

March 27, 1995

Western Resources Board Members,

Please find enclosed my offer letter to David Wittig. I wanted you to have this prior to your discussions with David. This reflects the conversation we had at our last Board meeting.

If all goes satisfactorily, I would propose his election during a teleconference Board meeting that we will set up toward the end of next week.

Please call if there are any questions or comments.

John E. Hayes, Jr.
(913) 575-6402

WS202159

bcc: Jim Haines

Western
Resources

John E. Hayes, Jr.
Chairman of the Board, President
and Chief Executive Officer

March 27, 1995

818 Kansas Avenue
P.O. Box 889
Topeka, Kansas 66601
Phone (913) 575-6402

Mr. David C. Wittig

REDACTED

Dear David,

We have had discussions over the last few months about our mutual interest in your taking a position on Western Resources' senior management team. Based on those discussions, and subject to the approval of the Western Resources Board of Directors, I am pleased to offer you the position of Executive Vice President, Corporate Development for Western Resources. In that position, you would report to me and be primarily responsible for leading our effort to grow our business. In addition, as a member of Western Resources' President's Council, you would participate with other senior officers in the formation and implementation of corporate policy regarding all aspects of the Company's operations.

Your annual base compensation would be set at \$425,000. The Board's current practice is to review officer compensation annually at its January meeting. In addition to base compensation, you would be eligible to participate in the Company's standard short and long term incentive plans for officers. Those plans, while subject to change, currently provide an opportunity for additional cash compensation of up to 36% of base and, on a rolling three year basis, a common stock grant equivalent in value of up to 10% of base. (Since you would be joining the Company at mid-year, we would establish partial year goals for you for the balance of 1995 and would pro rate your eligibility for 1995 incentive awards.)

As an inducement to cause you to favorably consider accepting a combined level of base and incentive compensation, which is significantly below the level you have regularly earned in your present position, and as a means to encourage your long term commitment to Western Resources, we offer you two non-standard benefits. First, upon five years employment with Western Resources or my retirement as an officer of Western Resources, whichever comes sooner, you will be entitled to ten annual payments of \$537,000 beginning June 1, 2010. If you are terminated by the Company without cause before this benefit has otherwise vested, it will vest immediately. Second, you will receive a supplemental income retirement plan which, upon your

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retirement from Western Resources at or after age 55, will provide annually, when combined with normal pension benefits from Western Resources, 56% of your final three year average cash compensation (base plus short term incentive). If you are terminated by the Company without cause before this benefit has otherwise vested, it will vest immediately with an actuarial reduction of 5% per year for each year below 55, if you elect to have payments begin before age 55.

In addition to the above, you will receive all benefits which are customarily offered to officers who serve on Western Resources' President's Council. These include a deferred compensation plan, a 401(K) savings plan, a qualified retirement plan, medical/dental insurance, life insurance, accidental death and dismemberment insurance, short and long term disability protection, sick leave, vacation and holiday leave, up to \$5,000 to cover financial planning and tax preparation, a car allowance, personal use of a cellular phone, a club membership, an employment agreement (form attached), and relocation benefits (as described in the second attachment).

David, I believe this is an outstanding opportunity for you and for Western Resources. I look forward to your early reply and to welcoming you to the Western Resources team. Please call me if you want to discuss any of this.

Sincerely,



Accepted

David C. Wittig

Date _____

attachments

WS202161

Dear Mr. :

Western Resources, Inc. (the "Company") considers sound management essential to protecting the interests of the Company and its shareholders. The Company recognizes that the possibility of a change in control could arise which may result in the distraction of management to the detriment of the Company and its shareholders. It is important that you be able to advise the Board whether a proposed change in control would be in the best interests of the Company and its shareholders and to take action regarding such proposal as the Board directs, without being influenced by the uncertainties of your own situation.

To induce you to remain in the employ of the Company, this Agreement, approved by the Board of Directors (the "Board"), sets forth the benefits which will be provided to you if your employment is terminated subsequent to a "change in control".

1. Agreement to Provide Services; Right to Terminate.

(i) Except as otherwise provided in paragraph (ii) below, the Company or you may terminate your employment at any time, subject to this Agreement.

(ii) If an offer is made by a Person for more than 30% of the Company's outstanding securities ordinarily having the right to vote at elections of directors ("Voting Securities"), you agree that you will not leave the employ of the Company (other than for Disability or upon Retirement) and will render the services contemplated in this Agreement until such offer has been abandoned or a change in control has occurred. "Person" shall mean any individual, corporation, partnership, group, association or other "person", as such term is used in Section 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), other than the Company, a wholly owned subsidiary of the Company or any employee benefit plan(s) sponsored by the Company or a subsidiary of the Company.

2. Term of Agreement. This Agreement shall continue until January 1, 1998, and on such date and each January 1 thereafter,

the term shall be extended for one year unless at least 90 days prior to such January 1st date, the Company or you shall have given notice to cancel this Agreement. Notwithstanding any such notice, this Agreement shall continue in effect for 12 months after a change in control which occurs during the term of this Agreement, as extended. This Agreement shall terminate if your employment terminates prior to a change in control.

3. Change in Control. A "change in control" shall be deemed to have occurred when (a) any Person becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of 30% or more of the Voting Securities; (b) individuals who constitute the Board on the date hereof (the "Incumbent Board") cease to constitute a majority thereof, provided that any person who becomes a director by approval of at least three quarters of the directors comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement in which such person is named as a nominee for director, without objection to such nomination) shall be considered a member of the Incumbent Board; (c) the approval of the Company's stockholders of the merger or consolidation of the Company (other than a merger or consolidation immediately following which the stockholders of the Company immediately prior thereto own, directly or indirectly, more than 75% of the Voting Securities of the merged or consolidated company) and the consummation of such transaction; (d) the liquidation or dissolution of the Company; or (e) the sale of all or substantially all of the assets of the Company. No change in control shall be deemed to have occurred by virtue of any transaction which results in you, or a group of Persons which includes you, acquiring, directly or indirectly, 30% or more of the voting power of the Voting Securities.

4. Termination Following Change in Control. Upon a change in control, you shall be entitled to the benefits provided in Section 5 hereof upon the termination of your employment with the Company within 12 months after such event, unless such termination is (a) because of your death or Retirement, (b) by the Company for Cause or Disability or (c) by you other than for Good Reason.

(i) Disability. Termination based on "Disability" shall mean termination because of your absence from your duties on a full time basis for 180 consecutive days due to physical or mental illness, unless within 30 days after Notice of Termination is given to you following such absence you shall have returned to the full time performance of your duties.

(ii) Retirement. Termination based on "Retirement" shall mean termination on or after your normal retirement date under the terms of The Kansas Power and Light Company Retirement Plan (or any successor plan put into effect prior to a change in control) (the "Retirement Plan").

