

## **ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (the "Agreement") is made and entered into as of this 19<sup>th</sup> day of February, 2010, by and between Union Electric Company d/b/a AmerenUE, a Missouri corporation ("Seller"), and Rolla Municipal Utilities, a municipal utility organized and existing under the laws of the State of Missouri ("Buyer"). Seller and Buyer shall be each referred to individually as "Party," or collectively, "Parties."

### **RECITALS**

WHEREAS, Seller owns certain electrical facilities in Missouri known as the Phelps Substation ("Phelps Substation") in Phelps County, Missouri, and associated electrical facilities and assets, including 34.5 kV circuits and appurtenant equipment; and

WHEREAS, Buyer owns certain electrical facilities in Missouri within and near the City of Rolla, Missouri ("Rolla"), and is the electric service provider to electric customers in Rolla; and

WHEREAS, Buyer seeks to purchase certain 34.5 kV facilities and two transformers associated with Seller's Phelps Substation under the terms and conditions of this Agreement; and

WHEREAS, Seller is entering into a related asset purchase agreement between Seller and the City of St. James ("St. James"), pursuant to which Seller will convey to St. James, inter alia, most of the Phelps Substation equipment excluding the aforementioned transformers ("St. James Agreement");

NOW, THEREFORE, Seller agrees to sell to Buyer, and Buyer agrees to purchase from Seller, said assets in accordance with the terms and conditions of this 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 (i) certain 34.5 kV facilities ("the Lines") and (ii) one 84 MVA transformer and one 112 MVA transformer located in the Phelps Substation ("the Transformers") (collectively, the "Purchased Assets"), all as described in detail on Exhibit A attached hereto and incorporated herein by reference.

In addition to the sale of the Purchased Assets, Seller shall assign, transfer and set over to Buyer (i) all of the right, title and interest of Seller in and to the easements, rights-of-ways and permits on which the Lines are located (hereinafter collectively "Property Rights") and (ii) all rights and obligations of Seller pursuant to the pole use agreements listed in Schedule 1 to Exhibit A hereto. Seller shall complete and file all documents necessary to effectuate such transfers, including submitting appropriate documentation to all applicable railroads in connection with the transfer of the railroad crossing permits listed in Schedule 1 to Exhibit A.

1.2 Purchase Price. The Buyer shall pay Seller Four Million Seven Hundred Seventy Eight Thousand Eight Hundred Twenty One Dollars and Ninety Three Cents (\$4,778,821.93) ("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 ("Closing") shall take place on a date and at a time selected by mutual agreement of the Parties ("Closing Date"), but i) shall not occur prior to the date 30 business days after the date the Missouri Public Service Commission ("MPSC") approves both this Agreement and the St. James Agreement (the "MPSC Approval Date"), and ii) shall occur not later than the date 60 days after the MPSC Approval Date absent mutual agreement of the Parties to extension of this deadline. The Closing shall 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. The Parties will make reasonable efforts to have the closings under this Agreement and under the St. James Agreement occur on the same day. Seller shall use reasonable efforts to apply to the MPSC for approval of the transactions covered by this Agreement within thirty (30) days after the date of the execution of this Agreement.

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

- 2.2.1 All necessary and proper Bills of Sale, certificates, assignments, and/or other instruments of conveyance that Buyer reasonably deems necessary or proper to convey the Purchased Assets and Property Rights free and clear of all liens and encumbrances, including without limitation documents in a form suitable for recording for the transfer of interests in real estate covered by this Agreement;
- 2.2.2 Copies of all pole use agreements to be assigned to Buyer;
- 2.2.3 Certified copies of corporate resolutions authorizing the consummation of the transactions contemplated herein;

- 2.2.4 A certificate that Seller's representations and warranties contained in this Agreement are true as of the Closing Date;
- 2.2.5 Any required third-party consents to the transaction contemplated hereby; and
- 2.2.6 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:

- 2.3.1 The Purchase Price of Four Million Seven Hundred Seventy Eight Thousand Eight Hundred Twenty One Dollars and Ninety Three Cents (\$4,778,821.93) in cash by wire transfer of immediately available funds to an account designated by Seller;
- 2.3.2 Certified copies of municipal and/or applicable board resolutions authorizing the consummation of the transactions contemplated herein;
- 2.3.3 A certificate that Buyer's representations and warranties contained in this Agreement are true as of the Closing Date;
- 2.3.4 Any required third-party consents to the transaction contemplated hereby; and
- 2.3.5 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 shall, 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 Purchased Assets and Property Rights acquired pursuant hereto. Buyer represents that pursuant to an agreement between itself and St. James dated October 28, 2008 (the "Joint Use Agreement"), on and after the Closing of this transaction and the St. James Agreement, Buyer is entitled to have the Transformers located on property owned and controlled by St. James, and Buyer and St. James will each be entitled to use the entirety of the Phelps Substation (including the Transformers). As between Buyer and Seller, Buyer's ability to take possession of the Transformers, and all other terms and conditions relating to the custody and control of said Transformers as of and after the Closing Date hereunder are the sole responsibility of the Buyer, except with respect to the environmental indemnity provided for in Article 9.1 below. A copy of the Joint Use Agreement is attached hereto as Exhibit B.

ARTICLE III  
REPRESENTATIONS AND WARRANTIES OF SELLER

3.1 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:

- 3.1.1 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 Purchased Assets and/or the Property Rights to be transferred, assigned and conveyed hereunder.
- 3.1.2 Absence of Undisclosed Environmental Conditions. The Seller, as of the Closing Date, is not aware of any existing or potential environmental compliance or remediation required by any governmental authority, including any court, relating to the Purchased Assets and/or the Property Rights to be transferred, assigned and conveyed hereunder.
- 3.1.3 Title to Assets. Seller has good and marketable title to all Purchased Assets to be sold to Buyer under this Agreement, subject to a Mortgage and Deed of Trust dated June 15, 1937, and all supplemental indentures thereto. 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.
- 3.1.4 Title to Property Rights. Seller has good and marketable title to all Property Rights to be conveyed to Buyer under this Agreement, subject to a Mortgage and Deed of Trust dated June 15, 1937, and all supplemental indentures thereto. All such Property Rights will be transferred at the Closing free and clear of all mortgages, liens, claims, charges, security interests, and other encumbrances of any nature whatsoever.
- 3.1.5 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.
- 3.1.6 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.

- 3.1.7 Absence of Knowledge of Economic Benefits. Seller has no knowledge of the economic, regulatory, or other benefits, if any, that Buyer may derive from the ownership of the Purchased Assets and Property Rights, and makes no representation or warranty of any nature regarding the value of the Purchased Assets and Property Rights in relation to the Purchase Price, or otherwise.

#### ARTICLE IV REPRESENTATIONS AND WARRANTIES OF BUYER

4.1 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:

- 4.1.1 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 Rolla Board of Public Works, 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.
- 4.1.2 Seller will not be responsible for maintaining the Phelps Substation, the transformers, distribution lines, or other equipment sold to Rolla following the Closing Date, including without limitation, any other cost required with respect to operations or maintenance of the Phelps Substation.
- 4.1.3 Buyer agrees that it will not seek to receive, nor will it accept if sought by a third party, any credit or other compensation against the purchase of any transmission or distribution service from Seller due to the construction of, or payment for, any facilities Buyer may install on its system.

#### ARTICLE V SELLER'S COVENANTS

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

- 5.1.1 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 three (3) business days notice. Such records shall be limited to information pertaining to the Purchased Assets and/or the Property Rights, 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.

- 5.1.2 Access to Property and Equipment. Buyer and Buyer's representatives shall have access during normal business hours to inspect the Purchased Assets and/or the real property associated with the Property Rights upon three (3) business days notice. Such access shall be subject to reasonable safety requirements and the confidentiality provisions set forth in Article VI below. To the extent permitted by law, Buyer shall indemnify and hold harmless Seller and its directors, officers, employees, attorneys, and agents from and against all liabilities, costs and expenses, including, without limitation, reasonable attorney's fees, incurred by Seller by reason of any injury to or death of any employee of Seller or Buyer, or any third party, or damage to the property of Seller, Buyer or third party, arising out of or involving Buyer's access or use of the Purchased Assets and/or the real property associated with the Property Rights prior to the Closing unless such loss, damage, personal injury or death is the result of negligent conduct or willful misconduct of Seller or its agent.
- 5.1.3 Conduct Business in Ordinary Course. From and after the date of this Agreement until the Closing Date, Seller shall (i) conduct business utilizing the Purchased Assets and Property Rights 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.
- 5.1.4 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. Seller is not aware of any pole use agreements affecting the Purchased Assets other than those that are listed in Schedule 1 to Exhibit A and that will be assigned to Buyer pursuant hereto.
- 5.1.5 Adverse Developments. Seller shall 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 Purchased Assets and/or the Property Rights to be assigned or sold to Buyer.
- 5.1.6 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 (10) 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, the Purchase Price shall not be diminished, and Buyer shall be entitled to the proceeds of any insurance payable based on such casualty loss to the assets to be conveyed hereunder.

