

**FORM OF**  
**ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and between Union Electric Company d/b/a AmerenUE, a Missouri corporation (the "Seller"), and Citizens Electric Corporation, a Missouri corporation (the "Buyer").

**RECITALS**

WHEREAS, Seller owns certain electrical transmission line facilities in Missouri known as the Ste. Genevieve-Rivermines-1 138 kV transmission line, which extends from Seller's Rivermines Substation in St. Francois County, Missouri, to Buyer's New Bourbon Substation located approximately two (2) miles southwest of Ste. Genevieve, Missouri, and the Grand Tower-Perryville 138 kV transmission line, which extends from Central Illinois Public Service Company's Grand Tower Power Plant in Grand Tower, Illinois, to Buyer's Seminary Substation located within the city limits of Perryville in Perry County, Missouri; and

WHEREAS, pursuant to the terms of a Wholesale Electric Service Agreement dated November 18, 1988 between Buyer and Seller, Buyer was given the option under Section 14 to purchase said transmission line facilities from Seller at the termination of the Wholesale Electric Service Agreement; and

WHEREAS, by letters dated May 21, 2001, and September 27, 2001, Buyer notified Seller of its intent to purchase said transmission facilities from Seller.

NOW, THEREFORE, as provided for in the Wholesale Electric Service Agreement dated November 18, 1988, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, the Ste. Genevieve-Rivermines-1 and Grand Tower-Perryville 138 kV transmission lines (the "Lines") and certain related assets in accordance with the terms and conditions of this Asset Purchase Agreement (the "Agreement"). In consideration of the mutual promises, covenants, agreements, representations and warranties contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**ARTICLE I**  
**PURCHASE AND SALE OF ASSETS**

1.1 **Purchase and Sale of Assets.** Upon the terms and subject to the conditions in this Agreement, at the Closing (as defined in Article II below) Seller shall sell, transfer, convey, assign and deliver to Buyer, and Buyer shall purchase from Seller all of Seller's right, title and interest in and to the assets (the "Purchased Assets") that are listed on the Bill of Sale ("Exhibit A") attached hereto and incorporated herein by reference.

1.2 Purchase Price. The Buyer shall pay Seller Seven Hundred Eighty-Seven Thousand Six Hundred Forty-Three Dollars and Eighty-Three Cents (\$787,643.83) (the "Purchase Price") payable at the Closing in cash by wire transfer of immediately available funds to an account designated by Seller.

## ARTICLE II CLOSING

2.1 Time and Place of Closing. The closing of the purchase and sale of the Purchased Assets and other transactions contemplated hereby (the "Closing") shall be within 10 business days after the latter of the date (a) the Federal Energy Regulatory Commission ("FERC") approves the asset purchase; or (b) the Missouri Public Service Commission approves the asset purchase (the "Closing Date"). Such date and time shall be set as mutually agreed to in writing by Buyer and Seller. The Closing will take place at Seller's offices located at 1901 Chouteau Avenue in St. Louis, Missouri, or as the parties otherwise agree to in writing. No delivery or payment shall be considered to have been made at Closing until all steps required hereunder to be taken at Closing are completed.

2.2 Closing Deliveries by Seller. At the Closing, Seller shall assign, convey, transfer and deliver to Buyer the following:

- (a) All necessary and proper Bills of Sale, certificates, assignments, and/or other instruments of conveyance which Buyer reasonably deems necessary or proper to convey the Purchased Assets free and clear of all liens and encumbrances;
- (b) Certified copies of corporate resolutions authorizing the consummation of the transactions contemplated herein;
- (c) A certificate that Seller's representations and warranties contained in this Agreement are true as of the Closing Date;
- (d) Any required third-party consents to the transaction contemplated hereby;
- (e) Such other evidence of the performance of all the covenants and the satisfaction of all conditions required of Seller by this Agreement at or prior to the Closing, as Buyer or its counsel may reasonably require.

2.3 Closing Deliveries by Buyer. At the Closing, Buyer shall deliver to Seller the following:

- (a) The Purchase Price of Seven Hundred Eighty-Seven Thousand Six Hundred Forty-Three Dollars and Eighty-Three Cents

(\$787,643.83) in cash by wire transfer of immediately available funds to an account designated by Seller;

- (b) Certified copies of corporate resolutions authorizing the consummation of the transactions contemplated herein;
- (c) Any required third-party consents to the transaction contemplated hereby; and
- (d) Such other evidence of the performance of all of the covenants and satisfaction of all the conditions required of Buyer by this Agreement at or before the closing as the Seller or its counsel may reasonably require.

