

**BEFORE THE PUBLIC SERVICE COMMISSION
STATE OF MISSOURI**

In the matter of the Application)
for authority of Sendero SMGC LP Acquisition)
Company, and Sendero SMGC GP Acquisition)
Company to purchase the partnership interests) Case No. GM-2005-0136
of DTE Enterprises, Inc. and DTE Ozark, Inc. in)
Southern Missouri Gas Company, L.P., and for)
Southern Missouri Gas Company, L.P. to execute a)
Deed of Trust, Security Agreement and Financing)
Statement to secure a loan to complete the transaction.)

FIRST AMENDED APPLICATION

COME NOW Sendero SMGC GP Acquisition Company, LLC ("Sendero GP Company"), and Sendero SMGC LP Acquisition Company, LLC ("Sendero LP Company")(collectively referred to as "Sendero") and DTE Enterprises, Inc ("DTE Enterprises"), and DTE Ozark, Inc. ("DTE Ozark") (collectively referred to as "DTE") by and through their counsel, and for their Application pursuant to Section 393.190, and Section 392.310, RSMo 2000,¹ and 4 CSR 240-3.225, 4 CSR 240-3.220, and 4 CSR 240-2.060, hereby request that the Commission issue an Order authorizing Sendero to purchase from DTE its interest of the outstanding Partnership Interests in Southern Missouri Gas Company, L.P. ("SMGC"), as more fully explained herein. In support thereof, Joint Applicants respectfully state as follows:

1. Southern Missouri Gas Company, L.P., a Missouri limited partnership ("SMGC"), owns and operates a natural gas transmission and distribution system located in southern

¹All statutory references are to Revised Statutes of Missouri 2000, unless otherwise indicated.

Missouri which serves approximately 7,500 residential, commercial and industrial customers. SMGC is a "gas corporation" and "public utility" under the jurisdiction of the Missouri Public Service Commission, pursuant to Chapters 386 and 393, RSMo. 2000.

2. DTE Enterprises is a corporation duly organized and in good standing under the laws of the State of Michigan, and is a holding company owning the controlling general partnership and limited partnership interests in SMGC. DTE Ozark, an affiliate of DTE Enterprises, is also a corporation duly organized and in good standing under the laws of Michigan, and was formed for purposes of facilitating the acquisition of certain limited partnership interests of Tartan Management Company of Missouri, L.L.C. in 2003. (See *Re: Application of DTE Enterprises, Inc. and DTE Ozark, Inc. for Authority to Purchase An Additional Five Percent Interest of Southern Missouri Gas Company, L.P. from Tartan Management Company of Missouri, L.L.C.*, Case No. GO-2003-0317)(May 13, 2003). Both DTE Enterprises and DTE Ozark have their principle offices located at 2000 Second Avenue, Detroit, Michigan 48226. The certificate to transact business in Missouri as a foreign corporation of DTE Enterprises was filed with the Commission in Case No. GM-2003-0317 and is incorporated herein by reference.

3. DTE Enterprises holds 94 Class A Units of SMGC (the "DTE Limited Partnership Interest") and 2 Class B Units of SMGC (the "General Partnership Interest"), together representing 96% of the outstanding partnership interests in SMGC. DTE Ozark holds 4 Class A Units of SMGC (the "DTE Ozark Limited Partnership Interest"), representing 4% of the outstanding partnership interests in SMGC. The DTE Limited Partnership Interest and the DTE Ozark Limited Partnership Interest are collectively referred to as the "Limited Partnership

Interests" and together with the General Partnership Interest are collectively referred to as the "Partnership Interests".

4. Each of Sendero GP Company and Sendero LP Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Missouri. Both Sendero GP Company and Sendero LP Company have their principle offices located at 1001 Fannin--Suite 550, Houston, TX 77002. The Certificates Of Organization issued by the Missouri Secretary of State are attached and incorporated herein as Exhibit 1. Sendero GP Company and Sendero LP Company are affiliates of Sendero Capital Partners, Inc., a capital investment fund that focuses upon investments in the energy sector of the economy. Sendero GP Company and Sendero LP Company are privately held companies whose primary business is investing in, acquiring and managing the interests of SMGC. The principals of both companies include Sendero Capital Partners Missouri, LLC, CHx Capital Missouri, Inc. and Michael J. Lewis. Sendero Capital Partners Missouri, LLC is owned by Randal T. Maffett who has over 24 years professional experience in natural gas and related industries. CHx Capital Missouri, Inc. is an affiliate of CHx Capital, LLC which is also a privately held investment company principally owned by Alex M. Cranberg with over 25 years professional experience in the energy industry. Mr. Michael J. Lewis is a private investor who has over 28 years in the natural gas pipeline and distribution industry. Collectively, the Sendero investors represent more than 75 years professional experience in the natural gas, pipeline, distribution and related energy industries. Specific related industry experience includes natural gas pipeline engineering, operations and construction, corporate business development, finance and strategic planning, mergers and acquisitions, gas marketing and sales, safety and environmental as well as regulatory compliance at both state and federal levels.

5. All correspondence, pleadings, orders, and documents in this proceeding should be addressed to:

Scott F. Klemm
DTE Enterprises, Inc.
127 N. Main
P.O. Box 40
Adrian, Michigan 49221
Telephone: (517) 264-4484
Email: klemms@dteenergy.com
With a copy to:

James M. Fischer
Fischer & Dority, P.C.
101 Madison Street--Suite 400
Jefferson City, Missouri 65101
Telephone: (573) 636-6758
Email: jfischerpc@aol.com

Randal T. Maffett
Sendero Capital Partners, Inc.
1001 Fannin--Suite 550
Houston, Texas 77022
Telephone: (713) 655-0523
Email: maffett@kingwoodcable.net

Chuck Brownman
Todd Neugebauer
CHx Capital, LLC
c/o Aspect Energy, LLC
511 16th Street, Suite 300
Denver, Colorado 80202
Telephone (303) 573-7011
cbrownman@aspectenergy.com
tneugebauer@aspectenergy.com

With a copy to:

Frank A. Caro, Jr.
6201 College Boulevard, Suite 500
Overland Park, Kansas 66211
Telephone: (913) 451-8788
Email: fcaro@pswslaw.com

6. Pursuant to an Agreement For Purchase Of Partnership Interests between DTE Enterprises, Inc. and DTE Ozark, Inc. as Seller and Sendero SMGC GP Acquisition Company and Sendero SMGC LP Acquisition Company as Buyer, dated November 15, 2004, and a First Amendment For Purchase Of Partnership Interests, date March 24, 2005, (the Agreement")(attached as Exhibit 2 and filed as "Highly Confidential" under seal) Sendero and DTE have agreed upon the terms and conditions under which Sendero will acquire the Partnership Interests in SMGC. At the closing of the transactions contemplated by the Agreement, DTE will sell and deliver to Sendero GP Company the General Partnership Interest, DTE shall sell and deliver to Sendero LP Company the DTE Limited Partnership Interest, and DTE Ozark will sell and deliver to Sendero LP Company the DTE Ozark Limited Partnership Interest. Following the transaction, Sendero will collectively own 100% of the Partnership Interests in SMGC.

