provided in Section 6.06(b) hereof, including the prohibition against crediting Bonds acquired pursuant to the Sinking Fund or upon the redemption pursuant to Article Six hereof, which prohibition shall apply to any 2005 Series Bonds redeemed pursuant to Section 6.02 and Section 7.01 hereof) and each Redemption Date are as set forth below:

<u>Redemption Date</u>	<u>Amount of Sinking Fund Payment</u>
September 29, 2007	\$ 5,393,751.27
September 29, 2008	\$15,125,845.63
September 29, 2009	\$16,052,303.68
September 29, 2010	\$17,035,507.28
September 29, 2011	\$18,078,932.10
September 29, 2012	\$19,186,266.69
March 29, 2013	\$21,004,694.28
March 29, 2014	\$22,331,876.77
March 29, 2015	\$23,742,917.34
March 29, 2016	\$25,243,114.57
March 29, 2017	\$26,838,101.82
March 29, 2018	\$28,533,868.41
March 29, 2019	\$30,336,782.08
March 29, 2020	\$32,253,612.93
March 29, 2021	\$18,842,425.15

Selection of the 2005 Series Bonds to be redeemed pursuant to each such sinking fund payment shall be performed using such method as the Indenture Trustee deems fair and appropriate.”

Section 7. *Amendment of the Indenture.*

(a) Section 2.15(a) of the Indenture is hereby amended and restated in its entirety as follows:

“the principal of Bonds of any series theretofore authenticated and delivered hereunder which are to be redeemed out of the proceeds of such Bonds (or if all of the then outstanding Bonds or any one or more series thereof are being redeemed or surrendered by the Owner Trustee to the Indenture Trustee for cancellation, any amount up to and including the original aggregate principal amount of such Bonds or such series, as the case may be, to be so redeemed or so surrendered for cancellation) or such greater amount as KGE and the Owner Participant may agree in their sole discretion plus commissions, fees and expenses paid or incurred in connection with any such issuance or”

(b) Section 6.06(b) of the Indenture is hereby amended by deleting the proviso at the end thereof (which proviso was added by the First Supplemental Indenture) in its entirety, and substituting in lieu thereof the following:

“; and provided, further, that with respect to the 2005 Series Bonds, (i) the Owner Trustee waives its ability, directly or indirectly, to exercise its rights set forth in this Section 6.06(b) to apply as a credit against any Sinking Fund payment any 2005 Series Bonds acquired by the Owner Trustee, and (ii) KGE will not, directly or indirectly, exercise its rights pursuant to Section 3.1(d) of the Lease”.

(c) Section 6.06(c) of the Indenture is hereby amended by deleting the phrase “Initial Series Bonds” from the first sentence thereof and substituting in lieu thereof the words “any 2005 Series Bonds”.

(d) Appendix A of the Indenture is hereby amended by adding thereto the following new definitions in the appropriate alphabetical order:

“**2005 Series Bonds**” has the meaning set forth in the Second Supplemental Indenture.

“**Additional Interest**” shall have the meaning set forth in Section 2(b) of the Second Supplemental Indenture. In addition, all references to “interest” in the Indenture shall be deemed to include Additional Interest, if any.

“**Comparable Treasury Issue**” means the United States Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the 2005 Series Bonds that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the 2005 Series Bonds.

“**Comparable Treasury Price**” means, with respect to any Redemption Date, (1) the average of three Reference Treasury Dealer Quotations for that Redemption Date, or (2) if the Independent Investment Banker is unable to obtain three Reference Treasury Dealer Quotations, the average of all quotations obtained.

“**Independent Investment Banker**” means an independent investment banking or commercial banking institution of national standing appointed by KGE.

“**Reference Treasury Dealer**” means (1) any independent investment banking or commercial banking institution of national standing appointed by KGE and any of its successors, provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in The City of New York, referred to as a Primary Treasury Dealer, KGE shall substitute therefor another Primary Treasury Dealer, and (2) any other Primary Treasury Dealer selected by the Independent Investment Banker and approved in writing by KGE.

“**Reference Treasury Dealer Quotations**” means, with respect to each Reference Treasury Dealer and any Redemption Date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 3:30 p.m., New York City time, on the third Business Day preceding such Redemption Date.

“**Second Supplemental Indenture**” means the Second Supplemental Indenture dated as of June 30, 2005, to the Trust Indenture, Security Agreement and Mortgage dated as of September 1, 1987, as supplemented by the First Supplemental Indenture dated as of September 29, 1992, among the Owner Participant, the Owner Trustee, KGE and the Indenture Trustee.



“**Treasury Rate**” means the rate which will be determined on the third Business Day preceding the applicable Redemption Date and means, with respect to any Redemption Date:

(1) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release published by the Board of Governors of the Federal Reserve System designated as “Statistical Release H.15(519)” or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption “Treasury Constant Maturities,” for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the remaining term of the 2005 Series Bonds, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue will be determined and the Treasury Rate will be interpolated or extrapolated from those yields on a straight-line basis, rounding to the nearest month), or

(2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain those yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, calculated using a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the applicable Redemption Date.

Section 8. *Miscellaneous.*

(a) No Waiver. Except as expressly provided herein, all terms, provisions, covenants, representations, warranties, agreements and conditions contained in the Indenture shall remain in full force and effect and shall not otherwise be deemed to have been waived, modified or amended hereby.

(b) Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute but one and the same instrument.

(c) Provisions Binding on Successors. All the covenants, stipulations, promises and agreements in this Second Supplemental Indenture made by or on behalf of the Owner Trustee, KGE or the Indenture Trustee shall bind its successors and assigns, whether so expressed or not.

(d) Governing Law. This Second Supplemental Indenture and each 2005 Series Bond shall be governed by and construed in accordance with the laws of the State of New York without regard to the principles of conflicts of law thereof.

IN WITNESS WHEREOF, the parties hereto have caused this Second Supplemental Indenture to be duly executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION,  
not in its individual capacity but solely  
as Owner Trustee under the Trust  
Agreement

By: /s/ Michael H. Hopkins

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Name: Michael H. Hopkins  
Title: Vice President

KANSAS GAS AND ELECTRIC COMPANY

By: /s/ Mark A. Ruelle

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Name: Mark A. Ruelle  
Title: Vice President and Treasurer

DEUTSCHE BANK TRUST COMPANY AMERICAS,  
Indenture Trustee

By: /s/ Susan Johnson

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Name: Susan Johnson  
Title: Vice-President

ACKNOWLEDGMENT

STATE OF CONNECTICUT        )  
  )    ss.:  
COUNTY OF HARTFORD        )

On this 30<sup>th</sup> day of June, 2005 before me, a Notary Public duly commissioned, qualified and acting within and for the County and State aforesaid, appeared in person the within named MICHAEL M. HOPKINS, of U.S. BANK NATIONAL ASSOCIATION, to me personally known, who stated that he was duly authorized in his capacity to execute the foregoing instrument for and in its name and behalf, and further stated and acknowledged that he had so signed, executed and delivered the foregoing instrument, as Owner Trustee, for the consideration, use and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

/s/ Karen R. Felt

\_\_\_\_\_  
(Notary Public)

Name: Karen R. Felt

My Commission Expires:

February 28, 2009  
(SEAL)

ACKNOWLEDGEMENT

STATE OF KANSAS            )  
                                  )    ss:  
COUNTY OF SHAWNEE    )

On this 30<sup>th</sup> day of June, 2005 before me, a Notary Public duly commissioned, qualified and acting within and for the County and State aforesaid, appeared in person the within named MARK A. RUELLE, of KANSAS GAS AND ELECTRIC COMPANY, to me personally known, who stated that he was duly authorized in his capacity to execute the foregoing instrument for and in its name and behalf, and further stated and acknowledged that he had so signed, executed and delivered the foregoing instrument for the consideration, use and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

/s/ Merilee K. Martin

\_\_\_\_\_  
(Notary Public)

Name: Merilee K. Martin

My Commission Expires:

July 8, 2007  
(SEAL)

ACKNOWLEDGMENT

STATE OF NEW YORK            )  
  )    ss.:  
COUNTY OF NEW YORK        )

On this 30<sup>th</sup> day of June, 2005 before me, a Notary Public duly commissioned, qualified and acting within and for the County and State aforesaid, appeared in person the within named SUSAN JOHNSON, of DEUTSCHE BANK TRUST COMPANY AMERICAS, to me personally known, who stated that she was duly authorized in her capacity to execute the foregoing instrument for and in its name and behalf, and further stated and acknowledged that she had so signed, executed and delivered the foregoing instrument, as Indenture Trustee, for the consideration, use and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official seal.

/s/ Kelli A. Burke

\_\_\_\_\_  
(Notary Public)

Name: Kelli A. Burke

My Commission Expires:

July 6, 2008  
(SEAL)

to

Second Supplemental Indenture dated as of June 30, 2005 to Trust Indenture, Security Agreement and Mortgage dated as of September 1, 1987, as supplemented by the First Supplemental Indenture among U.S. Bank National Association, as Owner Trustee, and Certain Other Parties

[FORM OF FACE OF BOND]

No. R-

\$320,000,000

[IF THE BOND IS TO BE A GLOBAL BOND, INSERT -THIS BOND IS A GLOBAL BOND WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE OF A DEPOSITARY. THIS BOND IS EXCHANGEABLE FOR BONDS REGISTERED IN THE NAME OF A PERSON OTHER THAN THE DEPOSITARY OR ITS NOMINEE ONLY IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE, AND NO TRANSFER OF THIS BOND (OTHER THAN A TRANSFER OF THIS BOND AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY OR BY A NOMINEE OF THE DEPOSITARY TO THE DEPOSITARY OR ANOTHER NOMINEE OF THE DEPOSITARY) MAY BE REGISTERED EXCEPT IN LIMITED CIRCUMSTANCES.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE OWNER TRUSTEE OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

THIS BOND (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), AND THIS BOND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS BOND IS HEREBY NOTIFIED THAT THE SELLER OF THIS BOND MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS BOND AGREES FOR THE BENEFIT OF KANSAS GAS AND ELECTRIC COMPANY THAT (A) THIS BOND MAY BE OFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED, ONLY (I) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (II) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (III) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (IV) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (IV) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS BOND FROM IT OF THE RESALE RESTRICTIONS REFERRED TO IN (A) ABOVE.

U.S. BANK NATIONAL ASSOCIATION  
not in its individual capacity but solely  
as Owner Trustee under  
Trust Agreement dated as of  
September 1, 1987, as supplemented

SECURED FACILITY BOND, REFUNDING SERIES 2005  
payable from rentals and certain other  
amounts paid under a lease by

KANSAS GAS AND ELECTRIC COMPANY

INTEREST RATE: 5.647%

STATED MATURITY: March 29, 2021

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED TWENTY MILLION DOLLARS

CUSIP No.: [485260 BG 7] (144A) [U24448 AA 7] (REG S)

ISIN No.: [US485260BG74] (144A) [USU24448AA76] (REG S)

U.S. BANK NATIONAL ASSOCIATION, a national banking association (hereinafter called the “**Owner Trustee**,” which term includes any successor corporation under the Indenture referred to on the reverse hereof), not in its individual capacity, but solely as owner trustee under a Trust Agreement dated as of September 1, 1987, with COMCAST MO FINANCIAL SERVICES, INC. (the “**Owner Participant**”), for value received, hereby promises to pay to the Registered Holder named above or registered assigns, the Principal Amount on the Stated Maturity (stated above) and to pay interest thereon (computed on the basis of a 360-day year of twelve 30-day months) from the date hereof, semiannually on March 29 and September 29 in each year, commencing September 29, 2005, at the Interest Rate (stated above) per annum, until the principal hereof is paid in full or made available for payment.

Capitalized terms used in this Bond which are not otherwise defined herein shall have the meanings ascribed thereto in the Indenture (as hereinafter defined).

The interest so payable, and punctually paid or duly provided for, on any Interest Payment Date will, as provided in such Indenture, be paid to the Person in whose name this Bond is registered at the close of business on the Record Date relating to such Interest Payment Date, which shall mean the fourteenth day of the calendar month in which such Interest Payment Date occurs. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the Registered Holder on such regular Record Date and may be paid to the Person in whose name this Bond is registered at the close of business on a subsequent Record Date for the payment of such Defaulted Interest to be fixed by the Indenture Trustee, notice whereof shall be given to the Bondholders not less than 15 days prior to such subsequent Record Date. Payment of the principal of and premium, if any, on this Bond will be made upon presentation and surrender hereof at the corporate trust office of the Paying Agent, Deutsche Bank Trust Company Americas, New York, New York (or, if such office is not in the Borough of Manhattan, The City of New York, at either such office or an office to be maintained in such Borough). Interest on this Bond shall be paid by check drawn upon the Paying Agent and mailed to the registered address of the Holder of this Bond as such address shall appear on the Bond Register. Payment as aforesaid of principal of, premium, if any, and interest on this Bond shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.



Interest on any overdue principal, premium, if any, and (to the extent permitted by applicable law) any overdue interest shall be paid, on demand, from the due date thereof at the rate of interest per annum (computed on the basis of a 360-day year of twelve 30-day months) equal to the Interest Rate (stated above) on this Bond for the period during which any such principal, premium or interest shall be overdue.

[In the event that a Registration Default (as defined in the Registration Rights Agreement) occurs, the Owner Trustee shall pay additional interest (in addition to the interest otherwise due hereon) (“**Additional Interest**”) to the Holder during the period immediately following the occurrence of any such Registration Default in an amount equal to 0.5% per annum (regardless of the number of Registration Defaults) from and including the date on which any such Registration Default shall occur (subject to the terms of the Registration Rights Agreement) to but excluding the date on which all such Registration Defaults have been cured. The Owner Trustee shall pay amounts due in respect of Additional Interest on each Interest Payment Date (or, if the Owner Trustee shall default in the payment of interest on any Interest Payment Date, on the date such interest is otherwise paid as provided in the Indenture).]<sup>1</sup>

[There shall also be payable in respect of this 2005 Series Bond all Additional Interest that may have accrued on the 2005 Series Bond for which this 2005 Series Bond was exchanged pursuant to the Exchange Offer or Private Exchange, such Additional Interest to be calculated in accordance with the terms of such Bond and payable at the same time and in the same manner as periodic interest on this 2005 Series Bond.]<sup>2</sup>

Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof, which further provisions shall for all purposes have the same effect as if set forth at this place.

Unless the certificate of authentication hereon has been executed by the Indenture Trustee by manual signature, this Bond shall not be entitled to any benefit under such Indenture, or be valid or obligatory for any purpose.

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<sup>1</sup> To be included in Initial 2005 Series Bonds and not Exchange Bonds or Private Exchange Bonds.

<sup>2</sup> To be included in Exchange Bonds and Private Exchange Bonds.

IN WITNESS WHEREOF, the Owner Trustee has caused this instrument to be duly executed under its corporate seal.

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

U.S. BANK NATIONAL ASSOCIATION,  
not in its individual capacity but solely  
as Owner Trustee

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

Attest:

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

This Bond is one of an authorized issue of Bonds of the Owner Trustee known as its "Secured Facility Bonds, Refunding Series 2005" (herein called the "**Bonds**") issued under, and all equally and ratably secured by, a Trust Indenture, Security Agreement and Mortgage (the "**Original Indenture**") dated as of September 1, 1987, as supplemented by the First Supplemental Indenture ( the "**First Supplemental Indenture**") dated as of September 29, 1992 and the Second Supplemental Indenture dated as of June 30, 2005 (the "**Second Supplemental Indenture**" and, collectively with the Original Indenture and the First Supplemental Indenture, the "**Indenture**"), among the Owner Trustee, Kansas Gas and Electric Company, a Kansas corporation (herein called "**KGE**"), and Deutsche Bank Trust Company Americas, a New York banking corporation, as Indenture Trustee (herein called the "**Indenture Trustee**", which term includes any successor Indenture Trustee under the Indenture), to which Indenture and all indentures supplemental thereto, including the First Supplemental Indenture and Second Supplemental Indenture, reference is hereby made for a description of the nature and extent of the property assigned, pledged, transferred and mortgaged thereunder, the respective rights of the Holders of said Bonds and of the Indenture Trustee and the Owner Trustee in respect of such security, and the terms upon which said Bonds are to be authenticated and delivered. The Indenture permits the issuance of additional series of bonds for the purposes and as provided therein.

The principal of, premium (if any), interest and Additional Interest (if any) on this Bond are payable from, and secured by, the Indenture Estate and the income and proceeds received by the Indenture Trustee therefrom, and all payments of principal, premium (if any), interest and Additional Interest (if any) shall be made in accordance with the terms of the Indenture.

All payments of principal, premium (if any), interest and Additional Interest (if any) to be made hereunder and under the Indenture shall be made only from the Indenture Estate or the income and proceeds received by the Indenture Trustee therefrom, and all payments of principal, premium (if any), interest and Additional Interest (if any) shall be made in accordance with the terms of the Indenture. Each Holder hereof, by its acceptance of this Bond, agrees that (a) except as expressly provided in the Indenture, it will look solely to the Indenture Estate or the income and proceeds received by the Indenture Trustee therefrom to the extent available for distribution to the Holder hereof as provided in the Indenture and (b) neither the Owner Participant nor the Owner Trustee, in its individual capacity, nor the Indenture Trustee, in its individual capacity, is liable to the Holder hereof for any amounts payable under this Bond or the Indenture or, except as provided in the Indenture, for any liability under the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of KGE and the Owner Trustee and the rights of the Holders of the Bonds under the Indenture at any time by KGE and the Owner Trustee with the consent of the Holders of not

less than a majority in aggregate principal amount of the Bonds and all other series of bonds issued under the Indenture at the time Outstanding. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Bonds and all other series of bonds issued under the Indenture at the time Outstanding, on behalf of the Holders of all the Bonds and all the bonds of such other series, to waive compliance by KGE and the Owner Trustee with certain provisions of the Indenture and certain past defaults under the Indenture and their consequences. Any such consent or waiver by the Holder of this Bond shall be conclusive and binding upon such Holder and upon all future Holders of this Bond and of any Bond issued upon the transfer hereof or in exchange hereof or in lieu hereof whether or not notation of such consent or waiver is made upon this Bond.

The Bonds are limited in aggregate principal amount to \$320,000,000.

In addition to the purchase rights described below and as more fully described in the Second Supplemental Indenture, the Bonds are subject to mandatory redemption, in whole but not in part, at 100% of the principal amount thereof together in each case with accrued and unpaid interest, if any, and Additional Interest, if any, to, but excluding, the Redemption Date, under any of the following circumstances:

(i) The receipt of payment of the applicable Casualty Value under the Lease upon the occurrence of an Event of Loss, unless, in connection with an Event of Loss described in clause (e) of the definition thereof, KGE assumes the Bonds then Outstanding pursuant to Section 2.16 of the Indenture; or

(ii) The receipt of payment of the applicable purchase price or Casualty Value resulting from a termination of the Lease pursuant to Section 7 thereof; or

(iii) The receipt of payment of the applicable purchase price or Casualty Value due upon an exercise by KGE of its option to purchase the Assets under subsection 6.1(c)(iii) of the Lease, unless in connection therewith KGE assumes the Bonds then Outstanding pursuant to Section 2.16 of the Indenture; or

(iv) The receipt of payment of the applicable purchase price or Casualty Value due upon the exercise by KGE of its option to purchase the Assets under subsection 6.1(c)(ii) of the Lease in connection with a required Nonseverable Alteration, as contemplated by Section 11.4 of the Lease, unless in connection therewith KGE assumes the Bonds then Outstanding pursuant to Section 2.16 of the Indenture.

The Bonds are also subject to mandatory redemption pursuant to sinking fund installments, as more fully provided in the Second Supplemental Indenture,

at 100% of the principal amount thereof, together with accrued and unpaid interest, if any, and Additional Interest, if any, to the Redemption Date, on the dates and in the respective principal amounts (before taking into account certain adjustments as indicated below) set forth in the following table:

<u>Redemption Date</u>	<u>Amount of Sinking Fund Payment</u>
September 29, 2007	\$ 5,393,751.27
September 29, 2008	\$15,125,845.63
September 29, 2009	\$16,052,303.68
September 29, 2010	\$17,035,507.28
September 29, 2011	\$18,078,932.10
September 29, 2012	\$19,186,266.69
March 29, 2013	\$21,004,694.28
March 29, 2014	\$22,331,876.77
March 29, 2015	\$23,742,917.34
March 29, 2016	\$25,243,114.57
March 29, 2017	\$26,838,101.82
March 29, 2018	\$28,533,868.41
March 29, 2019	\$30,336,782.08
March 29, 2020	\$32,253,612.93
March 29, 2021	\$18,842,425.15

In the event of any partial redemption of Bonds (other than pursuant to the aforementioned sinking fund), the principal amount of Bonds to be redeemed thereafter pursuant to the sinking fund schedule indicated above shall be proportionately reduced as provided in the Indenture.

Selection of the Bonds to be redeemed pursuant to each such sinking fund payment shall be performed using such method as the Indenture Trustee deems fair and appropriate.

The Bonds shall be subject to special mandatory redemption, in whole but not in part, at the applicable redemption prices set forth under Section 6.02(c) of the Indenture upon the receipt of payment of the applicable purchase price upon the exercise by KGE of its option to purchase the Assets on September 29, 2015 or September 29, 2020 under Section 6.1(c)(i) of the Lease or, in the case of a Nonseverable Alteration not required by Section 11.4 of the Lease, Section 6.1(c)(ii) of the Lease unless, in either case, KGE shall assume the 2005 Series Bonds then Outstanding pursuant to Section 2.16 of the Indenture.

The Bonds are subject to redemption at the option of the Owner Trustee, as a whole at any time and in part from time to time, as provided below:

(i) At any time from the date hereof to, but not including September 29, 2015, the Owner Trustee may redeem all or any portion of the Bonds then outstanding, after giving the required notice under the Indenture, at a redemption price equal to the greater of:

(a) 100% of the principal amount of the Bonds then outstanding, or

(b) the sum of the present values of the remaining scheduled payments of the principal amount of the Bonds then outstanding and interest thereon (exclusive of interest to the Redemption Date) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus 25 basis points,

plus, in either case, accrued and unpaid interest, if any, and Additional Interest, if any, to the Redemption Date (subject to the right of holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date).

(ii) On and after September 29, 2015, the Bonds shall be redeemable prior to Maturity at the option of the Owner Trustee, in whole or in part, at a Redemption Price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, and Additional Interest, if any, to, but excluding, the Redemption Date.

In the case of any redemption of Bonds, unpaid installments of interest maturing on or prior to the Redemption Date will be payable to the Holders of such Bonds of record at the close of business on the relevant regular or subsequent Record Date referred to on the face hereof.

In the event any of the Bonds are called for redemption, the Indenture Trustee shall give notice, in the name of the Owner Trustee, of the redemption of such Bonds. Notice of redemption of Bonds (including redemption through the operation of the sinking fund with respect to any series) shall be given by first-class mail, postage prepaid, mailed not less than 30 nor more than 60 days prior to the date fixed for redemption, to each Holder of Bonds to be redeemed, at his address appearing on the Bond Register.

