

**NOTIFICATION OF PUBLIC DISPOSITION OF COLLATERAL**

TO: THE PARTIES ON THE ATTACHED LIST

FROM: The Bank of New York Trust Company, N.A.  
c/o Larry E. Parres, Esq.  
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A foreclosure sale will be conducted pursuant to Mo. Rev. Stat. §400.9-101 - 400.9-710, of all of the right, title and interest of the City of Gallatin, Missouri and Municipal Finance Group, Inc. (hereinafter referred to collectively as collectively, the "Sellers") in the following property:

**All assets used in the operation of that natural gas distribution and transmission system, as described in that certain Lease with Option to Purchase Agreement, dated May 1, 1995, by and between Municipal Finance Group, Inc. and the City of Gallatin, Missouri, as amended (the "Assets").**

to the highest qualified bidder in public as follows:

**Day and Date: Tuesday, November 30, 2004**  
**Time: 12:00 Noon Central Standard Time**  
**Place: City of Gallatin, Missouri City Hall, 112 East Grand,  
Gallatin, Missouri 64640**

The sale will be **FINAL** and on an "**AS IS, WHERE IS**" basis and will be made **WITHOUT WARRANTY EXPRESS OR IMPLIED, AS TO TITLE, QUALITY, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND WITHOUT WARRANTY, EXPRESS OR IMPLIED AS TO ANY OTHER MATTER** and upon such other terms as set forth in that certain Purchase and Sale Agreement dated November 4, 2004 by and among the City of Gallatin, Missouri, The Bank of New York Trust Company, N.A. and Missouri Gas Utility, Inc. (the "Sale Agreement").

All bids must be on terms equal to or more favorable than those set forth in the Sale Agreement. The bids may not be subject to further due diligence or other matters, except as set forth in the Sale Agreement. All interested bidders must place a deposit with The Bank of New York Trust Company, N.A. ("Agent") in the amount of \$50,000.00 by 12:00 noon CST on November 24, 2004 prior to submitting a bid for the Assets. The minimum bid for the Assets is \$1,400,000.00 in cash, and the next successive bid must be at least \$1,475,000.00, with all subsequent bidding to be done in \$25,000.00 increments.

The proceeds of the sale that are less than the expenses of sale and the indebtedness owing under the Assets will be applied first to the expenses incurred by Agent in selling the Project and all other costs and expenses, including professional fees, incurred in connection therewith, then to the unpaid balance of the indebtedness, liabilities and obligations owed under the Assets.

In the event that the proceeds of the sale are less than the expenses of sale and the indebtedness owing under the Assets, Agent retains the right to seek the deficiency from Sellers and/or any guarantor or other obligor on those obligations.

Should you have any questions regarding the sale of the Assets, please call Fred Rossetti of Knox Securities Corp. at 203-226-6288 x111.

**AGENT HEREBY EXPRESSLY RESERVES ANY RIGHTS AND REMEDIES WHICH IT NOW HAS OR MAY HEREAFTER ACQUIRE AGAINST SELLERS OR ANY GUARANTORS OR OTHER OBLIGORS AND ANY LIEN OR SECURITY INTEREST IN PROPERTY OF SELLERS OR ANY GUARANTORS OR OTHER OBLIGORS OTHER THAN THE COLLATERAL SUBJECT TO THIS NOTICE.**

Dated this 10th day of November, 2004.