7. Certified copies of the resolutions of the Board of Directors of Sendero and DTE authorizing the consummation of the transactions contemplated by this Application are attached hereto as Exhibit 3 and incorporated herein by reference.

8. The proposed sale and purchase of the Partnership Interests is not detrimental to the public interest because the transaction will not result in any reduced level of service or reliability, or in any change in the rates for those customers being served by SMGC. Additionally, Sendero anticipates no significant changes to operational structure or procedures currently in place in Missouri. In fact, the proposed transaction should have no impact on Missouri customers of SMGC. As stated earlier, Sendero's management team will also bring more than seventy-five years of collective experience in the pipeline and related industries to the

management of SMGC. As the principal owner of SMGC, Sendero's primary role will be in managing the overall corporate business environment, developing strategic growth plans and maximizing the level of service SMGC provides. Sendero's primary focus will be on growth, both internally within the existing markets already served by SMGC as well as potentially expanding service to other areas in proximity to its existing system. Sendero intends to continue operating SMGC as it currently is with no anticipated changes to either key personnel or SMGC's operating policies and procedures. Sendero does intend to expand SMGC's marketing efforts and is considering hiring additional representatives to help facilitate the growth strategies it believes exists. The partners of Sendero are very well capitalized and plan on utilizing its resources to supplement SMGC's current operations, technological upgrades, customer services and regulatory compliance. Finally, Sendero intends to hire a full-time local general manager who will be directly responsible for the day to day operations of the company. The general manager will work closely with and report directly to the Advisory Board of Sendero.

9. As part of its acquisition financing, Sendero will be capitalized with approximately \$2.5-4 million of equity contributed by its partners and approximately \$12-13.5 million of senior debt secured by the assets of SMGC and amortized over a 10-18 year time period at a current interest rate of approximately 6.5% (i.e. LIBOR plus 350 basis points).

10. Pursuant to 4 CSR 240-3.220, Sendero states that the proceeds of the senior debt will be used to acquire the Partnership Interests in SMGC. Copies of the senior debt instruments will be provided to the Commission after they are executed.

11. None of the proceeds are subject to the fee schedule in Section 386.300 RSMo 2000. Other appendices, as required by the Commission Rules or by way of additional explanation, are as follows:

Exhibit 4: Income statement and balance sheet of SMGC with adjustments showing the effects of the proposed financing. (Highly confidential-filed under seal)

Exhibit 5: A five (5) year capitalization expenditure schedule for SMGC, as required by Section 392.310, RSMo 2000, is attached hereto and incorporated herein by reference.

12. The proposed transaction will not impact any of the tax revenues of the Missouri political subdivisions in which any structures, facilities, or equipment of SMGC are located.

13. The Joint Applicants have no pending action or final unsatisfied judgments or decisions against them from any state or federal agency or court which involve customer service or rates which has occurred within three (3) years of the date of the Application

14. No annual report or assessment fees are overdue in Missouri.

15. The Joint Applicants also respectfully request a review of the Application by the Commission Staff to enable the Joint Applicants to receive an Order authorizing the purchase of the Partnership Interests in SMGC, as described in the Agreement, effective by April 15, 2005, if possible.

WHEREFORE, Joint Applicants respectfully request that the Commission issue an Order approving the transactions described herein, including:

(a) Authorizing the purchase of the Partnership Interests by Sendero, as more fully described in the Agreement, including the purchase of the General Partnership Interest by Sendero GP Company and the purchase of the Limited Partnership Interest by Sendero LP Company;

(b) Authorizing Sendero and DTE to enter into, execute and perform in accordance with the terms of the Agreement;

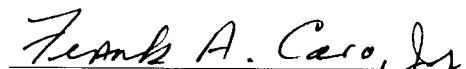

(c) Authorizing SMGC to execute and deliver a Deed of Trust, Security Agreement and Financing Statement and/or other related financing documents, as required by the lender;

(d) Granting such other relief as may be deemed necessary to accomplish the purpose of this Application and to consummate the purchase of the Partnership Interests in SMGC, as more fully described in the Agreement.

Respectfully submitted,


James M. Fischer Mo. Bar No. 27543
Fischer & Dority, P.C.
101 Madison Street, Suite 400
Jefferson City, Missouri 65101
Telephone: (573) 636-6758
Fax: (573) 636-0383
Email: jfischerpc@aol.com

ATTORNEYS FOR DTE


Frank A. Caro, Jr. Mo Bar No. 42094 
Richard Byrd Mo. Bar No. 33473
Polsinelli Shalton Welte Suelthaus, P.C.
6201 College Boulevard, Suite 500
Overland Park, KS 66211
Telephone: (913) 451-8788
Fax: (913) 451-6205
Email: fcaro@pswslaw.com

ATTORNEYS FOR SENDERO

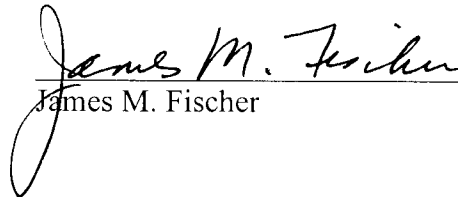
CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been hand-delivered, emailed or mailed, postage prepaid, by U.S. Mail, First Class, this 30th day of March, 2005, to:

Office of the Public Counsel
P.O. Box 2230
Jefferson City, MO 65102

Dan Joyce
General Counsel
Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102

Charles Brent Stewart
STEWART & KEEVIL, L.L.C.
4603 John Garry Drive, Suite 11
Columbia, Missouri 65203

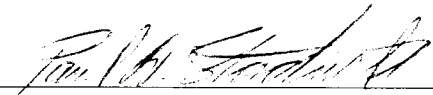


James M. Fischer

VERIFICATION

STATE OF MICHIGAN)
)
COUNTY OF WAYNE) ss.

Paul A. Stadnikia, being first duly sworn, on his oath and in his capacity as Assistant Treasurer of DTE Enterprises, Inc. states that he is authorized to execute this Application on behalf of DTE Enterprises, Inc. and DTE Ozark, Inc. and has knowledge of the matters stated herein, and that said matters are true and correct to the best of his knowledge and belief.



Paul A. Stadnikia

Subscribed and sworn to before me this 28th day of March, 2005.