With respect to any notice of redemption of Bonds at the option of the Owner Trustee as described above, unless, upon the giving of such notice, such Bonds shall be deemed to have been paid within the meaning of the Indenture, such notice shall state that such redemption shall be conditional upon the receipt by the Indenture Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, interest and Additional Interest, if any, on such Bonds to be redeemed, and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Owner Trustee shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made and the Indenture Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then upon presentation and surrender of Bonds so called for redemption at the corporate trust office of the Paying Agent, such Bonds shall be redeemed.

The Indenture provides that Bonds of a denomination larger than \$1,000 may be redeemed in part (\$1,000 or an integral multiple thereof) and that upon any partial redemption of any such Bond the same may be surrendered at the corporate trust office of the Paying Agent in exchange for one or more new Bonds for the unredeemed portion thereof.

Bonds (or portions thereof as aforesaid) for whose redemption and payment provision is made in accordance with the Indenture shall thereupon cease to be entitled to the Lien of the Indenture and shall cease to bear interest from and after the date fixed for redemption.

If an Event of Default under the Indenture shall occur and be continuing, the principal of this Bond may, subject to certain rights of the Owner Trustee or the Owner Participant contained or referred to in the Indenture, become or be declared immediately due and payable, in the manner and with the effect provided in the Indenture.

Under certain circumstances, the Owner Trustee may make payments or perform obligations of KGE under the Indenture and the Lease. Exercise of the Owner Trustee's limited right to cure would prevent the Indenture Trustee and the Holder hereof from exercising any remedies otherwise available under the Indenture as a result of KGE's failure to make such payments or perform such obligations.

Following a declaration of acceleration of the Bonds, the Owner Trustee may, subject to the conditions specified in the Indenture, purchase all of the Bonds in accordance with the terms of the Indenture. Each Holder of this Bond, by accepting the same, agrees, subject to the provisions of the Indenture, that, upon payment to the Indenture Trustee of all amounts payable on the Bonds and upon satisfaction of all of the conditions contained in the Indenture pertaining to the purchase of Bonds by the Owner Trustee, such Holder shall be deemed to sell this Bond to the Owner Trustee.

The Lien upon the Indenture Estate is subject to being legally discharged prior to the Maturity of this Bond upon the deposit with the Indenture Trustee of money or certain obligations of the United States of America sufficient to pay the principal of, premium (if any), interest and Additional Interest (if any) on this Bond when due, all in accordance with the terms and conditions of the Indenture.

The Bond is transferable by the registered owner hereof in person or by attorney authorized in writing, at the corporate trust office of the Bond Registrar, Deutsche Bank Trust Company Americas (or if such office is not in the Borough

of Manhattan, The City of New York, at either such office or an office to be maintained in such Borough), upon surrender of this Bond, and, upon any such transfer, a new Bond of the same Stated Maturity of principal for the same aggregate principal amount will be issued to the transferee in exchange herefor.

The Bonds are issuable only as registered Bonds without coupons in denominations of \$1,000 and any integral multiple thereof. As provided in, and subject to the provisions of, the Indenture, Bonds of a particular Stated Maturity of principal are exchangeable for other Bonds of such Stated Maturity of a different authorized denomination or denominations, as requested by the Holder surrendering the same.

No service charge will be made to any Holder of Bonds for any such transfer or exchange, but the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentation of this Bond for registration of transfer, the Person in whose name this Bond is registered shall be deemed to be the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whether or not this Bond shall be overdue, regardless of any notice to anyone to the contrary.

As provided in the Indenture, the Indenture and the Bonds shall be governed by and construed in accordance with the laws of the State of New York without regard to the principles of conflicts of law thereof.



[FORM OF CERTIFICATE OF AUTHENTICATION]

This is one of the Secured Facility Bonds, Refunding Series 2005 described in the within-mentioned Indenture.

DEUTSCHE BANK TRUST COMPANY  
AMERICAS,  
Indenture Trustee

By: \_\_\_\_\_  
Authorized Officer

**AMENDMENT NO. 1  
TO  
SUBLEASE**

THIS AMENDMENT No. 1, dated as of June 30, 2005, between U.S. BANK NATIONAL ASSOCIATION (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity but solely as owner trustee under the Trust Agreement with Comcast MO Financial Services, Inc. (formerly named US West Financial Services, Inc.) (the “**Owner Participant**”) dated as of September 1, 1987 (the “**Owner Trustee**”; together with its successors and assigns as sublessor under the Sublease, including, without limitation, any successor trustee under the Trust Agreement, the “**Sublessor**”), as sublessor, and KANSAS GAS AND ELECTRIC COMPANY, a corporation organized and operating under the laws of the State of Kansas (“**KGE**”; together with its successors and assigns as sublessee under the Sublease, the “**Sublessee**”), as sublessee (this “**Amendment**”), to the SUBLEASE dated as of September 1, 1987 between the Sublessor and the Sublessee (the “**Sublease**”).

W I T N E S S E T H:

WHEREAS, the Sublessor and the Sublessee are parties to the Sublease, pursuant to which the Owner Trustee subleased the Ground Interest to KGE in connection with the transactions contemplated by the Participation Agreement dated as of September 1, 1987 among KGE, the Owner Participant, the Owner Trustee and certain other parties named therein (as heretofore amended, the “**Participation Agreement**”) and the Lease;

WHEREAS, on the date hereof, KGE, the Owner Trustee, the Owner Participant and the Indenture Trustee are entering into a Second Supplemental Participation Agreement dated as of the date hereof (the “**Second Supplemental Participation Agreement**”) and an Amendment No. 4 to the Lease to, among other things, restructure certain aspects of the transactions contemplated by the Participation Agreement and the Lease;

WHEREAS, in order to effect such restructuring, it is also necessary to amend the Sublease as more fully described hereinafter and the parties hereto desire to so amend the Sublease;

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1  
DEFINITIONS; REFERENCES

*Section 1.01. Definitions; References.*

Each capitalized term used herein shall, unless otherwise defined herein, have the meaning ascribed thereto in Appendix A to the Participation Agreement, as amended by the Second Supplemental Participation Agreement. Each reference to “**hereof**”, “**hereunder**”, “**herein**” and “**hereby**” and each other similar reference and each reference to “**this Sublease**” and each other similar reference contained in the Sublease shall from and after the date hereof refer to the Sublease as amended hereby.

ARTICLE 2  
AMENDMENT OF THE SUBLEASE

*Section 2.01. Amendment Of Section 3.* Section 3 of the Sublease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new Section 3:

The term of this Sublease shall commence on the date hereof and shall end on the first to occur of (a) the Lessor Possession Date and (b) expiration or earlier termination of the Lease, as amended from time to time.

ARTICLE 3  
REPRESENTATIONS AND WARRANTIES

*Section 3.01. Owner Trustee.* The Owner Trustee agrees that its representations and warranties set forth in Section 5 of the Second Supplemental Participation Agreement are made for and shall inure to the benefit of the Sublessee.

*Section 3.02 KGE.* KGE agrees that its representations and warranties set forth in Section 7 of the Second Supplemental Participation Agreement are made for and shall inure to the benefit of the Sublessor.

ARTICLE 4  
MISCELLANEOUS

*Section 4.01. Governing Law.* This Amendment shall be governed by and construed in accordance with the laws of the State of Kansas.

Section 4.02. *Headings*. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

Section 4.03. *Counterparts*. This Amendment may be executed in any number of counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION,  
not in its individual capacity but solely as the Owner Trustee  
pursuant to the Trust Agreement

By: /s/ Michael M. Hopkins

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Name: Michael M. Hopkins  
Title: Vice President

KANSAS GAS AND ELECTRIC COMPANY

By: /s/ Mark A. Ruelle

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Name: Mark A. Ruelle  
Title: Vice President and Treasurer

ACKNOWLEDGMENT

STATE OF CONNECTICUT     )  
  )  
COUNTY OF HARTFORD     )

This instrument was acknowledged before me on June 30, 2005 by Michael M. Hopkins as Vice President of U.S. BANK NATIONAL ASSOCIATION, as Owner Trustee.

/s/ Karen R. Felt

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Printed Name: Karen R. Felt  
Notary Public

(Seal)

My appointment expires:

February 28, 2009

ACKNOWLEDGMENT

STATE OF KANSAS            )  
  )  
COUNTY OF SHAWNEE        )

This instrument was acknowledged before me on June 30, 2005 by Mark A. Ruelle as Vice President and Treasurer of KANSAS GAS AND ELECTRIC COMPANY.

/s/ Merliee K. Martin

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Printed Name: Merliee K. Marti  
Notary Public

(Seal)

My appointment expires:

July 8, 2007

**AMENDMENT NO. 1  
TO  
GROUND LEASE**

THIS AMENDMENT No. 1, dated as of June 30, 2005, between KANSAS GAS AND ELECTRIC COMPANY, a corporation organized and operating under the laws of the State of Kansas (“**KGE**”; together with its successors and assigns as owner of the Ground Interest, the “**Lessor**”), as lessor, and U.S. BANK NATIONAL ASSOCIATION (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity but solely as owner trustee under the Trust Agreement with Comcast MO Financial Services, Inc. (formerly named US West Financial Services, Inc.) (the “**Owner Participant**”) dated as of September 1, 1987 (“**Owner Trustee**”; together with its successors and assigns as lessee under the Ground Lease of the Ground Interest, including, without limitation, any successor trustee under the Trust Agreement, the “**Lessee**”), as lessee (this “**Amendment**”) to the GROUND LEASE dated as of September 1, 1987 between the Lessor and the Lessee (the “**Ground Lease**”).

W I T N E S S E T H:

WHEREAS, the Lessor and the Lessee are parties to the Ground Lease, pursuant to which KGE leased the Ground Interest to the Owner Trustee in connection with the transactions contemplated by the Participation Agreement dated as of September 1, 1987 among KGE, the Owner Participant, the Owner Trustee and certain other parties named therein (as heretofore amended, the “**Participation Agreement**”) and the Lease;

WHEREAS, on the date hereof, KGE, the Owner Trustee, the Owner Participant and the Indenture Trustee are entering into a Second Supplemental Participation Agreement dated as of the date hereof (the “**Second Supplemental Participation Agreement**”) and an Amendment No. 4 to the Lease to, among other things, restructure certain aspects of the transactions contemplated by the Participation Agreement and the Lease;

WHEREAS, in order to effect such restructuring, it is also necessary to amend the Ground Lease as more fully described hereinafter and the parties hereto desire to so amend the Ground Lease;



NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1  
DEFINITIONS; REFERENCES

*Section 1.01. Definitions; References.*

Each capitalized term used herein shall, unless otherwise defined herein, have the meaning ascribed thereto in Appendix A to the Participation Agreement, as amended by the Second Supplemental Participation Agreement. Each reference to “**hereof**”, “**hereunder**”, “**herein**” and “**hereby**” and each other similar reference and each reference to “**this Ground Lease**” and each other similar reference contained in the Ground Lease shall from and after the date hereof refer to the Ground Lease as amended hereby.

ARTICLE 2  
AMENDMENT OF THE GROUND LEASE

Section 2.01. *Amendment Of Section 5.* Section 5 of the Ground Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new Section 5:

The term of this Ground Lease shall commence on the Funding Date and shall end on the date (the “Ground Lease Termination Date”) which is the earliest of (a) the termination of this Ground Lease pursuant to Section 10 hereof, (b) the date, if ever, on which title to the Assets vests in Lessor and (c) September 29, 2042; provided, that if (A) the preceding clause (c) shall not have been amended in accordance with subsection 5.1 of the Lease and (B) KGE shall have either (1) exercised its rights under the Lease to renew the Lease for a Fair Market Rental Renewal Term or (2) failed to exercise its rights to renew the Lease or purchase the Assets by failing to deliver an irrevocable notice pursuant to both subsections 5.3 and 6.2 of the Lease within the time specified therein, then Owner Trustee shall have the right to cause such clause (c) to be amended by deleting September 29, 2042 and inserting in lieu thereof the last day of the Useful Life, as then determined by an Appraisal Procedure initiated by Owner Trustee on or after the earlier to occur of the commencement of the initial Fair Market Rental Renewal Term or the 179<sup>th</sup> day preceding the Lease Termination Date; provided, further, that Owner Trustee’s right to have the Useful Life so determined pursuant to the

immediately preceding proviso may only be exercised once. Notwithstanding the foregoing, if the Sublease terminates on the date set forth in such clause (c) and the Ground Lease would terminate on such date pursuant to such clause (c), then the Ground Lease shall terminate on the day next succeeding the date set forth in such clause (c).

ARTICLE 3  
REPRESENTATIONS AND WARRANTIES

Section 3.01. *Owner Trustee*. The Owner Trustee agrees that its representations and warranties set forth in Section 5 of the Second Supplemental Participation Agreement are made for and shall inure to the benefit of Lessor.

Section 3.02 *KGE*. KGE agrees that its representations and warranties set forth in Section 7 of the Second Supplemental Participation Agreement are made for and shall inure to the benefit of Lessee.

ARTICLE 4  
MISCELLANEOUS

Section 4.01. *Governing Law*. This Amendment shall be governed by and construed in accordance with the laws of the State of Kansas.

Section 4.02. *Headings*. Section headings used herein are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

Section 4.03. *Counterparts*. This Amendment may be executed in any number of counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed as of the date first above written.

KANSAS GAS AND ELECTRIC COMPANY

By: /s/ Mark A. Ruelle

Name: Mark A. Ruelle

Title: Vice President and Treasurer

U.S. BANK NATIONAL ASSOCIATION,

not in its individual capacity but solely as Owner Trustee  
pursuant to the Trust Agreement

By: /s/ Michael M. Hopkins

Name: Michael M. Hopkins

Title: Vice President

ACKNOWLEDGMENT

STATE OF CONNECTICUT     )  
  )  
COUNTY OF HARTFORD     )

This instrument was acknowledged before me on June 30, 2005 by Michael M. Hopkins as Vice President of U.S. BANK NATIONAL ASSOCIATION, as Owner Trustee.

/s/ Karen R. Felt

---

Printed Name: Karen R. Felt  
Notary Public

(Seal)

My appointment expires:

February 28, 2009

ACKNOWLEDGMENT

STATE OF KANSAS            )  
  )  
COUNTY OF SHAWNEE        )

This instrument was acknowledged before me on June 30, 2005 by Mark A. Ruelle as Vice President and Treasurer of KANSAS GAS AND ELECTRIC COMPANY.

/s/ Merilee K. Martin

\_\_\_\_\_  
Printed Name: Merilee K. Martin  
Notary Public

(Seal)

My appointment expires:

July 8, 2007

AMENDMENT NO. 4 TO LEASE AGREEMENT

dated as of June 30, 2005

between

U.S. BANK NATIONAL ASSOCIATION,  
as Owner Trustee,  
as Lessor,

and

KANSAS GAS AND ELECTRIC COMPANY,  
as Lessee

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This Amendment No. 4 has been executed in 10 original counterparts of which this is original counterpart number \_\_; only original counterpart number 1 constitutes chattel paper within the meaning of the Uniform Commercial Code; accordingly, any assignee of any rights of Lessor under this Amendment No. 4 cannot perfect a security interest in such rights without taking possession of original counterpart number 1 or making a filing under the Uniform Commercial Code.

THIS AMENDMENT NO. 4 TO LEASE AGREEMENT, dated as of June 30, 2005 ("**Amendment No. 4**"), is made between U.S. BANK NATIONAL ASSOCIATION (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity but solely as owner trustee ("**Owner Trustee**") under a Trust Agreement, dated as of September 1, 1987, between Comcast MO Financial Services, Inc., (formerly named US West Financial Services, Inc.), a Colorado corporation, and Owner Trustee, as lessor ("**Lessor**"), and KANSAS GAS AND ELECTRIC COMPANY, a Kansas corporation, as lessee ("**Lessee**").

## WITNESSETH:

WHEREAS, Lessee and Lessor have heretofore entered into a Lease Agreement, dated as of September 1, 1987 (the "**Original Lease**"), an Amendment No. 1 to Lease Agreement, dated as of October 1, 1987 ("**Amendment No. 1**"), an Amendment No. 2 to Lease Agreement, dated as of August 1, 1989 ("**Amendment No. 2**"), and an Amendment No. 3 to Lease Agreement, dated as of September 29, 1992 ("**Amendment No. 3**") (the Original Lease, as amended by such amendments, the "**Existing Lease**"); and

WHEREAS, Section 4 of the Existing Lease provides that the Basic Rent and Casualty Values reflected in Schedules 1 and 2, respectively, of the Existing Lease shall be appropriately adjusted to take into account certain circumstances specified in such Section 4; and

WHEREAS, Lessee desires that Owner Trustee effect a refinancing pursuant to Section 17 of the Participation Agreement dated as of September 1, 1987 among Owner Trustee, Lessee and certain other parties named therein (the "**Original Participation Agreement**") as amended by a Supplemental Participation Agreement dated as of September 18, 1992 among Owner Trustee, Lessee, Owner Participant and Indenture Trustee (the Original Participation Agreement, as so amended, the "**Existing Participation Agreement**") and as further amended by a Second Supplemental Participation Agreement dated as of the date hereof among Owner Trustee, Lessee, Owner Participant and Indenture Trustee ("**Second Supplemental Participation Agreement**"), the proceeds of which refinancing will be used, among other things, to redeem the Outstanding Bonds and to provide for the Additional Borrowing by Owner Participant and, in connection therewith, Lessee and Lessor desire to adjust Basic Rent and Casualty Values pursuant to Section 4.5 of the Existing Lease; and

WHEREAS, Section 4 of the Existing Lease further provides that adjustments of the Basic Rent and Casualty Value shall be set forth in an amendment to the Lease; and

WHEREAS, concurrently with such refinancing Lessee and Lessor also desire to enter into this Amendment No. 4 in order to modify and restructure certain other terms of the Existing Lease as more fully described hereinafter;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

**SECTION 1. DEFINITIONS.**

For the purposes hereof, capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in (i) Appendix A to the Existing Participation Agreement, as amended by the Second Supplemental Participation Agreement, or (ii) the Second Supplemental Participation Agreement, as the case may be.

**SECTION 2. AMENDMENTS OF EXISTING LEASE.**

A. Appendix A. (a) Appendix A to the Existing Lease is amended, effective as of the date hereof, by deleting the following definitions and substituting in lieu thereof the following new definitions:

“**Appraisal**” shall mean, as applicable, (a) an appraisal, dated the Funding Date, of Burns and Roe, Inc. which shall take into account the rights and obligations of Owner Trustee under the Support Agreements and the Operating Agreement and state (i) that on the Funding Date, the Fair Market Sale Value of the Interest shall equal the Purchase Price, (ii) that the Useful Life is at least equal to 125% of the sum of the Interim Lease Term and the Basic Term, (iii) that the fair market value, as of the day 28 <sup>1</sup>/<sub>2</sub> years after the Basic Lease Commencement Date, of the Interest shall be at least equal to 20% of the Purchase Price (computed without regard to inflation or deflation), (iv) that assuming Owner Trustee, and purchasers from and assignees of Owner Trustee, will have those rights which the Support Agreements purport to grant and convey to Owner Trustee, it will be commercially feasible for Owner Trustee, and purchasers from or assignees of Owner Trustee unrelated to Lessee, to use the Assets upon the expiration of the Lease Term, (v) that Unit 2 is a fully integrated and, when operated in conjunction with the Common Facilities and the Support Agreements, self-contained unit, and each Component of Unit 2 is interrelated to the other Components in terms of useful life, function, structure and design, (vi) that the term of the Support Agreements corresponds to the Useful Life (within the constraints of professional estimation), (vii) the fair market value, as of the day 28 <sup>1</sup>/<sub>2</sub> years after the Basic Lease Commencement Date, of the Interest (taking into account the effects of inflation or deflation), and (viii) the Fair Market Rental Value of the Ground Interest during the Lease Term; or (b) an appraisal, dated as of June 17, 2005, of Marshall & Stevens Incorporated which states (i) the fair market value of the Interest as of the date thereof, (ii) the fair market value of the Interest at the end of the Basic Term on a constant dollar (uninflated) basis determined as of the date thereof, (iii) the fair market value of the Interest at the end of the Basic Term on a real dollar (inflated) basis determined as of the date thereof, (iv) the remaining Useful Life of Unit 2 as of the date thereof, (v) that the remaining Useful Life of Unit 2 at the end of the Basic Term is at least 20% of the Useful Life of Unit 2 as of May 16, 1977, the date on which Unit 2 was first



placed in service, (vi) that upon the expiration of the Lease Term or earlier termination of the Lease, there is a reasonable likelihood that it would be commercially feasible for a party other than the Lessee to own and operate Unit 2, and (vii) that, based on the estimate of the fair market value of the Interest at the end of the Basic Term, there is no economic compulsion for the Lessee to exercise the purchase option provided for in Section 6 of the Lease because as of the expiration date of the Basic Term, such purchase option price is expected to equal the fair market value of the Interest.

“**Basic Rent Payment Date**” shall mean and include (a) each March 29 and September 29, commencing September 29, 1988, throughout (and including the last day of) the Basic Term, (b) each March 29, June 29, September 29 and December 29, commencing December 29, 2029, throughout (and including the last day of) any Renewal Term, if elected, and (c) with respect to payments under the Ground Lease after the Lease Termination Date, each March 29, June 29, September 29 and December 29 through the Ground Lease Termination Date.

“**Basic Term**” shall mean the period commencing on the Basic Lease Commencement Date and ending on September 29, 2029, or such shorter period as may result from earlier termination as provided in the Lease.

“**KCC Order**” shall mean, as applicable, (a) the order or orders of the State Corporation Commission of the State of Kansas (i) approving or authorizing the transactions contemplated by the Operative Documents, and (ii) determining that neither Owner Trustee, nor Owner Participant, nor Indenture Trustee is an electric public utility subject to the jurisdiction, control or regulation as such of such Commission; or (b) the order or orders of such Commission (i) disclaiming jurisdiction over the refinancing of the Bonds and the restructuring of the transactions contemplated by the Operative Documents unless and until Lessee assumes the Outstanding Bonds or purchases the Assets, and (ii) reiterating the determination made by such Commission previously that neither Owner Trustee, nor Owner Participant, nor Indenture Trustee is an electric public utility subject to the jurisdiction, control or regulation as such of such Commission.

“**Supplemental Rent**” shall mean any and all amounts, liabilities and obligations other than Basic Rent which Lessee assumes or agrees to pay to or on behalf of Lessor, Owner Trustee, Owner Participant, any Bondholder, Indenture Trustee or any Indemnitee under (i) any Operative Document or (ii) any registration rights agreement or any similar agreement entered into in connection with the issuance of any Bonds (in each case whether or not designated as Supplemental Rent), including, without limitation, Casualty Value and Fair Market Sale Value payments, or damages for breach of any covenants, representations, warranties, indemnities or agreements therein.

(b) Appendix A to the Existing Lease is further amended, effective as of the date hereof, by deleting the following definitions in their entirety: “**Western Resources**” and “**Western Resources Indenture**”.

(c) Appendix A to the Existing Lease is further amended, effective as of the date hereof, by adding thereto the following new definitions in the appropriate alphabetical order:

“**1992 Series Bonds**” shall have the meaning ascribed thereto in the Second Supplemental Participation Agreement.

