

C O N T R A C T F O R

E X C H A N G E

O F D I S T R I B U T I O N F A C I L I T I E S

b e t w e e n

UNION ELECTRIC COMPANY d/b/a AMERENUE

and

**PEMISCOT-DUNKLIN ELECTRIC COOPERATIVE,
INC.**

**CONTRACT FOR EXCHANGE
OF DISTRIBUTION FACILITIES**

THIS AGREEMENT ("Agreement") made and entered into the 11th day of February, 2008, by and between UNION ELECTRIC COMPANY d/b/a/ AmerenUE, a Missouri corporation, (hereinafter referred to as "Company") and PEMISCOT-DUNKLIN ELECTRIC COOPERATIVE, INC., a Missouri corporation, (hereinafter referred to as "Cooperative").

RECITALS

- A. Company and Cooperative are authorized by law to provide electric service within the State of Missouri, including all or portions of Dunklin County.
- B. Company now serves certain customers, which are identified in Exhibit A attached hereto, and the parties agree that these customers would be more reliably served by the Cooperative and thus benefit the public interest.
- C. Company presently owns and operates certain electric distribution facilities and related secondary and service facilities (hereinafter referred to as the "Facilities"), which are more particularly described in Exhibit B attached hereto. The Facilities are situated upon right-of-way, easements and fee interests (hereinafter, referred to as "Easements").
- D. Company desires to exchange and to transfer the Facilities and to assign and to transfer, to the extent that it may legally and contractually do so, its rights under the Easements related to the Facilities to Cooperative, and Cooperative desires to purchase and accept same, all pursuant to the terms, conditions and provisions hereof.
- E. Cooperative owns or will acquire certain electric distribution assets (hereinafter referred to as the "Assets"), which are more particularly described in Exhibit C attached hereto.
- F. Cooperative desires to exchange and to transfer the Assets to Company, and Company desires to accept same, all pursuant to the terms, conditions and provisions hereof.

AGREEMENT

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

A R T I C L E I **DEFINITIONS**

In addition to terms defined elsewhere herein, when used herein, the following terms shall have the definitions set forth below. Words importing persons include corporations or other entities, as applicable, and words importing on the singular include the plural and vice versa when the context requires.

A. The term "**Agreement**" shall mean this Agreement in its entirety, which is comprised of the following:

1. All written modifications and amendments to this Agreement.
2. This Agreement executed by Company and Cooperative.
3. Exhibit A List of Customers to Be Transferred to Cooperative.
4. Exhibit B List of Facilities to Be Exchanged by Company to Cooperative.
5. Exhibit C Assets to Be Exchanged by Cooperative to Company.
6. Exhibit D Bill of Sale

All Exhibits referenced herein are hereby incorporated by reference into the Agreement, as if fully set out verbatim. The documents making up this Agreement are intended to be complementary and interpreted in harmony so as to avoid conflict, with words and phrases interpreted consistent with electric power industry standards. In the event of any inconsistency, conflict, or ambiguity between or among the documents making up this Agreement, the documents shall take precedence in the order in which they are listed above.

B. **Customer** shall mean any person, partnership, corporation, limited liability company, political subdivision, or any agency, board, department or bureau of the state or federal government, or any other legal entity that has requested or is receiving electric service. Any Customer who has requested or is receiving electric service at one Structure (as hereinafter

defined) shall be a new and different Customer at each Structure at which electric service has been requested.

- C. **Effective Date** of this Agreement (i) with respect to all matters requiring approval by the Missouri Public Service Commission (“Commission”) shall be the effective date of the order issued by the Commission pursuant to Sections 393.106, and 394.315, RSMo. 2000, approving this Agreement, and (ii) with respect to all other matters, including the matters covered by Article VI and Subsection XVII.C.2., shall be upon execution of this Agreement.
- D. **Structure** shall mean an agricultural, residential, commercial, industrial or other building or a mechanical installation, machinery or apparatus but shall not include a metering device or customer-owned meter wiring. A Structure shall include an original structure and any contiguous addition to or expansion thereto.
- E. **Laws and Regulations** shall mean all applicable statutes, regulations, codes, laws, licenses, decisions, interpretations, policy statements, regulatory guides, rules, criteria, all license requirements enforced or issued by any government, federal, state, or local, or any governmental agency, authority, or body, and industry-recognized guidelines and professional standards.