Notary Public

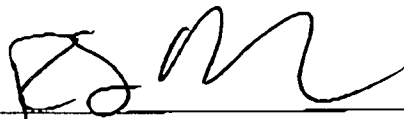
ANDREA L. CAMPAU
Notary Public, Wayne County, MI
My Commission Expires May 10, 2005

My Commission Expires: _____

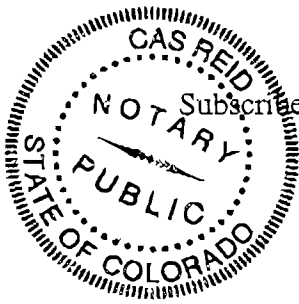
VERIFICATION

STATE OF COLORADO)
) ss.
COUNTY OF)

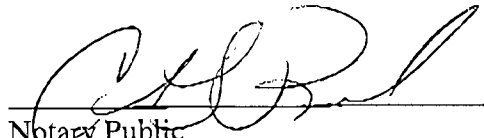
Robert Todd Neugebauer, being first duly sworn, on his oath and in his capacity as Vice-President of Sendero SMGC GP Acquisition Company, LLC states that he is authorized to execute this Application on behalf of Sendero SMGC GP Acquisition Company, LLC and Sendero SMGC LP Acquisition Company, LLC and has knowledge of the matters stated herein, and that said matters are true and correct to the best of his knowledge and belief.



Robert Todd Neugebauer



Subscribed and sworn to before me this 30th day of March, 2005.


Notary Public

My Commission Expires: 7/10/06

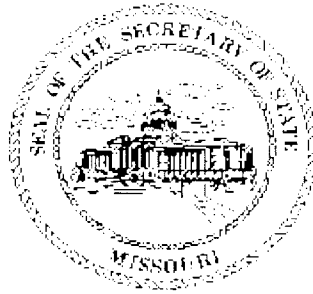
Certificates Of Organization

Sendero GP Company

Sendero LP Company

Exhibit 1

State of Missouri



Robin Carnahan
Secretary of State

CERTIFICATE OF ORGANIZATION

WHEREAS,

Sendero SMGC Limited Acquisition Company, LLC
LC0632335

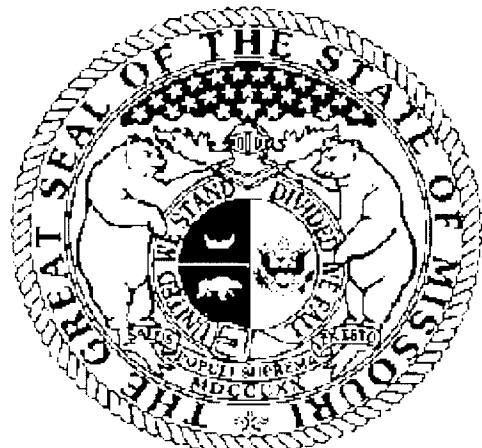
filed its Articles of Organization with this office on the 11th day of January, 2005, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, ROBIN CARNAHAN, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 11th day of January, 2005, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 11th day of January, 2005.

Robin Carnahan

Secretary of State





State of Missouri

Matt Blunt, Secretary of State

Corporations Division
P.O. Box 778 / 600 W. Main Street, Rm 322
Jefferson City, MO 65102

File Number: 200501112115

LC0632335

Date Filed: 01/11/2005

Robin Carnahan
Secretary of State

Articles of Organization

(Submit with filing fee of \$105)

1. The name of the limited liability company is:

Sendero SMGC Limited Acquisition Company, LLC

(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "L.L.C.," or "LLC")

2. The purpose(s) for which the limited liability company is organized: Any lawful act or activity for

which a limited liability company may be formed.

3. The name and address of the limited liability company's registered agent in Missouri is:

CT Corporation System	120 South Central Avenue	Clayton, MO	63105
<i>Name</i>	<i>Street Address: May not use P.O. Box unless street address also provided</i>	<i>City/State/Zip</i>	

4. The management of the limited liability company is vested in: managers members (check one)

5. The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual

(The answer to this question could cause possible tax consequences, you may wish to consult with your attorney or accountant)

6. The name(s) and street address(es) of each organizer (P.O. Box may only be used in addition to a physical street address):

Michael Vincent Lorino - 1111 Louisiana Street, 44th Floor, Houston, TX 77002-5200

7. The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you indicate a future date, as follows: _____

(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:

(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

MVL
Organizer Signature

Michael Vincent Lorino 1/6/2005
Printed Name Date

Organizer Signature

Printed Name

Date

Organizer Signature

Printed Name

Date

Name and address to return filed document:

Name: _____
Address: _____
City, State, and Zip Code: _____

State of Missouri
Creation - LLC/LP 1 Page(s)



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STATE OF MISSOURI



Matt Blunt
Secretary of State

CERTIFICATE OF ORGANIZATION


WHEREAS,

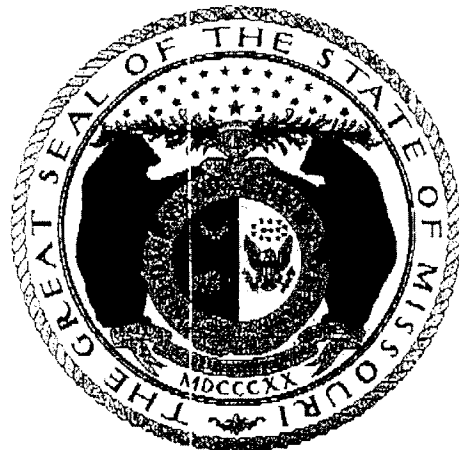
Sendero SMGC GP Acquisition Company, LLC
LC0630865

filed its Articles of Organization with this office on the 3rd day of January, 2005, and that filing was found to conform to the Missouri Limited Liability Company Act.

NOW, THEREFORE, I, MATT BLUNT, Secretary of State of the State of Missouri, do by virtue of the authority vested in me by law, do certify and declare that on the 3rd day of January, 2005, the above entity is a Limited Liability Company, organized in this state and entitled to any rights granted to Limited Liability Companies.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 3rd day of January, 2005.