2.4 Post Closing Matters. Following the Closing Date, Seller will, on request of Buyer, execute and deliver to Buyer such further instruments in writing as may be reasonably required to complete or evidence the transactions herein provided for, and Buyer will, on request of Seller, execute and deliver like instruments to Seller. Following the Closing, Seller shall take all such steps as may be requisite and necessary to put Buyer into actual possession of the assets acquired pursuant hereto.

### ARTICLE III REPRESENTATIONS AND WARRANTIES OF SELLER

3. Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as follows, each of which is true and correct on the date hereof and will be true and correct on the Closing Date:

3.1 Absence of Undisclosed Liabilities. The Seller, as of the Closing Date, will not have any liabilities or obligations (whether accrued, absolute, contingent or otherwise) which are or might become a charge against the assets to be transferred, assigned and conveyed by the Seller to Buyer.

3.2 Title to Assets. Seller has good and marketable title to all assets to be sold to Buyer under this Agreement. All such assets will be transferred at the Closing free and clear of all mortgages, liens, claims, charges, security interests, and other encumbrances of any nature whatsoever.

3.3 Authority, Consents and Enforceability. The execution, delivery and performance by the Seller of this Agreement and each and every agreement, document and instrument provided for herein have been duly authorized and approved by the Board of Directors of Seller, and this Agreement has been duly and validly executed and delivered by Seller and constitutes the valid and binding obligation of Seller, enforceable in accordance with its terms.

3.4 Condition of Assets. All of the assets to be sold or the use thereof to be transferred to the Buyer hereunder are now and on the Closing Date will be in good operating condition and in a good condition of maintenance and repair.

#### ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

4. Representations and Warranties of Buyer. Buyer hereby represents and warrants as follows, each of which is true and correct on the date hereof and will be true and correct on the Closing Date:

4.1 The execution, delivery and performance by the Buyer of this Agreement and each and every agreement, document and instrument provided for herein have been duly authorized and approved by the Board of Directors of Buyer, and this Agreement has been duly and validly executed and delivered by Buyer and constitutes the valid and binding obligation of Buyer, enforceable in accordance with its terms.

#### ARTICLE V SELLERS COVENANTS

5. Seller covenants from the date of this Agreement until Closing that:

5.1 Access to Information. Buyer and Buyer's counsel and other representatives shall have access during normal business hours to appropriate business records of Seller upon 24 hours notice. Such records shall be limited to information pertaining to the Purchased Assets, and include access to all applicable licenses and permits and, if available, plan and profile drawings of the Purchased Assets and other design and data documents and other information of the Purchased Assets from Seller's files. Such access to information shall be subject to the confidentiality provisions set forth in Article VI below.

5.2 Conduct Business in Ordinary Course. From and after the date of this Agreement until the Closing Date, Seller shall (i) conduct business over the transmission lines subject to this Agreement in the usual, regular and ordinary course in the same manner as heretofore; (ii) use its best efforts to preserve the Purchased Assets; (iii) maintain all Purchased Assets used in connection with the Seller's business in customary repair, order and condition, reasonable use and wear and tear excepted; (iv) maintain insurance on Purchased Assets in amounts not less than and of such kinds as are comparable to the insurance in effect on the date of this Agreement; and (v) maintain the books and records relating to the Purchased Assets in the usual, regular and ordinary manner.

5.3 No Encumbrances. Seller shall not mortgage, pledge or otherwise encumber any of the assets of the Seller to be assigned or sold to Buyer hereunder.

5.4 Adverse Developments. Seller will promptly advise Buyer in writing of any matters arising or discovered after the date of this Agreement which, if existing or known at the date hereof, would reasonably have a material and adverse effect on the assets to be assigned or sold to Buyer.

5.5 Casualty Loss. Seller assumes all risk of loss due to fire or other casualty prior to Closing. In the event of fire or other casualty producing a material loss prior to the Closing, Buyer shall have the option of terminating this Agreement, on written notice to Seller, within ten days following notice to Buyer of such material casualty loss, or, in the absence of such notice, proceeding with the Closing. In the event of such material casualty loss, if this Agreement shall not be terminated, Buyer shall be entitled to the proceeds of any insurance payable based on such casualty loss to the assets to be conveyed hereunder.

5.6 Representations and Warranties True at Closing. All representations and warranties of the Seller set forth in this Agreement and in any written statements delivered to Buyer by Seller under this Agreement will be true and correct as of the Closing Date as if made on that date.