“**2005 Series Bonds**” shall have the meaning ascribed thereto in the Second Supplemental Participation Agreement.

“**Allocated Rent**” shall have the meaning ascribed thereto in subsection 3.1(e) of the Lease.

“**Amendment No. 4 to Lease Agreement**” shall mean Amendment No. 4 to Lease Agreement dated as of June 30, 2005 between Owner Trustee and Lessee.

“**Expected End-of-Basic-Term Asset Value**” shall mean \$342,630,000, which is the estimated fair market value of the Assets as of the date of expiration of the Basic Term as set forth in the Appraisal referred to in clause (b) of the definition thereof.

“**Lease Period**” shall mean the lease periods identified on Schedule 3 to the Lease.

“**Lessee Loan Balance**” shall have the meaning ascribed thereto in subsection 3.1(f) of the Lease.

“**Lessor Loan Balance**” shall have the meaning ascribed thereto in subsection 3.1(f) of the Lease.

“**Second Supplemental Indenture**” shall mean the Second Supplemental Indenture dated as of June 30, 2005, to the Trust Indenture, Security Agreement and Mortgage dated as of September 1, 1987, as supplemented by the First Supplemental Indenture dated as of September 29, 1992, among Owner Trustee, Lessee and Indenture Trustee.

“**Second Supplemental Participation Agreement**” shall mean the Second Supplemental Participation Agreement dated as of June 30, 2005, to the Participation Agreement dated as of September 1, 1987, as supplemented by the Supplemental Participation Agreement dated as of September 18, 1992, among Owner Trustee, Indenture Trustee, Owner Participant and Lessee.

“**Section 467 Loan Balance**” shall mean the Lessor Loan Balance and the Lessee Loan Balance.

“**Westar Energy**” shall mean Westar Energy, Inc. (formerly named Western Resources, Inc.), a Kansas corporation, and its successors and assigns.

“**Westar Energy Indenture**” shall mean that certain Mortgage and Deed of Trust, dated July 1, 1939, between Westar Energy and Harris Trust and Savings Bank, and any other indenture executed by Westar Energy after September 29, 1992 pursuant to which Westar Energy may from time to time issue mortgage bonds, as any of them have been heretofore or may be hereafter amended, modified or supplemented from time to time.

B. Subsection 3.1. Subsection 3.1 of the Existing Lease is hereby amended by adding after the last paragraph thereof the following new paragraphs:

“(e) For purposes of Section 467 of the Code, Basic Rent during the Basic Term for the use of the Assets by Lessee during each Lease Period (“**Allocated Rent**”) shall be allocated to each Lease Period in the amount determined by multiplying the Purchase Price by the percentage set forth for such Lease Period on Schedule 3 hereto under the caption “Allocated Rent”. Allocated Rent shall be allocated to each calendar year in the Basic Term based on the assumption that each calendar year in the Basic Term has 360 days, consisting of twelve 30-day months. Allocated Rent for any Lease Period shall accrue ratably to each day within such Lease Period. Notwithstanding that Basic Rent is payable in accordance with subsection 3.1(a) hereof and without limiting Lessee’s payment obligations under subsection 3.1(a) hereof, the Allocated Rent calculated pursuant to this subsection 3.1(e), or as adjusted pursuant to subsection 3.1(g) hereof, shall represent and be the amount of Basic Rent for which Lessee becomes liable on account of the use of the Assets for each Lease Period included in whole or in part of the Basic Term.

(f) It is the intention of Lessor and Lessee that for purposes of Section 467 of the Code the Allocated Rent derived by multiplying the Purchase Price by the percentage set forth for each Lease Period on Schedule 3 hereto under the caption “Allocated Rent” constitutes a specific allocation of “fixed rent” within the meaning of Treasury Regulation section 1.467-1(c)(2)(ii) with the effect that each of Lessor and Lessee shall accrue rental income and rental expense, respectively, in the amount equal to the Purchase Price multiplied by the percentage as set forth for each Lease Period under the column with the heading “Allocated Rent” on Schedule 3 hereto.

Lessor and Lessee agree that a prepaid or deferred rent balance may exist at certain times during the Basic Term. It is the intention of Lessor and Lessee that any such prepaid or deferred rent balance shall (A) in the case of a prepaid rent balance, give rise to a loan from Lessee to Lessor in the amount of any positive loan balance (the “**Lessor Loan Balance**”) computed by multiplying the percentage set forth in Schedule 4 hereto under the

caption "Lessor Loan Balance" by the Purchase Price, and in the case of a deferred rent balance, shall give rise to a loan from Lessor to Lessee in the amount of any negative loan balance (the "**Lessee Loan Balance**") computed by multiplying the percentage set forth in Schedule 4 hereto under the caption "Lessee Loan Balance" by the Purchase Price and (B) such loan shall provide for "adequate stated interest" within the meaning of Treasury Regulation section 1.467-2(b)(ii). If there shall be an outstanding Lessor Loan Balance, Lessor shall deduct interest expense and Lessee shall include interest income, in each case, in an amount equal to the product of the Purchase Price multiplied by the percentage set forth under the caption "Interest Amount" for the applicable period identified on Schedule 4 hereto. If there shall be an outstanding Lessee Loan Balance, Lessee shall deduct interest expense and Lessor shall include interest income, in each case, in an amount equal to the product of the Purchase Price multiplied by the percentage set forth under the caption "Interest Amount" for the applicable period identified on Schedule 4 hereto.

The obligations of Lessor to Lessee under this subsection 3.1(f) (including Lessor's obligation with respect to any loan from Lessee as represented by any Lessor Loan Balance) are subject and subordinate to the obligations of Lessor under the Indenture, are payable exclusively from amounts distributable under clause third of Section 4.01 of the Indenture or clause fifth of Section 4.03 of the Indenture. Lessee acknowledges, consents and agrees to the subordination and other terms set forth in the previous sentence.

(g) In the event that the amount of fixed rent payable under the Lease is deemed to be less than or more than the aggregate amount of Basic Rent identified on Schedule 1 hereto (and such increase is deemed to be fixed rent within the meaning of Treasury Regulation section 1.467-1(h)(3) or such decrease is deemed to be a decrease of fixed rent within the meaning of Treasury Regulation section 1.467-1(h)(3)), the amount of Allocated Rent for each Lease Period shall be increased or decreased, as the case may be, by an amount equal to the deemed increase or decrease in Basic Rent payments multiplied by a fraction, the numerator of which is equal to the amount of Allocated Rent for such Lease Periods and the denominator of which is the aggregate amount of Allocated Rent for all Lease Periods. The adjusted Allocated Rent shall constitute Allocated Rent for all purposes of this Lease."

C. Subsection 4.3. Subsection 4.3 of the Existing Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new subsection 4.3:

“4.3. Adjustments for Alterations. Upon the occurrence of any payment or financing by Owner Participant and/or Lessor provided for in paragraph (c) of subsection 11.6, the amounts of Basic Rent, Allocated Rent, Section 467 Loan Balance and Casualty Value shall be adjusted in such manner as shall preserve Net After-Tax Return, taking into account any additional tax benefits actually realized by Lessor or Owner Participant arising out of the relevant Alterations or the financing thereof, while minimizing the present value of Basic Rent, except that, if Owner Participant is making any additional investment in connection therewith, such adjustment shall be made in such manner as shall be acceptable to Lessee and Owner Participant utilizing any pricing assumptions then agreed to by Lessee and Owner Participant with respect to such financing.”

D. Subsection 4.5. Subsection 4.5 of the Existing Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new subsection 4.5:

“4.5. Adjustments for Refinancing of the Bonds. In the event the Bonds are refinanced with Refunding Bonds pursuant to Section 17 of the Participation Agreement, then the Basic Rent, Allocated Rent, Casualty Value and Section 467 Loan Balance shall be adjusted by such amounts as shall preserve Net After-Tax Return while minimizing the present value of Basic Rent.”

E. Subsection 4.8. Subsection 4.8 of the Existing Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new subsection 4.8:

“4.8. Preservation of Net After-Tax Return. Whenever adjustments to Basic Rent, Allocated Rent, Section 467 Loan Balance and Casualty Value are to be made to preserve Net After-Tax Return, such adjustments shall be made in such manner that (a) each Component of Net After-Tax Return, as recomputed taking into consideration the circumstances which mandate such adjustments, is at least as great as when originally computed and (b) at least one Component of Net After-Tax Return, as so recomputed, is equal to the amount of such Component as originally computed in accordance with the assumptions specified in Schedule 1 to the Participation Agreement. In determining the present value of Basic Rent for purposes of this Section 4, a discount rate of 5.647% per annum shall be used, except that, with respect to any adjustment to Basic Rent pursuant to subsection 4.3 (and those portions of Basic Rent previously changed by such adjustments), the discount rate used at the time of the applicable payment or financing shall be utilized.”

F. Section 4. Section 4 of the Existing Lease is hereby further amended by adding after the last subsection thereof the following new subsection 4.12:

“4.12. Adjustments to Comply with Section 467 of Code. All adjustments pursuant to subsection 4.3 and subsection 4.5 shall be made in compliance with Section 467 of the Code and any proposed, temporary or final regulations thereunder or any judicial decision, or any Revenue Ruling, Revenue Procedure or other published Internal Revenue Service interpretation of general application interpreting or relating to Section 467 of the Code (for this purpose, compliance with Section 467 of the Code shall mean making such adjustments in a manner such that rent will be accounted for under Treasury Regulation Section 1.467-1(d)(2)(iii) or a successor provision), and in compliance with the requirements of Rev. Proc. 2001-28, 2001-19 IRB 1156 and Sections 4.02(5), 4.07(1) and 4.07(2) of Rev. Proc. 2001-29, 2001-19, IRB 1160 (or any successor provisions) as they exist at the time of such adjustment; *provided, however*, that in the absence of any change to Section 467 of the Code (or any proposed, temporary or final regulations thereunder) or to the requirements of Rev. Proc. 2001-28 that is effective with respect to this Lease, such compliance shall be in the same manner and to the same extent as Basic Rent complied with such requirements prior to such adjustment.”

G. Subsection 6.1. (i) Paragraph (a) of subsection 6.1 of the Existing Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new paragraph (a):

“(a) on the date of expiration of the Basic Term, at a purchase price equal to the excess of (A) the aggregate of (x) the lesser of (i) the Fair Market Sale Value on such date of the Assets and (ii) the sum of (1) the Expected End-of-Basic-Term Asset Value and (2) fair market value on such date of any Nonseverable Alterations completed after the date of the Marshall & Stevens Appraisal and financed by an additional investment of Owner Participant in accordance with paragraph (c) of subsection 11.6, as set forth in the appraisal utilized for such financing, and (y) the Lessee Loan Balance, if any, on such date, over (B) the Lessor Loan Balance, if any, on such date;”

(ii) Paragraph (c) of subsection 6.1 of the Existing Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new paragraph (c):

“(c) (i) on each of September 29, 2015, September 29, 2020, and September 29, 2025, (ii) in the event that the Owner Participant declines to participate in the financing pursuant to

paragraph (c) of subsection 11.6 of any Nonseverable Alteration having a Nonseverable Alteration Cost in excess of \$10,000,000, on either of the next two Basic Rent Payment Dates for which Lessee may give timely notice pursuant to subsection 6.2(b), or (iii) as provided in clause (i) of the second paragraph of subsection 14.2(a), on either of the next two Basic Rent Payment Dates for which Lessee may give timely notice pursuant to subsection 6.2(b), in each case at a purchase price equal to the greater of (1) the sum of the Casualty Value applicable on such Basic Rent Payment Date, the premium, if any, on the Bonds then Outstanding and the installment of Basic Rent due on such date (excluding any amount of Basic Rent due on such date which would represent a payment in advance) and (2) the sum of the Fair Market Sale Value of the Assets on such date, the premium, if any, on the Bonds then Outstanding and the installment of Basic Rent due on such date (excluding any amount of Basic Rent due on such date which would represent a payment in advance); *provided* that, the Lessor Loan Balance, if any, on such Basic Rent Payment Date shall be credited against such purchase price and the Lessee Loan Balance, if any, on such Basic Rent Payment Date shall be added to such purchase price; *provided, further*, that, for purposes of this paragraph, Lessee may credit against such purchase price the principal amount of and accrued and unpaid interest on the Bonds then Outstanding so long as the conditions set forth in subsection 6.3 hereof and Section 2.16 of the Indenture have been satisfied.”

H. Subsection 7.3. (i) Paragraph (b) of subsection 7.3 of the Existing Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new paragraph (b):

“(b) Lessor may elect to retain rather than sell the Assets by giving notice to Lessee and Indenture Trustee no later than 60 days prior to the Termination Date. It shall be a condition precedent to Lessor’s right to retain the Assets that on or prior to the Termination Date Lessor shall have (a) paid to Indenture Trustee the principal of, premium, if any, and accrued and unpaid interest on the Bonds then Outstanding to the date of payment or (b) caused the Bonds to be deemed to have been paid in accordance with Section 3.01 of the Indenture. If Lessor elects to retain the Assets pursuant to this paragraph, (i) Lessee shall pay to Lessor on the Termination Date any Basic Rent and other Rent due on such date (excluding any amount of Basic Rent due on such date which would represent a payment in advance), any premium payable on any Bond then Outstanding and the Lessee Loan Balance, if any, on such date, but shall not be required to pay Casualty Value pursuant to subsection 7.4, and (ii) on the Termination Date Lessor shall pay to Lessee the Lessor Loan Balance, if any, on such date and deliver to Lessee such instruments as Lessee shall reasonably request to evidence the termination of this Lease.”

(ii) Paragraph (c) of subsection 7.3 of the Existing Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new paragraph (c):

“(c) In the event that pursuant to paragraph (a) of this subsection 7.3 no acceptable purchaser of the Unit 2 Assets is found, the Lease shall terminate on the Termination Date, and Lessee shall pay to Lessor on the Termination Date an amount equal to the excess of (A) the aggregate of (i) the Casualty Value in effect on the Termination Date, (ii) all other sums then due and owing by Lessee to Lessor under any of the Operative Documents, including but not limited to all Rent due through the Termination Date (excluding any amount of Basic Rent due on such date which would represent a payment in advance) and any premium on any Outstanding Bond (without duplication), and (iii) the Lessee Loan Balance, if any, on such date, over (B) the Lessor Loan Balance, if any, on such date, and Lessor shall Transfer the Assets to Lessee; *provided, however*, that Lessee (i) shall not use the Assets (including, directly or indirectly, the Energy therefrom) and shall deliver semiannually to Owner Participant an Officers Certificate so confirming and (ii) shall use its best efforts to sell the Assets or any part thereof for a cash price which exceeds the Casualty Value paid on the Termination Date. Upon such sale, Lessee shall pay over to Lessor the excess, if any, of such purchase price (after deduction therefrom of all costs, expenses and fees whatsoever payable by Lessee, as seller, and all fees and expenses including, without limitation, attorneys’ fees incurred by Lessee in connection with such purchase and sale) over such Casualty Value. The provisions of this paragraph (c) shall survive such termination of the Lease.”

I. Subsection 7.4. Subsection 7.4 of the Existing Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new subsection 7.4:

“7.4. Termination Payment. As a condition to the Transfer described in paragraph (a) of subsection 7.3 and as a condition to termination of this Lease pursuant to paragraph (a) of subsection 7.3, Lessee shall pay on the Termination Date to Lessor, in immediately available funds, (a) an amount equal to the excess, if any, of (i) the aggregate of the Casualty Value in effect on the Termination Date, and, if a Transfer pursuant to paragraph (a) of subsection 7.3 is made to an Other Owner or an Affiliate thereof, an amount equal to the product of such Casualty Value and .05, over (ii) the purchase price actually paid to Lessor by the



purchaser, after deduction therefrom of all costs, expenses and fees whatsoever payable by Lessor, as seller, and all fees and expenses including, without limitation, attorneys' fees incurred by Lessor or Owner Participant in connection with such purchase and sale, *plus* (b) the Lessee Loan Balance, if any, on the Termination Date, *plus* (c) all other sums then due and owing by Lessee to Lessor under any of the Operative Documents, including but not limited to all Rent due through the Termination Date (excluding any amount of Basic Rent due on such date which would represent a payment in advance) and any premium on any Outstanding Bond and all other sums due under the Bonds (without duplication), *minus* (d) the Lessor Loan Balance, if any, on the Termination Date. To the extent the Lessor Loan Balance on the Termination Date exceeds the aggregate of the amounts denoted by clauses (a), (b) and (c) of the immediately preceding sentence, Lessor shall pay an amount equal to such excess to Lessee on the Termination Date."

J. Subsection 11.6(c). Subsection 11.6(c) of the Existing Lease is hereby amended by adding at the end thereof the following new sentence:

"For the avoidance of doubt, the parties hereto expressly agree that notwithstanding the use of the singular terms "Nonseverable Alteration" and "Nonseverable Alteration Cost" herein, Lessee is expressly permitted to aggregate the Nonseverable Alteration Costs of one or more Nonseverable Alterations effected after June 30, 2005 within a period of 24 consecutive months during the Basic Term and any Renewal Term in seeking financing for the Nonseverable Alteration Costs of such Nonseverable Alterations pursuant to this Agreement and the applicable provisions of the other Operative Documents, and for all purposes of this Agreement (including clause (ii) of subsection 6.1(c) hereof) and other relevant Operative Documents, such Nonseverable Alterations and Nonseverable Alteration Costs so aggregated shall be deemed a "Nonseverable Alteration" and "Nonseverable Alteration Cost" as used herein and therein." Lessee shall include in the report delivered to Owner Participant pursuant to Section 11.7 hereof the information concerning the Nonseverable Alteration Costs of such Nonseverable Alterations made during the period from the last previous report to the date of such report.

K. Subsection 12.2. Subsection 12.2 of the Existing Lease is hereby amended by deleting the first four sentences thereof in their entirety and substituting in lieu thereof the following new sentence:

"If an Event of Loss shall occur, Lessee shall pay to Lessor (subject to subsection 15.2), on the Basic Lease Commencement Date or the Basic Rent Payment Date next succeeding the

occurrence of the Event of Loss (unless the Event of Loss shall have occurred less than 45 days prior to such date, in which case such Casualty Value shall be determined as of and paid on the Basic Rent Payment Date next succeeding the occurrence of such Basic Lease Commencement Date or Basic Rent Payment Date), (1) an amount equal to the excess of (A) the aggregate of (i) the Casualty Value in effect on such date and (ii) the Lessee Loan Balance, if any, on such date over (B) the Lessor Loan Balance, if any, on such date, (2) any and all Rent due through and including the date of such payment (excluding, however, any amount of Basic Rent due on the date of such payment which would represent a payment in advance), and (3) all other sums due and owing from Lessee to Lessor under the Operative Documents; whereupon (a) the Lease shall terminate and the obligations of Lessee hereunder (other than the obligation to pay Supplemental Rent and any obligation expressed herein as surviving termination of this Lease) shall terminate as of the date of such payment and (b) Lessor shall Transfer the Leased Assets subject to such Event of Loss to Lessee or as Lessee shall direct, free and clear of the Lien of the Indenture.”

L. Subsection 17.1 (i) Paragraph (e) of subsection 17.1 of the Existing Lease is hereby amended by deleting clauses (i) through (iv) thereof in their entirety and substituting in lieu thereof the following new clauses:

“(i) an amount equal to (a) the excess, if any, of the Casualty Value, computed as of the Basic Rent Payment Date (or the Basic Lease Commencement Date, if applicable) specified in such notice, over the Fair Market Rental Value of the Assets during the remaining Lease Term, after discounting such Fair Market Rental Value semiannually to present value as of the Basic Rent Payment Date (or the Basic Lease Commencement Date, if applicable) specified in such notice at a rate of 5.647% per annum, *plus* (b) the Lessee Loan Balance, if any, on such date, *minus* (c) the Lessor Loan Balance, if any, on such date; or

(ii) an amount equal to (a) the excess, if any, of such Casualty Value over the Fair Market Sale Value of the Assets as of the Basic Rent Payment Date (or the Basic Lease Commencement Date, if applicable) specified in such notice, *plus* (b) the Lessee Loan Balance, if any, on such date, *minus* (c) the Lessor Loan Balance, if any, on such date; or

(iii) an amount equal to (a) the highest of (A) such Casualty Value, (B) such discounted Fair Market Rental Value and (C) such Fair Market Sale Value, *plus* (b) the Lessee Loan Balance, if any, on such date and *minus* (c) the Lessor Loan Balance, if any, on such date and, in this event, upon full payment

by Lessee of all sums due hereunder, Lessor shall exercise its best efforts promptly to sell the Assets and pay over to Lessee the net proceeds thereof up to the amount set forth in clause (A), (B) or (C) above actually paid by Lessee to Lessor; or

(iv) an amount equal to (a) the excess of (A) the present value as of the Basic Rent Payment Date (or the Basic Lease Commencement Date, if applicable) specified in such notice of all installments of Basic Rent until the end of the Basic Term, discounted semiannually at a rate of 5.647% per annum, over (B) the present value as of such Basic Rent Payment Date (or the Basic Lease Commencement Date, if applicable) of the Fair Market Rental Value of the Assets until the end of the Basic Term, discounted semiannually at a rate of 5.647% per annum, *plus* (b) the Lessee Loan Balance, if any, on such date, *minus* (c) the Lessor Loan Balance, if any, on such date; or”.

(ii) Paragraph (f) of subsection 17.1 of the Existing Lease is hereby amended by deleting it in its entirety and substituting in lieu thereof the following new paragraph (f):

“(f) if Lessor shall have sold all of the Assets, as a whole or by a series of sales of undivided interests, pursuant to paragraph (c) above, Lessor, in lieu of exercising its rights under paragraph (e) above with respect to the Assets, may, if it shall so elect, demand that Lessee pay to Lessor and Lessee shall pay to Lessor on the date of such sale, as liquidated damages for loss of a bargain and not as a penalty (in lieu of Basic Rent due for periods commencing after the next Basic Rent Payment Date following the date of such sale), (i) any unpaid Rent due and attributable to the use of the Assets by Lessee through such Basic Rent Payment Date, *plus* (ii) the amount of any deficiency between the Casualty Value, computed as of such Basic Rent Payment Date, and the net proceeds of such sale, together with interest at the Stipulated Interest Rate on the amount of such Rent and such difference from the date of such sale until the date of actual payment, *plus* (iii) the Lessee Loan Balance, if any, on such Basic Rent Payment Date, *minus* (iv) the Lessor Loan Balance, if any, on such Basic Rent Payment Date; *provided* that if the Lessor Loan Balance, if any, on such Basic Rent Payment Date exceeds the aggregate of the amounts denoted by clauses (i) through (iii) of this paragraph, Lessor shall promptly pay to Lessee an amount equal to such excess or”.

M. Schedules. (i) Schedules 1 and 2 to the Existing Lease are hereby amended by deleting each such Schedule in its entirety and substituting in lieu thereof Schedules 1 and 2 attached to this Amendment No. 4.

(ii) The Existing Lease is hereby further amended by adding thereto a Schedule 3, "Allocated Rent", and a Schedule 4, "Section 467 Loan Balances", each as attached to this Amendment No. 4.