Secretary of State





State of Missouri
Matt Blunt, Secretary of State

Corporations Division
P.O. Box 778 / 600 W. Main Street, Rm 322
Jefferson City, MO 65102

File Number: 200500412902
LC0630865
Date Filed: 01/03/2005
Effective Date: 01/03/2005
Matt Blunt
Secretary of State

Articles of Organization

(Submit with filing fee of \$103)

- The name of the limited liability company is:
Sendero SMGC GP Acquisition Company, LLC
(Must include "Limited Liability Company," "Limited Company," "LC," "L.C.," "L.L.C.," or "LLC")
- The purpose(s) for which the limited liability company is organized: Any lawful act or activity for
which a limited liability company may be formed.
- The name and address of the limited liability company's registered agent in Missouri is:

<u>C T Corporation System</u>	<u>120 South Central Avenue</u>	<u>Clayton, MO</u>	<u>63105</u>
<i>Name</i>	<i>Street Address: May not use P.O. Box unless street address also provided</i>	<i>City/State/Zip</i>	
- The management of the limited liability company is vested in: managers members *(check one)*
- The events, if any, on which the limited liability company is to dissolve or the number of years the limited liability company is to continue, which may be any number or perpetual: Perpetual.
(The answer to this question could cause possible tax consequences. you may wish to consult with your attorney or accountant)
- The name(s) and street address(es) of each organizer *(P.O. Box may only be used in addition to a physical street address):*
Michael Vincent Lorino - 1111 Louisiana Street, 44th Floor, Houston, TX 77002-5200
- The effective date of this document is the date it is filed by the Secretary of State of Missouri, unless you indicate a future date, as follows: _____
(Date may not be more than 90 days after the filing date in this office)

In Affirmation thereof, the facts stated above are true and correct:
(The undersigned understands that false statements made in this filing are subject to the penalties provided under Section 575.040, RSMo)

<u><i>[Signature]</i></u>	<u>Michael Vincent Lorino</u>	<u>12/30/2004</u>
<i>Organizer Signature</i>	<i>Printed Name</i>	<i>Date</i>
_____	_____	_____
<i>Organizer Signature</i>	<i>Printed Name</i>	<i>Date</i>
_____	_____	_____
<i>Organizer Signature</i>	<i>Printed Name</i>	<i>Date</i>

Name and address to return filed document:

Name: _____

Address: _____

City, State, and Zip Code: _____

State of Missouri
Creation - LLC/LP 1 Page(s)

T0500307152

Agreement For Purchase Of Partnership Interests

Between DTE Enterprises, Inc. and DTE Ozark, Inc., as Seller

and Sendero SMGC GP Acquisition Company and Sendero LP Acquisition Company as Buyer

November 15, 2004

and

First Amendment To Agreement For Purchase Of Partnership Interests

March 24, 2005

(Non-proprietary version)

Exhibit 2

FIRST AMENDMENT

TO

AGREEMENT FOR PURCHASE OF PARTNERSHIP INTERESTS

This Amendment dated as of March 24, 2005 (the "Amendment") is by and among DTE Enterprises, Inc., a Michigan corporation and successor by merger to MCN Energy Group Inc. ("DTE"), and DTE Ozark, Inc. ("DTE Ozark"); DTE and DTE Ozark are collectively referred to herein as the "Seller" and Sendero SMGC GP Acquisition Company, a Delaware limited liability company ("GP Acquisition Company"), and Sendero SMGC LP Acquisition Company, a Delaware limited liability company ("LP Acquisition Company"); GP Acquisition Company and LP Acquisition Company are collectively referred to herein as "Buyer". Seller and Buyer are referred to collectively herein as the "Parties." Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Agreement for Purchase of Partnership Interests dated as of November 15, 2004 (the "Agreement") by and among the Parties.

WHEREAS, as of the date hereof, not all of the conditions to Closing have been satisfied and, therefore, Closing has not occurred;

WHEREAS, the parties wish to amend the Agreement to [REDACTED] as set forth in this Amendment; and

WHEREAS, Section 11.02 of the Agreement permits the modification of the Agreement by a written instrument executed by Seller and Buyer.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements contained herein, the parties agree as follows:

1. Section 1.02 of the Purchase Agreement is hereby modified by deleting the current Section 1.02(a) in its entirety and replacing it with the following new Section 1.02(a):

"(a) In consideration of the sale of the General Partnership Interest to the Buyer, the Buyer shall pay to DTE at the Closing the purchase price of [REDACTED] (herein called the "General Partnership Interest Purchase Price"). In consideration of the sale of the DTE Limited Partnership Interest to the Buyer, the Buyer shall pay to DTE at the Closing the purchase price of [REDACTED] (herein called the "DTE Limited Partnership Interest Purchase Price") and in consideration of the sale of the DTE Ozark Limited Partnership Interest to the Buyer, the Buyer shall pay to DTE Ozark at the Closing the purchase price of [REDACTED] (herein called the "DTE Ozark Limited Partnership Interest Purchase Price"; the DTE Limited Partnership Interest Purchase Price and the DTE Ozark Limited Partnership Purchase Price shall collectively be referred to herein as the "Limited Partnership Interest Purchase Price" and the General Partnership Interest Purchase Price and the Limited Partnership Interest Purchase Price shall collectively be referred to herein as the "Purchase Price"); provided, however, that, if the Closing has not occurred on or before [REDACTED] then the Purchase Price [REDACTED] being allocated on a pro rata basis among the General Partnership Interest Purchase Price, the DTE Limited Partnership Interest Purchase Price, and the DTE Ozark Limited Partnership Interest Purchase Price."

NON-PROPRIETARY

2. Section 1.04 of the Agreement is hereby modified by deleting the first sentence thereof in its entirety and replacing it with the following sentence:

"The Closing shall take place at the offices of DTE and DTE Ozark at 2000 Second Avenue, Detroit, Michigan 48226 on the last day of the month in which all conditions to the Closing have been satisfied or waived or at such other place, time and date as the Parties may agree to in writing (the "Closing Date")."

3. Section 10.01 of the Purchase Agreement is hereby modified by deleting the current Section 10.01(b) in its entirety and replacing it with the following new Section 10.01(b):

"(b) By one Party upon written notice to the other Party if the Closing has not occurred by May 31, 2005 (the "Closing Termination Date"); provided, however, that no Party may give notice under this Section 10.01 (b) while such Party is in material breach of its obligations under this Agreement;"

4. Section 10.01 of the Purchase Agreement is hereby modified by adding a new Section 10.01(f) as follows:

"(f) By the Seller upon written notice to the Buyer if the Parties have not entered into and executed a final Stipulation and Settlement Agreement with the Staff of the Missouri Public Service Commission on or before [REDACTED]"

5. In the event there is any conflict between the provisions of this Amendment and those of the Agreement or any other Transaction Document, the provisions of this Amendment shall prevail.

6. Except as otherwise expressly provided herein, the Agreement and the other Transaction Documents shall remain in full force and effect.

7. Unless otherwise provided herein, the Miscellaneous provisions of Article XI of the Agreement shall apply to this Amendment, insofar as they are applicable to this Amendment.


8. This Amendment may be executed and delivered in one or more counterparts, each of which shall be deemed to be part of one and the same original document.