(iii) Cause. Termination for "Cause" shall mean termination upon (a) the willful and continued failure by you to

perform substantially your duties (unless due to physical or mental illness) after a demand for substantial performance is delivered to you by the Chairman of the Board or President of the Company which specifically identifies the manner in which you have not substantially performed your duties, or (b) the willful engaging by you in illegal conduct which is materially injurious to the Company. "Willful" means in bad faith and without reasonable belief that your act or omission was in, or not opposed to, the best interests of the Company. Any act, or failure to act, based upon authority given by the Board or upon the advice of counsel for the Company shall be deemed to be in the best interests of the Company. Your attention to matters not directly related to the business of the Company shall not provide a basis for termination for Cause if the Company has approved such activities. You shall not be deemed to have been terminated for Cause unless there shall have been delivered to you a resolution by the affirmative vote of three quarters of the Board at a meeting called for the purpose (after reasonable notice to you and an opportunity for you, together with your counsel, to be heard before the Board) of determining if you have been guilty of the conduct set forth above in (a) or (b) of this paragraph (iii) and specifying the particulars thereof.

(iv) Good Reason. Termination for "Good Reason" shall mean termination based on any of the following events, provided that you give the Company written notice thereof within six months of the event constituting "Good Reason":

(A) a determination by you that there has been an adverse change in your status or position(s) as an officer of the Company as in effect immediately prior to the change in control, including, without limitation, any diminution in your responsibilities or the assignment to you of any responsibilities which are inconsistent with such status or position(s), or any removal of you from or any failure to reappoint or reelect you to such position(s) (except in connection with the termination of your employment for Cause, Disability or Retirement or as a result of your death or by you other than for Good Reason);

(B) a reduction in your base salary as in effect immediately prior to the change in control;

(C) the failure to continue in effect any Plan in which you are participating at the time of the change in control (or Plans providing you with at least substantially similar benefits) other than as a result of the normal expiration of any such Plan under its terms as in effect at the time of the change in control, or the taking of any action, or the failure to act, by the Company which would adversely affect your continued participation in any of such Plans on at least as favorable a basis to you as is the case on the date of

the change in control or which would materially reduce your benefits in the future under any of such Plans or deprive you of any material benefit enjoyed by you at the time of the change in control;

(D) the failure to credit you with the number of paid vacation days to which you are then entitled under the normal vacation policy as in effect immediately prior to the change in control;

(E) the Company's requiring you to be based anywhere other than where your office is located immediately prior to the change in control except for required travel on the Company's business to an extent substantially consistent with the business travel obligations which you undertook prior to the change in control;

(F) the failure of the Company to obtain from any successor the assent to this Agreement contemplated by Section 6 hereof;

(G) any purported termination of your employment which is not effected pursuant to a Notice of Termination satisfying the requirements of paragraph (v) below (and, if applicable, paragraph (iii) above); and for purposes of this Agreement, no such purported termination shall be effective; or

(H) any refusal by the Company to continue to allow you to engage in activities not directly related to the business of the Company which, prior to the change in control, you were permitted by the Company to engage in.

"Plan" shall mean any compensation plan such as an incentive, stock option or restricted stock plan or any employee benefit plan such as a salary continuation program, saving, deferred compensation, pension, profit sharing, medical, disability, accident, or life insurance plan or a relocation plan or policy or any other plan, program or policy of the Company intended to benefit employees.

(v) Notice of Termination. Any purported termination following a change in control shall be communicated by written Notice of Termination to the other party hereto. A "Notice of Termination" shall indicate the specific termination provision in this Agreement relied upon.

(vi) Date of Termination. "Date of Termination" following a change in control shall mean (a) if your employment is to be terminated for Disability, 30 days after Notice of Termination is given (provided that you shall not have returned to the performance of your duties on a full-time basis during such 30 day period), (b) if your employment is to be terminated by the Company for Cause or by you pursuant to Sections 4(iv)(F) or 6

hereof or for any other Good Reason, the date specified in the Notice of Termination, or (c) if your employment is to be terminated by the Company for any reason other than Cause, the date specified in the Notice of Termination shall be 90 days after the Notice of Termination is given, unless an earlier date has been expressly agreed to by you in writing.

In the case of termination for Cause, if you have not previously expressly agreed in writing to the termination, then within 30 days after receipt by you of the Notice of Termination, you may notify the Company that a dispute exists concerning the termination, in which event the Date of Termination shall be the date set either by mutual written agreement of the parties or by the arbitrators in a proceeding as provided in Section 13 hereof. During the pendency of any such dispute, the Company will continue to pay you your full compensation and benefits in effect just prior to the time the Notice of Termination is given and until the dispute is resolved in accordance with Section 13.

5. Compensation Upon Termination or During Disability; Other Agreements.

(i) After a change in control if you fail to perform your duties as a result of physical or mental illness, you shall continue to receive your salary at the rate then in effect and any benefits or awards under any Plans shall continue to accrue during such period, to the extent not inconsistent with such Plans, until your employment is terminated under paragraphs 4(i) and 4(vi) hereof. Thereafter, your benefits shall be determined under the Plans then in effect.

(ii) If your employment shall be terminated for Cause following a change in control, the Company shall pay you your salary through the Date of Termination at the rate in effect just prior to the time a Notice of Termination is given plus any benefits or awards (including both the cash and stock components) which have been earned. Thereupon the Company shall have no further obligations to you under this Agreement.

(iii) Subject to Section 8 hereof, if, within 12 months after a change in control, your employment shall be terminated (a) by the Company other than for Cause, Disability or Retirement or (b) by you for Good Reason, then the Company shall pay to you, by the fifth day following the Date of Termination, without regard to any contrary provisions of any Plan, the following:

(A) your base salary through the Date of Termination at the rate in effect just prior to the time a Notice of Termination is given plus (A) any accrued vacation pay and (B) a pro rata share of any benefits or awards (including both the cash and stock components) which but for your Termination would have been earned, but which have not yet been paid to you;

(B) 2.99 times the higher of (A) your annual base salary on the Date of Termination or (B) your annual base salary in effect immediately prior to the change in control;

(C) 2.99 times the average of the incentive compensation (including both the cash and stock components) awarded to you for the three completed bonus periods prior to the Date of Termination;

(D) the actuarial equivalent of the amount by which your total vested benefits under the Retirement Plan, computed as if you had three additional years of benefit accrual service, exceed your actual pension benefits. For this computation, your final average salary shall be deemed to be your annual base compensation in effect just prior to the time a Notice of Termination is given and the benefit and accrual formulas and actuarial assumptions shall be no less favorable than those in effect at the same time;

"Base salary" shall include any amounts deducted by the Company for your account under any agreement with the Company or Section 125 and 401(k) of the Internal Revenue Code of 1986, as amended, (the "Code").