**SECTION 3. RATIFICATION OF EXISTING LEASE.**

Except as expressly amended and modified hereby, the Existing Lease shall continue to be, and shall remain, in full force and effect in accordance with its terms, and this Amendment No. 4 shall not be deemed to be a waiver of or consent to any modification or amendment of any other term or condition of the Existing Lease.

**SECTION 4. GOVERNING LAW.**

This Amendment No. 4 shall be governed by and construed in accordance with the laws of the State of New York without regard to the principles of conflicts of law thereof.

**SECTION 5. COUNTERPART EXECUTION.**

This Amendment No. 4 may be executed in any number of counterparts and by each of the parties hereto on separate counterparts, all such counterparts together constituting but one and the same instrument, with the counterpart or counterparts delivered to the Indenture Trustee pursuant to the Indenture being deemed the "Original" and all other counterparts being deemed duplicates.

IN WITNESS WHEREOF, the parties hereto have each caused this Amendment No. 4 to be duly executed as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION, not in  
its individual capacity but solely as owner  
trustee under the Trust Agreement

By: /s/ MICHAEL M. HOPKINS

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Name: Michael M. Hopkins

Title: Vice President

KANSAS GAS AND ELECTRIC COMPANY

By: /s/ MARK A. RUELLE

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Name: Mark A. Ruelle

Title: Vice President and Treasurer

ACKNOWLEDGMENT

STATE OF CONNECTICUT     )  
  )  
COUNTY OF HARTFORD     )

This instrument was acknowledged before me on June 27th, 2005 by Michael M. Hopkins as Vice President of U.S. BANK NATIONAL ASSOCIATION, as Owner Trustee.

/s/ KAREN R. FELT

\_\_\_\_\_  
Printed Name: Karen R. Felt

\_\_\_\_\_  
Notary Public

(Seal)  
My appointment expires: \_\_\_\_\_ Karen R. Felt  
Notary Public  
My Commission Expires 02/28/2009

ACKNOWLEDGMENT

STATE OF KANSAS            )  
  )  
COUNTY OF SHAWNEE        )

This instrument was acknowledged before me on June 30, 2005 by Mark A. Ruelle as Vice President and Treasurer of KANSAS GAS AND ELECTRIC COMPANY.

/s/ MERILEE K. MARTIN

\_\_\_\_\_  
Printed Name: Merilee K. Martin

\_\_\_\_\_  
Notary Public

(Seal)

My appointment expires: Merilee K. Martin  
Notary Public-State of Kansas  
July 8, 2007                My Appt. Exp: 7-8-2007

Installments of Basic Rent  
(Expressed as a percentage of Purchase Price)

<u>Basic Rent Payment Date</u>	<u>Advance/Arrears</u>	<u>Percentage</u>
Jun 30 2005	Arrears	0.936557%
Sep 29 2005	Arrears	7.986701%
Mar 29 2006	Arrears	6.248281%
Sep 29 2006	Arrears	2.304310%
Mar 29 2007	Arrears	2.304310%
Sep 29 2007	Arrears	3.679916%
Mar 29 2008	Arrears	2.265470%
Sep 29 2008	Arrears	6.123120%
Mar 29 2009	Arrears	2.156549%
Sep 29 2009	Arrears	6.250480%
Mar 29 2010	Arrears	2.040957%
Sep 29 2010	Arrears	6.385641%
Mar 29 2011	Arrears	1.918285%
Sep 29 2011	Arrears	6.529081%
Mar 29 2012	Arrears	1.788099%
Sep 29 2012	Arrears	6.681307%
Mar 29 2013	Arrears	7.006913%
Sep 29 2013	Arrears	1.498685%
Mar 29 2014	Arrears	7.194140%
Sep 29 2014	Arrears	1.337874%
Mar 29 2015	Arrears	7.393196%
Sep 29 2015	Arrears	1.166902%
Mar 29 2016	Arrears	7.604830%
Sep 29 2016	Arrears	0.985127%
Mar 29 2017	Arrears	7.829836%
Sep 29 2017	Arrears	0.791867%
Mar 29 2018	Arrears	8.069058%
Sep 29 2018	Arrears	0.586395%
Mar 29 2019	Arrears	8.323397%
Sep 29 2019	Arrears	0.367941%
Mar 29 2020	Arrears	8.593805%
Sep 29 2020	Arrears	0.135684%
Mar 29 2021	Arrears	4.941199%
Sep 29 2021	Arrears	0.000000%
Mar 29 2022	Arrears	0.000000%
Sep 29 2022	Arrears	0.000000%
Mar 29 2023	Arrears	0.000000%
Sep 29 2023	Arrears	0.000000%
Mar 29 2024	Arrears	0.000000%
Sep 29 2024	Arrears	0.000000%
Mar 29 2025	Arrears	0.000000%
Sep 29 2025	Arrears	0.000000%
Mar 29 2026	Arrears	0.000000%
Sep 29 2026	Arrears	0.000000%



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<b>Basic Rent Payment Date</b>	<b>Advance/Arrears</b>	<b>Percentage</b>
Mar 29 2027	Arrears	0.000000%
Sep 29 2027	Arrears	0.000000%
Mar 29 2028	Arrears	0.000000%
Sep 29 2028	Arrears	0.000000%
Mar 29 2029	Arrears	0.000000%
Sep 29 2029	Arrears	0.000000%

Casualty Values  
(Expressed as a percentage of Purchase Price)

<u>Date</u>	<u>Percentage</u>	<u>Lessor Loan Balance</u>	<u>Lessee Loan Balance</u>	<u>Net Casualty Value due on Termination</u>
Jun 30 2005	117.402587%	0.936557%	0.000000%	116.466030%
Sep 29 2005	115.924025%	5.695824%	0.000000%	110.228201%
Mar 29 2006	118.145428%	12.085646%	0.000000%	106.059782%
Sep 29 2006	120.271742%	14.690284%	0.000000%	105.581457%
Mar 29 2007	109.815774%	4.755551%	0.000000%	105.060224%
Sep 29 2007	111.683323%	8.553642%	0.000000%	103.129680%
Mar 29 2008	113.032416%	10.483666%	0.000000%	102.548750%
Sep 29 2008	114.960348%	16.867305%	0.000000%	98.093043%
Mar 29 2009	104.847074%	7.363087%	0.000000%	97.483987%
Sep 29 2009	106.567926%	13.796540%	0.000000%	92.771385%
Mar 29 2010	107.274034%	15.130949%	0.000000%	92.143085%
Sep 29 2010	109.053191%	21.892595%	0.000000%	87.160596%
Mar 29 2011	99.266858%	12.754579%	0.000000%	86.512279%
Sep 29 2011	100.844769%	19.600612%	0.000000%	81.244158%
Mar 29 2012	100.945403%	20.367657%	0.000000%	80.577746%
Sep 29 2012	102.564519%	27.555100%	0.000000%	75.009418%
Mar 29 2013	93.052848%	24.085218%	0.000000%	68.967630%
Sep 29 2013	94.457310%	26.182421%	0.000000%	68.274889%
Mar 29 2014	93.978053%	32.099351%	0.000000%	61.878701%
Sep 29 2014	95.405565%	34.234894%	0.000000%	61.170671%
Mar 29 2015	86.117826%	31.718753%	0.000000%	54.399073%
Sep 29 2015	87.350326%	33.673865%	0.000000%	53.676461%
Mar 29 2016	86.313062%	39.803639%	0.000000%	46.509423%
Sep 29 2016	87.552812%	41.777886%	0.000000%	45.774926%
Mar 29 2017	78.442618%	40.253142%	0.000000%	38.189476%
Sep 29 2017	79.493147%	42.045299%	0.000000%	37.447848%
Mar 29 2018	76.864056%	47.433975%	0.000000%	29.430081%
Sep 29 2018	77.896550%	49.199105%	0.000000%	28.697445%
Mar 29 2019	67.141536%	46.903333%	0.000000%	20.238203%
Sep 29 2019	67.967297%	48.436822%	0.000000%	19.530475%
Mar 29 2020	64.767573%	54.156180%	0.000000%	10.611392%
Sep 29 2020	65.573825%	55.637645%	0.000000%	9.936180%
Mar 29 2021	54.930056%	50.457225%	0.000000%	4.472831%

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Sep 29 2021	55.548905%	51.711087%	0.000000%	3.837819%
Mar 29 2022	51.821333%	48.595131%	0.000000%	3.226202%
Sep 29 2022	46.723331%	44.080638%	0.000000%	2.642694%
Mar 29 2023	47.263130%	45.176041%	0.000000%	2.087089%
Sep 29 2023	39.989084%	38.424995%	0.000000%	1.564089%
Mar 29 2024	40.453181%	39.379856%	0.000000%	1.073325%
Sep 29 2024	33.104743%	32.484775%	0.000000%	0.619968%
Mar 29 2025	33.495864%	33.292022%	0.000000%	0.203842%
Sep 29 2025	26.245658%	26.245658%	0.000000%	0.000000%
Mar 29 2026	26.897862%	26.897862%	0.000000%	0.000000%
Sep 29 2026	19.692604%	19.692604%	0.000000%	0.000000%
Mar 29 2027	20.181965%	20.181965%	0.000000%	0.000000%
Sep 29 2027	12.809816%	12.809816%	0.000000%	0.000000%
Mar 29 2028	13.128140%	13.128140%	0.000000%	0.000000%
Sep 29 2028	5.580703%	5.580703%	0.000000%	0.000000%
Mar 29 2029	5.719384%	5.719384%	0.000000%	0.000000%
Sep 29 2029	0.000000%	0.000000%	0.000000%	0.000000%

Allocated Rent  
(Expressed as a percentage of Purchase Price)

Lease Period		Allocated Rent
From (and including)	To (and excluding)	
Jun 30 2005	Sep 29 2005	3.238942%
Sep 29 2005	Mar 29 2006	0.000000%
Mar 29 2006	Sep 29 2006	0.000000%
Sep 29 2006	Mar 29 2007	12.604097%
Mar 29 2007	Sep 29 2007	0.000000%
Sep 29 2007	Mar 29 2008	0.548004%
Mar 29 2008	Sep 29 2008	0.000000%
Sep 29 2008	Mar 29 2009	12.079919%
Mar 29 2009	Sep 29 2009	0.000000%
Sep 29 2009	Mar 29 2010	1.049392%
Mar 29 2010	Sep 29 2010	0.000000%
Sep 29 2010	Mar 29 2011	11.600331%
Mar 29 2011	Sep 29 2011	0.000000%
Sep 29 2011	Mar 29 2012	1.508128%
Mar 29 2012	Sep 29 2012	0.000000%
Sep 29 2012	Mar 29 2013	11.161540%
Mar 29 2013	Sep 29 2013	0.000000%
Sep 29 2013	Mar 29 2014	1.927842%
Mar 29 2014	Sep 29 2014	0.000000%
Sep 29 2014	Mar 29 2015	10.760075%
Mar 29 2015	Sep 29 2015	0.000000%
Sep 29 2015	Mar 29 2016	2.311852%
Mar 29 2016	Sep 29 2016	0.000000%
Sep 29 2016	Mar 29 2017	10.392761%
Mar 29 2017	Sep 29 2017	0.000000%
Sep 29 2017	Mar 29 2018	3.725208%
Mar 29 2018	Sep 29 2018	0.000000%
Sep 29 2018	Mar 29 2019	11.841766%
Mar 29 2019	Sep 29 2019	0.000000%
Sep 29 2019	Mar 29 2020	4.078102%
Mar 29 2020	Sep 29 2020	0.000000%
Sep 29 2020	Mar 29 2021	11.504215%
Mar 29 2021	Sep 29 2021	0.000000%
Sep 29 2021	Mar 29 2022	4.400976%
Mar 29 2022	Sep 29 2022	5.722082%
Sep 29 2022	Mar 29 2023	0.000000%
Mar 29 2023	Sep 29 2023	7.873671%
Sep 29 2023	Mar 29 2024	0.000000%

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Lease Period

Mar 29 2024	Sep 29 2024	7.873671%
Sep 29 2024	Mar 29 2025	0.000000%
Mar 29 2025	Sep 29 2025	7.873671%
Sep 29 2025	Mar 29 2026	0.000000%
Mar 29 2026	Sep 29 2026	7.873671%
Sep 29 2026	Mar 29 2027	0.000000%
Mar 29 2027	Sep 29 2027	7.873671%
Sep 29 2027	Mar 29 2028	0.000000%
Mar 29 2028	Sep 29 2028	7.873671%
Sep 29 2028	Mar 29 2029	0.000000%
Mar 29 2029	Sep 29 2029	5.861510%

Section 467 Loan Balances  
(Expressed as a percentage of Purchase Price)

<u>Date</u>	<u>(a)</u> <u>Lessor Loan</u> <u>Balance</u>	<u>(b)</u> <u>Lessee Loan</u> <u>Balance</u>	<u>(c)</u> <u>Interest Amount</u>
Jun 30 2005	0.936557%	0.000000%	0.000000%
Sep 29 2005	5.695824%	0.000000%	0.011507%
Mar 29 2006	12.085646%	0.000000%	0.141541%
Sep 29 2006	14.690284%	0.000000%	0.300328%
Mar 29 2007	4.755551%	0.000000%	0.365054%
Sep 29 2007	8.553642%	0.000000%	0.118175%
Mar 29 2008	10.483666%	0.000000%	0.212558%
Sep 29 2008	16.867305%	0.000000%	0.260519%
Mar 29 2009	7.363087%	0.000000%	0.419153%
Sep 29 2009	13.796540%	0.000000%	0.182973%
Mar 29 2010	15.130949%	0.000000%	0.342844%
Sep 29 2010	21.892595%	0.000000%	0.376004%
Mar 29 2011	12.754579%	0.000000%	0.544031%
Sep 29 2011	19.600612%	0.000000%	0.316951%
Mar 29 2012	20.367657%	0.000000%	0.487075%
Sep 29 2012	27.555100%	0.000000%	0.506136%
Mar 29 2013	24.085218%	0.000000%	0.684744%
Sep 29 2013	26.182421%	0.000000%	0.598518%
Mar 29 2014	32.099351%	0.000000%	0.650633%
Sep 29 2014	34.234894%	0.000000%	0.797669%
Mar 29 2015	31.718753%	0.000000%	0.850737%
Sep 29 2015	33.673865%	0.000000%	0.788211%
Mar 29 2016	39.803639%	0.000000%	0.836796%
Sep 29 2016	41.777886%	0.000000%	0.989120%
Mar 29 2017	40.253142%	0.000000%	1.038180%
Sep 29 2017	42.045299%	0.000000%	1.000291%
Mar 29 2018	47.433975%	0.000000%	1.044826%
Sep 29 2018	49.199105%	0.000000%	1.178734%
Mar 29 2019	46.903333%	0.000000%	1.222598%
Sep 29 2019	48.436822%	0.000000%	1.165548%
Mar 29 2020	54.156180%	0.000000%	1.203655%
Sep 29 2020	55.637645%	0.000000%	1.345781%
Mar 29 2021	50.457225%	0.000000%	1.382595%
Sep 29 2021	51.711087%	0.000000%	1.253862%
Mar 29 2022	48.595131%	0.000000%	1.285020%
Sep 29 2022	44.080638%	0.000000%	1.207589%
Mar 29 2023	45.176041%	0.000000%	1.095404%
Sep 29 2023	38.424995%	0.000000%	1.122625%
Mar 29 2024	39.379856%	0.000000%	0.954861%
Sep 29 2024	32.484775%	0.000000%	0.978589%
Mar 29 2025	33.292022%	0.000000%	0.807247%
Sep 29 2025	26.245658%	0.000000%	0.827307%
Mar 29 2026	26.897862%	0.000000%	0.652205%

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Sep 29 2026	19.692604%	0.000000%	0.668412%
Mar 29 2027	20.181965%	0.000000%	0.489361%
Sep 29 2027	12.809816%	0.000000%	0.501522%
Mar 29 2028	13.128140%	0.000000%	0.318324%
Sep 29 2028	5.580703%	0.000000%	0.326234%
Mar 29 2029	5.719384%	0.000000%	0.138680%
Sep 29 2029	0.000000%	0.000000%	0.142127%

SECOND SUPPLEMENTAL PARTICIPATION AGREEMENT

among

U.S. BANK NATIONAL ASSOCIATION

Owner Trustee

DEUTSCHE BANK TRUST COMPANY AMERICAS

Indenture Trustee

COMCAST MO FINANCIAL SERVICES, INC.

Owner Participant

and

KANSAS GAS AND ELECTRIC COMPANY

Lessee

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Dated as of June 30, 2005

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## SECOND SUPPLEMENTAL PARTICIPATION AGREEMENT

THIS SECOND SUPPLEMENTAL PARTICIPATION AGREEMENT is dated as of June 30, 2005, among U.S. BANK NATIONAL ASSOCIATION (as successor in interest to The Connecticut National Bank), a national banking association, not in its individual capacity except to the extent set forth herein but solely as owner trustee ("**Owner Trustee**") under the Trust Agreement dated as of September 1, 1987, DEUTSCHE BANK TRUST COMPANY AMERICAS (as successor in interest to Bankers Trust Company), a New York banking corporation, in its individual capacity to the extent set forth herein and as indenture trustee ("**Indenture Trustee**"), COMCAST MO FINANCIAL SERVICES, INC. (formerly named US West Financial Services, Inc.), a Colorado corporation, as owner participant ("**Owner Participant**"), and KANSAS GAS AND ELECTRIC COMPANY, a Kansas corporation, as lessee ("**KGE**" or "**Lessee**").

### RECITALS:

A. Owner Trustee, Indenture Trustee (in its individual capacity to the extent set forth therein, and as indenture trustee), Owner Participant and Lessee have entered into that certain Participation Agreement dated as of September 1, 1987 (herein called the "**Original Participation Agreement**").

B. Pursuant to the Original Participation Agreement, Owner Trustee purchased the Interest from Lessee and leased the Assets to Lessee under that certain Lease Agreement dated as of September 1, 1987 as subsequently amended by Amendment No. 1 dated as of October 1, 1987, Amendment No. 2 dated as of August 1, 1989, and Amendment No. 3 dated as of September 18, 1992 (as so amended, herein called the "**Existing Lease**") made between Owner Trustee and Lessee.

C. Pursuant to the Original Participation Agreement, Owner Trustee borrowed a portion of the Purchase Price by issuing and delivering the Initial Series Bonds and to secure such Bonds and any other Bonds granted a security interest in the Indenture Estate pursuant to that certain Trust Indenture, Security Agreement and Mortgage, between Indenture Trustee, Owner Trustee and Lessee, dated as of September 1, 1987 (herein called the "**Original Indenture**").

D. Pursuant to Section 17 of the Original Participation Agreement as amended by a Supplemental Participation Agreement dated as of September 18, 1992 (the Original Participation Agreement, as so amended, herein called the "**Existing Participation Agreement**"), on September 29, 1992, the parties thereto effected a refinancing (the "**Initial Refunding**") of the then Outstanding Initial Series Bonds by means of the issuance of nonrecourse refunding Bonds (the "**1992 Series Bonds**") pursuant to the Original Indenture as amended and

supplemented by the First Supplemental Indenture dated as of September 29, 1992 (the Original Indenture as so amended and supplemented, herein called the “**Existing Indenture**”).

E. Pursuant to Section 17(a) of the Existing Participation Agreement, Lessee has requested Owner Trustee to effect a refinancing to, among other things, redeem in whole the 1992 Series Bonds Outstanding as of the date hereof by issuing the 2005 series Bonds (the “**2005 Series Bonds**”).

F. Owner Trustee, Owner Participant and Indenture Trustee, having been given (or having waived) the requisite prior written notice of the refunding as required by subsection 17(c) of the Existing Participation Agreement, agree to cooperate with Lessee to effect such refinancing on or shortly after the date hereof.

G. In connection with such refinancing, the parties to the Existing Participation Agreement desire to enter into this Second Supplemental Participation Agreement to, among other things, amend Section 17 of the Existing Participation Agreement in order to, *inter alia*, permit the aggregate principal amount of the 2005 Series Bonds to be in an amount which is greater than the original aggregate principal amount of the 1992 Series Bonds.

H. In connection with such refinancing, Lessee and Owner Trustee are entering into a purchase agreement (the “**2005 Purchase Agreement**”) and a registration rights agreement (the “**Registration Rights Agreement**”) with a group of initial purchasers named therein (the “**2005 Purchasers**”), providing for the offering and sale of the 2005 Series Bonds and the filing of a registration statement (the “**2005 Registration Statement**”) with the Commission after such offering and sale with respect to such Bonds.

I. The 2005 Series Bonds will be issued in accordance with Section 2.15 of the Existing Indenture as amended and supplemented by a second supplemental indenture dated as of the date hereof (the “**Second Supplemental Indenture**”) (the Existing Indenture, as so amended and supplemented by the Second Supplemental Indenture, herein called the “**Indenture**”).

J. Following the issuance of the 2005 Series Bonds, Lessee will file with the Commission the 2005 Registration Statement pursuant to the Registration Rights Agreement.

K. Concurrently with such refinancing, Lessee and Owner Participant desire also to restructure certain terms of the transaction contemplated by the Existing Participation Agreement and the Existing Lease and, to that end, Owner Participant will cause Owner Trustee to enter into (i) with Lessee Amendment No. 4 to the Lease Agreement (the “**Lease Supplement**”) to amend the Existing

Lease (the Existing Lease, as so amended, herein called the “**Lease**”), (ii) with KGE Amendment No. 1 to the Ground Lease (the “**Ground Lease Amendment**”), and with KGE Amendment No. 1 to the Sublease (the “**Sublease Amendment**”).

Accordingly, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

ARTICLE 1  
DEFINITIONS

Capitalized terms used herein, which are not otherwise defined herein, shall have the meanings set forth in Appendix A to the Existing Participation Agreement, as amended by this Second Supplemental Participation Agreement.

Unless the context otherwise requires, the following capitalized terms when used herein shall have the following meanings:

“**Refinancing Documents**” shall mean, collectively, the Second Supplemental Participation Agreement, the Lease Supplement, the Ground Lease Amendment, the Sublease Amendment, the Second Supplemental Indenture and the 2005 Series Bonds.

“**Refinancing Expenses**” shall mean the fees, expenses, disbursements and costs incurred in connection with refinancing the 1992 Series Bonds as contemplated by Section 17 of the Participation Agreement, including without limitation:

(i) all expenses and fees in connection with the preparation and printing of any preliminary offering circular and final offering circular relating to the 2005 Series Bonds and any amendments and supplements thereto and the mailing and delivering of copies thereof to the 2005 Purchasers and dealers;

(ii) the cost of printing and producing the 2005 Purchase Agreement and the Registration Rights Agreement relating to the 2005 Series Bonds, and any other documents in connection with the offering, sale and delivery of the 2005 Series Bonds (to the extent not included in the 2005 Purchasers’ fees);

(iii) all expenses and fees in connection with the preparation, printing and filing of the 2005 Registration Statement, any preliminary prospectus and final prospectus relating to the 2005 Series Bonds and amendments and supplements thereto and the mailing and delivering of copies thereof to the 2005 Purchasers and dealers;

- (iv) all fees and expenses in connection with the qualification of the Indenture under the Trust Indenture Act;
- (v) the cost of preparing the 2005 Series Bonds and the fees and expenses of rating agencies;
- (vi) all 2005 Purchasers' fees, commissions and expenses (including the reasonable fees and disbursements of the 2005 Purchasers' counsel);
- (vii) the reasonable fees and disbursements of counsel to Owner Trustee and Indenture Trustee;
- (viii) the reasonable legal fees and disbursements of Owner Participant and reasonable out-of-pocket expenses of Banc of America Leasing;
- (ix) Lessee's legal and accounting fees and disbursements and its reasonable out-of-pocket cost and expenses; and

all other reasonable fees, expenses and disbursements incurred in connection with the preparation, execution and delivery of the Refinancing Documents, the 2005 Purchase Agreement, the Registration Rights Agreement, the redemption of the 1992 Series Bonds, and consummation of the transactions contemplated hereby or thereby, including the fees and expenses incurred in connection with the appraisal, title insurance, filing and recordation.