5.1.7 Environmental Conditions. Seller assumes all liability for any costs of either environmental compliance or remediation required by any governmental authority, including any court, applicable to the Purchased Assets and/or the Property Rights arising from events or uses occurring prior to the Closing Date and during such period as Seller had ownership or control of the Purchased Assets and/or Property Rights.

5.1.8 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, consultants, attorneys or representatives, shall remain confidential and shall not be disclosed or revealed to third parties other than St. James. "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 and Property Rights 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 everyone 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 Board 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 action of the Rolla Board of Public Works and Seller shall have received copies of all resolutions pertaining to those authorizations, certified as true and correct.



8.4 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. In the event the MPSC disapproves this Agreement, this Agreement shall become null and void. In said event, each Party shall have no liability at law or in equity to the other Party.

8.5 Execution of Distribution Connection Agreement. Seller, Buyer and St. James shall have entered into a Distribution Connection Agreement covering the connection and operation of the Parties' and St. James' respective facilities on each side of the points of connection between the Phelps Substation and the Ameren system. Further, Seller shall have obtained regulatory approval of such Distribution Connection Agreement from the Federal Energy Regulatory Commission ("FERC"), if required.

8.6 Execution of Alfermann Connection Construction Agreement. Seller and Buyer shall have entered into a Connection Construction Agreement covering the construction of certain tapping facilities to connect Buyer's new Alfermann Substation to Seller's 138 kV transmission lines. Further, Seller shall have obtained regulatory approval of such Connection Construction Agreement from the FERC, if required.

8.7 Execution of an Amended Wholesale Distribution Service Agreement. Seller and Buyer shall have entered into a Wholesale Distribution Service ("WDS") Agreement to reflect the current investment in the distribution facilities used by Seller to provide WDS service to Buyer. Further, Seller shall have obtained regulatory approval of such WDS Agreement from the FERC.

8.8 Closing under St. James Agreement. A closing under the St. James Agreement shall take place concurrently with the closing under this Agreement.

## ARTICLE IX INDEMNIFICATION

9.1 Indemnification by Seller. Seller agrees to protect, defend, indemnify and hold harmless Buyer, Buyer's successors and assigns and their affiliates and its and their shareholders, directors, officers, employees, agents, consultants and representatives 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 (1) any breach by Seller of or with respect to any of its warranties, representations or covenants provided in this Agreement, or (2) environmental conditions that were in existence prior to the Closing Date (as to which Seller bears liability pursuant to Article 5.1.7).

9.2 Indemnification by Buyer. To the extent permitted by law, Buyer agrees to protect, defend, indemnify and hold harmless Seller, Seller's successors and assigns and their affiliates and its and their shareholders, directors, officers, employees, agents, consultants and representatives 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 that has incurred the same.

10.2 Taxes. Seller shall pay all real, personal and ad valorem property taxes and assessments with respect to the Purchased Assets (and, if applicable, the Property Rights) for any and all periods prior to the Closing Date.

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

10.4 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  
Attn: Vice President Transmission  
1901 Chouteau Avenue  
St. Louis, MO 63166-6149  
Telephone: 314-554-2050  
Facsimile: 314-554-3066

If to Buyer:

Rolla Municipal Utilities  
Attn: General Manager  
102 West Ninth Street  
Rolla, Missouri 65402-0767  
Telephone: (573) 364-1572  
Facsimile: (573) 364-1540

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.

10.5 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. Notwithstanding the foregoing, either Party may assign this Agreement in whole to an affiliate of such Party with prior written notice to the other Party, and such assignment to an affiliate shall release the assigning Party from any obligation or liability under this Agreement if the assignee agrees in writing to assume this Agreement in whole.

10.6 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.

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

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

10.9 Governing Law. To the extent not governed by federal law, regulation or order, this Agreement shall be governed by and construed in accordance with the laws of the state of Missouri.

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

10.11 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.

10.12 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.

10.13 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.

**Ameren Services Company**  
**as designated agent for**  
**Union Electric Company d/b/a AmerenUE**

By: Maureen A. Borkowski

Name: Maureen A. Borkowski

Title: Vice President, Transmission

**Rolla Municipal Utilities**

By: Rosney P. Bonine

Name: Rosney P. Bonine

Title: General Manager

Exhibit A  
FORM OF  
BILL OF SALE

THIS BILL OF SALE ("Bill of Sale"), dated as of this \_\_\_\_\_ day of \_\_\_\_\_, 2010, is made by and between Ameren Services Company as designated agent for Union Electric Company d/b/a AmerenUE, a Missouri corporation ("Seller"), and Rolla Municipal Utilities, a municipal utility organized and existing under the laws of the State of Missouri ("Buyer"). Seller and Buyer shall be each referred to individually as "Party," or collectively, "Parties."

WITNESSETH:

WHEREAS, pursuant to a certain Asset Purchase Agreement dated as of the \_\_\_\_ day of \_\_\_\_\_, 200\_\_, by and between Seller and Buyer ("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.

SECTION 2.

Transfer of Property Rights. 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 Property Rights listed on Attachment 1 to the Assignment of Easement Rights, free and

clear of all liens, encumbrances, claims, clouds, charges, liabilities and obligations to have and to hold.

### SECTION 3.

Clear Title. The Seller warrants that it has good and merchantable title in the assets and property rights 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. EXCEPT FOR THE WARRANTIES SET FORTH IN THIS PARAGRAPH AND EXCEPT AS PROVIDED FOR IN ARTICLE 5.1.7 OF THE AGREEMENT, SELLER IS CONVEYING THE PURCHASED ASSETS "AS IS, WHERE IS," WITH NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

### SECTION 4.

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

### SECTION 5.

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 6.

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 and Property Rights, and shall, to the extent permitted by law, indemnify and defend Seller against any and all claims, demands or liability whatsoever arising from Buyer's use or possession of the Purchased Assets, or from the conditions of the Purchased Assets, after the date of this Bill of Sale, except for environmental liabilities arising from events or use prior to the Closing that are to be borne by Seller pursuant to the Asset Purchase Agreement.

IN WITNESS WHEREOF, each of the undersigned have caused this instrument to be executed  
as of this \_\_\_\_ day of \_\_\_\_\_, 200\_\_.

**Ameren Services Company**  
**as designated agent for**  
**Union Electric Company d/b/a AmerenUE**

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

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

Title: \_\_\_\_\_

**Rolla Municipal Utilities**

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

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

Title: \_\_\_\_\_

Schedule 1 to Exhibit A

ASSETS TO BE SOLD

The Purchased Assets shall consist of (1) the 84 MVA and 112 MVA transformers currently in use in the Phelps Substation (“the Transformers”), and (2) certain portions of 34.5 kV distribution facilities identified as Phelps 71, Phelps 72 and Phelps 73, emanating from the Phelps Substation (“the Lines”).

The Transformers being purchased by Buyer are described as follows:

Power Transformer #1 w/LTC  
3-Phase, 60Hz  
50.4/67.2/84 MVA @ 65C Rise  
139,200Delta-34,500/19,920Y Volts  
ABB Serial #MLL9282

Power Transformer #2 w/LTC  
3-Phase, 60Hz  
67.2/89.6/112 MVA @65C Rise  
139,200Delta-34,500/19,920Y Volts  
Southwest Electric Co. Serial #70258-1

The Lines that Buyer will purchase are the portions of Phelps 71, Phelps 72 and Phelps 73 from and including the metering equipment and appurtenances used to measure Buyer’s use on those lines (excluding the meters themselves, which Seller will retain), to the point of Buyer’s existing ownership of the lines. The specific facilities included in the Lines being conveyed to Buyer hereunder are listed below.