A R T I C L E I I

AGREEMENTS TO EXCHANGE

- A. **Company And Cooperative Agree to Exchange Facilities.** Company hereby agrees to exchange and to transfer to Cooperative, and Cooperative hereby agrees to accept from Company, all of Company's Facilities as set forth and described on Exhibit B and all rights, privileges and obligations pursuant to Easements associated with said Facilities. The Company shall also assign, to the extent that it may legally and contractually do so, its rights under its existing franchises with Arbyrd, Cardwell, Hornersville and Senath to Cooperative.

- B. Cooperative and Company Agree To Exchange Assets.** Cooperative hereby agrees to exchange and to transfer to Company, and Company hereby agrees to accept from Cooperative, all of the Assets owned or to be acquired by Cooperative as set forth and described on Exhibit C. Said Assets shall be delivered to and accepted by Company in accordance with the terms of this Agreement.

ARTICLE III **CONDITIONS**

Except as otherwise provided herein, closing under the Agreement is contingent upon the following conditions:

1. Approval of this Agreement by the Commission including, but not limited to, receipt of an order from the Commission (i) approving the Agreement; (ii) authorizing the exchange of the Assets and Facilities; (iii) authorizing a change in supplier for the Structures served by the Facilities within and around the communities of Arbyrd, Cardwell, Hollywood, Hornersville, and Senath.
2. Approval of the Board of Directors of Company.
3. Approval of the Board of Directors of Cooperative.
4. Approval of the Territorial Agreement to be entered into between Company and Cooperative (the "Territorial Agreement") by order of the Commission.
5. Approvals, if any, of the Federal Energy Regulatory Commission required for performance by Cooperative and Company of their respective obligations hereunder.
6. The acquisition by the Cooperative of sufficient electric power and transmission rights to serve the Structures.

In the event all conditions set forth in this Article III are not satisfied by December 1, 2008, this Agreement shall become invalid and void. In the event condition 2 is not met by said date, the

Company shall be responsible for the cost of the inventory referred to in Article XVII. In the event conditions 3 or 6 are not met by said date, the Cooperative shall be responsible for the cost of said inventory.

ARTICLE IV **TAXES**

- A. Taxes Upon Transfer.** The Company, with respect to the Facilities, and the Cooperative, with respect to the Assets, shall be responsible for transfer taxes, coincident with and subsequent to, the transfer of the Facilities and Assets, respectively, to the other party hereunder including, without any limitations, any sales tax imposed on the exchange or transfer.
- B. Property Taxes.** Company shall pay the property taxes associated with the Facilities and the Easements for the calendar year of the Closing Date.
- C. Other Taxes.** Company shall be responsible for paying all licenses, gross receipts, and franchise taxes owed to the appropriate governmental agency on service to a Customer until said Customer is transferred to Cooperative. Cooperative shall be responsible for paying all such taxes thereafter.
- D. Penalties and Interest.** Each party shall be solely responsible for any interest and/or penalties assessed as a result of a party failing to pay when due any tax which that party is responsible for paying, as provided herein.

ARTICLE V **TITLE AND RISK OF LOSS**

Title and risk of loss of the Facilities shall pass at 12:00 a.m. on the Closing Date. Title and risk of loss of the Assets shall pass at the time of delivery of said Assets to Company, F.O.B. the facility of Waukesha Electric Systems, Inc., the manufacturer of the Assets (the "Manufacturer"), at Waukesha, WI or Goldsboro, NC.