ARTICLE 2  
REFINANCING OF THE 1992 SERIES BONDS

Subject to the terms and conditions hereof, the parties agree to consummate the transactions contemplated by this Second Supplemental Participation Agreement simultaneously with the closing of the issuance of 2005 Series Bonds pursuant to the 2005 Purchase Agreement relating to the 2005 Series Bonds at the offices of Davis Polk & Wardwell, New York, New York 10017, at 10:00 A.M., New York City time, on June 30, 2005 (the "**Scheduled Refinancing Date**"), or at such other place and on such other Business Day as Lessee shall advise the other parties hereto is the closing date under such 2005 Purchase Agreement (such Scheduled Refinancing Date or such other day herein referred to as the "**Refinancing Date**"). Subject to the terms and conditions hereof, on the Refinancing Date, (a) Lessee and Owner Trustee shall execute and deliver the

Lease Supplement, substantially in the form of Exhibit A hereto, (b) Owner Trustee shall issue the 2005 Series Bonds, and (c) Owner Trustee, Lessee and Indenture Trustee shall execute and deliver the Second Supplemental Indenture, substantially in the form of Exhibit B hereto.

Section 2.01. *Issuance of 2005 Series Bonds.* (a) Subject to the terms and conditions hereof, on the Refinancing Date Owner Trustee shall issue the 2005 Series Bonds, substantially in the form of Exhibit A to the Second Supplemental Indenture, in the principal amount of \$320,000,000 against receipt of payment of the proceeds of the 2005 Series Bonds.

(b) Subject to the terms and conditions hereof, on or prior to the Refinancing Date, Lessee shall pay to Indenture Trustee on behalf of Owner Trustee the accrued and unpaid interest (if any) from the most recent Interest Payment Date on which Lessee has made a payment of Basic Rent.

(c) Owner Trustee shall (i) make a distribution in the amount of \$68,375,180 (the “**Additional Borrowing**”) to Owner Participant from the proceeds of the offering of the 2005 Series Bonds and (ii) deposit, or cause to be deposited, with Indenture Trustee in immediately available funds \$238,354,000 from the proceeds of the offering of the 2005 Series Bonds which amount referred to in this clause (ii), together with the amount received from Lessee pursuant to Subsection 2.01(b), Indenture Trustee shall apply to pay all the outstanding principal amount of, accrued and unpaid interest (if any) and premium on the 1992 Series Bonds and, except as otherwise provided in Section 2.04 hereof, all other amounts then due and owing pursuant to the Existing Indenture.

Section 2.02. *Delivery of Second Supplemental Indenture.* Subject to the terms and conditions hereof, on the Refinancing Date, Owner Trustee, Lessee and Indenture Trustee shall enter into the Second Supplemental Indenture, substantially in the form of Exhibit B to this Second Supplemental Participation Agreement.

Section 2.03. *Delivery of Lease Supplement.* Subject to the terms and conditions hereof, on the Refinancing Date, Owner Trustee and Lessee shall enter into the Lease Supplement, substantially in the form of Exhibit A to this Second Supplemental Participation Agreement.

Section 2.04. *Other Amounts.* Subject to the terms and conditions hereof, on or after the Refinancing Date, Lessee shall pay to Owner Trustee as Supplemental Rent on an After-Tax Basis (after taking into account any deduction of unamortized Transaction Expenses relating to the 1992 Series Bonds) upon receipt of statements therefor all Refinancing Expenses to the extent they exceed \$12,093,311 and Owner Trustee shall pay upon receipt of statements therefor all Refinancing Expenses from such amounts received from Lessee and from \$12,093,311 received from the net proceeds of the offering of the 2005 Series Bonds.



Section 2.05. *Owner Trust And Financing Statements.* The name of the trust created pursuant to Section 2.2 of the Trust Agreement shall be “La Cygne Unit 2 Assets Trust” and such name may (but need not) be used in any correspondence and filings made by Owner Trustee in connection with the trust created thereby. Owner Participant and Owner Trustee hereby agree that the foregoing provision of this Section 2.05 shall replace the sentence in, and shall be deemed an amendment to, Section 12.15 of the Trust Agreement as if it were set forth in a separate amendment thereto entered into by such parties pursuant to Section 11 of the Trust Agreement. In connection with the refinancing contemplated by this Second Supplemental Participation Agreement, the financing statements and recordings set forth on Schedule 8B hereto (other than those already filed for the record) shall be filed in the applicable jurisdictions on or as soon as reasonably practicable after the Refinancing Date.

ARTICLE 3  
AMENDMENTS

Section 3.01. *New Schedule 1.* The Existing Participation Agreement is amended, effective as of the Refinancing Date, by deleting Schedule 1 (and Annexes A and B thereto) in its entirety, and substituting in lieu thereof Schedule 1 (and Annexes A through E thereto) attached to this Second Supplemental Participation Agreement.

Section 3.02. *New Schedule 10.* The Existing Participation Agreement is amended, effective as of the Refinancing Date, by deleting Schedule 10 in its entirety, and substituting in lieu thereof Schedule 10 attached to this Second Supplemental Participation Agreement.

Section 3.03. *Amendment To Section 17.* The first sentence of subsection 17(a) of the Existing Participation Agreement is amended, effective as of the Refinancing Date (but without affecting any Bonds outstanding on the date hereof), by deleting such first sentence and substituting in lieu thereof the following new first sentence:

So long as no Lease Default or Lease Event of Default shall have occurred and be continuing, and subject to full compliance with the terms and conditions of this Section 17 and of Section 2.15 of the Indenture, Lessee shall have the right to request Owner Trustee to, and upon any such request, Owner Trustee shall, take such steps as may be necessary to refund in whole or in part any series of Bonds then Outstanding (the “Refunded Bonds”) including the issuance and sale of one or more additional series of Bonds (the “Refunding Bonds”) in an aggregate

principal amount which shall be equal to the unpaid principal amount of the Refunded Bonds (or if all or any one or more series of the Outstanding Bonds are being redeemed or surrendered by Owner Trustee to Indenture Trustee for cancellation, equal to the original aggregate principal amount of such Bonds or series being so redeemed or so surrendered for cancellation), or such greater amount as Lessee and Owner Participant shall agree in their sole discretion, plus commissions, fees and expenses paid or incurred in connection with such issuance, the proceeds of such issuance and sale to be applied to the extent necessary to prepay the principal amount of such Outstanding Refunded Bonds; provided, however, that the Refunding Bonds shall have a maturity date not later than the maturity date of the Refunded Bonds, or such later date as Lessee and Owner Participant shall agree in their sole discretion, but in any event not later than the expiration of the Basic Term; provided, further, that, unless Owner Participant shall have, in its sole discretion, consented thereto, in no event shall Lessee exercise the right granted under this Section more than four times; and, provided, further, that Lessee shall pay to Owner Participant (i) a fee equal to 3/8% of the aggregate principal amount of the Refunding Bonds issued in connection with the third exercise of such right and (ii) a fee equal to 1/2% of the aggregate principal amount of the Refunded Bonds refunded in connection with the fourth exercise of such right.

Section 3.04. *Definitions.* (a) Appendix A to the Existing Participation Agreement is amended, effective as of the Refinancing Date, by deleting the following definitions and substituting in lieu thereof the following new definitions:

“**Appraisal**” shall mean, as applicable, (a) an appraisal, dated the Funding Date, of Burns and Roe, Inc. which shall take into account the rights and obligations of Owner Trustee under the Support Agreements and the Operating Agreement and state (i) that on the Funding Date, the Fair Market Sale Value of the Interest shall equal the Purchase Price, (ii) that the Useful Life is at least equal to 125% of the sum of the Interim Lease Term and the Basic Term, (iii) that the fair market value, as of the day 28 1/2 years after the Basic Lease Commencement Date, of the Interest shall be at least equal to 20% of the Purchase Price (computed without regard to inflation or deflation), (iv) that assuming Owner Trustee, and purchasers from and assignees of Owner Trustee, will have those rights which the Support Agreements purport to grant and convey to Owner Trustee, it will be commercially feasible for Owner Trustee, and purchasers from or assignees of Owner Trustee unrelated to Lessee, to use the Assets upon the expiration of the Lease Term, (v) that Unit 2 is a fully integrated and, when operated in conjunction with the Common Facilities and the Support Agreements, self-contained unit, and each Component of Unit 2 is interrelated to the other Components in terms of useful life, function, structure and design, (vi) that the term of the Support Agreements corresponds to the Useful Life (within the constraints of professional estimation), (vii) the fair market value, as of the

day 28 1/2 years after the Basic Lease Commencement Date, of the Interest (taking into account the effects of inflation or deflation), and (viii) the Fair Market Rental Value of the Ground Interest during the Lease Term; or (b) an appraisal, dated June 17, 2005, of Marshall & Stevens Incorporated which states (i) the fair market value of the Interest as of the date thereof, (ii) the fair market value of the Interest at the end of the Basic Term on a constant dollar (uninflated) basis determined as of the date thereof, (iii) the fair market value of the Interest at the end of the Basic Term on a real dollar (inflated) basis determined as of the date thereof, (iv) the remaining Useful Life of Unit 2 as of the date thereof, (v) that the remaining Useful Life of Unit 2 at the end of the Basic Term is at least 20% of the Useful Life of Unit 2 as of May 16, 1977, the date on which Unit 2 was first placed in service, (vi) that upon the expiration of the Lease Term or earlier termination of the Lease, there is a reasonable likelihood that it would be commercially feasible for a party other than the Lessee to own and operate Unit 2, and (vii) that, based on the estimate of the fair market value of the Interest at the end of the Basic Term, there is no economic compulsion for the Lessee to exercise the purchase option provided for in Section 6 of the Lease because as of the expiration date of the Basic Term, such purchase option price is expected to equal the fair market value of the Interest.

**“Basic Rent Payment Date”** shall mean and include (a) each March 29 and September 29, commencing September 29, 1988, throughout (and including the last day of) the Basic Term, (b) each March 29, June 29, September 29 and December 29, commencing December 29, 2029, throughout (and including the last day of) any Renewal Term, if elected, and (c) with respect to payments under the Ground Lease after the Lease Termination Date, each March 29, June 29, September 29 and December 29 through the Ground Lease Termination Date.

**“Basic Term”** shall mean the period commencing on the Basic Lease Commencement Date and ending on September 29, 2029, or such shorter period as may result from earlier termination as provided in the Lease.

**“KCC Order”** shall mean, as applicable, (a) the order or orders of the State Corporation Commission of the State of Kansas (i) approving or authorizing the transactions contemplated by the Operative Documents, and (ii) determining that neither Owner Trustee, nor Owner Participant, nor Indenture Trustee is an electric public utility subject to the jurisdiction, control or regulation as such of such Commission; or (b) the order of such Commission (i) disclaiming jurisdiction over the refinancing of the Bonds and the restructuring of the transactions contemplated by the Operative Documents unless and until Lessee assumes the Outstanding Bonds or purchases the Assets, and (ii) reiterating the determination made by such Commission previously that neither Owner Trustee, nor Owner Participant, nor Indenture Trustee is an electric public utility subject to the jurisdiction, control or regulation as such of such Commission.

**“Supplemental Rent”** shall mean any and all amounts, liabilities and obligations other than Basic Rent which Lessee assumes or agrees to pay to or on behalf of Lessor, Owner Trustee, Owner Participant, any Bondholder, Indenture Trustee or any Indemnatee under (i) any Operative Document or (ii) any registration rights agreement or any similar agreement entered into in connection with the issuance of any Bonds (in each case whether or not designated as Supplemental Rent), including, without limitation, Casualty Value and Fair Market Sale Value payments, or damages for breach of any covenants, representations, warranties, indemnities or agreements therein.

(b) Appendix A to the Existing Participation Agreement is further amended, effective as of the Refinancing Date, by deleting the following definitions in their entirety: **“Refinancing Documents”**, **“Refinancing Expenses”**, **“Western Resources”**, and **“Western Resources Indenture”**.

(c) Appendix A to the Existing Participation Agreement is further amended, effective as of the Refinancing Date, by adding thereto the following new definitions in the appropriate alphabetical order:

**“1992 Series Bonds”** shall have the meaning ascribed thereto in the Second Supplemental Participation Agreement.

**“2005 Series Bonds”** shall have the meaning ascribed thereto in the Second Supplemental Participation Agreement.

**“Allocated Rent”** shall have the meaning ascribed thereto in subsection 3.1(e) of the Lease.

**“Amendment No. 4 to Lease Agreement”** shall mean Amendment No. 4 to Lease Agreement dated as of June 30, 2005 between Owner Trustee and Lessee.

**“Expected End-of-Basic-Term Asset Value”** shall mean \$342,630,000 which is the estimated fair market value of the Assets as of the date of expiration of the Basic Term as set forth in the Appraisal referred to in clause (b) of the definition thereof.

**“Lease Period”** shall mean the lease periods identified on Schedule 3 to the Lease.

**“Lessee Loan Balance”** shall have the meaning ascribed thereto in subsection 3.1(f) of the Lease.

**“Lessor Loan Balance”** shall have the meaning ascribed thereto in subsection 3.1(f) of the Lease.

“**Second Supplemental Indenture**” shall mean the Second Supplemental Indenture dated as of June 30, 2005, to the Trust Indenture, Security Agreement and Mortgage dated as of September 1, 1987, as supplemented by the First Supplemental Indenture dated as of September 29, 1992, among Owner Trustee, Lessee and Indenture Trustee.

“**Second Supplemental Participation Agreement**” shall mean the Second Supplemental Participation Agreement dated as of June 30, 2005, to the Participation Agreement dated as of September 1, 1987, as supplemented by the Supplemental Participation Agreement dated as of September 18, 1992, among Owner Trustee, Indenture Trustee, Owner Participant and Lessee.

“**Section 467 Loan Balance**” shall mean the Lessor Loan Balance and the Lessee Loan Balance.

“**Westar Energy**” shall mean Westar Energy, Inc. (formerly named Western Resources, Inc.), a Kansas corporation, and its successors and assigns.

“**Westar Energy Indenture**” shall mean that certain Mortgage and Deed of Trust, dated July 1, 1939, between Westar Energy and Harris Trust and Savings Bank, and any other indenture executed by Westar Energy after September 29, 1992 pursuant to which Westar Energy may from time to time issue mortgage bonds, as any of them have been heretofore or may be hereafter amended, modified or supplemented from time to time.

ARTICLE 4  
REPRESENTATIONS AND WARRANTIES OF OWNER PARTICIPANT

Owner Participant represents and warrants that:

Section 4.01. *Due Organization.* Owner Participant is a corporation duly organized and validly existing in good standing under the laws of the State of Colorado and has the corporate power and authority to enter into and perform its obligations under this Second Supplemental Participation Agreement and each other Refinancing Document and each Operative Document to which it is or will be a party.

Section 4.02. *Due Authorization; Enforceability; etc.* This Second Supplemental Participation Agreement and each other Refinancing Document and each Operative Document to which it is or will be a party have been or, when executed and delivered, will be, duly authorized, executed and delivered by Owner Participant and, assuming the due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto and the correctness on the date hereof of Lessee’s representations in subsections 9.1.5 and 9.1.13 of the

Existing Participation Agreement (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) and (iv) of said subsection 9.1.5 as such exceptions relate to Governmental Actions required by or with respect to Owner Participant or any Affiliate thereof) and in Section 7.05 hereof (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) and (iv) of said Section 7.05 as such exceptions relate to Governmental Actions required by or with respect to Owner Participant or any Affiliate thereof) and in Section 7.07 hereof (for purposes of this representation without assuming the correctness of any representation, action or fact by or relating to Owner Participant or any Affiliate thereof referred to therein), are or, upon execution and delivery thereof, will be legal, valid and binding obligations of Owner Participant, enforceable against Owner Participant in accordance with their respective terms; *provided, however*, that the enforceability thereof may be limited by bankruptcy, reorganization, insolvency or other laws of general application relating to or affecting the enforcement of creditor's rights and may be limited by laws or decisions with respect to or affecting the enforceability of specific performance or other remedies provided therein. Any direction given by Owner Participant to Owner Trustee pursuant to the Trust Agreement will have been duly authorized.

Section 4.03. *No Violation*. The execution and delivery by Owner Participant of this Second Supplemental Participation Agreement and each other Refinancing Document and each Operative Document to which it is or will be a party are not and will not be, and the performance by Owner Participant of its obligations under each is not and will not be, inconsistent with its charter documents or by-laws, do not and will not contravene any Governmental Rule applicable to it (assuming the correctness on the date hereof of Lessee's representations in subsections 9.1.5 and 9.1.13 of the Existing Participation Agreement (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) and (iv) of said subsection 9.1.5 as such exceptions relate to Governmental Actions required by or with respect to Owner Participant or any Affiliate thereof) and in Section 7.05 hereof (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) or (iv) of said Section 7.05 as such exceptions relate to Governmental Actions required by or with respect to Owner Participant or any Affiliate thereof) and in Section 7.07 hereof (for purposes of this representation without assuming the correctness of any representation, action or fact by or relating to Owner Participant or any Affiliate thereof referred to therein)), and do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which Owner Participant is a party or by which it or its property is bound, or require any Governmental Action (assuming the correctness of the date hereof of Lessee's representations in subsections 9.1.5 and 9.1.13 of the Existing Participation Agreement (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) and (vi) of said subsection

9.1.5 as such exceptions relate to Governmental Actions required by or with respect to Owner Participant or any Affiliate thereof) and in Section 7.05 hereof (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) or (iv) of said Section 7.05 as such exceptions relate to Governmental Actions required by or with respect to Owner Participant or any Affiliate thereof) and in Section 7.07 hereof (for purposes of this representation without assuming the correctness of any representation, action or fact by or relating to Owner Participant or any Affiliate thereof referred to therein)) which in each case is material to the transactions contemplated hereby, *provided* that the foregoing representation by Owner Participant shall constitute no representation or warranty with respect to any Federal or state securities laws.

Section 4.04. *Owner Participant's Liens; Performance Does Not Create Liens.* Neither the execution and delivery by Owner Participant of this Second Supplemental Participation Agreement or any other Operative Document or Refinancing Document to which it is or will be a party, nor the performance by it of its obligations hereunder or thereunder will subject the Trust Estate or the Indenture Estate, or any portion thereof, to any Lien under any indenture, mortgage, contract or other instrument to which Owner Participant is a party or by which it is bound, other than the Indenture, and Owner Participant has not taken or knowingly omitted to take any action which would result in the creation of any Lien on any part of the Trust Estate or the Indenture Estate.

Section 4.05. *Utility Status.* Assuming the correctness of Lessee's representations in paragraphs 9.1.5 and 9.1.13 of the Existing Participation Agreement (for purposes of this representation without taking into account the exceptions stated in clauses (i) and (iv) of said subsection 9.1.5 as such exceptions relate to Governmental Actions required by or with respect to Owner Participant or any Affiliate thereof) and in Section 7.07 hereof (for purposes of this representation without assuming the correctness of any representation, action or fact by or relating to Owner Participant or any Affiliate thereof referred to therein) and in Section 7.05 hereof (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) or (iv) of said Section 7.05 as such exceptions relate to Governmental Actions required by or with respect to Owner Participant or any Affiliate thereof), none of Owner Participant or its Affiliates is:

(i) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of a "subsidiary company" or "holding company" or "public utility" within the meaning of the Holding Company Act or subject to regulation under the Holding Company Act or subject to the jurisdiction, control or regulation of the Commission thereunder (other than the timely filing of Form U-7D, which has been done, and the timely filing of any subsequent amendment thereto);

(ii) a “public utility” within the meaning of the Federal Power Act or subject to regulation under the Federal Power Act or subject to the jurisdiction, control or regulation of the Federal Energy Regulatory Commission thereunder;

(iii) an “electric public utility” within the meaning of the laws of the State of Kansas; subject to regulation as such (as to rates or the issuance of securities) under any comparable law of the State of Kansas; or subject to the jurisdiction, control or regulation of the KCC as an “electric public utility”; or

(iv) subject to the jurisdiction, control or regulation by any other Governmental Authority under any other Governmental Rules relating to electric public utilities or the production, sale or transmission of electric energy.

ARTICLE 5  
REPRESENTATIONS AND WARRANTIES OF OWNER TRUSTEE

U.S. Bank National Association (“**USB**”), as Owner Trustee and in its individual capacity to the extent set forth herein, represents and warrants that:

Section 5.01. *Due Organization.* USB is a national banking association validly existing in good standing under the banking laws of the United States of America and has the corporate power and authority to enter into and perform its obligations (a) in its individual capacity under the Trust Agreement and, to the extent it is a party hereto or thereto in its individual capacity, this Second Supplemental Participation Agreement and the Existing Participation Agreement and (b) acting as Owner Trustee under the Trust Agreement, under this Second Supplemental Participation Agreement and each other Operative Document and Refinancing Document to which it is or will be a party as Owner Trustee. USB is not primarily engaged in the public utility business.

Section 5.02. *Due Authorization; Enforceability; etc.* This Second Supplemental Participation Agreement and each other Operative Document and Refinancing Document to which USB is or will be a party have been or will be (to the extent it is to be a party thereto in its individual capacity), or (to the extent it is to be a party thereto as Owner Trustee) upon due direction by Owner Participant or its successors or assigns pursuant to the Trust Agreement will be, duly authorized, executed and delivered by or on behalf of USB (in its individual capacity or in its capacity as Owner Trustee, as the case may be) and, assuming due authorization, execution and delivery by the other parties hereto and thereto, are or upon execution and delivery will be legal, valid and binding obligations of USB (in its individual capacity or in its capacity as Owner Trustee, as the case



may be) enforceable against it in accordance with their respective terms. Upon execution of the 2005 Series Bonds by USB, as Owner Trustee, authentication thereof by Indenture Trustee and delivery thereof against payment or the giving of consideration therefor in accordance with the Indenture and this Second Supplemental Participation Agreement, the 2005 Series Bonds will be legal, valid and binding obligations of USB, as Owner Trustee, enforceable against it in accordance with their respective terms; *provided, however*, that the enforceability thereof may be limited by bankruptcy, reorganization, insolvency or other laws of general application relating to or affecting the enforcement of creditor's rights and may be limited by laws or decisions with respect to or affecting the enforceability of specific performance or other remedies provided therein.