[signatures follow]

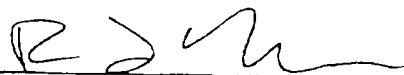
IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by duly authorized officers of Buyer and Seller as of the day and year first above written.

BUYER:

SENDERO SMGC GP ACQUISITION
COMPANY


By: 
Name: ROBERT TODD NEUGEBAUER
Title: VICE PRESIDENT

SENDERO SMGC LP ACQUISITION
COMPANY

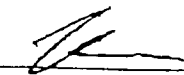
By: 
Name: ROBERT TODD NEUGEBAUER
Title: VICE PRESIDENT

SELLER:

DTE ENTERPRISES, INC.

By: 
Name: _____
Title: _____

DTE OZARK, INC.

By: 
Name: _____
Title: _____

Final – November 15, 2004

AGREEMENT FOR PURCHASE OF PARTNERSHIP INTERESTS

between

DTE ENTERPRISES, INC.

DTE OZARK, INC.,

as Seller

and

SENDERO SMGC GP ACQUISITION COMPANY

SENDERO SMGC LP ACQUISITION COMPANY

as Buyer

NON-PROPRIETARY

**AGREEMENT FOR PURCHASE
OF
PARTNERSHIP INTERESTS**

AGREEMENT FOR PURCHASE OF PARTNERSHIP INTERESTS (this "Agreement"), dated as of November 15, 2004 (the "Effective Date"), by and among DTE Enterprises, Inc., a Michigan corporation and successor by merger to MCN Energy Group Inc. ("DTE"), and DTE Ozark, Inc. ("DTE Ozark"); DTE and DTE Ozark are collectively referred to herein as the "Seller") and Sendero SMGC GP Acquisition Company, a Delaware limited liability company ("GP Acquisition Company"), and Sendero SMGC LP Acquisition Company, a Delaware limited liability company ("LP Acquisition Company"); GP Acquisition Company and LP Acquisition Company are collectively referred to herein as "Buyer". Seller and Buyer are referred to collectively herein as the "Parties." Capitalized terms used but not defined herein shall have the respective meanings given to such terms in the Partnership Agreement (defined below).

W I T N E S S E T H :

WHEREAS, Southern Missouri Gas Company, L.P., a Missouri limited partnership ("SMGC"), owns and operates a natural gas transmission and distribution system located in southern Missouri that serves approximately 7,500 residential, commercial and industrial customers;

WHEREAS, (i) DTE holds 94 Class A Units of SMGC (the "DTE Limited Partnership Interest") and 2 Class B Units of SMGC (the "General Partnership Interest"; the DTE Limited Partnership Interest and the General Partnership Interest are collectively referred to herein as the "DTE Partnership Interests"), together representing 96% of the outstanding partnership interests in SMGC; and (ii) DTE Ozark holds 4 Class A Units of SMGC (the "DTE Ozark Limited Partnership Interest"; the DTE Limited Partnership Interest and the DTE Ozark Limited Partnership Interest are collectively referred to herein as the "Limited Partnership Interests" and together with the General Partnership Interest, the "Partnership Interests"), representing 4% of the outstanding partnership interests in SMGC;

WHEREAS, DTE and DTE Ozark entered into the Amended and Restated Agreement of Limited Partnership of Southern Missouri Gas Company, L.P. dated as of May 1, 2003 (the "Partnership Agreement"); and

WHEREAS, Buyer desires to purchase and Seller desires to sell the Partnership Interests.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties, intending legally to be bound, hereby agree as follows:

ARTICLE I

TRANSACTION

Section 1.01 Agreement to Sell and to Purchase Interest. At the closing of the transactions contemplated by this Agreement (the "Closing"), and on the terms and subject to the conditions set forth in this Agreement, DTE shall sell and deliver to GP Acquisition Company and GP Acquisition Company shall purchase and accept from DTE the General Partnership Interest, DTE shall sell and deliver to LP Acquisition Company and LP Acquisition Company shall purchase and accept from DTE the DTE Limited Partnership Interest and DTE Ozark shall sell and deliver to LP Acquisition Company and LP Acquisition Company shall purchase and accept from DTE Ozark the DTE Ozark Limited Partnership Interest.

Section 1.02 Purchase Price and Payment.

(a) In consideration of the sale of the General Partnership Interest to the Buyer, Buyer shall pay to DTE at the Closing the purchase price of _____ (herein called the "General Partnership Interest Purchase Price"). In consideration of the sale of the DTE Limited Partnership Interest to the Buyer, the Buyer shall pay to DTE at the Closing the purchase price of _____ (herein called the "DTE Limited Partnership Interest Purchase Price") and in consideration of the sale of the DTE Ozark Limited Partnership Interest to the Buyer, the Buyer shall pay to DTE Ozark at the Closing the purchase price of _____ (herein called the "DTE Ozark Limited Partnership Interest Purchase Price"); the DTE Limited Partnership Interest Purchase Price and the DTE Ozark Limited Partnership Purchase Price shall collectively be referred to herein as the "Limited Partnership Interest Purchase Price" and the General Partnership Interest Purchase Price and the Limited Partnership Interest Purchase Price shall collectively be referred to herein as the "Purchase Price").

(b) Within two (2) business days after the execution of this Agreement, Buyer shall provide Seller with a standby letter of credit in form reasonably satisfactory to Seller, issued or confirmed by a United States financial institution reasonably acceptable to Seller but in any event rated and continuing to be rated at least "A" by Standard & Poor's Corporation and at least "A2" by Moody's Investors Service in an amount equal to _____ (such letter of credit, or any replacement satisfying the same requirements, being the "Letter of Credit"). Buyer shall maintain the Letter of Credit in full force and effect from the date provided until the Closing or termination of this Agreement (the "Letter of Credit End Date"), and Seller may draw upon the Letter of Credit from time to time if and to the extent of any failure by Buyer to make any payment due hereunder, including payments due to Seller for indemnifications or any rightful termination of this Agreement by Seller under Section 10.01(c) or (e). Upon the Letter of Credit End Date, to the extent the Letter of Credit has not been fully drawn by Seller in accordance with the foregoing, Seller shall return the Letter of Credit to Buyer.