**34.5 kV Line Assets Transferred to Rolla from  
UE**

<b>Item</b>	<b>Quantity</b>	<b>Installed</b>
Bracket Line Post	60	1952
Anchor with Rod	22	1952
Step Existing Pole	1	1952
Guy Operations	10	1969
Step Existing Pole	1	1969
Bracket-Line Post PT	11	1969
Anchor 32M guy	3	1969
Crossarm-7Ft	11	1969



Pole 45'	1	1969
Pole 45'	7	1969
Pole 50'	2	1969
Pole 55'	1	1969
Pole 60'	1	1969
Pole 60'	2	1969
Guy Operations	6	1978
Bracket-Line Post PT	8	1978
Anchor 32M Guy Expa	3	1978
Crossarm-7ft,3 3/4X4	5	1978
Crossarm-10ft,3 3/4X4	4	1978
Crossarm-12ft,3 3/4X4	2	1978
Pole 30'	1	1978
Pole 35'	1	1978
Pole 40'	1	1978
Pole 45'	1	1978
Pole 45'	5	1978
Pole 50'	2	1978
Pole 50'	1	1978
Pole 50'	2	1978
Pole 60'	3	1978
Pole 65'	1	1978
Wire,Al,Bare,#556	76350	1969
Insulator Line Post	33	1969
Insulator Pin 34KV	5	1969

Insl Pole Top 34KV	5	1969
Insl-Susp 10in 15K#	18	1969
Wire,Al,Bare,#556	475	1972
Ext Wire/Cab Up Pole	5	1978
Arrester Lt 27KV MET	1	1978
Wire,Al,Bare,#556	8085	1978
Insulator Line Post	21	1978
Insulator Line Post	5	1978
Insulator Pin 34KV	3	1978
Insl Pole Top 34KV	3	1978
Insl-Susp 10In 15K3B	27	1978
Switch 34.5KV 1200A	1	1978
Kit	1	1978
Wire 954MCM All-Alf	99	1984
Mounting, 34KV Metrn	1	1990
Conduit 1 shd	20	1990
Enclosure PSU2730	1	1990
Guy Operations	4	1952
Pole 40'	1	1952
Pole 50'	1	1952
Anchor with Rod	1	1952
Insulator, Disc.	26	1952
Cable, 795 AA Bare	1224	1974
Right of Way		1992
Guy Operations	26	1992

Step Existing Pole	71	1992
Bracket - Line Post	70	1992
Insulator - Sec Clevis	2	1992
Bracket Ext Clevis	17	1992
Bracket Standoff 24" Fbr	1	1992
Pin - Fiber 1 Ph 24 In	8	1992
Pin - Fiber 1 Ph 18 In	43	1992
Anchor - Rock 53' Rod	35	1992
Anchor - Guy 10"	78	1992
Crossarm 10'	42	1992
Crossarm 8'	9	1992
Crossarm 8'	4	1992
Crossarm 7'	10	1992
Crossarm 10' HD	2	1992
Crossarm 12'	10	1992
Pole 30 Ft CL 4 WD	2	1992
Pole 35 Ft CL 4 WD	1	1992
Pole 40 Ft CL 1 WD	1	1992
Pole 40 Ft CL 3 WD	3	1992
Pole 45 Ft CL 1 WD	3	1992
Pole 45 Ft CL 2 WD	3	1992
Pole 45 Ft CL 3 WD	18	1992
Pole 50 Ft CL 2 WD	2	1992
Pole 50 Ft CL 3 WD	2	1992
Pole 55 Ft CL 1 WD	1	1992

Pole 55 Ft CL 2 WD	9	1992
Pole 55 Ft CL 3 WD	31	1992
Pole 60 Ft CL 1 WD	3	1992
Pole 60 Ft CL 2 WD	17	1992
Pole 60 Ft CL 3 WD	7	1992
Pole 65 Ft CL 1 WD	1	1992
Pole 65 Ft CL 2 WD	8	1992
Pole 65 Ft CL 3 WD	1	1992
Pole 70 Ft CL 1 WD	2	1992
Pole 70 Ft CL 3 WD	1	1992
Pole 75 Ft CL 1 WD	1	1992
Pole 75 Ft CL 2 WD	1	1992
Pole 80 Ft CL 1 WD	1	1992
Pole 85 Ft CL 1 WD	1	1992
Ins/Rem Temp Ground	50	1992
Remove Brackets	15	1992
Arrester-Ltg, 27KV, Met	65	1992
Arrester, 27KV, Met OX	8	1992
Arrester-Ltg, 10KV, Met	6	1992
Wire ASCR 336 Bare	18555	1992
Wire AAAC 1/0 Bare	6165	1992
Wire, Al, 556, Bare	79435	1992
Wire, Al, 556, Bare	7095	1992
Insulator, Sec Clevis	3	1992
Brkt Ext Welded Clevis	6	1992

Clamp - Susp 4AWG - 336	25	1992
Clamp, Deadend, 477	200	1992
Clamp - Susp 477-954	144	1992
Insulator, Line Post	27	1992
Insulator, Line Post	69	1992
Insulator, Line Post	18	1992
Insulator Pin 12KV	50	1992
Insulator Pin 12KV	84	1992
Insulator Standoff 34KV	163	1992
Insulator Standoff 34KV	138	1992
Insulator, Line Post	1	1992
Insulator Susp 4-1/4 IN	44	1992
Insulator Susp 4-1/4 IN	60	1992
Insulator Susp 15KV	295	1992
Insulator Susp 15KV	434	1992
Conduit 1 Shd I	20	1992
Switch, Fuse, 100A, 15KV	6	1992
Interrupt Ld VC 34KV	2	1992
Interrupt Ld VC 34KV	1	1992
Switch, 34KV, 1200A	1	1992
Switch, 34KV, 1200A	6	1992
Kit for 34KV Switch	4	1992
Kit	3	1992
Tree Trimming	1	1992

Contracted 12KV Work for City of Rolla	1	1992
Q-Meter	1	1992
R82 R El Rec Tou Dem	1	1992
Enclosure	1	1992
Ins/Rem Cluster Mt P	1	1992
Bracket, Racs & Spreader	2	1992
Clevis Pri & Secondary	1	1992
Clamp - Suspension	48	1992
Bracket Standoff 24" Fbrg	2	1992
Crossarm 7'	4	1977
Crossarm 10'	6	1977
Bracket Line Post	8	1977
Guy Operations	2	1978
Step Pole	1	1978
Pole 45'	1	1978
Pole 45'	1	1978
Pole 50'	1	1978
Pole 50'	2	1978
Pole 55'	1	1978
Pole 60'	1	1978
Pole 60'	1	1978
Crossarm 7'	1	1978
Crossarm 10'	2	1978
Bracket Line Post	3	1978
Anchor with Rod	1	1978

Guy Operations	8	1979
Step Pole	1	1979
Pole 55'	1	1979
Pole 55'	3	1979
Crossarm 7'	2	1979
Crossarm 10'	1	1979
Crossarm 12'	8	1979
Bracket Line Post	3	1979
Anchor with Rod	4	1979
Pole 45'	1	1981
Pole 45'	2	1981
Crossarm 10'	3	1981
Bracket Line Post	3	1981
Guy Operations	7	1983
Step Pole	1	1983
Pole 25'	1	1983
Pole 50'	3	1983
Crossarm 7'	3	1983
Bracket Line Post	2	1983
Anchor with Rod	5	1983
Step Pole	1	1989
Pole 45'	1	1989
Pole 45'	1	1989
Pole 60'	3	1989
Crossarm 7'	1	1989

Crossarm 10'	2	1989
Bracket Line Post	3	1989
Wire 336 Al Bare	70148	1951
Insulator Line Post	141	1951
Insulator Line Post	10	1951
Insulator Pin	1	1951
Insulator Disc	96	1951
Switch 34.5KV 1200A	1	1951
Switch 34.5KV 1200A	1	1951
Kit	2	1951
Insulator Line Post	3	1964
Extend Wire up Pole	1	1965
Insulator Line Post	6	1965
Insulator Disc	15	1965
Switch 34.5KV 1200A	1	1965
Kit	1	1965
Arrester Lightning	9	1967
Insulator Line Post	48	1967
Insulator Disc	30	1967
Insulator Line Post	3	1968
Extend Wire up Pole	2	1970
Arrester Lightning	5	1970
Insulator Line Post	14	1970
Insul Standoff	4	1970
Insul Susp 15KV	3	1970



Insulator Line Post	4	1972
Arrester Lightning	6	1977
Insulator Line Post	18	1977
Insulator Line Post	23	1977
Extend Wire up Pole	1	1978
Arrester Lightning	1	1978
Wire 556 Al Bare	12922	1978
Insulator Line Post	9	1978
Insul Pole Top	1	1978
Insul Standoff	2	1978
Insul Susp 15KV	11	1978
Extend Wire up Pole	2	1979
Arrester Lightning	3	1979
Wire 556 Al Bare	3051	1979
Insulator Line Post	9	1979
Insulator Line Post	9	1979
Insulator Pin	1	1979
Insul Susp 15KV	72	1979
Switch 34.5KV 1200A	2	1979
Kit	2	1979
Insulator Line Post	9	1981
Arrester Lightning	1	1983
Wire 556 Al Bare	2616	1983
Insulator Line Post	3	1983
Insulator Line Post	5	1983

Insulator Line Post	6	1983
Insul Susp 15KV	30	1983
Arrester Lightning	3	1989
Insulator Line Post	9	1989
34 kV metering equipment and appurtenances, less revenue meters	3	---