Section 5.03. *No Violation.* The execution and delivery by (a) USB, in its individual capacity, of the Trust Agreement and, to the extent it is a party hereto or thereto in its individual capacity, this Second Supplemental Participation Agreement and the Existing Participation Agreement and (b) USB, in its capacity as Owner Trustee, of each Operative Document and each Refinancing Document to which Owner Trustee is or will be party, are not or will not be, and the performance by USB in its individual capacity or as Owner Trustee, as the case may be, of its obligations under each is not and will not be, inconsistent with the charter documents or by-laws of USB, do not and will not contravene any Connecticut or United States Governmental Rule (assuming the correctness of Lessee's representations in subsections 9.1.5 and 9.1.13 of the Existing Participation Agreement (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) and (iv) of said subsection 9.1.5 as such exceptions relate to Governmental Actions required by or with respect to USB or any Affiliate thereof) and in Section 7.05 hereof (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) or (iv) of said Section 7.05 as such exceptions relate to Governmental Actions required by or with respect to USB or any Affiliate thereof) and in Section 7.07 hereof (for purposes of this representation without assuming the correctness of any representation, action or fact by or relating to USB or any Affiliate thereof referred to therein)) applicable to USB or the banking or trust powers of USB and do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which USB is a party or by which it or its property is bound or require any Connecticut or Federal Governmental Action relating to its banking or trust powers (assuming the correctness of Lessee's representations in subsections 9.1.5 and 9.1.13 of the Existing Participation Agreement (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) and (iv) of said subsection 9.1.5 as such exceptions relate to Governmental Actions required by or with respect to USB or any Affiliate thereof) and in Section 7.05 hereof (without, for purposes of this representation, taking into account the exceptions stated in clauses (i) or (iv) of said Section 7.05 as such exceptions relate to Governmental

Actions required by or with respect to USB or any Affiliate thereof) and in Section 7.07 hereof (for purposes of this representation without assuming the correctness of any representation, action or fact by or relating to USB or any Affiliate thereof referred to therein)).

Section 5.04. *Defaults.* To the best knowledge of USB, in its capacity as Owner Trustee, no Indenture Default or Indenture Event of Default has occurred and is continuing. USB in its capacity as Owner Trustee is not in violation in any respect of any term of this Second Supplemental Participation Agreement or any other Operative Document or Refinancing Document to which it is a party.

Section 5.05. *Location.* The "Location" of USB for Uniform Commercial Code purposes is the State of Ohio.

Section 5.06. *Litigation.* There is no action, suit, investigation or proceeding pending or, to the knowledge of USB, threatened against USB (in its individual capacity or as Owner Trustee) before any court, arbitrator or administrative or governmental body governing its banking or trust powers which, individually or in the aggregate, if decided adversely to the interests of USB (in either such capacity), would have a materially adverse effect upon the ability of USB (in either such capacity) to perform its obligations under this Second Supplemental Participation Agreement or any other Operative Document or Refinancing Document to which it is or will be a party (in either such capacity).

Section 5.07. *Lessor's Liens; Performance Does Not Create Liens.* Neither the execution and delivery by USB in its capacity as Owner Trustee of this Second Supplemental Participation Agreement or any other Operative Document or Refinancing Document to which it is or will be a party nor the performance by it of its obligations hereunder or thereunder will subject the Trust Estate or the Indenture Estate, or any portion thereof, to any Lien under any indenture, mortgage, contract or other instrument to which USB, in its capacity as Owner Trustee, is a party or by which it is bound, other than the Indenture.

Section 5.08. *Securities Act.* Other than the offering and sale of the Initial Series Bonds, the 1992 Series Bonds and the 2005 Series Bonds, neither USB (in its individual capacity or as Owner Trustee) nor anyone authorized by USB (in its capacity as Owner Trustee) has directly or indirectly offered or sold any interest in the Trust Estate or the Indenture Estate or in any similar security relating to the Interest, or in any security the offering of which for the purposes of the Securities Act would be deemed to be part of the same offering as the offering of the aforementioned securities to, or solicited any offer to acquire any of the same from, any Person, and neither USB (in its individual capacity or as Owner Trustee) nor anyone authorized to act on its behalf will take any action which would subject the issuance or sale of any interest in the Trust Estate or the Indenture Estate (other than the Initial Series Bonds, the 1992 Series Bonds and the 2005 Series Bonds) to the provisions of Section 5 of the Securities Act.

ARTICLE 6  
REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF INDENTURE TRUSTEE

Indenture Trustee represents and warrants in its individual capacity that:

Section 6.01. *Due Organization.* Indenture Trustee is a banking corporation duly organized and validly existing in good standing under the laws of the State of New York and has the corporate power and authority and legal right to enter into and perform its obligations under this Second Supplemental Participation Agreement and each other Refinancing Document or Operative Document to which it is or will be a party.

Section 6.02. *Due Authorization; Enforceability.* This Second Supplemental Participation Agreement, each other Refinancing Document and each Operative Document to which Indenture Trustee is or will be a party have been, or when executed and delivered will be, duly authorized, executed and delivered by Indenture Trustee, in its individual capacity and as Indenture Trustee, and, assuming the due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto and the correctness of Lessee's representations in subsections 9.1.5 and 9.1.13 of the Existing Participation Agreement, are or, upon execution and delivery thereof, will be legal, valid and binding obligations of Indenture Trustee, enforceable against it in accordance with their respective terms; *provided, however*, that the enforceability thereof may be limited by bankruptcy, reorganization, insolvency or other laws of general application relating to or affecting the enforcement of creditor's rights and may be limited by laws or decisions with respect to or affecting the enforceability of specific performance or other remedies provided therein. The 2005 Series Bonds issued on the Refinancing Date will have been duly authenticated.

Section 6.03. *No Violation.* The execution and delivery by Indenture Trustee of this Second Supplemental Participation Agreement and each other Refinancing Document or each other Operative Document to which it is or will be a party are not, or will not be, and the performance by it of the obligations under each will not be, inconsistent with the charter or by-laws of Indenture Trustee, do not and will not contravene any Governmental Rule applicable to it (assuming the correctness of Lessee's representations in subsections 9.1.5 and 9.1.13 of the Existing Participation Agreement (without, for purposes of this representation, taking into account the exceptions stated in clause (i) of said subsection 9.1.5 as such exceptions relate to Governmental Actions required by or with respect to Indenture Trustee or any Affiliate thereof) and in Section 7.05 hereof (without, for purposes of this representation, taking into account the exceptions stated in clause

(i) of said Section 7.05 as such exceptions relate to Governmental Actions required by or with respect to Indenture Trustee or any Affiliate thereof) and in Section 7.07 hereof (for purposes of this representation without assuming the correctness of any representation, action or fact by or relating to Indenture Trustee or any Affiliate thereof referred to therein)), or require any Governmental Action.

ARTICLE 7  
REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF LESSEE

Lessee represents and warrants that:

Section 7.01. *Due Incorporation, etc.* Lessee is a corporation duly organized and validly existing in good standing under the laws of the State of Kansas and has the corporate power and authority to perform its obligations under this Second Supplemental Participation Agreement and each other Operative Document or Refinancing Document to which it is or will be a party. Lessee has not failed to qualify to do business in any jurisdiction where failure so to qualify would materially and adversely affect the financial condition of Lessee or affect its ability to perform any of its obligations under this Second Supplemental Participation Agreement or any other Operative Document or Refinancing Document to which it is or will be a party.

Section 7.02. *Authorization.* The execution, delivery and performance by Lessee of this Second Supplemental Participation Agreement and each other Operative Document or Refinancing Document to which it is or will be a party on or before the Refinancing Date have been duly authorized by all necessary corporate action on the part of Lessee and do not, and will not, require the consent or approval of any shareholder of Lessee or any trustee or holder of any indebtedness or other obligation of Lessee or any other Person which is a party to any other agreement with Lessee, except for (i) such approvals and consents which were obtained on or before the Funding Date (which approvals and consents are still in force and effect and have not been revoked) and (ii) the consent and approval of certain other parties to this Second Supplemental Participation Agreement to the extent required by Section 17 of the Existing Participation Agreement which consent shall be deemed given by each such party's execution of this Second Supplemental Participation Agreement.

Section 7.03. *Execution.* This Second Supplemental Participation Agreement and each other Operative Document or Refinancing Document to which Lessee is or will be a party have been or when executed and delivered will be, duly executed and delivered by Lessee and, assuming the due authorization, execution and delivery hereof and thereof by the other parties hereto and thereto are, or upon execution and delivery thereof will be, legal, valid and binding obligations of Lessee, enforceable against Lessee in accordance with their

respective terms; *provided, however*, that the enforceability thereof may be limited by bankruptcy, reorganization, insolvency or other laws of general application relating to or affecting the enforcement of creditor's rights and may be limited by laws or decisions with respect to or affecting the enforceability of specific performance or other remedies provided therein.

Section 7.04. *No Violations*. Provided that the Governmental Actions described in Section 7.05 hereof (other than those referred to in clause (i) thereof) and in subsection 9.1.5 of the Existing Participation Agreement are obtained as required thereby, the execution and delivery by Lessee of this Second Supplemental Participation Agreement and each other Operative Document or Refinancing Document to which it is or will be a party are not and will not be, and the performance by Lessee of its obligations under each thereof will not be, inconsistent with its charter documents or by-laws, do not and will not contravene any Governmental Rule or Governmental Action applicable to it which, in each case, is material to the transactions contemplated hereby, and do not and will not contravene any provision of, or constitute a default under, any indenture, mortgage, contract or other instrument to which Lessee is a party or by which it or its property is bound, and has not resulted and will not result in the creation or imposition of any Lien (other than Permitted Interest Liens or Permitted Project Liens and other than the Lien of the Westar Energy Indenture and any other Lien affecting Westar Energy's assets but only from and after the merger or consolidation of Lessee with or into Westar Energy or any Affiliate thereof or the transfer of assets from Lessee to Westar Energy or any Affiliate thereof) upon any property of Lessee; except as disclosed in any annual, quarterly or current reports filed by Lessee with the Commission prior to or on the date of the execution and delivery hereof, there is no such, and on the Refinancing Date will not be any such, provision which materially adversely affects or (so far as Lessee now can reasonably foresee) in the future is likely materially adversely to affect the properties, business or financial condition of Lessee; there is no such, and on the Refinancing Date will not be any such, provision which materially adversely affects or (so far as Lessee now can reasonably foresee) in the future is likely materially adversely to affect Lessee's ability to perform its obligations under this Second Supplemental Participation Agreement or any other Operative Document or Refinancing Document to which it is or will be a party; and Lessee is not, and on the Refinancing Date will not be, in default under or with respect to the provisions of its charter documents, by-laws, any Governmental Rule (subject to the proviso at the beginning of this sentence) (it being understood that no representation or warranty is made concerning compliance with state securities and blue sky laws or Governmental Action) (except as disclosed by Lessee in any annual, quarterly or current reports filed by Lessee with the Commission prior to or on the date of execution and delivery hereof) or any indenture, mortgage, lease or any other agreement or instrument to which Lessee is a party or by which it or any of its properties is bound (except as disclosed on Schedule 3 hereto) in each

case which could be materially adverse to the properties, business or financial condition of Lessee or (so far as Lessee now can reasonably foresee) in the future is likely materially and adversely to affect the ability of Lessee to perform its obligations under this Second Supplemental Participation Agreement or any other Operative Document or Refinancing Document to which it is or will be a party.

Section 7.05. *Governmental Actions.* Based on Governmental Rules in effect on the date hereof (and assuming that the representations set forth in subsections 5.1.3, 5.1.8, 6.1.3 and 8.1.3 of the Existing Participation Agreement are correct immediately prior to the Refinancing Date but without taking into account any assumption therein as to any representation by Lessee), no Governmental Actions are or (so far as Lessee can reasonably foresee) will be required (a) in connection with the participation by Lessee, Owner Trustee, Indenture Trustee, or Owner Participant in the consummation of the transactions contemplated by this Second Supplemental Participation Agreement or any of the other Refinancing Documents or (b) in connection with the execution and delivery by any of such Persons of any of the Refinancing Documents except, in each case under clauses (a) and (b) above, (i) such as may be required under applicable Governmental Rules providing for the supervision or regulation of the businesses of Owner Trustee (in its individual capacity or as Owner Trustee), Indenture Trustee, or Owner Participant (not including Governmental Rules specifically relating to ownership or financing of electric utility assets applicable solely because of such Person's execution of any of the Operative Documents or Refinancing Documents or participation in the transactions contemplated thereby), (ii) appropriate filings and recordings to perfect and assign an interest in the Lien of the Indenture and the filing of continuation statements with respect thereto at appropriate intervals, (iii) such as may be required under any Governmental Rule enacted or adopted after the date of this representation, (iv) the timely filing by Owner Participant and/or Owner Trustee of an amendment to Form U-7D under Rule 7(d) of the Commission, and (v) such as may be required in connection with any refinancing or refunding of the 2005 Series Bonds and the issuance of additional Bonds after the Refinancing Date. The representation contained in this paragraph is given, to the extent applicable, in reliance on the representations and warranties contained in subsections 5.1.3 (with respect to Governmental Actions and Governmental Rules), 5.1.5, 5.1.6, 5.1.7, 5.1.8, 6.1.3 (with respect to Governmental Actions and Governmental Rules), 6.1.7 and 8.1.3 (with respect to Governmental Actions and Governmental Rules) of the Existing Participation Agreement and (with respect to Governmental Actions and Governmental Rules) Sections 4.03, 5.03, 5.08 and 6.03 hereof (but without taking into account any assumption therein as to any representation by Lessee).

Section 7.06. *Litigation.* Except as described on Schedule 2 hereto, there is no action, suit, investigation or proceeding pending or, to the knowledge of Lessee, threatened against Lessee or its properties before any court, arbitrator or administrative or governmental body which, individually or in the aggregate (so

far as Lessee now can reasonably foresee), is likely to have a material adverse effect on the properties, business or financial condition of Lessee or (so far as Lessee now can reasonably foresee) is likely materially and adversely to affect the ability of Lessee to perform its obligations under this Second Supplemental Participation Agreement or any other Operative Document or Refinancing Document to which it is or will be a party or would affect the legality, validity or enforceability of any of the Refinancing Documents.

Section 7.07. *Regulation.* By virtue of the execution, delivery and performance of this Second Supplemental Participation Agreement and the other Operative Documents or the Refinancing Documents by the parties hereto or thereto, based upon the provisions of the Holding Company Act and the Federal Power Act and the rules and regulations under each such Act and the laws of the State of Kansas and Governmental Authorities thereof, as the foregoing are or were in effect on the Funding Date and the Refinancing Date and without regard to any other transactions to which Owner Trustee, Indenture Trustee or Owner Participant, or any Affiliate of any thereof, was, is or will be a party and without regard to any other ownership interests or business activities (other than their respective interests in the Facility) of any thereof (and assuming that the representations set forth in subsection 5.1.8 of the Existing Participation Agreement are or were correct immediately prior to the closing on the Refinancing Date and on the Funding Date and that the representations in Section 4.05 hereof are correct immediately prior to the Refinancing Date (but without taking into account any assumption therein as to any representation by Lessee) and, with respect to Owner Trustee and Owner Participant under clause (i) below, assuming that each of Owner Participant and Owner Trustee has timely filed Form U-7D within 30 days of the Funding Date and will file within 30 days of the Refinancing Date an amendment thereto and meets and will meet the requirements specified in 17 C.F.R. § 250.7(d)(1)(ii) under the Holding Company Act, and with respect to Owner Trustee and Owner Participant, respectively, under clause (iii) below, assuming that Owner Trustee is primarily engaged in the trust and banking business and that Owner Participant is primarily engaged in the business of finance, which may include the ownership of assets as a passive investor), none of Owner Trustee, Indenture Trustee or Owner Participant will be or become, prior to the Lessor Possession Date, by virtue of the execution, delivery or performance of the Operative Documents or the Refinancing Documents:

(i) a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of a “subsidiary company” or “holding company” or “public utility” within the meaning of the Holding Company Act or subject to the jurisdiction, control or regulation of the Commission thereunder (other than, in the case of Owner Participant and Owner Trustee, the timely filing of Form U-7D or any subsequent amendment);

(ii) a “public utility” within the meaning of the Federal Power Act or subject to regulation under the Federal Power Act or subject to the jurisdiction, control or regulation of the Federal Energy Regulatory Commission thereunder;

(iii) an “electric public utility” within the meaning of the laws of the State of Kansas; subject to regulation as such (as to rates or the issuance of securities) under any comparable law of the State of Kansas; or subject to the jurisdiction, control or regulation of the KCC as an “electric public utility”; or

(iv) subject to the jurisdiction, control or regulation by any other Governmental Authority under any other Governmental Rules relating to electric public utilities or the production, sale or transmission of electric energy.

Lessee is not a “holding company” or a “subsidiary company” of a “holding company” or an “affiliate” of a “holding company” within the meaning of the Holding Company Act which is required to register as such under the Holding Company Act.

Lessee is not an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

Section 7.08. *No Default.* As of the date hereof, no Lease Default or Lease Event of Default has occurred and is continuing.

Section 7.09. *No Event of Loss.* As of the date hereof, no Event of Loss or event which with the passage of time would constitute an Event of Loss has occurred.

Section 7.10. *Filings and Recordings.* The recordings listed on Schedule 8B hereto, together with the filings and recordings shown on Schedule 8 to the Existing Participation Agreement, are all the filings and recordings necessary or advisable to perfect Owner Trustee’s right, title and interest in and to the Leased Assets, and to perfect for the benefit of Indenture Trustee and the holders of the Bonds, the first mortgage lien and first priority security interest provided for in the Indenture, and all such filings and recordings will have been duly made, subject to requirements for filing continuation statements at appropriate intervals.



ARTICLE 8  
CONDITIONS PRECEDENT TO PARTICIPATION AND COMMITMENT ON THE REFINANCING DATE

The obligation of Owner Participant, Owner Trustee, Indenture Trustee, and Lessee to consummate the transactions contemplated hereby on the Refinancing Date shall, in each case, be subject to the fulfillment on or prior to the Refinancing Date of the following conditions precedent (each instrument, document, certificate or opinion referred to below to be in form and substance satisfactory to the recipient) except that the obligations of any Person shall not be subject to such Person's own performance or compliance:

Section 8.01. *Refinancing Documents*. In the case of Owner Participant, Lessee, Indenture Trustee, and Owner Trustee, such Persons shall have received executed counterparts of this Second Supplemental Participation Agreement, the Second Supplemental Indenture, the Lease Supplement and such other documents as are contemplated hereby. All of the foregoing documents shall have been duly authorized, executed and delivered by the parties hereto or thereto and shall be in full force and effect on the Refinancing Date, and in the case of Owner Participant, Lessee, Indenture Trustee, and Owner Trustee, each such Person shall have received such evidence as to such authorization, execution and delivery by the other parties hereto or thereto as such party shall reasonably request.

Section 8.02. *2005 Series Bonds*. On the Refinancing Date Owner Trustee shall have executed and delivered the 2005 Series Bonds, duly authenticated, in a principal amount of \$320,000,000, and the 2005 Purchasers shall have purchased the same.

Section 8.03. *Filings and Recordings*. In the case of Owner Participant, Indenture Trustee, Owner Trustee and Lessee, financing statements under the Uniform Commercial Code shall have been duly filed against Owner Trustee in respect of the mortgage lien and security interests created by the Indenture in all places reasonably specified by special counsel for the 2005 Purchasers as being necessary or advisable to perfect and protect such security interests, and all filing fees in respect thereof shall have been paid. The Lease Supplement and the Second Supplemental Indenture shall have been duly recorded with the applicable recorder's offices of the county in which the Assets are located and all recording and filing fees in respect thereof shall have been paid. In the case of Owner Participant, Indenture Trustee, Lessee, and Owner Trustee, all other filings, recordings or other actions reasonably specified by special counsel for Owner Participant, Indenture Trustee or the 2005 Purchasers as being necessary or advisable to perfect or protect the interests granted to Owner Trustee or Indenture Trustee pursuant to any of the Refinancing Documents shall have been duly effected and all filing and recording fees in respect thereof shall have been paid.

Section 8.04. *Representations and Warranties.* With respect to Owner Participant, Owner Trustee, Lessee, and Indenture Trustee, all of the representations and warranties set forth above shall be true and correct on and as of the Refinancing Date with the same effect as though made on and as of the Refinancing Date, and each of Owner Participant, Owner Trustee, Lessee, and Indenture Trustee shall have performed all of its covenants and agreements in any Refinancing Document and the 2005 Purchase Agreement to be performed by it or complied with by it on or before the Refinancing Date.

Section 8.05. *Opinions.* In the case of Owner Participant, Lessee, Owner Trustee and Indenture Trustee, such Persons (other than the Person represented by the following counsel) shall have received favorable opinions of Drinker Biddle & Reath LLP, Owner Participant's special counsel, Larry D. Irick, Esq., Lessee's general counsel, Davis Polk & Wardwell, Lessee's special New York counsel, Stinson Morrison Hecker LLP, Lessee's special Kansas counsel, Shipman & Goodwin LLP, Owner Trustee's counsel and Seward & Kissel LLP, Indenture Trustee's counsel, each dated the Refinancing Date, addressed to such Persons, to the effect of their respective opinions attached as Exhibit C hereto.

Section 8.06. *No Default Certificates.* In the case of Owner Participant, Owner Trustee, and Indenture Trustee, such Persons shall have received an Officer's Certificate, dated the Refinancing Date, from Lessee stating that no Lease Event of Default or Lease Default or Event of Loss or event which with the passage of time would constitute an Event of Loss has occurred and is continuing and an Owner Trustee's Certificate, dated the Refinancing Date, stating that to its knowledge no Indenture Default or Indenture Event of Default has occurred and is continuing; and no such Lease Event of Default, Lease Default, Indenture Default or Indenture Event of Default shall have occurred and be continuing.

Section 8.07. *1992 Series Bonds.* An amount of money sufficient to pay the Redemption Price of all the Outstanding 1992 Series Bonds shall have been deposited with Indenture Trustee or the Paying Agent.

Section 8.08. *Actions, Proceedings or Investigations.* No action, proceeding or investigation shall have been instituted nor shall any action before any court or governmental authority or agency be threatened, nor shall any order, judgment or decree have been issued or proposed to be issued by any court or governmental authority or agency on or before the Refinancing Date to set aside, restrain, enjoin or prevent the consummation of the transactions contemplated by the 2005 Purchase Agreement, the Registration Rights Agreement, the Lease, the Indenture or this Second Supplemental Participation Agreement.

Section 8.09. *Consents And Approvals.* All approvals required to be taken, given or obtained, as the case may be, by or from any Federal, state or other governmental authority or agency, or by or from any trustee or holder of any

indebtedness or obligations of Lessee (including, without limitation, all such approvals required by Section 17 of the Existing Participation Agreement, as amended hereby), Owner Participant, Indenture Trustee, or Owner Trustee that are necessary or, in the opinion of Lessee, such Owner Participant, or Owner Trustee or their respective counsels, advisable in connection with the consummation of the transactions contemplated hereby, shall have been duly taken, given or obtained, as the case may be, shall be in full force and effect on the Refinancing Date, and shall be adequate to authorize the consummation of the transactions contemplated hereby and the performance by Lessee, Owner Participant, Indenture Trustee, and Owner Trustee of their respective obligations hereunder and under any Refinancing Document to which it is a party.