(iv) If, within 12 months after a change in control, your employment shall be terminated (a) by the Company other than for Cause, Disability or Retirement or (b) by you for Good Reason, then the Company shall maintain in effect, for the continued benefit of you and your dependents until the earliest of (a) three years after the Date of Termination, (b) the commencement date of equivalent benefits from a new employer or (c) your normal retirement date under the terms of the Retirement Plan, all employee welfare benefit plans in which you were entitled to participate immediately prior to the Date of Termination, provided that your continued participation is possible under the provisions of such Plans (and any applicable funding media) and you continue to pay your regular contribution under such Plans. If your participation in any such Plan is barred, the Company, at its expense, shall arrange to have issued individual policies of insurance providing benefits substantially similar (on an after-tax basis) to those which you otherwise would have been entitled to receive or, if such insurance is not available at a reasonable cost, the Company shall otherwise provide you and your dependents with equivalent benefits (on an after-tax basis). You shall not be required to pay any amount greater than you would have paid to participate in such Plans.

(v) Except as provided in paragraph (iv) above, the payment provided for in this Section 5 shall not be reduced by any compensation earned by you after the Date of Termination.

(vi) If the payments provided by Section 5(iii)

hereof (the "Agreement Payments") become subject to the tax (the "Excise Tax") imposed by Section 4999 of the Code as in effect on the date of this Agreement (or any similar tax), you will be responsible for the Excise Tax and the Company will not pay you an additional amount (the "Gross-up Payment"). If, however, the "Agreement Payments" become subject to the Excise Tax (or any similar tax) by virtue of changes in the Code which occur after the date of this Agreement, the Company shall pay to you at the time specified in Subsection (vii) below a "Gross-up Payment" such that the net amount retained by you, after deduction of any Excise Tax on the Total Payments (as hereinafter defined), and any federal, state and local income tax and Excise Tax upon the Gross-up Payment provided for by this subsection (vi) shall be equal to what the Total Payments would have been had such changes in the Code not occurred.

For purposes of determining whether any of the Agreement Payments will be subject to the Excise Tax and the amount of such Excise Tax, (a) any other payments or benefits received or to be received by you in connection with a change in control or your termination of employment (under this Agreement or any other agreement with the Company or any person whose actions result in a change of control or any person affiliated with the Company) (which, together with the Agreement Payments, shall constitute the "Total Payments") shall be treated as "parachute payments" within the meaning of Section 280G(b)(2) of the Code, and all "excess parachute payments" within the meaning of Section 280G(b)(1) of the Code shall be treated as subject to the Excise Tax, unless in the opinion of tax counsel selected by the Company's independent auditors such other payments or benefits (in whole or in part) are not subject to the Excise Tax, (b) the amount of the Total Payments which shall be treated as subject to the Excise Tax shall be equal to the lesser of (1) the Total Payments or (2) the amount of excess parachute payments within the meaning of Section 280G(b)(1) of the Code (after applying clause (a), above), and (c) the value of any non-cash benefits or any deferred payment or benefit shall be determined by the Company's independent auditors in accordance with the principles of Sections 280G(d)(3) and (4) of the Code.

For purposes of determining the Gross-up Payment, you shall be deemed to pay federal, state, and local income taxes at the highest applicable marginal rate for the calendar year in which the Gross-up Payment is to be made net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. If the Excise Tax is finally determined to be less than the amount taken into account at the time the Gross-up Payment is made, you shall repay the portion attributable to such reduction (plus the portion of the Gross-up Payment attributable to a reduction in Excise Tax and/or a federal and state and local income tax deduction), plus interest on the amount of such repayment at the rate provided in Section 1274(b)(2)(B) of the Code. If the Excise Tax is later determined to exceed the amount taken into account at the time the Gross-up Payment is made, the Company shall make an additional gross-up payment (plus any

interest payable with respect to such excess at the rate provided in Section 1274(b)(2)(B) of the code) when such excess is finally determined.

(vii) The Gross-up Payment or portion thereof provided for in Subsection (vi) above shall be paid not later than the thirtieth day following payment of any amounts under section 5(iii); provided, however, that if the amount of such Gross-up Payment or portion thereof cannot be finally determined on or before such day, the Company shall pay to you on such day an estimate, as determined in good faith by the Company, of the minimum amount of such payments and shall pay the remainder of such payments (together with interest at the rate provided in Section 1274(b)(2)(B) of the Code) as soon as the amount thereof can be determined, but in no event later than the forty-fifth day after payment of any amounts under section 5(iii). If the amount of the estimated payments exceeds the amount subsequently determined to have been due, such excess shall constitute a loan by the Company to you, payable on the fifth day after demand by the Company (together with interest at the rate provided for in Section 1274(b)(2)(B) of the Code).

(viii) In the event it shall be determined by the Company's independent auditor that the Agreement Payments would subject you to the Excise Tax, it shall also be determined whether a certain reduction in the Agreement Payments would result in an after-tax amount with a greater net present value than would occur without such reduction. If so, the Agreement Payments shall be reduced by the minimum amount necessary to obtain such result.

If such reduced payments incorrectly result in an overpayment or underpayment to you, the underpayment shall be promptly paid to you and, if an overpayment shall have occurred, it shall be treated for all purposes as a loan to you by the Company which you shall repay on the fifth day after demand by the Company, in each case together with interest at the applicable rate provided for in Section 1274(b)(2)(B) of the Code.

6. Successors; Binding Agreement.

(i) The Company will seek, by written request at least five business days prior to the time a Person becomes a Successor, to have such Person, in form satisfactory to you, assent to the fulfillment of the Company's obligations under this Agreement. Failure of such Person to furnish such assent by the later of (A) three business days prior to the time such Person becomes a Successor or (B) two business days after such Person receives a written request to so assent shall constitute Good Reason for termination by you of your employment if a change in control occurs or has occurred. "Successor" shall mean any Person that succeeds to, or has the practical ability to control (either immediately or with the passage of time), the Company's business directly, by merger or consolidation, or indirectly, by purchase of the Voting Securities or otherwise.

(ii) This Agreement shall be enforceable by your personal or legal representatives. If you should die while any amount would still be payable to you hereunder if you had continued to live, all such amounts, unless otherwise provided herein, shall be paid in accordance with the terms of this Agreement to your designee or, if there be no such designee, to your estate.

(iii) The "Company" shall include any continuing entity from any business combination in which the Company ceases to exist.

7. Fees and Expenses; Mitigation.

(i) The Company shall reimburse you, on a current basis, for all legal fees and related expenses incurred by you in connection with the Agreement following a change in control, including, without limitation, (a) all such fees and expenses, if any, incurred in contesting any termination of your employment or incurred by you in seeking advice with respect to the matters set forth in Section 8 hereof or (b) your seeking to enforce any benefit provided by this Agreement, in each case, regardless of whether or not your claim is upheld by a court of competent jurisdiction; provided, however, you shall be required to repay any such amounts to the extent that a court issues a final and non-appealable order determining that your position was frivolous. In addition to the fees and expenses provided herein, you shall also be paid interest on any disputed amount ultimately paid to you at the prime rate announced from time to time by Chemical Bank, New York, from the date payment should have been made until paid in full.

(ii) You shall not be required to mitigate any payment the Company becomes obligated to make to you under this Agreement.

8. Taxes. All payments under this Agreement will be subject to required withholding of federal, state and local income and employment taxes.