**PROPERTY RIGHTS TO BE CONVEYED**

See Attachment 1 to the Assignment of Easement Rights

**RAILROAD CROSSING PERMITS TO BE CONVEYED/ASSIGNED**

<b>Railroad Agreements UE to Rolla</b>					
<b>Grantor</b>	<b>Date of Instrument</b>	<b>Recorded</b>		<b>Sec- Twp- Range</b>	<b>Agreement</b>
		<b>Book</b>	<b>Page</b>		
St. Louis-San Francisco RR	January 23, 1951				Agreement #50351
St. Louis-San Francisco RR	July 2, 1969				Supplemental Agreement to #50351
Burlington Northern Railroad	July 12, 1991				Wire Line Crossing Permit No. PX91-2034

**POLE USE AGREEMENTS TO BE ASSIGNED**

The following agreements grant to third parties certain entitlements to use poles included within the Purchased Assets:

<b>Pole Attachments UE to Rolla</b>				
<b>Grantor</b>	<b>Date of Instrument</b>	<b>Recorded</b>	<b>Sec- Twp- Range</b>	<b>Agreement</b>
Master Facilities License Agreement	August 30, 2004			

Attachment 1 to Exhibit A, Schedule 1

FORM OF  
ASSIGNMENT OF EASEMENT RIGHTS

THIS ASSIGNMENT OF EASEMENT RIGHTS ("Assignment") is made as of this \_\_\_\_ day of \_\_\_\_\_, 2010, 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 Rolla Municipal Utilities ("RMU"), a municipal utility organized and existing under the laws of the State of Missouri with an address of 102 West Ninth Street, Rolla, Missouri 65401, as **ASSIGNEE**.

FOR AND IN CONSIDERATION of the purchase by RMU 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 RMU 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 RMU does hereby accept and assume all rights set forth therein.

IN WITNESS WHEREOF, each of the undersigned have caused this instrument to be executed as of this \_\_\_\_ day of \_\_\_\_\_, 2010.

**Ameren Services Company**  
**as designated agent for**  
**Union Electric Company d/b/a AmerenUE**

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

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

Title: \_\_\_\_\_

**Rolla Municipal Utilities**

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

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

Title: \_\_\_\_\_

Attachment 1

ROW Agreements UE to Rolla (1)					
Grantor	Date of Instrument	Recorded		Sec-Twp-Range	Agreement
		Book	Page		
Jackson, Lloyd C. & Julia E	May 25, 1950	129	553	29-38N-7W	Easement
Eberhardt, Rose, et al	June 8, 1950	129	557	29-38N-7W	Easement
Schuman, Edwin K & Zelda W.	May 31, 1950	129	555	29-38N-7W	Easement
Perrot, Ernest & Bertha M	January 8, 1951	133	107	30-38N-7W	Easement
Lewis, Henry C & Sabra E	August 3, 1950	129	633	30-38N-7W	Easement
Crain, Vernie U & Lillian D	July 17, 1950	129	611	30-38N-7W	Easement
Lentz, Fred H & Marie H	July 17, 1950	129	616	31-38N-7W	Easement
Rolla Mutual Aid Society	July 17, 1950	129	615	31-38N-7W	Overhang Easement

ROW Agreements UE to Rolla (2)					
Grantor	Date of Instrument	Recorded		Sec-Twp-Range	Agreement
		Book	Page		
Welch, J. I. & Cynthia	June 20, 1950	132	567	29-38N-7W	Easement
Denison, O.C. & Leah J.	July 17, 1950	129	613	28-38N-7W	Easement
Pohle, Carl A & Marjorie C	June 20, 1950	129	591	33-38N-7W	Easement
Pinkston, Frank O. & Marjorie	June 20, 1950	129	589	33-38N-7W	Easement
Franz, Clara B & Otto	June 20, 1950	129	579	4-37N-7W	Easement
Taylor, Edith Mary	June 20, 1950	129	587	5-37N-7W	Easement
Fitzwater, Leonel C & Bernice M.	June 22, 1950	129	573	5-37N-7W	Easement
Daniel, Ed & Etta L	June 21, 1950	129	581	32-38N-7W	Easement
Franz, Harry B	June 21, 1950	129	575	32-38N-7W	Easement
Haas, George G. & Eva M.	June 21, 1950	129	570	31-38N-7W	Easement
Foster, Arthur F & Lea S	June 29, 1950	129	617	6-37N-7W	Easement
Collins, Ida Pauline & Herbert R	June 8, 1950	129	552	31-38N-7W	Easement

## ROW Agreements UE to Rolla (3)

Grantor	Date of Instrument	Recorded		Sec-Twp-Range	Agreement
		Book	Page		
Lewis, Earl E.	April 30, 1991	391	148	31-38N-7W	Easement Document 9100339
Gilmore, Jerry L.	October 1, 1991	394	282	31-38N-7W	Easement Document 9102756
Midwest RV World, Inc.	December 31, 1991			31-38N-7W	Easement Document 9200224
Yotter, Robert & Peggy	November 19, 1991	395	270	31-38N-7W	Easement Document 9103526
William V. Andoe & Deanna S. Andoe, his wife and Robert F. Yotter and Peggy Ann Yotter, his wife	May 21, 1991	391	146	31-38N-7W	Easement Document 9100337
Harvey, Douglas Clark	September 27, 1991	394	155	36-37N-8W	Easement Document 9102439
Strothkamp, William J. & Ann H. & Paul & Patricia Ray & Larry A Strothkamp	January 29, 1993			29 & 30-38N- 7W	Easement Document 9300529
Rolufs, Helen Irene	May 22, 1991	391	149	31-38N-7W	Easement Document 9100340
Howard Franklin Huffman	June 19, 1991	392	234	29-38N-R7W	Easement Document 9101164

**Exhibit B**

**JOINT USE AGREEMENT DATED OCTOBER 28, 2008 BETWEEN ROLLA AND ST.  
JAMES**

**[SEE ATTACHED]**

# AGREEMENT REGARDING THE TEMPORARY JOINT USE OF PHELPS SUBSTATION AND ASSOCIATED TRANSMISSION LINES

This Agreement is entered into this 28 day of October, 2008, by and between ROLLA MUNICIPAL UTILITIES ("RMU"), a municipal electric and water system owned and controlled by the City of Rolla, Missouri, a political subdivision of the State of Missouri, and ST. JAMES MUNICIPAL UTILITIES ("SJM"), a municipal electric, natural gas, water and sewer system owned and controlled by the City of St. James, Missouri, a political subdivision of the State of Missouri.

## WITNESSETH:

**WHEREAS**, Ameren Corporation (Ameren), based in St. Louis, Missouri, presently owns and operates an electrical substation approximately six miles north of Rolla, Missouri, where electricity from two Ameren 138,000 volt transmission lines is transformed via two permanently installed transformers into a nominal voltage of 34,500 volts ("the Phelps Substation"). One such transformer, showing on Ameren's records as having been manufactured in 1985, is identified as a 67.2/89.6/112 MVA, 139.2/34.5 kV, 3-phase, 60 cycle, Comol. w/ server; 34.5 2000-A transf. bushings; S/N 70258-1, manufactured by Federal Pacific Electric Co. The other transformer, showing on Ameren's records as having been installed in 1997, is identified as a 138/34 kV, 84 MVA, 3-phase; S/N MLL9282, manufactured by ABB (hereinafter referred to collectively with their respective bushings and connectors as "the Two Transformers"). Both RMU and SJMU currently receive delivery of electric power and energy by means of these Ameren-owned facilities. That electric power and energy emanates from Phelps Substation via the Two Transformers and is ultimately delivered to RMU and SJMU through three 34,500 volt transmission lines, one of which (known as PLPS 71) delivers power and energy exclusively to RMU and two of which (known as PLPS 72 and PLPS 73) are used in delivering power to both RMU and SJMU; and

**WHEREAS**, negotiations are underway with Ameren by RMU and SJMU concerning several transactions involving the Phelps Substation. One calls for the creation of a new bulk substation ("New Substation") to serve RMU alone at 138,000 volts (138 kv), proposed to be located at a new site in the northern part of the City of Rolla. Another transaction calls for Ameren to sell and RMU to buy the Two Transformers. Another transaction calls for RMU and SJMU each to purchase separate segments of PLPS 71, 72 and 73 from Ameren. A fourth calls for SJMU to purchase essentially all of the Phelps Substation (which would include the land on which it is situated, the fencing around it, all of the buildings, the equipment and electrical structures, including breakers, lightning arresters, switches, relays, cables and wires) from Ameren, with the exception of the Two Transformers and any facilities or residual rights to be retained by Ameren; and

**WHEREAS**, creation of the New Substation is estimated to take approximately two years and, at the appropriate time, RMU intends to move the Two Transformers from the Phelps Substation to the New Substation, begin taking its bulk power through the New Substation, and thereby cease using Phelps Substation in RMU's daily operations. When the Two Transformers are removed from Phelps Substation, SJMU intends to obtain either one or two replacement 138/34.5 kv transformers to be installed in Phelps Substation coincident with the removal by RMU of the Two Transformers, and to continue using Phelps Substation for its power and energy deliveries; and

**WHEREAS**, RMU and SJMU are not competitors in the provision of utility services since each has its own separate distribution area pursuant to the laws of the state of Missouri applying to municipal utilities; and

**WHEREAS**, RMU and SJMU for reasons of economy and practicality seek to coordinate and provide for the removal and installation of their respective transformers at Phelps Substation during this transition period, and set out their agreement on the principles and conditions they intend to apply to the operations and possible contingencies at Phelps Substation during the time they will separately own but jointly use all of the facilities at Phelps Substation (including the Two Transformers) to provide electric power and energy to their respective municipal electric systems.