A R T I C L E V I

D U T I E S A T E X E C U T I O N O F A G R E E M E N T

Within one (1) day of the execution of this Agreement, Company shall execute and deliver to Manufacturer cancellations of existing purchase orders covering the purchase of the Assets from the Manufacturer by Company, and Cooperative shall execute and deliver to Manufacturer purchase orders covering the purchase of the Assets by Cooperative from Manufacturer (the "Purchase Orders") in form and substance satisfactory to Company. The Purchase Orders shall include an Exemption Certificate relating to liability for sales tax. Company shall prepare the Purchase Orders for Cooperative's execution, and shall assume all liability for errors or omissions in the preparation of such Purchase Orders. Within one (1) day of the execution of this Agreement, Cooperative shall also deliver to Manufacturer irrevocable letters of credit, in a form and with a financial institution acceptable to Company, securing Cooperative's performance of Cooperative's obligations under the Purchase Orders. Failure of Company or Cooperative to perform the obligations set forth in the preceding sentences of this Article shall render this Agreement invalid and void. Cooperative hereby grants Company an irrevocable general power of attorney to act on its behalf with respect to the rights of the purchaser of the Assets under the Purchase Orders, including, without limitation, inspection rights and rights to observe testing and other activities. Cooperative shall promptly notify Manufacturer of the rights hereby granted to Company with respect to the Purchase Orders, and request Manufacturer to provide copies to Company of all notices and other correspondence delivered by Manufacturer to Cooperative in connection with the Purchase orders. In consideration of such grant, and subject to Cooperative's compliance with the provisions of this Article VI of this Agreement, Company assumes all responsibility for Manufacturer's performance under the Purchase Orders, and releases Cooperative from all liability for such performance. Upon delivery of each of the Assets to Company hereunder, Cooperative shall also deliver all original documentation

received by Cooperative from Manufacturer relating to such Asset. Cooperative may retain a copy of such documentation for its records.

ARTICLE VII

DUTIES FOLLOWING EXECUTION OF AGREEMENT

Coterminously with delivery of any and all of the Assets to Cooperative by Manufacturer, Cooperative shall (i) deliver said Assets to Company FOB Manufacturer's facility at Waukesha, WI or Goldsboro, NC, (ii) deliver to Company a Bill of Sale for said Assets in the form attached hereto as Exhibit D, and (iii) deliver the release of said Assets from all liens created by Cooperative which are of a definite or ascertainable amount which may be removed by the payment of money, including all liens held by Rural Utility Services or National Utilities Cooperative Finance Corporation. In the event there is a closing under this Agreement, upon delivery of all of the Assets to Company, Company shall pay to Cooperative, or Cooperative shall pay to Company, as the case may be, the amount by which the total purchase price paid to Manufacturer by Cooperative for the Assets exceeds, or is less than, Three Million Seven Hundred Thirty Two Thousand Dollars (\$3,732,000).

ARTICLE VIII

CLOSING AND TRANSFER OF FACILITIES, EASEMENTS, AND CUSTOMERS

- A. **Closing.** Closing shall be on a business day no later than fifteen (15) days after the interconnection of the Facilities with transmission facilities adequate to serve the Facilities ("Closing Date") and at such time and place as the parties mutually agree. If no agreement is reached, the Closing Date shall be on the last business day before expiration of said 15 day period during business hours at a location of which Company gives Cooperative advance notice.

- B. Duties at Closing.** At closing, Company shall (i) deliver the documents of title, including a Bill of Sale, to the Facilities; (ii) deliver the assignment agreements and consents thereto, and special warranty deeds, where applicable, for the Easements; (iii) deliver the release of the Facilities and the Easements from all liens created by Company which are of a definite or ascertainable amount which may be removed by the payment of money, including the lien of its indenture of Mortgage and Deed of Trust, dated June 15, 1937, as amended and supplemented ("Company's Mortgage"); and (iv) deliver an assignment of the Company's rights under its existing franchises with the communities of Arbyrd, Cardwell, Hornersville and Senath, to the extent the Company may legally and contractually do so. Cooperative shall deliver a check for Three Thousand Three Hundred Dollars (\$3,300) in payment for the Easements that are fee interests. Notwithstanding the foregoing, Company shall have no obligation to release the following liens and encumbrances: (1) private and public utility and drainage easements; (2) rights-of-way for roads, alleys, streets, and highways; (3) zoning regulations; and (4) building lines and use or occupancy restrictions, conditions and covenants.
- C. Duties After Closing.** Company shall endeavor to take a final meter reading for the Customers to be served by the Cooperative pursuant to the Territorial Agreement at 12:00 a.m. on the Closing Date. If such a reading is unavailable, Company shall attempt to obtain a final reading as soon as practicable thereafter. In cases where a reading is not reasonably available, the Company's best estimate may be provided. As soon as practicable after the Closing Date, Cooperative shall remove Company's meters from the Structures, and transport said meters to a location or locations mutually agreed to by the Company and Cooperative for pick up by Company. Cooperative shall be responsible for all damage to said meters caused solely by the negligence of Cooperative prior to pick up by Company. Company shall pick up said meters promptly upon receipt of notice from Cooperative that they are ready for pickup.
- D. Recording Fees.** Each party shall bear the costs for recording fees for the instruments that it desires to record.