9. Survival. The respective obligations of, and benefits afforded to, the Company and you as provided in Sections 5, 6(ii), 7, 8 and 14 of this Agreement shall survive termination of this Agreement.

10. Notice. Notices and all other communications under this Agreement shall be in writing and shall be deemed to have been duly given when mailed by United States registered mail, return receipt requested, postage prepaid and addressed, in the case of the Company, to the address set forth on the first page of this Agreement or, in the case of the undersigned employee, to the address set forth below his signature, provided that all notices to the Company shall be directed to the attention of the Chairman of the Board or President of the Company, with a copy to the Secretary of the Company, or to such other address as either party may have

furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt.

11. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in a writing signed by you and the Chairman of the Board or President of the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or of compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of Kansas.

12. Validity. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions of this Agreement, which shall remain in full force and effect.

13. Arbitration. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration by three arbitrators in accordance with the rules of the American Arbitration Association then in effect. Judgment may be entered on the arbitrators' award in any court having jurisdiction; provided, however, that you shall be entitled to seek specific performance of your right to be paid until the Date of Termination during the pendency of any dispute or controversy arising under or in connection with this Agreement. The Company shall bear all costs and expenses arising in connection with any arbitration proceeding pursuant to this Section 13.

14. Related Agreements. If any provision of any other agreement between the Company or any of its subsidiaries and you shall, qualify or be inconsistent with any provision of this Agreement, then, while this Agreement remains in force, this Agreement shall control and such provision of such other agreement shall be deemed to have no force or effect.

15. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

If this letter correctly sets forth our agreement, kindly sign and return to the Company the enclosed copy of this letter.

Sincerely,

ACCEPTED:

Date

Name

Address

//
WS202172

SUBJECT		POLICY #	
EXEMPT EMPLOYEE RELOCATION PROGRAM		12	
SECTION	ORIGINAL EFFECTIVE DATE	REVISED DATE	NEXT REVIEW DATE
EMPLOYMENT	JUNE 1, 1989	DECEMBER 1, 1994	DECEMBER 1, 1996
APPLIES TO	APPROVED BY		PAGE
ELIGIBLE EXEMPT EMPLOYEES	<i>Fred M. Boyce</i>		1 OF 19

PRINCIPLE:

From time to time it is necessary for the Company to relocate exempt employees. In such cases it is the Company's desire that the transition to a new location be as smooth and convenient as possible for our employees and their families.

I. OBJECTIVES:

The principal objectives of the Western Resources Exempt Employee Relocation Program are:

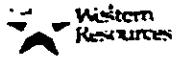
- A. To provide for the relocation of exempt employees in a manner that will assist the employee in assuming his/her new responsibilities and facilitate family readjustment within a minimum time frame and with a minimum of disruption.
- B. To assist any employee covered by this program to minimize any financial loss on the sale of their residence as a result of being relocated.
- C. To provide financial assistance to minimize the financial burdens incurred by exempt employees required to relocate.

II. ELIGIBILITY:

- A. Exempt employees that are required to relocate their residence because of a job change or transfer which results in a move to a location more than 50 miles from his/her present work location.

III. PLAN FEATURES:

- A. The Exempt Employee Relocation Program contains the following features:
 - 1. Relocation Allowance for incidentals.
 - 2. Relocation account for home finding trips, temporary living, travel to new area, etc.
 - 3. Moving of household goods.
 - 4. Options for purchase of your current residence.
 - 5. Tips on marketing your present residence.
 - 6. Tips on househunting.



HUMAN RESOURCES - POLICIES & PROCEDURES

SUBJECT			POLICY #
EXEMPT EMPLOYEE RELOCATION PROGRAM			12
SECTION	ORIGINAL EFFECTIVE DATE	REVISED DATE	NEXT REVIEW DATE
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APPLIES TO	APPROVED BY		PAGE
ELIGIBLE EXEMPT EMPLOYEES	FRED BRYAN		2 OF 19

IV. TAXES:

- A. The Revenue Reconciliation Action of 1993 (Act) significantly narrows the allowable deduction for employee moving expenses. Beginning January 1, 1994, the definition of deductible moving expense is modified to include only the reasonable costs of:
1. Moving household goods and personal effects from the old to new residence, and
 2. Traveling, including lodging during the period of travel but not meals, from old to new residence.
- B. In addition, the Act increased the mileage limit needed to qualify for a moving expense deduction from 35 miles to 50 miles; changed the deduction for moving expenses from an itemized deduction to an above-the-line deduction subtracted from gross income; and eliminated the requirement to report employer reimbursements for deductible moving expenses on the employee's Form W-2 as additional compensation.
- C. Employees who sell their home and receive an incentive bonus will have federal, state, and local income taxes and FICA taxes withheld from their payment.
- D. For additional information on moving expenses, you should consult your tax advisor.

V. PLAN PROCEDURES:

- A. As soon as you have accepted the transfer, complete the shaded portion of Form 121-25 (REV. 11/94) (attached), and forward it to the Human Resources Department. You will be contacted by the Human Resources Department and given an overview of our relocation policy, and a complete copy of the policy will be sent to you. It is imperative that Human Resources is notified immediately so that we can assist employees in making this policy work and provide the best possible assistance in the actual relocation.

VI. RELOCATION ALLOWANCE:

- A. All transferring employees are eligible for a Relocation Allowance equal to 100% of their new monthly salary. This is to cover miscellaneous personal costs associated with relocation. To receive this payment, complete Form 121-26 (REV. 11/94) (attached), secure the necessary approvals, and forward it to Human Resources Department, Topeka General Office. After Human Resources has received confirmation that the relocating employee has moved, the relocation allowance (one month's salary) will

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EXEMPT EMPLOYEE RELOCATION PROGRAM			12
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ELIGIBLE EXEMPT EMPLOYEES	FRED BRYAN		3 OF 19

be processed on the next regularly scheduled payroll processing date and reflected on the employee's paycheck.

VII. TEMPORARY LIVING ALLOWANCE:

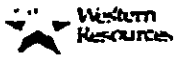
A. Western Resources will provide each relocation employee household (renters and homeowners) with the flexibility to manage moving expenses with a temporary living allowance of **\$2,000**. To receive this payment, complete Form **121-28 (REV. 11/94)** (attached), secure the necessary approvals and forward it to Human Resources Department, Topeka General Office. The allowance will be processed on the next regularly scheduled payroll processing date and reflected on the employee's paycheck. The allowance will be paid in a lump-sum payment net of taxes. The allowance is intended to cover the following types of moving expenses which you may incur:

1. Expenses for current renters: lease cancellation penalty, apartment finders fee, security deposit.
2. Househunting trips: meals, lodging, transportation, car rental, mileage, tolls, and out-of-pocket expenses such as babysitting and elder care.
3. Temporary living expenses: meals, lodging.
4. Spouse career assistance: job hunting trips, resume preparation.
5. Tax preparation fees: accountant, tax advisor.
6. Reporting to new location: transportation, mileage, out-of-pocket expenses, etc.
7. Estimated tax liability: for non-deductible expenses.