**NOW THEREFORE**, in consideration of the premises and the mutual covenants herein contained, the parties hereto, for themselves, their successors and assigns, do hereby covenant and agree as follows:

## 1. GENERAL SCOPE OF AGREEMENT

A. This agreement involves only the operation of Phelps Substation, the removal and installation of 138/34.5 kV transformers applicable to the Phelps Substation, and three electric transmission lines operated at a nominal voltage of 34,500 volts that emanate from Phelps Substation that are referred to as PLPS 71, PLPS 72 and PLPS 73. The primary purpose of this agreement is to deal with a transition period that begins when SJMU takes title to the Phelps Substation from Ameren, RMU takes title to the Two Transformers, and RMU and SJMU each take title to different segments of PLPS 71, PLPS 72 and PLPS 73 and their underlying easements or rights of way,

from Ameren. During this transition period, RMU alone will have title to the Two Transformers located in Phelps Substation and SJMU will have title to essentially everything else within and comprising the Phelps Substation. Title to the various segments of PLPS 71, PLPS 72 and PLPS 73 as between RMU and SJMU will be determined in a transaction or transactions with Ameren but, in general terms, PLPS 71 will be owned by RMU and, portions of PLPS 72 and PLPS 73 will be divided between RMU and SJMU since both are used in serving both parties. Electric power and energy emanating from Phelps Substation during this transition period, however, will be serving both RMU and SJMU simultaneously by means of these facilities, the use of which they will be sharing on a temporary basis. As a result of that, each party agrees during the term of this agreement to operate its facilities that are also the subject of this agreement in a reliable manner for the joint benefit of both parties.

B. The parties agree that the Two Transformers and the Phelps Substation, in conjunction with PLPS 71, PLPS 72 and PLPS 73, are essential to the operation of RMU's and SJMU's respective municipal electric distribution systems. Each party acknowledges the importance to commerce and public safety in the cities of Rolla and St. James that is inherent in the provision of a safe and dependable supply of electric power and energy utilizing Phelps Substation, the Two Transformers, and PLPS 71, 72 and 73. The parties recognize this shared use is only intended to last for a relatively short period of time; namely until RMU is able to relocate the Two Transformers to the New Substation and SJMU obtains and installs replacement transformers in Phelps Substation for SJMU's sole use, and PLPS 71, 72 and 73 are reconfigured to reflect the new situation of RMU and SJMU being served from different bulk power substations. Both parties also acknowledge that, due to the inherent nature of electric supply and the ever-present possibility of *force majeure* conditions, there is no guarantee provided by this agreement that there will be an uninterrupted supply of power and energy from Phelps Substation, or that any or all of its component parts and equipment, including transformers, will always function properly. Therefore, this agreement should not be construed in any way as guaranteeing to anyone an uninterruptible source of power and energy from Phelps Substation.

C. This agreement is not intended to benefit either RMU or SJMU to the detriment of the other but instead to be a cooperative effort in the temporary sharing of the overall function of a specific electrical substation. This agreement is neither intended nor designed to subject RMU or its customers to the governmental authority of SJMU, the City of St. James, or the St. James municipal utilities board. This agreement is neither intended nor designed to subject SJMU or its customers to the governmental authority of RMU, the City of Rolla, or the Rolla Board of Public Works. It is intended only to address a specific and temporary situation, and only for the period of time necessary to complete the transition from the Phelps Substation being a facility completely owned by Ameren to one that is completely owned by SJMU. This agreement sets out the procedures that RMU and SJMU will follow for their joint benefit during the transition period with the goal being to provide at least the same level of reliability that presently exists to the consumers on both the RMU and SJMU systems during this transition period. The parties intend for the specific provisions of this agreement to apply only during the transition period, unless otherwise specifically indicated.

## 2. CONDITIONS PRECEDENT

A. This agreement will become effective upon the signature of the last party to sign, but will not apply to all of the facilities until all of these conditions occur:

- i. RMU purchases and obtains title to the Two Transformers from Ameren;
- ii. SJMU purchases and obtains title to the remainder of the Phelps Substation from Ameren; and
- iii. RMU and SJMU each purchase and obtain title to their respective portions of PLPS 71, 72 and 73 and the accompanying easements or rights of way from Ameren, with RMU generally purchasing all of PLPS 71, and PLPS 72 and 73 being divided between RMU and SJMU generally following the function of delivery to each system.

B. The parties recognize that the closings underlying these anticipated purchases by SJMU and RMU may not take place upon the same day, meaning that SJMU may obtain title to certain of these facilities before RMU obtains title to the ones that it intends to purchase, or the opposite may occur. To deal with that contingency, each party agrees to provide at least 24 hours' advance telephonic notice to the other party of the dates and times of scheduled closings relating to the facilities referenced in this agreement and to provide immediate telephonic notice at the conclusion of the actual closing. If SJMU obtains title to any of the facilities that are expected to be transferred to it before RMU takes title to the Two Transformers, and those facilities are necessary to reliable service being received by RMU, SJMU's obligation under this agreement to operate such facilities in a reliable manner for the joint benefit of the parties shall immediately take effect, along with RMU's obligations under this agreement for maintenance on those facilities. This obligation of RMU assumes SJMU provides timely notice of the closing. Similarly, if RMU obtains title to the Two Transformers or any of the facilities necessary to reliable service being received by SJMU before SJMU takes title to the Phelps Substation or transmission lines, RMU's obligation to operate such facilities in a reliable manner for the joint benefit of the two parties shall immediately take effect, along with RMU's obligations under this agreement for maintenance, provided that RMU has sufficient permission from Ameren to do so if Ameren property is involved. Under no circumstances shall this agreement be construed to (i) require RMU to trespass on any property owned by Ameren or (ii) require RMU to have any obligations for maintenance, operation, inspection or repair of any facilities owned by Ameren. Furthermore, if all the conditions precedent appearing in 2.A. i, ii, and iii above are not met within thirty (30) days of the first of them to occur, then representatives of RMU and SJMU shall immediately meet and confer about the status of the situation, consider whether this agreement is still suitable for the purposes originally intended, and negotiate in good faith to bring about a satisfactory resolution.

C. The parties estimate that the total purchase price of these facilities will be approximately \$5,240,000; that RMU's portion of that total will be approximately \$3,815,000 and SJMU's portion will be approximately \$1,425,000.



### 3. TERM OF THIS AGREEMENT

A. Because it is impossible with any precision to predict the exact dates when future events relevant to this agreement will occur at the time this document is being executed by the parties, the parties will describe the term in a manner designed to coincide with objectively

observable and determinable events. In general, the term of this agreement shall commence when any of the conditions precedent in Section 2 have been fulfilled and this agreement shall continue in force until SJMU is the only entity taking electric power and energy from Phelps Substation, as specified in Section 17. The parties estimate that this term will be for a period of approximately two to three years, but recognize that events may shorten or lengthen that period.

B. No provision is made in this agreement for any extension beyond that term, it being understood by the parties that they will enter into negotiations prior to the end of the term to determine if a need then exists for some continuing arrangement between them, such as for a permanent but emergency-only connection to be maintained by RMU to Phelps Substation.

C. To specifically and objectively mark when all of the conditions precedent have occurred, RMU shall send a letter by first class mail to SJMU when RMU's management believes that to be the case, and cite to this provision in that letter. If SJMU does not dispute RMU's determination with a letter in response, citing facts supporting its judgment, that is mailed within twenty (20) business days of the date of RMU's letter, this agreement shall be deemed as having become effective as of the date of RMU's letter. This process may be repeated until such time as SJMU does not dispute the determination, or the parties may jointly sign a document indicating agreement that all of the conditions precedent have occurred.

D. To specifically and objectively mark when the conditions for the scheduled termination of this agreement have been met, either party may send a letter by first class mail to the other which cites to this provision and the language in Section 17 hereof, and states its belief that the conditions have occurred that trigger the scheduled termination of this agreement. If the receiving party does not dispute the sending party's determination with a letter in response, citing facts supporting its judgment, that is mailed within twenty (20) business days of the date of the sending party's letter, this agreement shall be deemed as having terminated as of the date of said letter. This process may be repeated until such time as the receiving party does not dispute the determination, or the parties may jointly sign a document indicating that this agreement has been terminated.