- E. Possession.** Cooperative shall have the right of possession of the Facilities upon transfer of the title and risk of loss of such Facilities to Cooperative. Company shall have the right of possession of the Assets identified in Exhibit C upon transfer of the title and risk of loss of said Facilities to Company.
- F. Customers.** The Customers to be transferred are located in, within, and around the communities of Arbyrd, Cardwell, Hollywood, Hornersville and Senath. The Customers shall be transferred at 12:00 a.m. on the Closing Date. Company shall issue to each Customer served by the Facilities exchanged pursuant to this Agreement, a final bill, reduced by any applicable deposit. If Company does not receive payment of the final bill within sixty (60) days of the date of its remittance, it may identify Cooperative as its agent to collect the accounts receivable. Cooperative agrees to take all actions as may be reasonably necessary to collect the final bill.
- G. Accounts Receivable.** Company shall retain all accounts receivable of Customers related to the Company's electric business through the Closing Date. Company shall be entitled to receive all money paid to either Company or Cooperative on said accounts. Cooperative shall retain all accounts receivable of Customers related to the Cooperative's electric business following the Closing Date. Cooperative shall be entitled to receive all money paid to either Cooperative or Company on said accounts.

ARTICLE IX

REPRESENTATIONS AND WARRANTIES

- A. Company.** Company represents and warrants to Cooperative and agrees with Cooperative as follows:
- 1. Title.** Company warrants to Cooperative that Company will transfer to Cooperative good and marketable title to Facilities transferred under this Agreement, free and clear of any security interest, liens, encumbrances, or adverse claim of any third party, except as provided in Section VIII.B. of this Agreement.

2. **Licenses, Permits and Approvals.** Company will have applied for and/or obtained in due time before the Closing Date hereunder, all necessary authorizations, licenses, permits, approvals and other official consents as may be required under law and regulation for Company's performance of its obligations hereunder.
3. **Fitness of Property.** The Facilities and Assets exchanged and transferred pursuant to this Agreement are exchanged "AS IS," and **COMPANY AND COOPERATIVE DISCLAIM ALL WARRANTIES OF ANY KIND, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESSED, OR IMPLIED WITH REGARD TO THE FACILITIES AND ASSETS, INCLUDING ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE.** In no event shall Company or Cooperative be liable for any damages including, but not limited to, special, direct, indirect or consequential damages arising out of, or in connection with, the use or performance of the Facilities or Assets. Any description of the Facilities and Assets contained in this Agreement is for the sole purpose of identifying the Facilities and Assets, is not a part of the basis of the bargain, does not constitute a warranty that the Facilities or Assets shall conform to that description, and does not constitute a warranty that the Facilities or Assets will be fit for a particular purpose. No affirmation of fact or promise made by Company or Cooperative, not contained in this Agreement, shall constitute a warranty that the Facilities or Assets will conform to the affirmation or promise. Notwithstanding the foregoing, Cooperative and Company shall obtain and assign to the other all manufacturer's warranties applicable to all Facilities and Assets transferred hereunder.

- B. Cooperative.** Cooperative represents and warrants to Company that Cooperative will have applied for and/or obtained in due time before the Closing Date hereunder, all necessary authorizations, licenses, permits, approvals and other official consents as may be required under law and regulation for Cooperative's performance of its obligations hereunder.

A R T I C L E X
RECORDS

Each party shall give to the other party, the other party's accountants, counsel and other representatives, during normal business hours from the date hereof to the Closing Date, access to books, records, contracts and commitments of such party related to this transaction and shall furnish the other party during such period with information concerning said party's affairs as the other party may reasonably request with respect to the various transactions contemplated hereby. In the event that, after Closing Date, any controversy or claim by or against either party arises out of this transaction or the subject matter hereof, either party shall make available to the other, copies of such relevant records as may reasonably be requested pertaining thereto.