Section 1.03 Delivery of Title. At the Closing, DTE shall deliver to GP Acquisition Company an assignment of all of DTE's right, title and interest in and to the General Partnership Interest, together with any and all existing rights of whatsoever nature or extent, now or hereafter existing, with respect to such General Partnership Interest, free and clear of all claims, liens,

charges, security interests, equities and encumbrances of any nature whatsoever in the form attached hereto as Exhibit A (the "Assignment of General Partnership Interest"), together with any such other assignments and other instruments of transfer and conveyance as shall reasonably be requested by Buyer or its counsel, in form and substance sufficient to convey the General Partnership Interest to GP Acquisition Company. At the Closing, DTE shall deliver to LP Acquisition Company an assignment of all of DTE's right, title and interest in and to the DTE Limited Partnership Interest, together with any and all existing rights of whatsoever nature or extent, now or hereafter existing, with respect to such DTE Limited Partnership Interest, free and clear of all claims, liens, charges, security interests, equities and encumbrances of any nature whatsoever (the "Assignment of the DTE Limited Partnership Interest") and DTE Ozark shall deliver to LP Acquisition Company an assignment of all of DTE Ozark's right, title and interest in and to the DTE Ozark Limited Partnership Interest, together with any and all existing rights of whatsoever nature or extent, now or hereafter existing, with respect to such DTE Ozark Limited Partnership Interest, free and clear of all claims, liens, charges, security interests, equities and encumbrances of any nature whatsoever (the "Assignment of the DTE Ozark Limited Partnership Interest"); such assignments shall be in the form attached hereto as Exhibit B (the Assignment of DTE Limited Partnership Interest and the Assignment of the DTE Ozark Limited Partnership Interest are collectively referred to herein as the "Assignments of Limited Partnership Interests" and the Assignments of Limited Partnership Interests and the Assignment of General Partnership Interest are collectively referred to herein as the "Assignments"), together with any such other assignments and other instruments of transfer and conveyance as shall reasonably be requested by Buyer or its counsel, in form and substance sufficient to convey the Limited Partnership Interest to LP Acquisition Company.

Section 1.04 Closing. The Closing shall take place at the offices of DTE and DTE Ozark at 2000 Second Avenue, Detroit, Michigan 48226 on November 30, 2004 (or, if the conditions to the Closing have not been satisfied or waived by such date, the last day of the month in which all conditions to the Closing have been satisfied or waived) or at such other place, time and date as the Parties may agree to in writing (the "Closing Date").

(a) At the Closing, Buyer shall deliver to Seller in form reasonably satisfactory to Seller:

(i) the General Partnership Interest Purchase Price described in Section 1.02;

(ii) the Limited Partnership Interest Purchase Price described in Section 1.02; and

(iii) all other documents required to be delivered by the Buyer on or prior to the Closing Date pursuant to this Agreement.

(b) At the Closing, Seller shall deliver to the Buyer in form reasonably satisfactory to Buyer:

(i) the Assignment of General Partnership Interest to Buyer;

- (ii) the Assignments of Limited Partnership Interests to Buyer;
- (iii) a certificate of an authorized officer of Seller in form reasonably satisfactory to Buyer certifying to the Buyer that the Transaction Documents (as defined below) have been authorized, executed and delivered by Seller and that on the Closing Date all representations and warranties of the Seller under this Agreement remain true, correct and complete (and remaking such representations and warranties to Buyer on the date of the Closing), that no breach by Seller under this Agreement has occurred and is continuing, together with such other customary matters as may be reasonably requested by Buyer (the "Seller Closing Certificate"); and
- (iv) all other documents required to be delivered by Seller on or prior to the Closing Date pursuant to this Agreement.

Section 1.05 Expenses. Seller and Buyer shall be solely responsible for their respective expenses and costs incurred in connection with the Closing, execution and performance of this Agreement and the transactions contemplated hereby (the "Closing Costs") and the Parties shall cooperate in providing any documents or affidavits necessary for any filings in connection therewith.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF SELLER

Seller represents and warrants to Buyer that the following are true, correct and complete:

Section 2.01 Organization, Power, Etc. Each of DTE and DTE Ozark is a corporation duly organized, validly existing and in good standing under the laws of the State of Michigan, is duly qualified to do business and is in good standing in Missouri, and has all requisite corporate power and authority to own its assets and carry on its business as currently conducted, to enter into this Agreement, the Assignments, and all related documents, agreements and certificates, including the Seller Closing Certificate (the "Transaction Documents"), and to consummate the transactions contemplated thereby. SMGC is a limited partnership duly organized, validly existing and in good standing under the laws of the State of Missouri, and has all requisite partnership power and authority to own its assets and carry on its business as currently conducted.

Section 2.02 Ownership and Delivery of the Partnership Interests and the Partnership Assets. Seller is the sole legal and beneficial owner of the Partnership Interests. The Partnership Interests constitute the entire ownership interest in and to SMGC. Seller has good and valid title to the Partnership Interests, free and clear of any and all pledges, encumbrances, security interests, liens (including tax liens), charges, options, adverse claims, restrictions and calls. Except as set forth in the Partnership Agreement, there are no outstanding subscriptions, options, warrants, calls, rights, commitments, arrangements, understandings or agreements of any character affecting the Partnership Interests. Seller agrees that by executing the Transaction

Documents and consummating the transactions contemplated thereby, it shall have waived any and all present or future rights of whatsoever nature or extent, now or hereafter existing, with respect to the Partnership Interests, and the business operations and tangible and intangible assets of SMGC.

Section 2.03 Validity and Effect of Transaction Documents. The execution, delivery and performance of the Transaction Documents by the Seller and the consummation by the Seller of the transactions contemplated thereby, have been duly authorized by all requisite corporate actions and, assuming due execution and delivery by the Buyer, the Transaction Documents to which Seller is a party constitute the legal, valid and binding obligation of Seller, enforceable against Seller in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer or conveyance, moratorium or similar laws or equitable principles affecting creditors' rights generally.

Section 2.04 Consents and Approvals. Except as disclosed on Schedule 2.04, there is no requirement applicable to Seller or SMGC to make any notice, registration or other filing ("Filing") with, to obtain any order, authorization, approval, waiver, exemption or other consent ("Consent") of or to obtain or modify any license, franchise, certificate, authorization or other permit or Filing or Consent ("Permit") issued by, any federal, state, county, municipal, regional or other governmental authority, agency, board, body, instrumentality, commission or political subdivision of any of the foregoing, court, arbitrator or quasi-judicial agency ("Governmental Authority") or other third party applicable to Seller or SMGC as a condition to or in connection with Seller's execution, delivery and performance of Transaction Documents and the consummation of the transactions contemplated thereby.

Section 2.05 No Brokers. No broker has acted directly or indirectly for Seller or SMGC and neither Seller nor SMGC has incurred any obligation to pay any brokerage fee, finder's fee or other commission in connection with the Transaction Documents or the transactions contemplated thereby.

Section 2.06 Litigation. Except as disclosed on Schedule 2.06, there is no suit, arbitration, claim, investigation action or proceeding ("Litigation") now pending or to the knowledge of Seller threatened by or before any Governmental Authority affecting Seller, SMGC, the Partnership Interests or any of the SMGC Assets, or which may result in any order, judgment, award, court, decree, liability, injunction, restraining order or other determination which will or could have any adverse effect upon SMGC, or the business, condition (financial or other), results of operations or prospects of SMGC, or which will or is likely to prevent or interfere with the consummation of any transaction contemplated by the Transaction Documents.