E. Portions of this agreement relating to the payment of money or the obligation to perform certain functions that may arise before such termination shall survive the termination of this agreement.

### 4. PROVISIONS RELATING TO PHELPS SUBSTATION DURING THE TERM OF THIS AGREEMENT

A. RMU shall be responsible for providing the day-to-day routine operation, inspection, monitoring, and operating maintenance for the Phelps Substation and the Two Transformers. Routine operating maintenance in this context does not include non-electrical maintenance obligations such as, but not limited to, painting, mowing, tree trimming, fence repair, road repair, etc., for which SJMU shall be responsible. SJMU agrees to accept RMU's engineering judgment on matters regarding whether some electric-related item needs repair or replacement. RMU will not charge SJMU for the provision of this operating maintenance service itself or its use of the Two Transformers, and SJMU will not charge RMU for its use of Phelps Substation.

B. SJMU is aware of RMU's staffing practices related to after-normal working hours operation and will rely upon RMU to initially respond to any outages related to Phelps Substation.

C. RMU's provision of routine maintenance does not mean that RMU will necessarily be financially responsible for replacement or repair of items. For the purposes of this agreement, each party shall be financially responsible for the facilities it owns. Financial responsibility shall mean that if any part, component, or aspect of an item subject to this agreement either

- i. fails,
- ii. is destroyed,
- iii. is damaged such that its functionality is impaired or put at risk,
- iv. from an engineering perspective needs something other than ordinary, routine maintenance,
- v. is operating erratically or from an engineering perspective shows indications that failure is reasonably possible, or
- vi. is otherwise not capable of functioning as designed,

then the party that has title to it shall be responsible for paying for all of the costs of either replacing it or bringing it back to proper operating condition in a timely manner. This provision includes paying for any outside contractors or services as may be necessary. More specifically, RMU is financially responsible for the Two Transformers and SJMU is financially responsible for the remainder of the Phelps Substation facilities that it owns. This means that if one or both of the Two Transformers should be determined to be in danger of failing, or fail to operate properly during the term of this agreement, RMU has the sole financial responsibility to obtain a suitable replacement or have the necessary repairs made in a timely manner. If RMU's personnel determine that any of the disconnect switches, relays, circuit breakers, lightning arrestors, buildings or structural components owned by SJMU within Phelps Substation are in danger of failing, or have failed to operate properly during the term of this agreement, SJMU has the sole financial responsibility to obtain a suitable replacement or have the necessary repairs made in a timely manner (except as provided in Section 10.B).

D. RMU's role in the day-to-day routine operating maintenance for Phelps Substation shall include the obligation to provide timely notification to SJMU management if RMU discovers or is notified of the failure or malfunction of any component owned by SJMU.

**5. BILLING AND PAYMENT PROVISIONS**

If during the term of this agreement RMU makes repairs to or replacement of facilities or items owned by SJMU, RMU will bill SJMU for that in the following manner.

A. Personnel: In all of the work RMU may perform on facilities owned by SJMU during this agreement, RMU shall continue to pay its employees according to its then-prevailing procedures and regulations. In other words, RMU shall not create a different wage scale for work for SJMU. RMU shall bill SJMU and SJMU shall reimburse RMU for all direct or indirect payroll costs and expenses incurred by RMU, including but not limited to employee pensions and benefits as defined in Account No. 926 of the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission.

B. Equipment: RMU shall bill SJMU and SJMU shall reimburse RMU for the use of its equipment (other than the Two Transformers) pursuant to this agreement according to RMU's pre-established rates for that equipment that RMU uses for its own purposes.

C. Materials and Supplies: RMU shall bill SJMU and SJMU shall reimburse RMU for all materials and supplies used by RMU or damaged, unless such damage is caused by the negligence of RMU's personnel. The measure of reimbursement shall be the replacement cost of the materials or supplies used or damaged, plus ten (10) percent of such cost.

D. RMU shall bill SJMU for all reimbursable expenses on a calendar month basis, not later than the 15<sup>th</sup> day of the month following the month in which the expenses are incurred. SJMU shall pay the bill not later than the last working day of the month in which the bill is sent to SJMU. If not paid on time, simple interest shall accrue on the unpaid balance at a rate of twelve (12) percent per annum.

**6. PROVISIONS RELATING TO PLPS 71, 72 and 73 DURING THE TERM OF THIS AGREEMENT**

A. There is one meter on PLPS 71 that measures power and energy being delivered to RMU. There are two meters on PLPS 72, one measuring power and energy being delivered to RMU and one performing that function for SJMU. There is a portion of PLPS 72 located between the meters and the Two Transformers that, when energized, would be utilized by both RMU and SJMU. There are two meters on PLPS 73, one measuring power and energy being delivered to RMU and one performing that function for SJMU. There is a portion of PLPS 73 located between the Two Transformers and the meters that, when energized, would be utilized by both RMU and SJMU. The meter for PLPS 71 is located inside of the fence surrounding Phelps Substation and the meters for PLPS 72 and 73 are located outside. For purposes of this agreement, meters on these lines measuring power and energy to be utilized within Rolla are referred to as "Rolla meters" and meters measuring power and energy to be utilized within St. James are referred to as "St. James meters." If any of these meters are removed or relocated before or during the term of this agreement, that shall have no effect on this agreement, the intent of the parties being to use the current locations of these meters as boundaries for determining certain responsibilities set forth in this agreement. Therefore, boundaries shall not change for purposes of this agreement if any such meter is removed or relocated. Reference to the "supply" side of these meters means the side "upstream" from that meter back toward the Two Transformers and the source of the electricity. Reference to the "load" side of these meters means the opposite side to the supply side; the side "downstream" from that meter, away from the Two Transformers and toward where the electricity is utilized by customers.

B. RMU shall be responsible for providing day-to-day routine operating maintenance for the portions of PLPS 71, 72 and 73 that are located between all the Rolla and St. James meters and the Two Transformers during the term of this agreement. Routine operating maintenance in this context does not include non-electrical maintenance obligations such as mowing grass on the right of way or tree trimming, which shall be the responsibility of SJMU as the owner. SJMU agrees to accept RMU's engineering judgment on matters where some item in that area needs repair or replacement. RMU will not bill SJMU for the provision of this routine operating maintenance service itself or the use of any part of PLPS 71, 72 and 73 that RMU may own during the term of this agreement, and SJMU will not charge RMU for its use of any part of PLPS 71, 72 and 73 that SJMU may own during the term of this agreement. If, however, RMU makes repairs to or replacements of any facilities owned by SJMU in this area during the term of this agreement, RMU will bill SJMU for the same in the manner described in Section 5 hereof.

C. During the term of this agreement:

- i. RMU shall be solely responsible for all aspects of the portion of PLPS 71 from the supply side of the Rolla meter to and including the termination point of PLPS 71 within Rolla.
- ii. RMU shall be solely responsible for all aspects of the portions of PLPS 72 and 73 from the supply side of each of the Rolla meters thereon to and including their respective termination points within Rolla.
- iii. SJMU shall be solely responsible for all aspects of the portions of PLPS 72 and 73 from the supply side of each of the St. James meters thereon to and including their respective termination points within St. James. In other words, the obligation of RMU to provide routine operating maintenance on the portions of PLPS 72 and 73 from the supply side of the St. James meters back to the Two Transformers pursuant to this agreement does not extend beyond the two St. James meters, but it does include the poles on which the St. James meters are located.

D. RMU's provision of routine maintenance does not mean that RMU will necessarily be financially responsible for replacement or repair of items comprising these portions of PLPS 71, 72 and 73. For the purposes of this agreement, each party shall be

financially responsible for the facilities it owns. Financial responsibility shall mean that if any part, component, or aspect of an item subject to this agreement either

- i. fails,
- ii. is destroyed,
- iii. is damaged such that its functionality is impaired or put at risk,
- iv. from an engineering perspective needs something other than ordinary, routine maintenance,
- v. is operating erratically or from an engineering perspective shows indications that failure is reasonably possible, or
- vi. is otherwise not capable of functioning as designed,

then the party that has title to it shall be responsible for paying for all of the costs of either replacing it or bringing it back to proper operating condition in a timely manner. This provision includes paying for any outside contractors or services as may be necessary.

E. For example, RMU is expected to take title to most, if not all, of PLPS 71. This means that if a vehicle strikes one of the poles supporting the conductors on PLPS 71 on the load side of the Rolla meter on that line, and RMU has taken title to that property, RMU has the sole responsibility to have the necessary repairs made in a timely manner. Another example would be if a vehicle strikes one of the poles supporting the conductors on PLPS 73 on the load side of the SJMU meter on that line, SJMU has the sole responsibility to have the necessary repairs made in a timely manner. Another example would be if an insulator on PLPS 73 on the supply side of the SJMU meter on that line is broken, RMU has the responsibility to replace the broken insulator, but SJMU has the financial responsibility for that repair after being billed for same by RMU pursuant to Section 5 hereof.