A R T I C L E X I
FITNESS OF PROPERTY

Company shall repair and maintain the Facilities in good state of repair through the date of transfer of Facilities, ordinary wear and tear excepted, and Company shall not dispose of any of such items except in the normal course of business without the consent of Cooperative. If, between the time this Agreement is executed and the Closing Date, a significant portion of the Facilities are damaged or destroyed beyond normal wear and tear, Cooperative and Company shall attempt in good faith to achieve a mutually satisfactory agreement for the repair and restoration of such Facilities. In the event that Cooperative and Company cannot agree upon terms for the repair and restoration of such Facilities, either party shall have the option to submit the dispute to arbitration. If any portion of the Facilities or Easements is taken through condemnation during the period between execution of this Agreement and the Closing Date, Cooperative shall be entitled to the condemnation award(s).

A R T I C L E X I I
INDEMNITY AND RELEASE

A. Cooperative's Environmental Indemnification and Release.

1. Cooperative shall indemnify, defend and save harmless Company from and against any suits, actions, legal or administrative proceedings, demands, claims, liabilities, fines, penalties, losses, injuries, damages, expenses or costs, including interest and attorney's fees, in any way connected with any injury to any person or damage to any property (including cost of studies, surveys, clean-up and any other environmental claim expenses) which arise out of the condition, operation or use of the Facilities or Easements or any loss occasioned in any way by hazardous substances (as defined under any Federal or Missouri law) on the Facilities or Easements or by the negligent or intentional activities of Company during or after Company's acquisition of the property. This indemnity specifically includes the direct obligation of Cooperative to perform any remedial or other activities required, ordered, recommended or requested by any agency, government official or third party, or otherwise necessary to avoid injury or liability to any person, or to prevent the spread of pollution, however it came to be located on the property (hereinafter, the "Remedial Work").
2. After the Closing Date and without limiting its obligations under any other paragraph of this Agreement, Cooperative shall be solely and completely responsible for responding to and complying with any administrative notice, order, request or demand, or any third party claim or demand relating to potential or actual contamination relating to the Facilities. The responsibility conferred under this paragraph includes, but is not limited to, responding to such orders on behalf of Company and defending against any assertion of Company's financial responsibility or individual duty to perform under such orders. Cooperative shall assume, pursuant to paragraph (1) above, any liabilities or responsibilities which are assessed against Company in any action described under this paragraph (2).
3. Cooperative hereby waives, releases and discharges forever Company from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present

and future, known and unknown, arising out of or in any way connected with the condition, operation or use of the Facilities or Easements, any condition of environmental contamination relating to the Facilities or Easements, and/or the existence of hazardous substances (as defined under Federal or Missouri law) in any state relating to the Facilities or Easements, however they came to be placed there during or after Company's acquisition of the Facilities and Easements.

B. Indemnity and Release — Prior to Closing. The parties desire to permit Cooperative to have access to the Facilities prior to Closing Date to aid in the transfer of the Facilities. The parties also agree that Cooperative shall assume the risks of loss and liability with respect to the Facilities due to Cooperative's access and use of the Facilities prior to Closing Date. Accordingly:

1. Company shall, at its sole cost and expense, submit to Cooperative a current Phase I Environmental Assessment (the "Phase I Assessment") on the fee interest substation properties dated within 90 days from the date of this Agreement. The party preparing the Phase I Assessment shall be a qualified environmental or engineering company in compliance with the "Standard Practice of Environmental Site Assessment Process," ASTM Standard E 1527, in effect on the date of completion of the Phase I Assessment. The Phase I Assessment, either on its face or by separate letter from the consultant preparing the report, shall permit Cooperative and its lenders to rely upon the report. Company shall correct all unlawful deficiencies listed in the report at Company's expense. If Company fails to correct such deficiencies, Cooperative shall have the option of terminating this Agreement. During the period within 90 days after the date of this Contract, the Company or the Cooperative shall have the option to collect soil samples to document the environmental condition of the fee interest substation properties. If either party elects to do this, the results of the sampling will be shared with the other party. Company shall correct all unlawful deficiencies disclosed by said soil samples at Company's expense. If Company fails to correct such deficiencies, Cooperative shall have the option of terminating this Agreement.