## ARTICLE VI CONFIDENTIALITY

6.1 Confidentiality by Buyer. Buyer acknowledges that, pursuant to Buyer's right to inspect Seller's business records as above provided, Buyer may become privy to confidential information of Seller and that communication of such confidential information to third parties would damage the Seller's business if for any reason this transaction is not consummated. Buyer warrants to Seller that such information, obtained by Buyer or any of Buyer's employees, agents, attorneys or representatives, shall remain confidential and shall not be disclosed or revealed to third parties. "Confidential information" includes information not ordinarily known by non-company personnel, and includes such information as normally understood to be confidential or otherwise designated as such by Seller.

6.2 Confidentiality by Seller. Seller agrees not to divulge or communicate to any third parties any confidential information or data it obtains from Buyer in connection with this transaction.

## ARTICLE VII CONDITIONS TO OBLIGATIONS OF BUYER

The obligations of Buyer to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, any or all of which may be waived, in whole or in part, by Buyer.

7.1 Representations and Warranties True at Closing. All representations and warranties by the Seller in this Agreement or in any written statement that shall be delivered to

Buyer by Seller under this Agreement shall be true to the knowledge of Seller in all material respects on and as of the Closing Date as though made at that time, except for changes contemplated by this Agreement.

7.2 No Material Adverse Change. During the period from the date of this Agreement to the Closing Date the Seller shall not have sustained material loss or damage to the assets to be assigned or sold to Buyer under this Agreement.

7.3 Corporate Approval. The execution and delivery of this Agreement by the Seller and the performance of its covenants and obligations under it shall have been duly authorized by all necessary corporate action and Buyer shall have received copies of all resolutions pertaining to those authorizations, certified as true and correct.

7.4 Corporate Proceedings. All corporate and other proceedings required to be taken on the part of Seller to authorize or carry out this Agreement and to convey, assign, transfer and deliver the Purchased Assets shall have been taken.

7.5 Governmental and Other Third Party Consents and Approvals. Seller and Buyer shall have received all requisite consents and approvals of all third parties (including any governmental agency, department, bureau, commission, or similar body, the consent, authorization, or approval of which is necessary under any applicable law, rule, order or regulation) whose consent or approval is required for the consummation by Seller and Buyer of the transactions contemplated by this Agreement.

## ARTICLE VIII CONDITIONS TO OBLIGATIONS OF SELLER

The obligations of Seller to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction, on or before the Closing Date, of each and every one of the following conditions, any or all of which may be waived, in whole or in part, by the Seller.

8.1 Representations and Warranties True at Closing. The representations and warranties made by Buyer under this Agreement or any document or instrument delivered to the Seller, or its representatives hereunder, shall be true and correct on the Closing Date with the same force and effect as though such representations and warranties had been made on and as of such date, except for changes contemplated by this Agreement.

8.2 Performance of Obligations. Buyer shall have duly performed all the obligations, acts and undertakings to be performed by it on or prior to the Closing Date.

8.3 Corporate Approval. The execution and delivery of this Agreement by the Buyer and the performance of its covenants and obligations under it shall have been duly authorized by all necessary corporate action and Seller shall have received copies of all resolutions pertaining to those authorizations, certified as true and correct.

8.4 Corporate Proceedings. All corporate and other proceedings required to be taken on the part of Buyer to authorize or carry out this Agreement and to convey, assign, transfer and deliver the Purchased Assets shall have been taken.

8.5 Governmental and Other Third Party Consents and Approvals. Seller and Buyer shall have received all requisite consents and approvals of all third parties (including any governmental agency, department, bureau, commission, or similar body, the consent, authorization, or approval of which is necessary under any applicable law, rule, order or regulation) whose consent or approval is required for the consummation by Seller and Buyer of the transactions contemplated by this Agreement.

## ARTICLE IX INDEMNIFICATION

9.1 Indemnification by Seller. Seller agrees to protect, defend, indemnify and hold harmless Buyer and Buyer's successors and assigns against and in respect of any and all losses, damages, charges, claims, expenses, liabilities, indebtedness or obligations, including reasonable attorneys' fees and court costs incurred by or imposed upon the Buyer or its successors or assigns as a result of any breach by Seller of or with respect to any of its warranties, representations or covenants provided in this Agreement.

9.2 Indemnification by Buyer. Buyer agrees to protect, defend, indemnify and hold harmless Seller and Seller's successors and assigns against and in respect of any and all losses, damages, charges, claims, expenses, liabilities, indebtedness or obligations, including reasonable attorneys' fees and court costs incurred by or imposed upon the Seller or its successors or assigns as a result of any breach by Buyer of or with respect to any of its warranties, representations or covenants provided in this Agreement.