## **7. INSURANCE COVERAGE REQUIRED**

Each party agrees to add the items it owns that are subject to this agreement to its existing property and casualty insurance policy (or equivalent self-insurance program, if that is the case) that provides coverage for the same type of items in its municipal electrical distribution system, and in amounts commensurate with their value. The addition shall be made coincident with the party obtaining title to such items, and that party shall maintain that insurance coverage during the term of this agreement.

## **8. NOT A COMMITMENT FOR BACKUP SERVICE**

Both RMU and SJMU agree to utilize the normal standard of care that each employs for maintaining its own system for the facilities subject to this agreement. This agreement does not commit either RMU or SJMU to supply power to the other from other generating units or sources in the event the facilities subject to this agreement do not function as anticipated. Each party understands and acknowledges that it must maintain its own separate backup or standby power supply facilities for such needs to the extent that it deems necessary. This agreement does not, however, impose any new or greater obligation on either party with regard to contingency planning for *force majeure* situations than it had in the absence of this agreement.

## **9. PERMISSION FOR THE TWO TRANSFORMERS TO BE ON SJMU PROPERTY; INGRESS AND EGRESS; INSPECTIONS; LIENS**

A. This agreement contemplates that RMU will take title to the Two Transformers from Ameren as they currently sit on their foundations within the confines of Phelps Substation and that SJMU shall allow the Two Transformers to remain there until such time as RMU determines it is appropriate to move them to the New Substation, including temporary storage within or adjacent to Phelps Substation if needed as part of the moving process. In connection therewith, SJMU hereby grants to RMU the right, for the duration of this agreement, to have the Two Transformers located on the property of SJMU, together with the right of ingress and egress by RMU personnel or RMU's contractors, for the purpose of servicing, maintaining, removing, replacing, or any other function necessary regarding the Two Transformers, or if necessary, their replacements in case of failure. SJMU shall neither take nor allow any actions that prevent RMU from exercising any right it has as the owner of the Two Transformers, and SJMU shall take no actions that interfere with or disrupt the installation, operation, maintenance, repair, replacement, or removal of the Two Transformers.

B. SJMU shall take all necessary steps to ensure that the Two Transformers do not become subject to any liens or encumbrances by reason of their temporary location or placement on SJMU's property. SJMU shall execute any documents, including but not limited to subordination agreements, deemed reasonably necessary by RMU to prevent any claims being made or enforced by third parties on the Two Transformers as a result of RMU's property being located on SJMU's property under this agreement. RMU shall be allowed, if deemed necessary by RMU, to place signage on the perimeter fence and on the Two Transformers that declares the Two Transformers located within the enclosure are the property of RMU and not of SJMU.

C. SJMU shall not restrict or encumber RMU's access to Phelps Substation during the term of this agreement in any way or at any time including, but not limited to, blocking the entrance or placing locks on the gates to which RMU does not have a key. RMU shall be afforded ingress and egress at all times for purposes reasonably necessary to its obligations under this agreement.

D. SJMU shall not pledge or encumber any of RMU's property subject to this agreement and shall provide in any financings or related transactions, either present or future, that the lien of any mortgage or encumbrance relating to SJMU real estate or chattels shall not attach to RMU's property, and SJMU shall fully indemnify RMU and hold it harmless in the event any lien on RMU's property arises as a result of actions or inactions by SJMU in this regard.

E. RMU shall not pledge or encumber any of SJMU's property subject to this agreement and shall provide in any financings or related transactions, either present or future, that the lien of any mortgage or encumbrance relating to RMU real estate or chattels shall not attach to SJMU's property, and RMU shall fully indemnify SJMU and hold it harmless in the event any lien on SJMU's property arises as a result of actions or inactions by RMU in this regard.

F. RMU shall arrange, either prior to obtaining title from Ameren or immediately thereafter, to have an inspection made of the Two Transformers by a firm experienced in determining environmental hazards or damage relating to electrical transformers. The purpose of the inspection is to determine and document the condition of the transformers with regard to any possible environmental contamination that existed as of the date RMU obtained title to them. RMU shall share any report produced by this firm with SJMU.

G. Coincident with the removal of the Two Transformers, RMU shall arrange for the same inspection firm (or a suitable alternative firm if the original firm is not available) to perform another inspection to document their condition and determine if there is any evidence of any environmental damage that occurred during the time RMU had title to the Two Transformers. RMU shall share any report produced by this firm with SJMU. RMU shall be responsible for the remediation of any environmental damage that is attributable to the period during which RMU had title to the Two Transformers and that may be identified in such report.

#### **10. REMOVAL OF THE TWO TRANSFORMERS AND INSTALLATION OF REPLACEMENTS**

A. Representatives of the parties shall meet and confer as they deem necessary well in advance of the time when RMU anticipates needing to remove the Two Transformers. The purpose of these meetings shall be, to the extent practical and permitted by their respective contracting processes, to coordinate the delivery of SJMU's transformer or transformers to be installed in Phelps Substation and the concomitant removal of the Two Transformers, consistent with maintaining a level of reliable electric service. Both parties agree to extend reasonable cooperation to the other and to give due deference to the scheduling constraints of each party in moving transformers in and out of Phelps Substation. SJMU acknowledges that it is fully aware of RMU's right and need to remove the Two Transformers for RMU's own use in the New Substation, and the resulting risk associated to SJMU's system if SJMU does not obtain and install a timely replacement for the function served in Phelps Substation by the Two Transformers. SJMU acknowledges that it cannot and will not rely upon RMU leaving either of the Two Transformers in place due to possible delays in the delivery of SJMU's replacement transformer(s). SJMU is therefore required by this agreement to obtain and physically locate in Phelps Substation at least one 138/34.5 kV transformer for its intended use within eighteen (18) months of its purchase of Phelps Substation from Ameren. SJMU agrees that it will not, under any circumstances, seek to enjoin or restrain RMU from removing either or both of the Two Transformers and will not seek to compel RMU to leave either or both of the Two Transformers in place due to SJMU's inability to timely obtain and install a replacement transformer.

B. RMU shall have the unqualified right to remove the Two Transformers from Phelps Substation prior to the termination of this agreement. RMU's obligation in this regard shall be to arrange for the removal with reasonable diligence and without undue delay and SJMU shall not hinder RMU's ability to remove the equipment in any manner. SJMU shall cooperate with and allow RMU a commercially reasonable time in which to accomplish the task given the nature of the equipment and facilities and the complexities involved in removal. RMU or its contractor shall completely remove the units, taking care not to damage the foundations. If the foundations are damaged in a material manner that will impede SJMU from placing its transformers on the same foundations, RMU shall be responsible for the timely repair of any such damage back to the condition existing immediately prior to the existence of such damage. If any other aspects of the Phelps Substation are damaged by the removal of the Two Transformers, RMU shall be responsible for the repair of any such damage back to the condition existing immediately prior to the occurrence of such damage. Notwithstanding other provisions of this agreement to the contrary, any repairs RMU is obligated to make under this section 10.B. shall be at RMU's sole expense, even though title to the facilities is held by SJMU.

#### **11. TAXES OR OTHER ASSESSMENTS**

The parties believe, due to their being municipal corporations, that none of the real estate or personal property subject to this agreement is subject to taxation or special assessment by any federal, state or local governmental entity, and therefore the parties have intentionally made no provision for the proration of taxes or special assessments between them for purposes of this agreement. In the event, however, that any tax or special assessment is levied upon the property subject to this agreement during its term, the parties shall jointly request the taxing or assessing authority to allocate the charge between the parties based upon the underlying rationale for the charge. If the authority will not differentiate the charge as requested, then as between the parties, SJMU shall be responsible for the payment of any taxes or special assessments relating to the property that it owns, and RMU shall be responsible for those relating to the property that it owns.

#### **12. BINDING ARBITRATION ONLY ON CERTAIN MATTERS**

A. The parties have attempted to avoid disputes governing the operation and maintenance of the Phelps Substation and the Two Transformers and the associated transmission lines by agreeing that RMU's engineering judgment shall be followed by SJMU with regard to facilities needing repair or replacement. Without diminishing the importance or effectiveness of SJMU's agreement to abide by RMU's engineering judgment in these matters, if disputes nevertheless arise between the parties on this topic, and informal discussions do

not bring about a satisfactory resolution, then the parties agree to a dispute resolution process for this narrow topic that involves final and binding arbitration.