B. You are responsible for the retention of all receipts to substantiate the moving expense deduction as allowed by the Internal Revenue Service. Any amount remaining in your relocation account after the move is complete is yours to use as you see fit.

VIII. MOVING YOUR HOUSEHOLD GOODS:

A. The moving of your household goods, those prized possessions you have accumulated over the years, is no easy chore. The Western Resources Employee Relocation Program lets you "leave the move to the professionals."



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B. Western Resources has a contractual arrangement with Prudential Relocation Management. They will coordinate the moving of all normal household goods from your present place of residence to your new home.

IX. MOVING OF HOUSEHOLD GOODS BY A PROFESSIONAL MOVER:

- A. To originate the moving of household goods for employees, a carrier will be assigned by Prudential Relocation Management. Prior to the move, a representative of the carrier will visit your home. The approximate weight of your household goods, packing needs, a loading date, and van space required for your belongings will be determined at that time.
- B. The carrier is required to unpack at the new location everything they packed, if requested. (You may find that in some areas it may not be convenient for you to have the mover unpack, such as kitchen equipment, pantries, and linen closets.) Any unpacking to be done by the mover must be performed immediately after the van is unloaded. In some cases, however, because of late hours, arrangements may be made with the carrier to have someone return the following day to complete the desired unpacking. These arrangements must be made with the carrier before the van leaves. The carrier will remove packing material at the time of unpacking. The carrier will not be responsible for cartons after the moving personnel leave the destination.
- C. If damage is found or something is missing, Prudential Relocation will coordinate claim processing.
- D. The Company will pay the charges for the following services:
 1. Transportation of normal household goods from origin to destination by authorized van line. Household goods are defined as privately owned goods consisting chiefly of furniture and appliances for keeping house.
 2. Transport, via van line, of one vehicle.
 3. Complete packing and unpacking service.
 4. Storage, up to 90 days, including warehouse handling and delivery out of storage one time only.
 5. Insurance Coverage: Complete replacement value up to \$50,000. Employees can acquire extra insurance on valuable antiques, heirlooms, etc., at their own expense.



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- 6. Normal appliance servicing cost for the preparation at origin of items that might suffer damage in transit such as: washer, dryer, refrigerator, freezer. Set-up of these items at destination will also be covered.
- 7. Mobile Homes - The Company will assume the cost of transporting a mobile home which is used as the principal residence of the new employee. Authorized charges are limited to tools, blocking charges, packing and unpacking of contents, and basic transit insurance covering the employee's furniture and personal effects. Modification or extension of appliance or utilities is not covered as routine servicing expense.

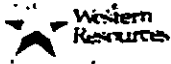
E. The Company will not pay the charges for the following services:

1. Transportation of:

- a. Automobiles (more than one)
- b. Camping, recreation, or utility trailers
- c. Boats and boat trailers
- d. Building materials (lumber, bricks, etc.)
- e. Firewood
- f. Airplanes or airplane parts
- g. Any item not considered to be a normal household good
- h. Pets or other animals

2. Service for:

- a. Draining and filling of waterbeds
- b. Exclusive use of a van or expedited services
- c. Housecleaning or maid services
- d. Removal or installation of carpeting, draperies, or related items
- e. Assembly or disassembly of unusual articles such as playhouses, swimming pools, antennas, or items of similar nature



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f. Parts, connections, running of utility services, or installation of electric service

3. The carrier is prohibited from delivering the following items. Their disposition is your personal responsibility.

- a. Perishables
- b. Frozen Foods
- c. Live plants and shrubbery
- d. Combustible items - Please drain oil and gas from lawnmowers, edgers, ATV, etc. (if you have a gas grill and are scheduled for next day delivery, put propane tank in your personal car)
- e. Paints
- f. Ammunition
- g. Explosives
- h. Articles of extraordinary value (jewelry, precious stones, stamp or coin collections, wills, stocks, etc.)

F. Western Resources has credit arrangements with the carrier. Do not pay the carrier. The carrier has been instructed to bill the Company.

X. BUYING A NEW HOME:

- A. Many times transferees are not knowledgeable about real estate or brokers in the area where they have transferred. Prudential Relocation Management, as part of their services to Western Resources, will arrange for an agent in your new location to contact you to professionally assist in finding and coordinating the purchase of your new home.
- B. Before buying a new home (condominium, townhouse, duplex or single family residence), there are a number of things which should be given serious consideration. Certainly the emotional appeal is a prime consideration, but this should not be the only thing that gets you to "sign on the dotted line."
- C. Some of the major considerations that should be fully evaluated are: Location, construction details, resale potential, potential environmental problems, mortgage

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selection, and mortgage loan costs. These are not all encompassing, but are generally applicable to all who must make the home purchase decision. These major considerations are:

XI. LOCATION:

- A. Location is more important to some than to others, but should be considered by all. This involves travel time and method of transportation to and from work, proximity to fire and emergency services; school district boundary to determine which schools your children will attend (including type of transportation provided, if any); potential of property and roadways becoming flooded by heavy rainfall; medical facilities accessibility (doctor and hospital emergency services); surrounding area zoning (could high rise or commercial construction occur nearby reducing the value of your investment); availability of a satisfactory water supply and sewage, if applicable, as well as other utility services; garbage pickup; and other conveniences such as mail service, churches, playgrounds, etc.

XII. CONSTRUCTION DETAILS:

- A. Inspections for termites and roof condition are normal procedure when existing homes are sold. New homes do not require such inspections. However, they should be checked for wall cracks, improperly hung doors, obvious construction faults such as uneven floors, walls patchwork, kitchen drawer operations, cabinet flaws, formica or paneling gaps, plaster patches, septic tank check (if applicable), driveway and sidewalk cracks, etc. If in a new development, try to determine the reputation and stability of the developer and builder.

XIII. RESALE POTENTIAL:

- A. More than likely the home you purchase now will be resold within the next seven years (average resale time). You should, therefore, consider how your potential new home will appeal to others. Is it compatible to the area or only attractive to a select few people? Someday, sooner or later, you will be trying to market this property and your "dream home" could become a nightmare. You should also be very cautious in purchasing land on which to build a home at a later date. You may find building costs are prohibitive, you may not be able to build the type of home you want on the property for a variety of reasons, or you obtain other job opportunities prior to building. Vacant property is difficult to sell, difficult to finance, and generally involves a 10% real estate commission that could drastically reduce the return on your investment.

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XIV. PURCHASE OF COMPANY OWNED HOMES:

- A. When relocated employees choose option two under the Home Purchase Program (see page 9), the Company purchases the home, through Prudential Relocation Management. Although every effort is made to sell these homes on the market as quickly as possible, it is not unusual for there to be some homes in inventory. **Employees may purchase these homes at a price that is 94% of the price the Company paid for the home.** Employees interested in information about homes in their area should contact the Human Resources Department.