Section 8.10. *Resolutions, Corporate Proceedings, etc.* In the case of Owner Participant, Owner Trustee, and Indenture Trustee, each such Person shall have received the following, in each case in form and substance satisfactory to it:

(a) a copy of resolutions of the Board of Directors of Lessee, certified as of the Refinancing Date by the Secretary or an Assistant Secretary thereof, duly authorizing the execution, delivery and performance by Lessee of this Second Supplemental Participation Agreement, the Lease Supplement, the 2005 Purchase Agreement, the Registration Rights Agreement, and Second Supplemental Indenture, together with an incumbency certificate as to the person or persons authorized to execute and deliver such documents on its behalf; and

(b) such other documents and evidence with respect to Lessee, Owner Participant, Owner Trustee or Indenture Trustee as counsel to the other parties hereto may reasonably request in order to consummate the transactions contemplated hereby, the taking of all corporate proceedings in connection therewith and compliance with the conditions herein or therein set forth.

Section 8.11. *Event of Loss.* No Event of Loss shall have occurred.

Section 8.12. *Taxes, Fees and Charges.* All taxes, fees and other charges payable in connection with the execution, delivery, recordation and filing of all the documents and instruments referred to in this Second Supplemental Participation Agreement and in connection with the issuance and sale of the 2005 Series Bonds to be issued by Owner Trustee on the Refinancing Date shall have been paid in full.

Section 8.13. *Payment for Bonds and Refinancing Expenses.* Owner Trustee shall have applied the proceeds from the offering of the 2005 Series Bonds in accordance with Section 2.01(c) hereof and each of Owner Trustee and Lessee shall have made the respective payments required to be made by each of them pursuant to Section 2.04 hereof.

Section 8.14. *Consents, Authorizations and Instructions of Owner Participant.* Owner Participant shall have consented to and authorized and instructed Owner Trustee (i) to execute and deliver the Second Supplemental Indenture and Lease Supplement, substantially in the forms of Exhibits B and A attached hereto, (ii) to execute and deliver the 2005 Series Bonds in the form attached to the Second Supplemental Indenture, (iii) to execute and deliver the 2005 Purchase Agreement and the Registration Rights Agreement and (iv) to take all other action specified in this Second Supplemental Participation Agreement required to be taken by Owner Trustee on the Refinancing Date to consummate the transactions contemplated by this Second Supplemental Participation Agreement.

Section 8.15. *Tax Opinion.* Owner Participant shall have received from Drinker Biddle & Reath LLP an opinion in form and substance of the draft opinion relating to the matters described in subsection 17(b)(iii) of the Existing Participation Agreement and delivered by such firm to Owner Participant on or before the date of this Second Supplemental Participation Agreement (receipt of which draft opinion is hereby acknowledged by Owner Participant as of the date hereof).

Section 8.16. *Compliance Certificate.* In the case of Owner Participant and Indenture Trustee, such Person shall have received Owner Trustee Certificates required by Section 2.15(ii) and (v) and the Officers Certificates required by Section 2.15(v) and (vi) of the Indenture.

Section 8.17. *Lessee's Performance.* The representations and warranties of Lessee set forth in Article 7 and in any other Refinancing Document to which Lessee is or will be a party shall be true and correct on and as of the Refinancing Date with the same effect as though made on and as of the Refinancing Date, Lessee shall have performed all of the covenants and agreements in each Operative Document and each Refinancing Document to which Lessee is or will be a party to be performed by it on or before the Refinancing Date.

Section 8.18. *Legality, etc.* In the case of Owner Participant, Owner Trustee, Indenture Trustee and Lessee, no change shall have occurred in applicable law, or regulations thereunder or interpretations thereof, of or by appropriate regulatory authorities that, in the opinion of such party or its counsel, would make it illegal for such party to participate in any of the transactions contemplated by the Operative Documents or the Refinancing Documents to which it is or will be a party or subject such party to any material penalty or liability or burdensome condition or regulation under or pursuant to any applicable law or governmental regulation.

Section 8.19. *Other Evidence.* In the case of Owner Participant, Lessee, Owner Trustee, and Indenture Trustee, each such Person shall have received such other documents and certificates and opinions as such Person or its counsel shall reasonably request.

ARTICLE 9  
AGREEMENTS AND COVENANTS

The following agreements and covenants shall be effective as of the Refinancing Date:

Section 9.01. *Agreement Respecting Refinancing Documents.* Each party hereto hereby agrees that the transactions contemplated by the Refinancing Documents, when consummated in accordance with the terms and conditions of the Refinancing Documents, this Second Supplemental Participation Agreement, the 2005 Purchase Agreement, the Registration Rights Agreement, and the documents attached hereto (the form and substance of each of which is hereby approved) will comply with the terms and conditions of Section 17 of the Existing Participation Agreement other than as specifically provided for in the Refinancing Documents.

Section 9.02. *Prepayment.* Until after the fourth refunding of the Bonds by Lessee pursuant to Section 17 of the Participation Agreement and so long as the Lease shall not have been declared in default pursuant to subsection 17.1 thereof, Owner Participant shall not, and shall not allow Owner Trustee to, prepay, redeem or refinance any Bonds, or deposit monies with Indenture Trustee in accordance with clause (c) of Section 3.01 of the Indenture; and after any such fourth refunding of the Bonds by Lessee pursuant to Section 17 of the Participation Agreement and so long as the Lease shall not have been declared in default pursuant to subsection 17.1 thereof, Owner Participant shall not, and shall not allow Owner Trustee to, prepay, redeem or refinance any Bonds, or deposit monies with Indenture Trustee in accordance with clause (c) of Section 3.01 of the Indenture without the prior written consent of Lessee, which consent shall not be unreasonably withheld.

Section 9.03. *Successor Owner Trustee.* Owner Participant shall not appoint or cause or allow to be appointed a successor to any Owner Trustee or an additional or separate trustee under the Trust Agreement without giving or causing to be given prior written notice of such appointment (including notification of the principal place of business of each such successor, additional or separate trustee) to Lessee and Indenture Trustee and without any such successor, additional or separate trustee simultaneously with its assumption of duties in such capacity, taking all actions necessary or as may be reasonably requested by Indenture Trustee or (unless objected to by Indenture Trustee) Lessee (including, without limitation, the filing of financing statements) in order to establish, preserve, protect and perfect its good and marketable title to the Assets and its

rights under the Operative Documents and the Refinancing Documents and, so long as any Bonds are Outstanding, the valid first mortgage and prior perfected security interest of Indenture Trustee in the Indenture Estate granted or intended to be created under the Indenture and Indenture Trustee's rights under the Operative Documents and the Refinancing Documents, subject only to Permitted Interest Liens, Permitted Project Liens, the Lien of the Westar Energy Indenture and any Lien affecting Westar Energy's assets.

Section 9.04. *Trust Agreement.* Prior to the Lease Termination Date, or, if later, the release of the Lien of the Indenture on the Indenture Estate and the full payment of principal of, premium (if any) and interest on the Bonds, Owner Participant will not terminate or revoke, or consent to the termination or revocation of, the Trust Agreement.

Section 9.05. *Indemnity.* The parties hereto confirm that any reference to "Bonds" in subsection 14.1 of the Lease includes the 2005 Series Bonds.

Section 9.06. *Continuation Statements.* Prior to the release of the Lien of the Indenture on the Indenture Estate and the full payment of principal of, premium (if any) and interest on, the Bonds, Lessee shall file continuation statements at periodic intervals with respect to the applicable financing statements filed pursuant to Section 2.05 hereof to preserve and protect the perfection of the mortgage lien and security interests created by the Indenture.

Section 9.07. *Further Assurance.* Owner Participant hereby covenants to cause and authorizes and instructs Owner Trustee to, and Owner Trustee hereby agrees to, execute and deliver any and all agreements, instruments, certificates and other documents and take or cause to be taken any and all other actions that are deemed reasonably necessary or desirable by Lessee to enable Lessee to perform its obligations under the Registration Rights Agreement.

Section 9.08. *Tax Indemnity Agreement.* Owner Participant and Lessee hereby agree that (i) Section 4(e) of the Tax Indemnity Agreement shall be deleted in its entirety and shall be replaced with "(Intentionally omitted)," and (ii) clause (iv) of Section 6 of the Tax Indemnity Agreement shall be deleted in its entirety and shall be replaced with "(iv) A determination that the Lease is a "second 467 rental agreement" within the meaning of Section 467(d) of the Code;". Owner Participant further agrees that notwithstanding any provision to the contrary in the Tax Indemnity Agreement, no indemnity shall be payable by Lessee to Owner Participant as a result of the representation previously set forth in such Section 4(e) ceasing to be true or correct as of the Refinancing Date.

ARTICLE 10  
SURVIVAL OF REPRESENTATIONS AND WARRANTIES; BINDING EFFECT

Section 10.01. *Survival*. All agreements, representations, warranties and indemnities contained in this Second Supplemental Participation Agreement and the other Refinancing Documents and in any agreement, document or certificate delivered pursuant hereto or thereto or in connection herewith or therewith, shall survive and continue in effect following the execution and delivery of this Second Supplemental Participation Agreement and the other Refinancing Documents, and all such representations, warranties and indemnities shall survive the termination of this Second Supplemental Participation Agreement.

Section 10.02. *Binding Effect*. All agreements, representations, warranties and indemnities in this Second Supplemental Participation Agreement and the Refinancing Documents and in any agreement, document or certificate delivered concurrently with the execution of this Second Supplemental Participation Agreement or the other Refinancing Documents or from time to time hereafter shall bind the Person making the same and its successors and assigns and shall inure to the benefit of each Person for whom made and its permitted successors and assigns.

ARTICLE 11  
NOTICES

All communications, notices and consents provided for in this Second Supplemental Participation Agreement shall be given as provided in the Existing Participation Agreement, as modified by Section 3.02 hereof.

ARTICLE 12  
MISCELLANEOUS

Section 12.01. *Consent and Direction to Owner Trustee*. Owner Participant hereby consents to and authorizes and instructs Owner Trustee to execute and deliver this Second Supplemental Participation Agreement, the other Refinancing Documents, the 2005 Purchase Agreement and the Registration Rights Agreement.

Section 12.02. *Owner Trustee Request*. Owner Trustee hereby requests that Indenture Trustee execute the Supplemental Indenture and this paragraph constitutes the Owner Trustee Request required by clause (i) of Section 2.15 of the Indenture.

Section 12.03. *Effect of Supplement.* The parties hereto hereby confirm the terms of the Existing Participation Agreement, as supplemented and amended hereby, and declare and agree that the Existing Participation Agreement, as supplemented and amended hereby, is in full force and effect.

Section 12.04. *Execution.* This Second Supplemental Participation Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which, when so executed and delivered, shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 12.05. *Governing Law.* This Second Supplemental Participation Agreement has been negotiated and delivered in the State of New York and shall be governed by, and be construed in accordance with, the laws of the State of New York without regard to the principles of conflicts of law thereof.

Section 12.06. *Amendments, Supplements, etc.* Neither this Second Supplemental Participation Agreement nor any of the terms hereof may be amended, supplemented, waived or modified orally, but only by an instrument in writing signed by the party against which enforcement of such change is sought.

Section 12.07. *Headings.* The headings of the sections and paragraphs of this Second Supplemental Participation Agreement have been inserted for convenience of reference only and shall in no way restrict or otherwise modify any of the terms or provisions hereof.



IN WITNESS WHEREOF, the parties hereto have each caused this Second Supplemental Participation Agreement to be duly executed as of the date first above written.

U.S. BANK NATIONAL ASSOCIATION,  
not in its individual  
capacity except to the extent expressly  
provided herein but solely as Owner  
Trustee pursuant to the Trust  
Agreement

By: /s/ MICHAEL M. HOPKINS

---

Name: Michael M. Hopkins  
Title: Vice President

DEUTSCHE BANK TRUST COMPANY  
AMERICAS, not in its individual  
capacity except to the extent expressly  
provided herein but as Indenture  
Trustee pursuant to the Indenture

By: /s/ SUSAN JOHNSON

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Name: Susan Johnson  
Title: Vice President

COMCAST MO FINANCIAL SERVICES, INC.

By: /s/ KENNETH MIKALOUSKAS

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Name: Kenneth Mikalauskas  
Title: Vice President-Finance

KANSAS GAS AND ELECTRIC COMPANY

By: /s/ MARK A. RUELLE

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Name: Mark A. Ruelle  
Title: Vice President and Treasurer

## ASSUMPTIONS

Based on the assumptions set forth below, the Basic Rent installments are as shown on Annex A hereto, Casualty Values are as shown on Annex B hereto, Allocated Rents are as shown on Annex C hereto, Section 467 Loan Balances are as shown on Annex D hereto, and Non-Recourse Debt Schedules are as shown on Annex E hereto.

## Part I

Funding Date	September 29, 1987; all debt and equity investments in Purchase Price on the Funding Date
1992 Refinancing Date	September 29, 1992
Refinancing Date	June 30, 2005
Bonds	Aggregate principal amount of Initial Series Bonds equal to 87% of Purchase Price. Interest payable on each March 29 and September 29, commencing March 29, 1988 for Initial Series Bonds and March 29, 1993 for 1992 Series Bonds.

*Initial Series Bonds:*

- (i) With a Stated Maturity of Principal of March 29, 2003
    - a) Aggregate principal amount equal to \$104,199,000
    - b) Interest Rate - - 11.100%
    - c) Average Life - 12.86 years
  - (ii) With a Stated Maturity of Principal of March 29, 2016
    - a) Aggregate principal amount equal to \$236,928,000
    - b) Interest Rate - 11.875%
    - c) Average Life - 24.09 years
- (in each case, on a 12 30-day month, 360-day year basis).

*1992 Series Bonds:*

- (i) With a Stated Maturity of Principal of September 29, 2003
  - a) Aggregate principal amount equal to \$102,773,000

- b) Interest Rate - 6.760%
- c) Average Life - 7.50 years
- (ii) With a Stated Maturity of Principal of September 29, 2007
  - a) Aggregate principal amount equal to \$86,275,000
  - b) Interest Rate - 7.625%
  - c) Average Life - 14.52 years
- (iii) With a Stated Maturity of Principal of March 29, 2016
  - a) Aggregate principal amount equal to \$152,079,000
  - b) Interest Rate - 8.290%
  - c) Average Life - 21.77 years

(in each case, on a 12 30-day month, 360-day year basis).

*2005 Series Bonds:*

With a Stated Maturity of Principal of March 29, 2021

- a) Aggregate principal amount equal to \$320,000,000
- b) Interest Rate - 5.647%
- c) Average Life - 10.00 years

(in each case, on a 12 30-day months, 360-day year basis).

Allocation of Proceeds of  
the 2005 Series Bonds

The \$320,000,000 of proceeds from the issuance of the 2005 Series Bonds shall be distributed as shown below:

- a) \$238,354,000 retirement of the 1992 Series Bonds and \$1,177,509 to pay a portion of the accrued interest on the redeemed 1992 Series Bonds
- b) \$12,093,311 Transaction Expenses
- c) \$68,375,180 Additional Borrowing by the Owner Participant

**Part II**

Transaction Expenses      \$7,639,706 of Purchase Price amortized over the Interim Lease Term and the Basic Term with \$2,627,197 to be expensed on September 29, 1992.

   \$3,300,000 amortized from the 1992 Refinancing Date to the final maturity date of the 1992 Series Bonds

   \$12,093,311 amortized from the Refinancing Date to the final maturity date of the 2005 Series Bonds

**Part III**

Purchase Price                      \$392,100,000

Tax Benefits (as a matter of      39.95% rate of tax in 1987 and 34% thereafter; 100% of the Purchase Price qualifying for 22.5 year ADR depreciation (150%  
economics and subject to      declining balance switching to straightline at the optimal point to a 10% salvage value, taking into account a half-year election for  
the verification described      the first year).

in subsection 4.10 of the      Interest deductions on the Bonds available on an accrual basis.  
Lease)

Basic Rent                              Basic Rent deemed not to be received prior to Basic Rent Payment Dates prior to June 30, 2005, and thereafter deemed received as  
shown on Annex C hereto.

Section 467 Loan                      Accounted for consistently with Annex D hereto.

Owner Participant's After-      Computed on a monthly basis using the multiple investment sinking fund method.  
Tax Yield

Sinking Fund Re-                      0%  
Investment Rate

Owner Participant's Fiscal      December 31  
Year-End

Interest on Bonds                      Paid by Owner Participant  
payable on Basic Lease  
Commencement Date

**HYPOTHETICAL BASIC RENT**

**(1987 - 2029)**

<u>Basic Rent Payment Date</u>	<u>Advance/Arrears</u>	<u>Percentage</u>
Sep 29 1988	Arrears	5.062648%
Mar 29 1989	Arrears	5.612253%
Sep 29 1989	Arrears	5.032145%
Mar 29 1990	Arrears	5.642618%
Sep 29 1990	Arrears	5.032145%
Mar 29 1991	Arrears	5.642618%
Sep 29 1991	Arrears	5.032145%
Mar 29 1992	Arrears	5.642618%
Sep 29 1992	Arrears	5.032145%
Mar 29 1993	Arrears	3.332475%
Sep 29 1993	Arrears	5.491415%
Mar 29 1994	Arrears	3.332475%
Sep 29 1994	Arrears	5.491415%
Mar 29 1995	Arrears	3.309528%
Sep 29 1995	Arrears	5.514285%
Mar 29 1996	Arrears	3.235015%
Sep 29 1996	Arrears	5.588798%
Mar 29 1997	Arrears	3.155467%
Sep 29 1997	Arrears	5.668346%
Mar 29 1998	Arrears	3.070541%
Sep 29 1998	Arrears	5.753272%
Mar 29 1999	Arrears	3.024741%
Sep 29 1999	Arrears	5.799072%
Mar 29 2000	Arrears	2.930979%
Sep 29 2000	Arrears	5.892834%
Mar 29 2001	Arrears	2.830880%
Sep 29 2001	Arrears	5.992933%
Mar 29 2002	Arrears	2.724015%
Sep 29 2002	Arrears	6.099798%
Mar 29 2003	Arrears	2.609926%
Sep 29 2003	Arrears	7.443642%
Mar 29 2004	Arrears	3.915896%
Sep 29 2004	Arrears	4.907917%
Mar 29 2005	Arrears	2.446547%
Jun 30 2005	Arrears	0.936557%
Sep 29 2005	Arrears	7.986701%
Mar 29 2006	Arrears	6.248281%

Schedule 1-4

<u>Basic Rent Payment Date</u>	<u>Advance/Arrears</u>	<u>Percentage</u>
Sep 29 2006	Arrears	2.304310%
Mar 29 2007	Arrears	2.304310%
Sep 29 2007	Arrears	3.679916%
Mar 29 2008	Arrears	2.265470%
Sep 29 2008	Arrears	6.123120%
Mar 29 2009	Arrears	2.156549%
Sep 29 2009	Arrears	6.250480%
Mar 29 2010	Arrears	2.040957%
Sep 29 2010	Arrears	6.385641%
Mar 29 2011	Arrears	1.918285%
Sep 29 2011	Arrears	6.529081%
Mar 29 2012	Arrears	1.788099%
Sep 29 2012	Arrears	6.681307%
Mar 29 2013	Arrears	7.006913%
Sep 29 2013	Arrears	1.498685%
Mar 29 2014	Arrears	7.194140%
Sep 29 2014	Arrears	1.337874%
Mar 29 2015	Arrears	7.393196%
Sep 29 2015	Arrears	1.166902%
Mar 29 2016	Arrears	7.604830%
Sep 29 2016	Arrears	0.985127%
Mar 29 2017	Arrears	7.829836%
Sep 29 2017	Arrears	0.791867%
Mar 29 2018	Arrears	8.069058%
Sep 29 2018	Arrears	0.586395%
Mar 29 2019	Arrears	8.323397%
Sep 29 2019	Arrears	0.367941%
Mar 29 2020	Arrears	8.593805%
Sep 29 2020	Arrears	0.135684%
Mar 29 2021	Arrears	4.941199%
Sep 29 2021	Arrears	0.000000%
Mar 29 2022	Arrears	0.000000%
Sep 29 2022	Arrears	0.000000%
Mar 29 2023	Arrears	0.000000%
Sep 29 2023	Arrears	0.000000%
Mar 29 2024	Arrears	0.000000%
Sep 29 2024	Arrears	0.000000%
Mar 29 2025	Arrears	0.000000%
Sep 29 2025	Arrears	0.000000%
Mar 29 2026	Arrears	0.000000%
Sep 29 2026	Arrears	0.000000%
Mar 29 2027	Arrears	0.000000%
Sep 29 2027	Arrears	0.000000%

Schedule 1-5

**Basic Rent Payment Date**

**Advance/Arrears**

**Percentage**

Mar 29 2028	Arrears	0.000000%
Sep 29 2028	Arrears	0.000000%
Mar 29 2029	Arrears	0.000000%
Sep 29 2029	Arrears	0.000000%

Schedule 1-6

Casualty Values

<u>Date</u>	<u>Casualty Value</u>
Mar 29 1988	108.221100%
Sep 29 1988	109.354280%
Mar 29 1989	109.893610%
Sep 29 1989	110.952540%
Mar 29 1990	111.387250%
Sep 29 1990	112.379510%
Mar 29 1991	112.749290%
Sep 29 1991	113.678280%
Mar 29 1992	113.986080%
Sep 29 1992	117.362280%
Mar 29 1993	118.344860%
Sep 29 1993	117.158980%
Mar 29 1994	117.970440%
Sep 29 1994	116.625030%
Mar 29 1995	117.327500%
Sep 29 1995	115.827110%
Mar 29 1996	116.537000%
Sep 29 1996	114.898930%
Mar 29 1997	115.622960%
Sep 29 1997	113.843070%
Mar 29 1998	114.587610%
Sep 29 1998	112.661980%
Mar 29 1999	113.329570%
Sep 29 1999	111.233680%
Mar 29 2000	111.923020%
Sep 29 2000	109.668830%
Mar 29 2001	110.391530%
Sep 29 2001	107.971090%
Mar 29 2002	108.734500%
Sep 29 2002	106.146290%
Mar 29 2003	106.961100%
Sep 29 2003	102.990640%
Mar 29 2004	102.448880%
Sep 29 2004	100.845410%
Mar 29 2005	101.536660%



Casualty Values  
(Expressed as a percentage of Purchase Price)

(June 2005 to September 2029)