Section 2.07 Noncontravention. The execution, delivery and performance of the Transaction Documents by Seller and the consummation of the transactions contemplated thereunder do not and will not (i) violate, contravene or conflict with the organizational documents of Seller or SMGC, (ii) violate, contravene or conflict with any statute, law, ordinance, decree, order, rule, regulation, or Permit (as defined above) of any Governmental Authority ("Law") applicable to Seller or SMGC, (iii) violate, contravene or conflict with or constitute a breach, default or an event which with notice or lapse of time or both, would

constitute a default under, or permit the termination of, any Permit, lease, contract or other agreement, commitment or obligation to which Seller or SMGC is a party or by which Seller, SMGC, the Partnership Interests or the SMGC Assets (as defined below) are bound, or (iv) result in the creation of any lien, encumbrance or charge on the Partnership Interests or the SMGC Assets.

Section 2.08 Taxes. To Seller's knowledge (i) SMGC has filed, or caused to be filed, when due (including applicable extensions) all Tax Returns (as defined below), if any, that are required to be filed by SMGC; (ii) each such Tax Return was prepared in the manner required by applicable Laws and was when filed true, correct and complete in all material respects; (iii) SMGC has timely paid in full all Taxes (as defined below) of SMGC due and payable, and the Audited Financials and Unaudited Financials reflect accruals and reserves for the payment of all Taxes of SMGC accrued but not yet due and payable on their respective dates; and (iv) SMGC has not been audited by any Tax authority and has not received notice of any such authority's intention to conduct any such audit, nor has any Tax authority asserted any claim for collection of any unpaid Tax or for the assessment of any additional Tax liability against SMGC.

As used herein, "Tax" or "Taxes" means all income, gross receipts, profits, franchise, sales, use, occupation, property (including in lieu-of-taxes), capital, environmental, employment, severance, excise, workers' compensation, social security, withholding or similar taxes or other governmental fees or charges of a similar nature, however denominated, imposed by any Governmental Authority having taxing authority, whether imposed directly on a individual, corporation, company, partnership, or other entity ("Person") or resulting under Treasury Regulation Section 1.1502-6 (or any similar provision of Law), as a transferee or successor, by contract or otherwise, and including any interest and penalties (civil or criminal) on or additions to any such taxes or in respect of a failure to comply with any requirement relating to any Tax Return and any expenses incurred in connection with the determination, settlement or litigation of any tax liability.

As used herein, "Tax Return" shall mean any return, report, statement, information or other document including any amendment thereto filed or to be filed or required to be filed or supplied to any federal, state, or local Tax authority or any other Governmental Authority with respect to Taxes, including, where permitted or required, combined, consolidated, unitary or any similar returns for any group of entities.

Section 2.09 Related Party Transactions. Neither Seller nor any of its Affiliates is a party to any transaction or agreement (oral or written), arrangement or understanding with SMGC other than the Partnership Agreement, certain loans made by Seller to SMGC thereunder and reflected in the SMGC Financial Statements and that certain Management Agreement between DTE and SMGC dated as of May 1, 2003 (the "Management Agreement").

Section 2.10 Compliance with Law. Except as disclosed on Schedule 2.10, SMGC is in material compliance with all applicable Laws, including without limitation Laws pertaining to (i) matters administered by the Missouri Public Service Commission and the Federal Energy Regulatory Commission, (ii) civil rights, labor and nondiscrimination, (iii) safety and health, and (iv) zoning and building code Laws.

Section 2.11 Permits; Regulatory Status.

(a) Except as disclosed on Schedule 2.11, SMGC has all Permits necessary to own or lease and operate its assets and to conduct the Business (as defined below) as presently conducted, each such Permit is valid and in full force and no event has occurred, condition exists or proceeding is pending or to the knowledge of Seller threatened that would constitute a breach of such Permit or would permit or seeks the revocation, termination or adverse modification of such Permit, except in each case to the extent that no material adverse consequences to SMGC or its owners would result from the absence of or the breach, revocation, termination or adverse modification of any such Permit. After giving effect to the Closing, the foregoing will remain true and no such Permit will become impaired as a result of the transactions contemplated by the Transaction Documents in any manner that would make the foregoing untrue. No notice of any of the foregoing has been received by Seller or SMGC. Without limiting the foregoing, no proceeding is pending or to the knowledge of Seller threatened for an adverse modification of the tariffs or rates chargeable by SMGC.

(b) All properties and assets of SMGC are located and are operated solely in the State of Missouri. Seller is a "natural-gas company" as defined in Section 2(6) of the Natural Gas Act of 1938 (NGA) but is considered a "Hinshaw pipeline" exempt from the jurisdiction of the Federal Energy Regulatory Commission (FERC) under the NGA pursuant to Section 1(c) of the NGA (because all of the gas received by SMGC from another person within or at the boundary of the State of Missouri is ultimately consumed within the State of Missouri and the rates and services and facilities of SMGC are subject to regulation by the Missouri Public Service Commission), and that neither Seller nor SMGC has taken actions that will or would subject SMGC or any of its properties or assets to the jurisdiction of the FERC, or any successor agency, under the NGA.

(c) All filings required to be made by the Seller or SMGC to the Missouri Public Service Commission under applicable statutes and regulations have been made, including all material written forms, statements, reports and agreements, and all material documents, exhibits, amendments and supplements thereto; and including, but not limited to, rates, tariffs, franchises, service agreements and related documents, requests for rate increases and requests for authorization of sales, assignments, leases, transfers, mergers, consolidations or other dispositions, or other encumbrances of the whole or any part of SMGC's franchise, works or system, necessary or useful in the performance of SMGC's duties to the public. All such filings complied in all material respects with the requirements of the applicable statutes and regulations.