## ARTICLE X GENERAL PROVISIONS

10.1 Expenses. All expenses incurred by the parties hereto in connection with or related to the authorization, preparation and execution of this Agreement and the closing of the transactions contemplated hereby, including, without limitation on the generality of the foregoing, all fees and expenses of agents, representatives, and counsel employed by any such party, shall be borne entirely by the party which has incurred the same.

10.2 Taxes. Seller shall pay all real, personal and ad valorem property taxes and assessments with respect to the Assets for the 2003 and prior tax years. Seller will also pay the pro rata share of property taxes imposed on the Assets for the 2004 tax year.

10.3 Attorney's Fees. In the event of litigation to enforce the terms of this Agreement, the prevailing party in such litigation shall be entitled to recover from the other party, the cost and expenses of preparing for and conducting such litigation.

10.4 Survival. All covenants, warranties and representations set forth in this Agreement shall survive Closing.

10.5 Notices. Any notices or other communications required or permitted hereunder shall be sufficiently given if delivered personally or sent via facsimile, a nationally recognized overnight courier, or registered or certified mail, postage prepaid, addressed as follows or to such other address of which the parties may have given notice:

If to Seller:

Ameren Services Company  
1901 Chouteau Avenue (MC 1300)  
St. Louis, MO 63166-6149  
Attn: David A. Whiteley  
Telephone: 314.554.2942  
Facsimile: 314.554.3066

If to Buyer:

Citizens Electric Corporation  
150 Merchant Street  
Ste. Genevieve, MO 63670  
Attn: Mr. Anthony Campbell, CEO  
Telephone: 573.883.5339 ext. 103  
Facsimile: 573.883.3381

Unless otherwise specified herein, such notices or other communications shall be deemed received (a) on the date delivered, if delivered personally, or if sent by facsimile provided an electronically generated confirmation of such facsimile is obtained promptly after transmission, or (b) on the business day subsequent to the date delivered to an overnight courier of national reputation, or (c) three business days after being deposited with the U.S. Postal Service, if sent by registered or certified mail.

10.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, provided, however, that no assignment by Seller or Buyer shall release such party from any obligation or liability under this Agreement without the express written consent of the other party.

10.7 Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, understandings, negotiations and discussions, whether oral or written, between the parties. There are no warranties, representations or other agreements



between the parties in connection with the subject matter hereof except as set forth specifically herein or contemplated hereby.

10.8 Amendments. No supplement, modification or waiver of this Agreement shall be binding unless in writing and signed by both parties.

10.9 Waivers. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof.

10.10 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Missouri.

10.11 Severability. This invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

10.12 Headings. The section headings are for the convenience of the parties only and in no way alter, modify, amend, limit, or restrict the contractual obligations of the parties.

10.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.14 Exhibits and Schedules. All of the exhibits and schedules attached hereto are incorporated herein and made a part of this Agreement by reference thereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

UNION ELECTRIC COMPANY  
d/b/a AmerenUE  
(Seller)

(Seal)

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

CITIZENS ELECTRIC CORPORATION  
(Buyer)

(Seal)

By \_\_\_\_\_  
Anthony S. Campbell  
Chief Executive Officer

ATTEST:

\_\_\_\_\_  
Secretary

FORM OF  
BILL OF SALE

THIS BILL OF SALE ("Bill of Sale"), dated as of this \_\_\_\_\_ day of \_\_\_\_\_, 2004, is made by and between Union Electric Company d/b/a AmerenUE, a Missouri corporation (the "Seller"), and Citizens Electric Corporation, a Missouri corporation (the "Buyer").

WITNESSETH:

WHEREAS, pursuant to a certain Asset Purchase Agreement dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and between Seller and Buyer (the "Agreement"), Seller has agreed to sell the Assets (as defined in the Agreement and listed herein) to Buyer on the terms and subject to the conditions set forth in the Agreement, and Buyer has agreed to acquire and accept the Assets from the Seller on such basis;

WHEREAS, Seller desires to deliver to Buyer such instruments of transfer as are required to effectively vest in Buyer all of Seller's right, title and interest in and to the Purchased Assets;

WHEREAS, the Agreement contemplates that this Bill of Sale is to be delivered at the Closing; and

WHEREAS, all capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Agreement.

NOW, THEREFORE, in consideration of the promises, covenants and agreements contained herein and in the Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and accepted, the Seller and Buyer do hereby agree as follows:

SECTION 1. Transfer of Assets. Seller does hereby sell, assign, transfer, convey and deliver unto Buyer and its successors and assigns for its use all of Seller's right, title and interest in and to the Assets listed on Schedule 1 to this Bill of Sale, free and clear of all liens, encumbrances, claims, clouds, charges, liabilities and obligations to have and to hold.