<u>Date</u>	<u>Percentage</u>	<u>Lessor Loan Balance</u>	<u>Lessee Loan Balance</u>	<u>Net Casualty Value due on Termination</u>
Jun 30 2005	117.402587%	0.9365570%	0.000000%	116.466030%
Sep 29 2005	115.924025%	5.6958240%	0.000000%	110.228201%
Mar 29 2006	118.145428%	12.0856460%	0.000000%	106.059782%
Sep 29 2006	120.271742%	14.6902845%	0.000000%	105.581457%
Mar 29 2007	109.815774%	4.7555508%	0.000000%	105.060224%
Sep 29 2007	111.683323%	8.5536423%	0.000000%	103.129680%
Mar 29 2008	113.032416%	10.4836660%	0.000000%	102.548750%
Sep 29 2008	114.960348%	16.8673050%	0.000000%	98.093043%
Mar 29 2009	104.847074%	7.3630872%	0.000000%	97.483987%
Sep 29 2009	106.567926%	13.7965401%	0.000000%	92.771385%
Mar 29 2010	107.274034%	15.1309493%	0.000000%	92.143085%
Sep 29 2010	109.053191%	21.8925947%	0.000000%	87.160596%
Mar 29 2011	99.266858%	12.7545792%	0.000000%	86.512279%
Sep 29 2011	100.844769%	19.6006116%	0.000000%	81.244158%
Mar 29 2012	100.945403%	20.3676575%	0.000000%	80.577746%
Sep 29 2012	102.564519%	27.5551003%	0.000000%	75.009418%
Mar 29 2013	93.052848%	24.0852178%	0.000000%	68.967630%
Sep 29 2013	94.457310%	26.1824206%	0.000000%	68.274889%
Mar 29 2014	93.978053%	32.0993514%	0.000000%	61.878701%
Sep 29 2014	95.405565%	34.2348942%	0.000000%	61.170671%
Mar 29 2015	86.117826%	31.7187525%	0.000000%	54.399073%
Sep 29 2015	87.350326%	33.6738655%	0.000000%	53.676461%
Mar 29 2016	86.313062%	39.8036387%	0.000000%	46.509423%
Sep 29 2016	87.552812%	41.7778862%	0.000000%	45.774926%
Mar 29 2017	78.442618%	40.2531415%	0.000000%	38.189476%
Sep 29 2017	79.493147%	42.0452988%	0.000000%	37.447848%
Mar 29 2018	76.864056%	47.4339751%	0.000000%	29.430081%
Sep 29 2018	77.896550%	49.1991046%	0.000000%	28.697445%
Mar 29 2019	67.141536%	46.9033331%	0.000000%	20.238203%
Sep 29 2019	67.967297%	48.4368219%	0.000000%	19.530475%
Mar 29 2020	64.767573%	54.1561804%	0.000000%	10.611392%
Sep 29 2020	65.573825%	55.6376452%	0.000000%	9.936180%
Mar 29 2021	54.930056%	50.4572245%	0.000000%	4.472831%
Sep 29 2021	55.548905%	51.7110865%	0.000000%	3.837819%

Schedule 1-8

Mar 29 2022	51.821333%	48.5951309%	0.000000%	3.226202%
Sep 29 2022	46.723331%	44.0806375%	0.000000%	2.642694%
Mar 29 2023	47.263130%	45.1760414%	0.000000%	2.087089%
Sep 29 2023	39.989084%	38.4249953%	0.000000%	1.564089%
Mar 29 2024	40.453181%	39.3798564%	0.000000%	1.073325%
Sep 29 2024	33.104743%	32.4847751%	0.000000%	0.619968%
Mar 29 2025	33.495864%	33.2920218%	0.000000%	0.203842%
Sep 29 2025	26.245658%	26.2456578%	0.000000%	0.000000%
Mar 29 2026	26.897862%	26.8978624%	0.000000%	0.000000%
Sep 29 2026	19.692604%	19.6926035%	0.000000%	0.000000%
Mar 29 2027	20.181965%	20.1819647%	0.000000%	0.000000%
Sep 29 2027	12.809816%	12.8098158%	0.000000%	0.000000%
Mar 29 2028	13.128140%	13.1281397%	0.000000%	0.000000%
Sep 29 2028	5.580703%	5.5807033%	0.000000%	0.000000%
Mar 29 2029	5.719384%	5.7193837%	0.000000%	0.000000%
Sep 29 2029	0.000000%	0.0000000%	0.000000%	0.000000%

Schedule 1-9

Allocated Rent  
(Expressed as a percentage of Purchase Price)

<u>From (and including)</u>	<u>Lease Period</u>	<u>To (and excluding)</u>	<u>Allocated Rent</u>
Jun 30 2005		Sep 29 2005	3.238942%
Sep 29 2005		Mar 29 2006	0.000000%
Mar 29 2006		Sep 29 2006	0.000000%
Sep 29 2006		Mar 29 2007	12.604097%
Mar 29 2007		Sep 29 2007	0.000000%
Sep 29 2007		Mar 29 2008	0.548004%
Mar 29 2008		Sep 29 2008	0.000000%
Sep 29 2008		Mar 29 2009	12.079919%
Mar 29 2009		Sep 29 2009	0.000000%
Sep 29 2009		Mar 29 2010	1.049392%
Mar 29 2010		Sep 29 2010	0.000000%
Sep 29 2010		Mar 29 2011	11.600331%
Mar 29 2011		Sep 29 2011	0.000000%
Sep 29 2011		Mar 29 2012	1.508128%
Mar 29 2012		Sep 29 2012	0.000000%
Sep 29 2012		Mar 29 2013	11.161540%
Mar 29 2013		Sep 29 2013	0.000000%
Sep 29 2013		Mar 29 2014	1.927842%
Mar 29 2014		Sep 29 2014	0.000000%
Sep 29 2014		Mar 29 2015	10.760075%
Mar 29 2015		Sep 29 2015	0.000000%
Sep 29 2015		Mar 29 2016	2.311852%
Mar 29 2016		Sep 29 2016	0.000000%
Sep 29 2016		Mar 29 2017	10.392761%
Mar 29 2017		Sep 29 2017	0.000000%
Sep 29 2017		Mar 29 2018	3.725208%
Mar 29 2018		Sep 29 2018	0.000000%
Sep 29 2018		Mar 29 2019	11.841766%
Mar 29 2019		Sep 29 2019	0.000000%
Sep 29 2019		Mar 29 2020	4.078102%
Mar 29 2020		Sep 29 2020	0.000000%
Sep 29 2020		Mar 29 2021	11.504215%
Mar 29 2021		Sep 29 2021	0.000000%
Sep 29 2021		Mar 29 2022	4.400976%
Mar 29 2022		Sep 29 2022	5.722082%

Lease Period

Sep 29 2022	Mar 29 2023	0.000000%
Mar 29 2023	Sep 29 2023	7.873671%
Sep 29 2023	Mar 29 2024	0.000000%
Mar 29 2024	Sep 29 2024	7.873671%
Sep 29 2024	Mar 29 2025	0.000000%
Mar 29 2025	Sep 29 2025	7.873671%
Sep 29 2025	Mar 29 2026	0.000000%
Mar 29 2026	Sep 29 2026	7.873671%
Sep 29 2026	Mar 29 2027	0.000000%
Mar 29 2027	Sep 29 2027	7.873671%
Sep 29 2027	Mar 29 2028	0.000000%
Mar 29 2028	Sep 29 2028	7.873671%
Sep 29 2028	Mar 29 2029	0.000000%
Mar 29 2029	Sep 29 2029	5.861510%

Schedule 1-11

Section 467 Loan Balances  
(Expressed as a percentage of Purchase Price)

<u>Date</u>	<u>(a)</u> <u>Lessor Loan</u> <u>Balance</u>	<u>(b)</u> <u>Lessee Loan</u> <u>Balance</u>	<u>(c)</u> <u>Interest Amount</u>
Jun 30 2005	0.936557%	0.000000%	0.000000%
Sep 29 2005	5.695824%	0.000000%	0.011507%
Mar 29 2006	12.085646%	0.000000%	0.141541%
Sep 29 2006	14.690284%	0.000000%	0.300328%
Mar 29 2007	4.755551%	0.000000%	0.365054%
Sep 29 2007	8.553642%	0.000000%	0.118175%
Mar 29 2008	10.483666%	0.000000%	0.212558%
Sep 29 2008	16.867305%	0.000000%	0.260519%
Mar 29 2009	7.363087%	0.000000%	0.419153%
Sep 29 2009	13.796540%	0.000000%	0.182973%
Mar 29 2010	15.130949%	0.000000%	0.342844%
Sep 29 2010	21.892595%	0.000000%	0.376004%
Mar 29 2011	12.754579%	0.000000%	0.544031%
Sep 29 2011	19.600612%	0.000000%	0.316951%
Mar 29 2012	20.367657%	0.000000%	0.487075%
Sep 29 2012	27.555100%	0.000000%	0.506136%
Mar 29 2013	24.085218%	0.000000%	0.684744%
Sep 29 2013	26.182421%	0.000000%	0.598518%
Mar 29 2014	32.099351%	0.000000%	0.650633%
Sep 29 2014	34.234894%	0.000000%	0.797669%
Mar 29 2015	31.718753%	0.000000%	0.850737%
Sep 29 2015	33.673865%	0.000000%	0.788211%
Mar 29 2016	39.803639%	0.000000%	0.836796%
Sep 29 2016	41.777886%	0.000000%	0.989120%
Mar 29 2017	40.253142%	0.000000%	1.038180%
Sep 29 2017	42.045299%	0.000000%	1.000291%
Mar 29 2018	47.433975%	0.000000%	1.044826%
Sep 29 2018	49.199105%	0.000000%	1.178734%
Mar 29 2019	46.903333%	0.000000%	1.222598%
Sep 29 2019	48.436822%	0.000000%	1.165548%
Mar 29 2020	54.156180%	0.000000%	1.203655%
Sep 29 2020	55.637645%	0.000000%	1.345781%
Mar 29 2021	50.457225%	0.000000%	1.382595%
Sep 29 2021	51.711087%	0.000000%	1.253862%
Mar 29 2022	48.595131%	0.000000%	1.285020%

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Sep 29 2022	44.080638%	0.000000%	1.207589%
Mar 29 2023	45.176041%	0.000000%	1.095404%
Sep 29 2023	38.424995%	0.000000%	1.122625%
Mar 29 2024	39.379856%	0.000000%	0.954861%
Sep 29 2024	32.484775%	0.000000%	0.978589%
Mar 29 2025	33.292022%	0.000000%	0.807247%
Sep 29 2025	26.245658%	0.000000%	0.827307%
Mar 29 2026	26.897862%	0.000000%	0.652205%
Sep 29 2026	19.692604%	0.000000%	0.668412%
Mar 29 2027	20.181965%	0.000000%	0.489361%
Sep 29 2027	12.809816%	0.000000%	0.501522%
Mar 29 2028	13.128140%	0.000000%	0.318324%
Sep 29 2028	5.580703%	0.000000%	0.326234%
Mar 29 2029	5.719384%	0.000000%	0.138680%
Sep 29 2029	0.000000%	0.000000%	0.142127%

Schedule 1-13

All Non-Recourse Debt Schedules  
(1987 – 2021)

Non-Recourse Debt Service Schedule  
(September 1987 - March 1988)

Loan 6 Amortization Interest Rate 11.63827%  
Average Life 0.50000 Years; Duration 0.50000 Years

<u>Date</u>	<u>Draw Down</u>	<u>Debt Service</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
Sep 29 1987	341,127,000.00				341,127,000.00
Mar 29 1988	1	360,977,644.51	19,850,644.51	341,127,000.00	0
<b>Totals</b>	<b>341,127,000.00</b>	<b>360,977,644.51</b>	<b>19,850,644.51</b>	<b>341,127,000.00</b>	

Non-Recourse Debt Service Schedule  
(March 1988 - September 1992)

Loan 1 Amortization Interest Rate 11.10000%  
Average Life 4.42761 Years; Duration 3.60538 Years

<u>Date</u>	<u>Draw Down</u>	<u>Debt Service</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
Mar 29 1988	104,199,000.00				104,199,000.00
Sep 29 1988	1	5,783,044.50	5,783,044.50	0	104,199,000.00
Mar 29 1989	2	7,938,044.50	5,783,044.50	2,155,000.00	102,044,000.00
Sep 29 1989	3	5,663,442.00	5,663,442.00	0	102,044,000.00
Mar 29 1990	4	5,663,442.00	5,663,442.00	0	102,044,000.00
Sep 29 1990	5	5,663,442.00	5,663,442.00	0	102,044,000.00
Mar 29 1991	6	5,663,442.00	5,663,442.00	0	102,044,000.00
Sep 29 1991	7	5,663,442.00	5,663,442.00	0	102,044,000.00
Mar 29 1992	8	5,663,442.00	5,663,442.00	0	102,044,000.00
Sep 29 1992	9	107,707,442.00	5,663,442.00	102,044,000.00	0
<b>Totals</b>	<b>104,199,000.00</b>	<b>155,409,183.00</b>	<b>51,210,183.00</b>	<b>104,199,000.00</b>	

Non-Recourse Debt Service Schedule  
(March 1988 - September 1992)

Loan 2 Amortization Interest Rate 11.87500%  
Average Life 4.50000 Years; Duration 3.61259 Years

Date	Draw Down	Debt Service	Interest	Principal	Balance
Mar 29 1988	236,928,000.00				236,928,000.00
Sep 29 1988	1	14,067,600.00	14,067,600.00	0	236,928,000.00
Mar 29 1989	2	14,067,600.00	14,067,600.00	0	236,928,000.00
Sep 29 1989	3	14,067,600.00	14,067,600.00	0	236,928,000.00
Mar 29 1990	4	14,067,600.00	14,067,600.00	0	236,928,000.00
Sep 29 1990	5	14,067,600.00	14,067,600.00	0	236,928,000.00
Mar 29 1991	6	14,067,600.00	14,067,600.00	0	236,928,000.00
Sep 29 1991	7	14,067,600.00	14,067,600.00	0	236,928,000.00
Mar 29 1992	8	14,067,600.00	14,067,600.00	0	236,928,000.00
Sep 29 1992	9	250,995,600.00	14,067,600.00	236,928,000.00	0
<b>Totals</b>		236,928,000.00	363,536,400.00	126,608,400.00	236,928,000.00

Non-Recourse Debt Service Schedule  
(September 1992 - June 2005)  
Combined Tranches of the 1992 Series Bonds

Loan 3 Amortization IRR of Debt Services 7.75724%  
Average Life 11.17010 Years; Duration 7.54068 Years

Date	Draw Down	Debt Service	Interest	Principal	Balance
Sep 29 1992	341,127,000.00				341,127,000.00
Mar 29 1993	1	13,066,636.32	13,066,636.32	0.00	341,127,000.00
Sep 29 1993	2	13,066,636.32	13,066,636.32	0.00	341,127,000.00
Mar 29 1994	3	13,066,636.32	13,066,636.32	0.00	341,127,000.00
Sep 29 1994	4	15,728,636.33	13,066,636.32	2,662,000.00	338,465,000.00
Mar 29 1995	5	12,976,660.72	12,976,660.72	0.00	338,465,000.00
Sep 29 1995	6	21,620,660.73	12,976,660.72	8,644,000.00	329,821,000.00



Mar 29 1996	7	12,684,493.52	12,684,493.52	0.00	329,821,000.00
Sep 29 1996	8	21,912,493.52	12,684,493.52	9,228,000.00	320,593,000.00
Mar 29 1997	9	12,372,587.12	12,372,587.12	0.00	320,593,000.00
Sep 29 1997	10	22,224,587.12	12,372,587.12	9,852,000.00	310,741,000.00
Mar 29 1998	11	12,039,589.52	12,039,589.52	0.00	310,741,000.00
Sep 29 1998	12	17,352,589.52	12,039,589.52	5,313,000.00	305,428,000.00
Mar 29 1999	13	11,860,010.12	11,860,010.12	0.00	305,428,000.00
Sep 29 1999	14	22,737,010.12	11,860,010.12	10,877,000.00	294,551,000.00
Mar 29 2000	15	11,492,367.52	11,492,367.52	0.00	294,551,000.00
Sep 29 2000	16	23,104,367.52	11,492,367.52	11,612,000.00	282,939,000.00
Mar 29 2001	17	11,099,881.93	11,099,881.92	0.00	282,939,000.00
Sep 29 2001	18	23,496,881.93	11,099,881.92	12,397,000.00	270,542,000.00
Mar 29 2002	19	10,680,863.32	10,680,863.32	0.00	270,542,000.00
Sep 29 2002	20	23,915,863.32	10,680,863.32	13,235,000.00	257,307,000.00
Mar 29 2003	21	10,233,520.32	10,233,520.32	0.00	257,307,000.00
Sep 29 2003	22	29,186,520.32	10,233,520.32	18,953,000.00	238,354,000.00
Mar 29 2004	23	9,592,908.93	9,592,908.92	0.00	238,354,000.00
Sep 29 2004	24	9,592,908.93	9,592,908.92	0.00	238,354,000.00
Mar 29 2005	25	9,592,908.93	9,592,908.92	0.00	238,354,000.00
Jun 30 2005	26	243,203,748.40	4,849,748.40	238,354,000.00	0.00
<b>Totals</b>		<b>341,127,000.00</b>	<b>637,901,968.73</b>	<b>296,774,968.73</b>	<b>341,127,000.00</b>

Non-Recourse Debt Service Schedule  
(June 2005 - March 2021)

Loan 4 Amortization Interest Rate 5.64700%  
Average Life 10.00000 Years; Duration 7.53635 Years

<u>Date</u>	<u>Draw Down</u>	<u>Debt Service</u>	<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
Jun 30 2005	320,000,000.00				320,000,000.00
Sep 29 2005		4,467,404.44	4,467,404.44	0	320,000,000.00
Mar 29 2006		9,035,200.00	9,035,200.00	0	320,000,000.00
Sep 29 2006		9,035,200.00	9,035,200.00	0	320,000,000.00
Mar 29 2007		9,035,200.00	9,035,200.00	0	320,000,000.00
Sep 29 2007		14,428,951.27	9,035,200.00	5,393,751.27	314,606,248.73
Mar 29 2008		8,882,907.43	8,882,907.43	0	314,606,248.73
Sep 29 2008		24,008,753.06	8,882,907.43	15,125,845.63	299,480,403.10

Mar 29 2009	8	8,455,829.18	8,455,829.18	0	299,480,403.10
Sep 29 2009	9	24,508,132.86	8,455,829.18	16,052,303.68	283,428,099.43
Mar 29 2010	10	8,002,592.39	8,002,592.39	0	283,428,099.43
Sep 29 2010	11	25,038,099.66	8,002,592.39	17,035,507.28	266,392,592.15
Mar 29 2011	12	7,521,594.84	7,521,594.84	0	266,392,592.15
Sep 29 2011	13	25,600,526.94	7,521,594.84	18,078,932.10	248,313,660.05
Mar 29 2012	14	7,011,136.19	7,011,136.19	0	248,313,660.05
Sep 29 2012	15	26,197,402.88	7,011,136.19	19,186,266.69	229,127,393.37
Mar 29 2013	16	27,474,106.24	6,469,411.95	21,004,694.28	208,122,699.08
Sep 29 2013	17	5,876,344.41	5,876,344.41	0	208,122,699.08
Mar 29 2014	18	28,208,221.18	5,876,344.41	22,331,876.77	185,790,822.31
Sep 29 2014	19	5,245,803.87	5,245,803.87	0	185,790,822.31
Mar 29 2015	20	28,988,721.21	5,245,803.87	23,742,917.34	162,047,904.97
Sep 29 2015	21	4,575,422.60	4,575,422.60	0	162,047,904.97
Mar 29 2016	22	29,818,537.17	4,575,422.60	25,243,114.57	136,804,790.40
Sep 29 2016	23	3,862,683.26	3,862,683.26	0	136,804,790.40
Mar 29 2017	24	30,700,785.08	3,862,683.26	26,838,101.82	109,966,688.58
Sep 29 2017	25	3,104,909.45	3,104,909.45	0	109,966,688.58
Mar 29 2018	26	31,638,777.86	3,104,909.45	28,533,868.41	81,432,820.17
Sep 29 2018	27	2,299,255.68	2,299,255.68	0	81,432,820.17
Mar 29 2019	28	32,636,037.76	2,299,255.68	30,336,782.08	51,096,038.08
Sep 29 2019	29	1,442,696.64	1,442,696.64	0	51,096,038.08
Mar 29 2020	30	33,696,309.56	1,442,696.64	32,253,612.93	18,842,425.16
Sep 29 2020	31	532,015.87	532,015.87	0	18,842,425.16
Mar 29 2021	32	19,374,441.03	532,015.87	18,842,425.16	0
Totals		320,000,000.00	500,704,000.00	180,704,000.00	320,000,000.00

Schedule 1-17

**LITIGATION**

None, except as described in the Annual Report of Lessee for fiscal year ended December 31, 2004 filed with the Commission on Form 10-K, including the documents incorporated therein by reference.

Schedule 2-1

**DEFAULTS**

None

Schedule 3-1

**ADDITIONAL FILINGS AND RECORDINGS KANSAS**

Document	Filing or Recording	
	Linn County	Secretary of State
Amendment No. 4 to Lease Agreement	File for Record	
Amendment No. 1 to Sublease	File for Record	
Amendment No. 1 to Ground Lease	File for Record	
Second Supplemental Indenture	File for Record	
	UCC-1 financing statement (fixture filing) to be filed in Linn County	UCC-3 financing statement, amending the UCC-1 financing statement filed with the Secretary of State of the State of Kansas

**OHIO**

**Filing**

**Secretary of State**

(a) UCC-1 financing statement\*, naming the original settlor U.S. West Financial Services, Inc. (as predecessor in interest to Comcast MO Financial Services, Inc.) as the debtor and Bankers Trust Company (as predecessor in interest to Deutsche Bank Trust Company Americas), as Indenture Trustee, as the secured party.

(b) UCC-3 financing statement\*, amending the UCC-1 financing statement referred to in (a) above by adding a trust named “Kansas Gas and Electric Company” as an additional debtor.

(c) UCC-3 financing statement, further amending the UCC-1 financing statement referred to in (a) above, as amended by UCC-3 financing statement referred to in (b) above, by substituting "La Cygne Unit 2 Assets Trust" for U.S. West Financial Services, Inc. and Kansas Gas and Electric Company as the debtor and substituting Deutsche Bank Trust Company Americas, as Indenture Trustee, for Bankers Trust Company, as Indenture Trustee, as the secured party.

(d) UCC-1 financing statement, naming the La Cygne Unit 2 Assets Trust as the debtor, U.S. Bank National Association, as Owner Trustee, as an additional debtor, and Deutsche Bank Trust Company Americas, as Indenture Trustee, as the secured party.

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\* Already filed for the record

Schedule 8B-2

ADDRESSES FOR NOTICES

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**OWNER PARTICIPANT:**

Comcast MO Financial Services, Inc.  
c/o Comcast Corporation  
1500 Market Street  
Philadelphia, PA 19102  
Attention: General Counsel

**OWNER TRUSTEE:**

U.S. Bank National Association  
225 Asylum Street, 23<sup>rd</sup> Floor  
Hartford, CT 06103  
Attention: Corporate Trust Services

**INDENTURE TRUSTEE:**

Deutsche Bank Trust Company Americas  
60 Wall Street, 27<sup>th</sup> Floor  
New York, NY 10005  
Attention: Head of Global Debt  
Services/Trust and Securities Services

**LESSEE:**

Kansas Gas and Electric Company  
c/o Westar Energy, Inc.  
818 Kansas Avenue  
Topeka, Kansas 66612 Attention: Secretary and General Counsel

**Lease Supplement**

Exhibit A-1



Second Supplemental Indenture

Exhibit B-1

**Opinions**

Exhibit C-1