2. Company hereby gives Cooperative permission to access and use the Facilities as required to assist Cooperative in planning and implementing the transfer of the Facilities contemplated by this Agreement;
3. Cooperative hereby agrees to reimburse Company, for any loss of or damage to any of the Facilities caused by Cooperative's access and use prior to Closing Date; and
4. Cooperative shall indemnify and hold harmless Company, the directors, officers, employees, attorneys, and agents of Company from and against all liabilities, costs and expenses including, without limitation, reasonable attorney's fees, incurred by Company by reason of any injury to or death of any employee of Company, employee of Cooperative, or third party; or damage to the property of Company, Cooperative or third party arising out of or involving Cooperative's access or use of the Facilities prior to Closing Date unless such loss, damage, personal injury or death is the result of negligent conduct or willful misconduct of Company or its agent. For purposes of the foregoing indemnification, neither party hereto shall be deemed the agent of the other party.

C. **Estoppel.** The foregoing provisions of this Article may be pled as a full and complete defense to, and may be used as a basis for, enjoining any action, suit, or other proceeding that may be instituted, prosecuted or attempted in breach of the foregoing provisions, except for an action based on a breach of this Agreement.

ARTICLE XIII **NOTICES**

Notices hereunder may be given by any means reasonably calculated to timely apprise the other party of the subject matter thereof and no notice shall be deemed deficient if in writing, or promptly confirmed in writing, and personally delivered, by express courier, or mailed first-class, postage prepaid to:

<p>If PEMISCOT-DUNKLIN ELECTRIC COOPERATIVE, INC</p> <p>ATTN: Charles J. Crawford General Manager P.O. Box 657 Hayti, MO 63851</p>	<p>If UNION ELECTRIC COMPANY</p> <p>ATTN: Jean M. Mason Manager, SEMO Division 45 South Minnesota Avenue Cape Girardeau, MO 63703</p>
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or to the attention of such other individuals or at such other addresses of which the parties may give notice from time to time. All communications, notices, and consents given in the manner prescribed in this Article shall be deemed given when received by (or when proffered to, if receipt is refused) the person to whom it is addressed.

ARTICLE XIV **FORCE MAJEURE**

- A. Force Majeure.** Neither party shall be liable under this Agreement for damages occasioned by delay in performance or failure to perform its obligations under this Agreement, if the delay or failure results from causes beyond its reasonable control and without the fault or negligence of the party so failing to perform or its contractors or agents.
- B. Notice.** The party whose performance is affected shall immediately notify the other party indicating the cause and expected duration of the event of force majeure and the delay which it will cause and it shall continue to keep the other party notified of the situation.
- C. Obligations of Affected Party.** The party whose performance is affected by an event of force majeure shall use all reasonable efforts to avoid or minimize the consequences of delay or failure, shall continue with its obligations after the cause of the delay or failure ceases to exist, but shall not be required to settle a strike, work stoppage, or other labor disputes.

ARTICLE XV
TERMINATION

This Agreement may (i) be canceled by mutual written agreement of the parties prior to the transfer of Facilities for any reason, (ii) become invalid and void in accordance with Article VI hereof, or (iii) be terminated by Cooperative in accordance with Article XII hereof. In the event this Agreement terminates as described in this section and the Agreement's approval by the Commission is pending, both parties shall take all actions necessary under 4 CSR 240-2.116 to dismiss any joint application for approval of this Agreement from consideration by the Commission. In the event the parties cancel this Agreement and terminate it as described in this section, and the Agreement has been approved by the Commission, both parties shall file with the Commission a written notice signed by both parties indicating they are terminating the Agreement. Each party shall pay the costs and expenses incurred by it in connection with this Agreement, and no party (or any of its officers, directors, employees, agents, attorneys, representatives, or shareholders) shall be liable to any other party for any costs, expenses, or damages; except as provided in this Agreement, and neither party shall have any liability or further obligation to the other party to this Agreement.

ARTICLE XVI
NO ASSUMPTION OF LIABILITIES

Both parties acknowledge that the other party is acquiring Facilities and Easements or Assets without any assumption of the transferring party's liabilities, except as expressly assumed in writing prior to the Closing Date by the party acquiring the Facilities and Easements or Assets after full disclosure of the nature of liability by the transferring party. Both parties covenant that they shall fully and timely satisfy their liabilities not assumed by the other party hereunder, but relevant to the transactions contemplated hereunder, or the subject matter hereof, including, without limitation, all and any liabilities which shall have accrued prior to the Closing Date.

A R T I C L E X V I I
MISCELLANEOUS

- A. Amendments.** No modification, amendment, deletion or other change in this Agreement shall be effective for any purpose, unless specifically set forth in writing and signed by both

Parties. No modification, amendment, deletion or other change in this Agreement shall be effective for any purpose, unless it is approved by the Commission.