The Seller warrants that it has good and merchantable title in the assets to be transferred, assigned, conveyed and delivered by this Bill of Sale, free and clear of all liens, encumbrances, liabilities and obligations of any nature. Seller also warrants it has the right to sell all of the said properties, assets and rights as aforesaid and will defend title to the same unto Buyer and its successors and assigns.

SECTION 2. Governing Law. This Bill of Sale shall be governed by and construed in accordance with the laws of the State of Missouri.

SECTION 3. Parties in Interest. This Bill of Sale shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

SECTION 4. Conflicts. In the event of any conflict or ambiguity between the terms hereof and the Agreement, the terms of the Agreement shall govern and be controlling.

Buyer hereby purchases, assumes and accepts the Purchased Assets.

IN WITNESS WHEREOF, each of the undersigned have caused this instrument to be executed as of this \_\_\_\_ day of \_\_\_\_\_, 2004.

UNION ELECTRIC COMPANY  
d/b/a AmerenUE  
(Seller)

(Seal)

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

CITIZENS ELECTRIC CORPORATION  
(Buyer)

(Seal)

By \_\_\_\_\_  
Anthony S. Campbell  
Chief Executive Officer

ATTEST:

\_\_\_\_\_  
Secretary

FORM OF  
ASSIGNMENT OF EASEMENT RIGHTS

THIS ASSIGNMENT OF EASEMENT RIGHTS (the "Assignment") is made as of this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by and between Union Electric Company d/b/a AmerenUE ("AmerenUE"), a Missouri corporation with an address of 1901 Chouteau Avenue, St. Louis, Missouri 63103, as **ASSIGNOR**, to and in favor of Citizens Electric Corporation ("Citizens"), a Missouri corporation with an address of 150 Merchant Street, Ste. Genevieve, Missouri 63670, as **ASSIGNEE**.

FOR AND IN CONSIDERATION of the purchase by Citizens of certain facilities from AmerenUE, and for other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, AmerenUE does hereby assign, transfer and set over unto Citizens all of the right, title and interest of AmerenUE in and to the easements, rights-of-ways and permits described in Attachment 1 attached hereto and incorporated herein by this reference, and Citizens does hereby accept and assume all rights set forth therein.

IN WITNESS WHEREOF, the parties have caused this Assignment to be executed by their duly authorized representatives as of the day and year first above written.

UNION ELECTRIC COMPANY  
d/b/a AmerenUE  
(Seller)

(Seal)

By \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF MISSOURI                    )  
  ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2004, before me, a Notary Public in and for said county and state, appeared \_\_\_\_\_, to me personally known, who did say that he/she is the \_\_\_\_\_ of Union Electric Company, a Missouri corporation, that the seal affixed to the foregoing instrument is the official seal of said corporation, and that he/she executed the foregoing instrument with the full authority of the directors of said corporation as the free act and deed of said corporation.

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

My Commission Expires:

CITIZENS ELECTRIC CORPORATION  
(Buyer)

(Seal)

By \_\_\_\_\_  
Anthony S. Campbell  
Chief Executive Officer

ATTEST:

\_\_\_\_\_  
Secretary

STATE OF MISSOURI                    )  
  ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 2004, before me, a Notary Public in and for said county and state, appeared Anthony S. Campbell, to me personally known, who did say that he is the Chief Executive Officer of Citizens Electric Corporation, a Missouri corporation, that the seal affixed to the foregoing instrument is the official seal of said corporation, and that he executed the foregoing instrument with the full authority of the directors of said corporation as the free act and deed of said corporation.

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

My Commission Expires:

ASSETS TO BE SOLD

The Ste. Genevieve-Rivermines-1 138 kV transmission line which is approximately 28 miles in length and extends from Union Electric Company d/b/a AmerenUE's Rivermines Substation located in St. Francois County, Missouri, to Citizens Electric Corporation's New Bourbon Substation located approximately two (2) miles southwest of Ste. Genevieve, Missouri, and certain related assets as described below:

The Grand Tower-Perryville 138 kV transmission line which is approximately 23 miles in length and extends from Central Illinois Public Service Company's Grand Tower Power Plant located in Grand Tower, Illinois, to Citizens Electric Corporation's Seminary Substation located within the city limits of Perryville in Perry County, Missouri, and certain related assets as described below:

The attached spreadsheet details the structures, span lengths, pole types and pole sizes of the facilities associated with each of these transmission lines.