XV. SELLING YOUR CURRENT RESIDENCE:

- A. You have three options for selling your current residence. The Company has contracted with Prudential Relocation Management to assist you in the disposing of your residence. Our goal as a corporation is for you to sell your home prior to it being appraised and purchased by Prudential on our behalf. We encourage you to actively market and sell your home. An appraised value and subsequent purchase by Prudential is your secondary option. Your third option will be to accept an account equal to 15% of the estimated value of your home (one appraisal obtained). A detailed description of the three options follow:

XVI. OPTION ONE: SELL YOURSELF-EARN 10% OF SALE PRICE

- A. We will have Prudential contact you for the purpose of assisting in getting your home actively marketed. It may be that you opt to solicit the help of a professional local broker to list/advertise your home for maximum market exposure or it may be that you choose to market the home yourself without benefit of an agent. In either case we will provide you with up to 10% of the selling price, (once property has closed) if you are successful in selling with or without an agent. If you sold through an agent, we will deduct the commission from the 10% and the difference is yours. If you do not utilize an agent, the full 10% is yours. If you sell by owner, you will need to solicit the services of an attorney to draft the sales agreement. This cost is yours. Since Prudential will facilitate the closing (in either situation), we have instructed them to pay all typical sellers' costs at closing including the broker's commission. Any negotiated costs that you elect to pay for the buyer will be deducted from your equity by Prudential. It is imperative that you work with Prudential each step of the way. **DO NOT SIGN ANY DOCUMENT (INCLUDING A SALES AGREEMENT) WITHOUT SPEAKING WITH PRUDENTIAL.** For tax reasons, Prudential needs vital involvement so that costs surrounding your sale (including commission) do not become income to you in the eyes of the Internal Revenue Service. In addition, you must incorporate into your listing agreement a clause which allows it to be canceled at any time. Prudential cannot legally assist you if this clause is not in place. The clause is found in Option Two. You may not start the official Appraisal Process with Prudential as long as you

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are seeking the 10% incentive. Once you elect to begin appraisals, the 10% incentive is gone.

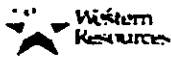
XVII. OPTION TWO: HOME PURCHASE PROGRAM - NO 10% BONUS

A. Following is a description of the Prudential Relocation's Home Purchase Program. There are three options within this program. Remember: once the appraisal process has begun, the 10% incentive disappears.

1. Continue marketing yourself and obtain an Appraisal Price from Prudential. If successful in selling for more than the Appraised Price, the gain on sale becomes yours. Again, once the appraisal begins, the 10% incentive is gone. Your incentive is to continue marketing (process with an agent for maximum exposure) to better the Appraised Price. Prudential is involved in all instances by facilitating the closing and disbursing your equity. The Appraised Price or Home Purchase Program is discussed below in detail.
2. If no sale occurs, turn the home over to Prudential on Western Resources' behalf. If you are not successful in obtaining a buyer, you may turn your property over to Prudential. Depending upon your plans to move, they will disburse your equity and begin their own marketing procedures on the Company's behalf.

XVIII. THE PRUDENTIAL PROGRAM:

- A. The Home Purchase Program was implemented in December 1990 and Prudential Relocation Management was retained to assist eligible employees in the sale of their existing homes.
- B. The program is designed to provide eligible employees assistance in assuming new responsibilities within a minimum time frame and with a minimum financial loss. It is not intended as a remedy for declining values brought about by a fluctuating real estate market and is not designed to make the user of the program "whole" as to original investment and added improvements.
- C. The procedures outlined in this policy are general guidelines to the intent and operations of the Program. Western Resources may, at its discretion, modify the program at any time and without prior notice. This policy and program do not create a contractual obligation.
- D. The Home Purchase Program is one of a number of ways of selling your home. The ideal approach to the sale of a home historically has been to offer it to the open market. This may be done through one's own efforts or through the use of a real



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estate sales agent. The price for your home will thus be established by what you are willing to accept and by what a purchaser is willing to pay. Value and price are not identical! Value is not inherent in the property itself; value exists in the mind of the seller and the buyer. Prudential Relocation Management will assist and guide you in setting a realistic price on your home in order to obtain optimal exposure on the open market.

- E. The Home Purchase Program thus may be viewed as a secondary means of selling your home, once you have decided to forego the 10% incentive. Prudential will determine the price for your home consistent with Western Resources' objectives, policies, and requirements. To assist in establishing this price, the opinion and judgment of qualified independent appraisers will be relied upon.
- F. Appraisers will utilize the "market approach" in establishing their opinions. This means they will be researching past comparable sales in your area and forecasting future conditions. They will not be utilizing the replacement cost or income approach to appraising in establishing their values. Each appraiser will report his/her estimate of value on the established Employee Relocation Council's Residential Appraisal Report. This is a standard form used throughout the country.

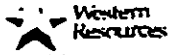
XIX. OPTION THREE: ACCOUNT EQUAL TO 15% OF ESTIMATED HOME VALUE:

- A. In this option, you are waiving the 10% incentive as well as the opportunity to sell your home (without a buyer) to Prudential. You must declare Option Three up front and no deviation will occur once chosen. You are opting to accept an account equal to 15% of the estimated market value of your home as determined by one professional, independent appraiser selected by you from a list provided by the program center. In the event that your home sells at a different value, Western Resources will calculate your homeowner's expense account based on the home's estimated market value or its actual contract price, whichever is higher. Western Resources will pay the cost of the appraisal and inspection separately from the expense account.
- B. In order to receive reimbursement through your homeowner's account, complete documentation and itemization of expenses is required. Expenses may include, but are not limited to, the following:

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HOME SALE COSTS	HOME PURCHASE COSTS
1. Broker's Commission	1. Normal and customary closing cost
2. Home fix-up costs	2. Mortgage origination fees
3. Transfer taxes	3. Attorney fees
4. Attorney fees	4. Inspections
5. Title work	5. Title search
6. Potential tax liability, if any	6. Potential tax liability, if any

- C. Your program counselor will work closely with you to help anticipate and minimize costs. The counselor will suggest if, or how, your homeowner's account should be used for any individual expense. It is important to plan your expenses in advance with your counselor, so funds from your account can be made available before you incur any personal expenses.
- D. After you complete your move, any unused balance will be turned over to you for use as you see fit. The account is a maximum payment, any ending expenditures that exceed the account value will not be reimbursed. Western Resources will withhold appropriate federal and state taxes on account payments made to you through the program center.
- E. As in Option One, whenever you receive any offer to your home, you should immediately report the offer to the program center. **PLEASE BE CERTAIN NOT TO SIGN ANY PAPERS OR ACCEPT ANY PAYMENTS REGARDING THE SALE OF YOUR HOME. CONTACT YOUR COUNSELOR IMMEDIATELY.**
- F. Together, you and your counselor will discuss the price and terms of the offer, while making sure that the offer is bona fide. Your counselor will also provide support in evaluating and negotiating with the buyer. The counselor will make final determination as to when an offer is bona fide. Once you are satisfied with all the terms of the offer, you will enter into a contract to sell your home to Prudential. Prudential will then handle all of the details of managing and selling the property to the ultimate buyer.