B. In the event any claim or dispute on this topic of repair or replacement is not resolved by an informal negotiation between the parties hereto, within twenty (20) days after the party against whom a claim is asserted receives written notice that a claim exists, each party hereto agrees to submit the claim to final and binding arbitration, in Rolla, Missouri, or such other location as the parties may agree to in writing. The parties will select a mutually acceptable arbitrator who has a reputation for fairness and has no bias for either party, has both educational training and practical experience with electrical substations and electrical transmission lines, and is either: (i) a current or retired member of the electrical engineering faculty of the Missouri School of Science and Technology at Rolla, or (ii) a current or retired electrical engineer. In the event the parties cannot agree on a single arbitrator, or if the amount in dispute is greater than \$500,000.00, then each party shall select one arbitrator with these qualifications and the two arbitrators selected by the parties shall select one additional arbitrator who shall conduct the arbitration. Neither party nor the arbitrator(s) will disclose the existence, content, or results of any arbitration hereunder without the prior written consent of all parties; provided, however, that such prior written consent will not be required when an obligation to disclose arises under applicable laws or governmental regulations or pursuant to a subpoena or other legal process, including, without limitation, any action to enforce the award of the arbitrator(s).

C. The parties shall be made aware of the hourly charges and expense reimbursement procedures for the arbitration in advance of its commencement, and each party agrees to pay one-half of such charges. Each party shall otherwise bear its own expenses for the arbitration, including its attorneys' fees. The parties may each, simultaneously, provide a written position statement to the arbitrator(s) and, after a period of no more than fifteen (15) days, each simultaneously provide a written rebuttal to the position statement of the other. After the submission of the statements and rebuttals, the arbitrator(s) may schedule a hearing or hearings and take statements from witnesses if the conducting arbitrator determines that to be necessary in order to render an appropriate decision. The arbitrator(s) shall render a written decision along with a written, reasoned opinion in support thereof. The parties agree to abide by the decision of the arbitrator(s).

D. This provision for arbitration is to be narrowly construed to apply only to engineering issues arising from this agreement, and to provide the exclusive method of resolving any such claims, and therefore is not designed to be an all-encompassing provision relating to legal issues arising from this document. Adherence to this dispute resolution process will not limit the parties' right to obtain any provisional remedy, including, without limitation, injunctive or similar relief, from any court of competent jurisdiction as may be necessary to protect their rights and interests. Unless otherwise agreed in writing, the parties hereto will continue to perform their respective obligations under this agreement during any arbitration or court proceeding.

### **13. WAIVER OF TERMS OR CONDITIONS**

The failure of either party to enforce or insist upon compliance with any of the terms or conditions of this agreement shall not constitute a general waiver or relinquishment of any such terms or conditions, but such conditions and terms shall be and remain at all times in full force and effect.

### **14. EFFECT OF THIS AGREEMENT ON OTHER AGREEMENTS**

A. This agreement does not alter or amend any existing agreements, whether formal or informal, between RMU and SJMU and is intended by the parties to be a stand-alone agreement.

B. No future agreement between RMU and SJMU shall be deemed to modify or amend this agreement unless said future agreement specifically makes reference to this agreement by date and title and specifically details how this agreement is being modified.

C. Terminology, descriptions, or categorizations used to refer to equipment or facilities in this agreement are for descriptive and informational purposes to aid in the interpretation and administration of this agreement only and shall not be considered to necessarily be conclusive, binding, or applicable when the same equipment or facilities are referred to in other contexts. For example, what may be considered a "transmission" line in this agreement may not be considered a "transmission" line in other contexts.

### **15. NOTICES**

All notices, requests and other communications hereunder shall be in writing and signed by an officer or general manager of the party giving same and must be given by mailing same, postage prepaid, addressed to the party to whom given at its address indicated below and shall be effective on mailing thereof. Telephonic or electronic means of communication are also permitted but only if followed up within two business days by a mailing as described above. Addresses may be changed, and additional copies of notices may be requested to be given to additional people in accordance with this provision. Addresses for notices are as follows:

Rolla Municipal Utilities  
Attn: General Manager  
102 West Ninth Street  
Rolla, MO 65401  
(573)364-1572

St. James Municipal Utilities  
Attn: Superintendent  
1116 West Springfield  
St. James, MO 65559  
(573)265-7013

**16. CONSTRUCTION AGREEMENT**

A. This agreement is deemed to be executed and performed within the state of Missouri and shall be construed under the laws of the state of Missouri.

B. This agreement is not to be construed as a joint venture between SJMU and RMU. SJMU and RMU are only entitled to receipt of the services described herein and only under the specified conditions. SJMU shall not be entitled to make any claim for, and hereby expressly disclaims any interest in, any type of revenue or benefits RMU may receive from the sale, use, existence or operation of the Two Transformers and any part of PLPS 71, 72 and 73 while they are or may be located on SJMU's property. RMU shall not be entitled to make any claim for, and hereby expressly disclaims any interest in, any type of revenue or benefits SJMU may receive from the sale, use, existence or operation of the Phelps Substation, and any part of PLPS 71, 72 and 73 that may be owned by SJMU.

C. If any of the provisions of this agreement shall be deemed or declared to be unenforceable, invalid or void, such provision shall be ineffective only to the extent of such unenforceability, invalidity, or voidability and shall not impair any of the other provisions in this agreement, which shall be enforced in accordance with their respective terms.

**17. ASSIGNMENT OF THIS AGREEMENT**

Neither party shall assign or otherwise transfer this agreement or any of its rights and interests therein to any firm, corporation, individual, or government agency without the prior written consent of the other party, except that consent shall not be unreasonably withheld in any situation in which all of the business of either party is being sold or transferred to another entity which is in the same business as the transferor and the transferee, after the transfer, will be carrying on the same operations as the transferor was prior to the transfer. No assignment without prior consent under these conditions shall operate to materially change the duties or operations under this agreement of the non-transferring party.

**18. TERMINATION OF THIS AGREEMENT**

A. Anticipated: This agreement terminates when RMU has removed the Two Transformers from the Phelps Substation and there is no longer an active connection, utilizing PLPS 71, 72 or 73, between the electric distribution system of RMU and Phelps Substation. At that time, the entire contents of Phelps Substation will be owned by SJMU, and SJMU will be receiving power and energy through modified versions of PLPS 72 and PLPS 73, RMU will not be dependent upon Phelps Substation for any electric power or energy, and the purpose of this agreement will have been fulfilled.

B. Voluntary: In consideration of the commitments and undertakings by both parties and the nature of this agreement, neither party shall have the right to voluntarily terminate this agreement prior to its anticipated termination.

C. Involuntary: An involuntary termination shall be deemed to have occurred when any situation arises which is permanent in nature, not reasonably attributable to the actions or inactions of either party, and which materially and adversely affects the ability of either party, or both, to perform its duties under the agreement, but does not qualify as a temporary *force majeure*. Examples of involuntary termination situations contemplated by this agreement include (a) the assertion of jurisdiction over the transactions by a governmental regulatory authority which materially changes the terms and conditions of the agreement by altering the duties of either party, (b) changes in state, federal or local laws which prohibit the transactions contemplated by this agreement, or which materially and adversely affect the contemplated operation of this agreement.

D. As a Result of a Default: Termination of this agreement may also occur as a result of either party defaulting in its obligations pursuant to this agreement, but such termination shall not operate in any fashion to relieve the defaulting party from any claim for damages by the non-defaulting party.

**19. EFFECT OF INVOLUNTARY TERMINATION OF THIS AGREEMENT**

If an involuntary termination, as defined above, occurs during the term of this agreement, the parties shall meet and negotiate in good faith over a period of at least sixty (60) days in an attempt to restructure this agreement to provide both parties with the same relative rights and obligations they had before the event giving rise to the involuntary termination, but taking into consideration the new or changed circumstances.

**20. DELAYS; FORCE MAJEURE; EXTENSIONS OF TIME**

If either party is delayed at any time in the progress of its work under this agreement by any labor disputes, fires, unavoidable casualties, unusual delay in transportation, adverse weather conditions, discovery of historical or archaeological artifacts which are required to be reported to government agencies, inability to obtain parts, material or labor, or other conditions not reasonably capable of being anticipated or beyond their reasonable control, then any applicable term in this agreement shall be extended for the duration of such condition. Each party shall communicate any such delay to the other in writing at the earliest practical time. This provision shall not apply, however, to SJMU's unqualified obligation to have at least one replacement 138/34.5 kv transformer in place in Phelps Substation prior to the removal by RMU of the last of the Two Transformers in order to assure continued provision of reliable service to SJMU's customers.

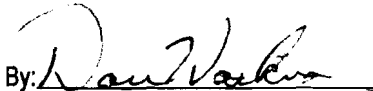
**21. REPRESENTATIONS OF THE PARTIES**

Each party represents to the other that it has the requisite legal authority to enter into and perform in accordance with the terms of this agreement, and that the person executing this agreement on behalf of said party is duly authorized to so act in order to bind said party.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed by their duly authorized representatives the day and year first above written.

**THIS CONTRACT CONTAINS A BINDING ARBITRATION PROVISION WHICH MAY BE ENFORCED BY THE PARTIES.**

ROLLA MUNICIPAL UTILITIES

By: 

ST. JAMES MUNICIPAL UTILITIES

By: 