B. Headings. Headings and titles contained in this Agreement are included for convenience only and shall not be considered for purposes of interpretation of this Agreement.

C. Joint Application and Impact of Commission or Court Orders. 1. Each party shall cooperate with the other in obtaining all necessary permits and approvals of regulatory authorities and shall do all such things as are reasonably required to permit the completion of the transactions contemplated herein in an orderly, efficient and timely manner. The parties shall make a good faith effort to file by March 15, 2008, for the Commission approval of the exchange referred to herein. If the Commission does not approve the provisions of this Agreement, or if any part of this Agreement is declared invalid or void by a court or agency of competent jurisdiction, then the whole Agreement shall be deemed invalid and void, except as provided in subsection 2 below.

2. In the event this Agreement is deemed to be invalid and void in accordance with Section C. 1 above, or if this Agreement is otherwise terminated in accordance with its terms prior to Commission approval of the exchange referred to herein, Company shall pay Cooperative the purchase price paid to the Manufacturer by Cooperative for the Assets then delivered to Cooperative by Manufacturer and to Company by Cooperative in accordance with Article VII hereof. If Manufacturer consents to accept Company's purchase orders for the Assets not then delivered to Cooperative by Manufacturer, Cooperative shall cancel the Purchase Orders, and the parties shall have no further obligations hereunder. If Manufacturer does not consent to accept Company's purchase orders for the Assets not then delivered to Cooperative by Manufacturer, Cooperative agrees to complete its performance under the Purchase Orders covering said Assets, and to deliver said Assets to Company in accordance with Article VII hereof. Company shall reimburse Cooperative for the purchase price paid to Manufacturer by Cooperative for said Assets within ten (10) days of Cooperative's payment of the same to Manufacturer. Upon delivery of all of said Assets to Company, and Company's reimbursement of the purchase price paid by Cooperative therefore, the parties shall have no further obligations hereunder. Notwithstanding the foregoing, if this Agreement is terminated for any reason other than an act or omission of Cooperative, Company shall reimburse Cooperative for interest on the

purchase price paid by Cooperative to Manufacturer for the Assets from the date paid by Cooperative until said purchase price is reimbursed to Cooperative by Company.

- D. Survival.** Obligations under this Agreement, which by their nature would continue beyond the termination, cancellation or expiration of this Agreement, shall survive termination, cancellation or expiration of this Agreement. All representations and warranties, and rights and duties hereunder, except for those that are fully executed at the closing, shall survive the closing.
- E. Expenses.** Except as otherwise expressly provided herein, 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, the fees and expenses of agents, representatives, counsel and accountants employed by any such party, shall be borne solely and entirely by the party which has incurred same. Notwithstanding the foregoing, the cost of an inventory of the Facilities in the approximate amount of \$41,800.00, which has been or will be paid by Cooperative, shall be divided as follows:

1. In the event the Commission approves or disapproves the exchange referred to herein, and in the case of Commission approval, a Closing takes place hereunder, the parties shall split the costs of said inventory evenly;

2. In the event this Agreement is terminated by mutual agreement of the parties pursuant to Article XV hereof, the parties shall negotiate in good faith, an agreement to split the cost of said inventory in a commercially reasonable manner.

Company shall reimburse Cooperative for Company's share of said inventory cost, as applicable, (i) at Closing, in the event of a Closing hereunder; (ii) within 30 days following a Commission disapproval of the exchange referred to herein; or (iii) within 30 days of a termination described in Article XV hereof.

- F. No Waiver.** If a party has waived a right under this Agreement on any one or more occasions, such action shall not operate as a waiver of any right under this Agreement on any other occasion. Likewise, if a party has failed to require strict performance of an

obligation under this Agreement, such action shall not release the other party from any other obligation under this Agreement or the same obligation on any other occasion.

- G. **Governing Law.** This Agreement shall be governed by, construed, and enforced in accordance with, and its validity shall be determined under, the laws of the State of Missouri.
- H. **Agreement Binding.** This Agreement shall bind and inure to the benefit of the parties, and their respective successors and assigns, but shall not be assignable by either party without the prior written consent of the other party.
- I. **Execution in Counterparts.** This Agreement may be executed in one or more counterparts, any or all of which may contain the signatures of fewer than both of the parties but all of which shall be taken together as a single instrument. This Agreement may be executed by facsimile or as a portable document format (.pdf) document, either of which shall constitute an original.