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XX. CLOSING OF THE SALE:

- A. Prudential will sign a contract with the ultimate buyer, assuming the responsibility for follow-up on any contingencies and the close of sale. When the two transactions are completed, the costs connected with the process will be charged against your account. Prudential's fees will not be charged to your account. Handling your home sale in this way has advantages:
1. You will receive the equity in your property earlier than if you waited until closing with the outside buyer (all Options).
 2. Once you sign the contract with Prudential, you are ensured of the sale of your home at the contract price, even if the sale to the outside buyer ultimately falls through (all options). However, under Option 3, should the sale of the residence to the outside buyer ultimately fall through, the employee would not be eligible for any relocation bonus.
 3. There is the potential for significant savings in costs and taxes (all options).
 4. You are freed from the anxieties and concerns connected with the closing process (all options).

XXI. ELIGIBLE PROPERTIES: (Applies to all options)

- A. Properties covered under this Program include single-family residences, two-family residences, and condominiums which are owned and used by Western Resources employees as their principal residence, together with the realty, but exclusive of any land in excess of normal lot size for the neighborhood in which the residence is located. In rural areas or neighborhoods having no established property size, the property will be limited to a maximum size of five acres.
- B. Cooperative apartments, mobile homes, properties used for non-residential purposes, and other similar properties are not permitted under the Program. The Program will not apply to any residence which: 1) is not insurable at standard rates for normal hazards of fire and extended coverage; 2) is subject to leases which cannot be terminated within 60 days; or 3) has a value of more than three hundred thousand dollars (\$300,000). However, the Program may include properties (including the above exclusions) as special cases on an exception basis upon authorization of the Executive Vice President of Human Resources.

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XXII. RADON: (Applies to all options)

A. For a property located in a county: 1) designated by the Federal Environmental Protection Agency; 2) designated by the state in which the property is located; or 3) designated by Prudential as a location having potentially high concentrations of radon gas ("Radon Designated Area"), Prudential will have such property tested for radon levels. This test will be secured concurrent with the other required inspection reference below. If the test reveals a radon level exceeding the federal or state safety standards existing at the time of the test or exceeding a .02 working level ("Safety Level"), Prudential will investigate the test as thoroughly as it deems necessary. Should Prudential's investigation reveal a radon level exceeding the Safety Level, Prudential will not purchase the property. Prudential will provide a copy of the test findings to you and Western Resources. You may elect a remedy to be performed at your expense to bring the radon level within an acceptable Safety Level. If a test obtained by Prudential subsequent to the remedy reveals a radon level not exceeding the Safety Level, Prudential will continue with the offer process.

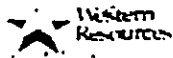
XXIII. OTHER HEALTH HAZARDS: (Applies to all options)

A. If Prudential becomes aware that the property contains asbestos, urea formaldehyde, or a toxic gas at levels jointly determined by Western Resources and Prudential to be a health hazard prior to your acceptance of an offer, Prudential will not purchase the property. Prudential will provide a copy of the findings to you and Western Resources. You may elect a remedy to be performed at your expense to cure the problem. If a Prudential inspection subsequent to the remedy indicates the problem has been cured, as jointly determined by Western Resources and Prudential, Prudential will continue with the offer process.

XXIV. INITIATING AN OFFER FROM PRUDENTIAL: (Applies to Option Two only)

A. Once you have decided to forfeit the 10% incentive or the 15% lump sum account and have your home appraised, your counselor will review the procedures and the sequence of events of the Program. The counselor is experienced in relocation and knowledgeable in real estate matters and will work closely with you throughout the process to assist you with the numerous details involved in the relocation process.

B. Remember that your listing agreement (for all options) must include the following in order to provide for its cancellation:



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"The owner(s) reserve the right to sell this property to Prudential Relocation Management at any time. Upon the execution by Prudential and me (us) of a Contract of Sale with respect to the property, this Listing Agreement shall immediately terminate with no obligation on my (our) part or on the part of Prudential Relocation Management for the payment of a commission or to continue this listing. It is further understood and agreed that no commission or compensation shall be earned by, or due and payable to, broker until the sale of the property has been consummated, and deed delivered to the buyer and the purchase price delivered to the seller."

XXV. ESTABLISHING THE PURCHASE PRICE: (Applies to Option Two only)

- A. Prudential will order a property appraisal from each of two independent property appraisers selected from a list approved by Western Resources and Prudential. You will have the option of selecting both property appraisers from such approved list.
- B. The average of the two appraisals will be the price ("Purchase Price") which will be offered by Prudential for the property, provided the two appraisals are within 5% of one another. If the lower appraisal is less than 95% of the higher appraisal, Prudential will order a third appraisal by an appraiser chosen by you from the approved appraiser list. When a third appraisal is obtained, all three reports will be averaged to determine "Purchase Price."

XXVI. APPRAISALS: (Applies to Option Two and Three only)

- A. The appraisers will call for an appointment to inspect the property at your convenience. To expedite the appraisal process and ensure that the appraisers have all the pertinent information necessary to provide for an informed appraisal, the following information and data should be made available if at all possible to each appraiser:
 1. Copy of survey or subdivision plat;
 2. Copy of deed;
 3. Copy of latest real estate tax receipts;
 4. List of improvements made to the property since you purchased it;
 5. Copy of mortgages and the present balances;

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6. The assumption terms and conditions of the mortgage, if your mortgage is assumable;
7. Statement of any special assessments on the property, and the unpaid balance amounts;
8. Any homes that have recently sold and closed that you feel are comparable and indicative of your property.
9. **NOTE: OPTION THREE INVOLVES ONE APPRAISAL ONLY.**

XXVII. INSPECTIONS:

Under Option Two, Prudential will coordinate the ordering of any appraisal(s), secure a full property title search, and coordinate any inspections deemed necessary by Prudential and Western Resources. Under Option One and Three, it would be customary for the purchaser to be responsible for the coordination of any inspections. Roof inspection reports will include an assessment of the present condition of the roof and an estimate of cost to place the roof in watertight condition. Other inspections include termite, pool, well, septic, structural, etc. The inspectors will call for an appointment to inspect the property at your convenience.

When the inspections indicate that repairs or replacements are necessary, the cost to cure will be deducted from your proceeds of the sale or you may make the required repairs and have Prudential coordinate reinspection when completed. You may not make the repairs or arrange for them to be done without the concurrence of Prudential and Western Resources.

XXVIII. CLOSING INSTRUMENTS: (Applies to all options)

In most instances, prior to receiving an offer, you will receive a package of legal papers from Prudential's attorney and/or title company. This package will consist of a **Warranty Deed, Affidavit, and other papers for closing the transaction** should Prudential purchase your home. Do nothing with these documents until you receive the offer from Prudential. At that time, you will be instructed regarding their proper execution.

XXIX. PRUDENTIAL'S OFFER TO PURCHASE YOUR PROPERTY: (Applies to Option Two only)

Prudential will make the offer to you by telephone and subsequently forward a contract in duplicate. The purchase price and the acceptance requirements will be clearly stated. Prudential will also include all costs for repairs revealed by required inspections and a copy of the appraisals in the information sent to you.