The Parties have entered into this Agreement as evidenced below by the signature of their duly authorized representatives as of the date set forth on the first page hereof.

UNION ELECTRIC COMPANY
d/b/a AmarenUE

By RC Zeller

Title Vice President - Energy Delivery

ATTEST:

By AL Waters

Title ASST. SECRETARY

PEMISCOT-DUNKLIN
ELECTRIC COOPERATIVE, INC

By Thomas E. Felt

Title President

ATTEST:

By Dellert DeFries

Title Secretary

EXHIBIT A

This Exhibit contains Highly Confidential information.

Exhibit B

FACILITIES

Approximately 92.54 pole miles of distribution and subtransmission facilities used to serve the Structures that are transferred under this Agreement, including associated poles, insulators, cross-arms, conductors, transformers and other hardware, as follows:

-15.69 miles of three phase 4kV distribution circuit, 4.63 miles of two phase 4kV distribution circuit, and 21.48 miles of single phase 4kV distribution circuit.

-12.34 miles of three phase 12kV distribution circuit, 5.30 miles of two phase 12kV distribution circuit, and 8.21 miles of single phase 12 kV circuit.

-24.89 miles of 34 kV subtransmission circuit.

-886 distribution transformers.

-Approximately 3,000 poles.

Four electrical substations, as follows:

-Arbyrd Substation: Hwy. 108; ½ miles south of Arbyrd, MO; corner of Hwy. 108 and County Road 620.

- Hollywood Substation: County Road 641; ½ miles north of State Road 164; 4 miles east of Arbyrd.

- Hornersville Substation: North end of Rose St.; Hornersville, MO' West side of road; 100 yards north of Schultz St.

- Senath Substation: SW corner of Maple St. & Frisco St., Senath, MO.

Exhibit C
Assets to be Exchanged by Cooperative to Company

	Waukesha	Ameren	Scheduled	Destination
Item	Transformers	Purchase Order	Delivery	Substation
1	34.4/13.2 kV ; 22MVA	323644	02/12/2008	Olive
2	34.4/13.2 kV ; 22MVA	323645	02/26/2008	Riverport
3	161/13.2 kV; 33MVA	334001	03/17/2008	Moreau
4	34.4/13.2 kV ; 22MVA	326154	05/05/2008	Flint Hill
5	34.4/4.36 kV; 14MVA	335446	08/04/2008	Emerson

BILL OF SALE**Exhibit D**

This Bill of Sale ("Bill of Sale") made this ____ day of _____, 2007, by and between Pemiscot-Dunklin Electric Cooperative, Inc., hereinafter called "Transferor" and Union Electric Company, d/b/a AmerenUE, hereinafter called "Transferee".

WHEREAS, Transferor is the owner of certain personal property (the "Property"), FOB Waukesha Electric Systems, Inc.'s facility located in [Waukesha, WI or Goldsboro, NC, as applicable]; and

WHEREAS, Transferor has agreed to transfer such personal property to Transferee, subject to the terms and conditions contained in this Bill of Sale.

WITNESSETH:

That Transferor for and in consideration of the sum of One Dollar (\$ 1.00) and other good and valuable consideration, the receipt of which is hereby acknowledged, does hereby assign, transfer and convey to the Transferee all its right, title and interest in and to:

One (1) ____ / ____ kV; __ MVA Waukesha Transformer, Transferee Destination Substation _____

The Property is accepted by the Transferee 'as is' in its present condition as it now exists, FOB Waukesha Electric Systems, Inc.'s facility at [Waukesha WI or Goldsboro, NC, as applicable] and in connection therewith Transferor makes no warranty, express or implied. Notwithstanding the foregoing, Transferor hereby assigns to Transferee all of Transferor's right title and interest in and to the manufacturer's warranty of the Property.

IN WITNESS WHEREOF, the parties have executed this Bill of Sale as of the day and year first above written.

TRANSFEROR:

TRANSFEE:

**PEMISCOT-DUNKLIN ,
ELECTRIC
COOPERATIVE, INC**

**UNION ELECTRIC COMPANY d/b/a
AMERENUE**

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____