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XXX. ACCEPTANCE OF PRUDENTIAL'S OFFER: (Applies to Option Two only)

- A. If you elect to sell the property on the terms of the Contract, you will return an executed and notarized Contract and acceptance requirements to Prudential within 60 days ("Acceptance Period") from the date of the written Contract offer in order to constitute your acceptance of the Contract. The Contract will specify that you will have 60 days from the date of acceptance in which to vacate the property.
- B. The Contract will not become valid until signed by Prudential. Prudential will not sign until all documents are in its hands, including all Mortgage Estoppel Letters, and the documents are determined by Prudential to be correct.

XXXI. AMENDED VALUE: (Applies to Option Two only)

- A. If you succeed in obtaining a higher written offer during the marketing period, call Prudential immediately. This will ensure that the terms of the potential buyer's offer are consistent with the provisions of the agreement between Prudential and Western Resources. **DO NOT ACCEPT THE POTENTIAL BUYER'S OFFER, A DEPOSIT OR DOWN PAYMENT, OR SIGN ANY AGREEMENT. CALL PRUDENTIAL.** If you sign any document (all options), you may suffer adverse tax implications.
- B. Provide Prudential with complete details of the potential buyer's offer, including the potential buyer's name and address, the financing being sought, and other specific terms of the sale, such as proposed closing date.
- C. Prudential's agreement with Western Resources precludes Prudential from accepting an offer that is contingent upon the potential buyer selling his/her current home or one that contains unusual terms and conditions.
- D. Prudential will verify the potential buyer's ability to obtain financing. To determine whether or not you will receive a greater net cash return as a result of the potential buyer's offer, Prudential will subtract projected costs and charges associated with carrying your home through vacating and may make certain other adjustments. To know what these costs and adjustments are, refer to the Prudential Contract of Sale, or call Prudential.
- E. If a greater net cash return to you is anticipated by the private offer, Prudential will authorize you to "amend" the original Prudential Contract of Sale by writing in the higher value. You (and any co-owner) sign the Prudential Contract, have it notarized, and mail it to Prudential along with a copy of the potential buyer's offer.
- F. It is important to remember that the Contract of Sale must be postmarked by the end of the 60-day marketing period provided under the Western Resources policy.

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EXEMPT EMPLOYEE RELOCATION PROGRAM			12
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G. Unless you elect the Amended Value Sale option described, Prudential will execute the Contract of Sale upon receipt of your signed and notarized Contract of Sale and the acceptance requirements.

XXXII. DISBURSEMENT OF EQUITY: (Applies to all Options)

- A. Equity loans prior to acceptance of the offer are provided by Prudential. They are for the purpose of purchasing a home on the new end, and you will be asked to substantiate your need by providing a copy of your new Purchase Agreement as well as to sign an Equity Loan Agreement.
- B. Send the completed Equity Loan Agreement and a copy of your new Home Purchase Agreement to Prudential. If the amount of your new mortgage is not stated on the Purchase Agreement, this amount must be verified in writing from the bank.
- C. The amount of the temporary equity loan cannot exceed 95% of the Guaranteed Offer less outstanding prorations applicable.
- D. Equity Loans can also be provided if you utilize Option One and Three. We will instruct Prudential how to proceed. In Option Three, you must have a bona fide buyer for your current home to be eligible.
- E. Final equity will be paid to you by Prudential when you vacate or when Prudential signs the Contract of Sale, whichever is later. At that time, Prudential will prepare an equity statement. In addition to the deductions described, the Equity Loan provided by Prudential will be deducted from the equity you will receive.
- F. A copy of your Equity Statement, signed Contract of Sale, and a check for equity due you will be mailed in accordance with the above paragraph. If you need final equity to purchase your new home prior to the time you vacate the premises, contact Prudential. Proof of purchase of your new home will be required to obtain equity prior to vacating.

XXXIII. CLOSING OF THE SALE: (Applies to all options)

- A. All details on closing a sale you have achieved under any option, an Amended Value Sale (including but not limited to preparation of the Deed, Affidavits, Satisfaction of Mortgage, Mortgage, and recording of documents), or a sale of the property to Prudential will be carried out by Prudential through its agent(s).
- B. Prudential will pay all related closing costs (your normal selling expenses). Negotiated points, as mentioned, are not reimbursable by Western Resources on an Amended Value Sale and therefore will be deducted from your proceeds.



HUMAN RESOURCES - POLICIES & PROCEDURES

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- C. For property not involving an Amended Value Sale which is purchased with an assumable Mortgage, Prudential will allow an assumption by a third party only in the case where the lender and liability associated with said mortgage is appropriately released. If such release is accomplished, Prudential will indemnify you against any future claims as a result of Prudential's assumption of the Mortgage.
- D. For some time after the closing, you may continue to receive various papers pertinent to the property, such as notices for taxes, special assessments, waste, and other fees, etc. Please forward the originals to Prudential.

XXXIV. RESALE OF THE PROPERTY: (Applies to Option Two only)

- A. Upon your acceptance of Prudential's offer to purchase, and in many cases prior to your vacating, your home will be listed for sale with a real estate broker and will be shown to prospective buyers. It is important to Western Resources that you cooperate with brokers desiring to show your home to potential purchasers. Brokers will be instructed to make an appointment with you for showing the home during reasonable hours.
- B. Often, a considerable amount of time passes between the date you signed a Deed for Prudential and the date Prudential resells the property (Western Resources pays the holding cost for this period). In these cases, the buyer's attorney may request that you sign another Deed to show a more current date. Should this request be made, please cooperate to avoid costly delays to Western Resources.
- C. Some time after the resale and closing of the property, Prudential will invoice Western Resources for all costs in connection with the purchase, management, and resale of the property.

XXXV. RESPONSIBILITY FOR THE PROPERTY: (Applies to all options)

- A. You will be responsible for paying all mortgage payments, maintenance, utilities, taxes, insurance, and other homeowner-related expenses, up to and including the date Prudential assumes responsibility. At this time, you will be responsible for obtaining refunds for deposits on utilities, etc., and any premium refunds on canceled insurance policies. If you have a flood insurance policy, please consult Prudential before canceling.
- B. Prudential will assume complete responsibility for the property immediately upon your vacating the property, upon you and Prudential executing the Contract, or upon Prudential accepting your Amended Value, whichever occurs last.

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- C. From the date Prudential assumes responsibility for the property, it will make all payments of principal and interest due on any mortgages, pay all taxes, charges, assessments and utility costs, provide comprehensive public liability, fire and extended coverage insurance, and keep the property and improvements thereto to be neat and in good repair.

XXXVI. EVALUATION OF THIRD PARTY SERVICES:

- A. Upon completion of the Home Purchase Program, you will be asked by Prudential to complete a **HOME SERVICE QUESTIONNAIRE** evaluating their performance and service. In order for Western Resources to monitor performance of Prudential and to provide a quality Home Purchase Program, it is important that you complete this form.

Attachment(s)