Section 2.12 SMGC Assets. SMGC has title to all of its assets (the "SMGC Assets") and SMGC's title to the SMGC Assets is such that reasonable purchasers of such assets would accept such title without any decrease in the applicable purchase price related to any defects of title therein. The SMGC Assets include (i) a high-pressure intrastate natural gas transmission system that is approximately 124 miles in length, (ii) approximately 329 miles of distribution lines, (iii) approximately 9,883 service lines, (iv) 7,447 active meters, (v) odorant equipment, (vi) approximately 60 farm taps and (vii) a city gate station at each of Rogersville, Fordland, Marshfield, Diggins, Seymour, Mansfield, Ava, Norwood, Mountain Grove, Cabool, Willow Springs, Missouri and two city gate stations at West Plains, Missouri. The SMGC Assets are

owned by SMGC free and clear of all liens, encumbrances, claims or other imperfections of title of any nature whatsoever except Permitted Encumbrances (as defined below) and constitute all the assets used in, or otherwise necessary or desirable for, the operation of the natural gas and propane distribution business of SMGC and any other businesses of SMGC (the "Business"); provided that with respect to the location of SMGC's transmission and distribution assets, to the best of Seller's knowledge, such assets are located either on (i) property owned in fee by SMGC, (ii) property with respect to which SMGC has been granted a permanent easement (properly filed) permitting SMGC to locate such assets on such property or (iii) property with respect to which SMGC is permitted to locate such assets on such property because of a public right of way. Neither Seller nor any of its Affiliates other than SMGC owns, directly or indirectly, in whole or in part, any property, asset or right, tangible or intangible, which SMGC is operating or using or the use of which is necessary for the Business.

As used herein, "Permitted Encumbrances" means (a) all liens for Taxes and assessments, both general and special, and other governmental charges which are not yet due and payable or which are being contested in good faith and for which adequate reserves are reflected in the Unaudited Financials; (b) all liens incurred or deposits made in the ordinary course of business in connection with workers' compensation, unemployment insurance and other types of social security; (c) the terms of the Partnership Agreement; (d) all easements, rights of way, and other matters of record affecting any parcel of real property or any leasehold interest in real property, which individually or in the aggregate do not materially adversely affect the present use or ownership of such parcel or leasehold interest; (e) inchoate mechanics' and materialmen's liens for construction in progress and workmen's, repairmen's, warehousemen's, carriers' and other similar statutory liens arising in the ordinary course of business in respect of obligations that are not yet due or that are being contested in good faith and for which adequate reserves are reflected in the Financial Statements or that in the aggregate do not exceed _____; and (f) with respect to each parcel of real property or leasehold in real property owned or leased, other imperfections of title, easements and encumbrances (other than items for the payment of indebtedness which encumber the parcel or leasehold interest, if any), which do not materially adversely affect the marketability or insurability of title to such parcel or leasehold interest or materially detract from the value of or materially interfere with the present use of such parcel or leasehold interest.

Section 2.13 Real Property. Set forth on Schedule 2.13 attached to this Agreement is an accurate and complete schedule of all real property owned by SMGC and all real property for which SMGC possess an option or right to acquire, other than easements for farm taps. For the purposes hereof, real property includes real property in the form of fee properties, capital leases, rights of way and easements and any other real property involved with the Business. Set forth on Schedule 2.13 attached to this Agreement is an accurate and complete schedule of all title insurance policies related to real property owned by SMGC.

Section 2.14 Leased Property. Set forth on Schedule 2.14 attached to this Agreement is an accurate and complete schedule of all leases of real or personal property to which SMGC is a party (the "Leases").

Section 2.15 Personal Property. Set forth on Schedule 2.15 attached to this Agreement is an accurate and complete schedule and brief description of all personal property (other than the Intellectual Property and Contracts) owned by SMGC having an original cost in excess of _____. For the purposes hereof, personal property includes personal property in the form of vehicles, equipment, fixtures, inventory, machinery, tools, meters, regulators, inventory, supplies; customer lists and maps.

Section 2.16 Contracts. Set forth on Schedule 2.14 and Schedule 2.16 attached to this Agreement is an accurate and complete list of all operating agreements, transmission agreements, metering agreements, marketing agreements, odorization agreements and gas purchase and sale agreements; all purchase and sale agreements, options, Leases, easements and other real property agreements; all licenses, franchises and other Permits in the form of contractual or quasi-contractual rights; all partnership interest purchase agreements, funding commitments and other rights to equity capital; all loan agreements, promissory notes, capital leases, mortgages, security agreements, guaranties and other loan documents and all other contracts or agreements, in each case to the extent that the same are material to the Business or for which payments are due or payable by SMGC in excess of _____ during any year (all of the foregoing being the “Contracts”). Except for Contracts and contracts (i) which were entered into in the ordinary course of the business, (ii) under which SMGC’s obligations have been or shall be fully discharged within ninety (90) days from the date such obligation was entered into, and (iii) which individually involve an obligation or liability on the part of SMGC in an amount less than _____, there are no Leases, agreements, commitments, purchase orders, work orders, arrangements or other contracts, including all amendments thereto, to which SMGC is a party. All of the Contracts are valid and binding obligations of SMGC and shall remain entitled to the full benefits thereof upon delivery of the Partnership Interests to Buyer at the Closing as contemplated by this Agreement. Except as set forth in this Section 2.16, none of the payments required to be made to Seller under any of the Contracts has been prepaid more than thirty (30) days prior to the due date of such payment thereunder, and there is not thereunder, to the best knowledge of Seller, any existing default, or event which after notice or lapse of time or both would constitute a default. True and complete copies of all of the Contracts as amended, supplemented, waived or otherwise modified have been made available to Buyer.

Section 2.17 Intellectual Property. SMGC owns all patents, copyrights, trademarks, trade names, logos, marks, service marks and applications used by it in or necessary for the conduct of its businesses, or which were developed for or on behalf of SMGC (collectively, the “Intellectual Property”), and all Intellectual Property material to SMGC is listed on Schedule 2.17. All Intellectual Property is owned by SMGC free and clear of any claim for infringement by any third party. Seller has no knowledge of any assertion by others of any infringement or violation of any Intellectual Property.

Section 2.18 Receivables. All receivables reflected on the SMGC’s balance sheets are enforceable in the amounts shown, net of reserves set forth on such balance sheets.

Section 2.19 Bank Accounts. Schedule 2.19 attached to this Agreement sets forth each bank account maintained by SMGC and the name of each authorized signatory thereon.

Section 2.20 Insurance. Buyer has been provided true, correct and complete copies of all insurance coverage presently carried in force and effect by SMGC under DTE's policies and the most recent policies provided by private insurers, and SMGC is not delinquent in the payment of premiums relating to any such insurance. Seller shall cause SMGC to maintain such insurance policies through the Closing. There have been no accidents or events which have resulted, or may result, in claims against SMGC or the SMGC Assets that are not fully covered by insurance except payments to be made by Seller pursuant to the deductible provisions of any existing insurance policies.

Section 2.21 Financial Statements; Liabilities. Seller has delivered to Buyer (i) the audited balance sheets and related statements of operations, partners' capital and cash flows of SMGC as of and for the fiscal year ended December 31, 2003 (the "Audited Financials") and (ii) the unaudited balance sheets and related statements of operations, partners' capital and cash flows of SMGC as of and for the nine-month period ended September 30, 2004 (the "Unaudited Financials") and together with the Audited Financials, the "Financials"). All of the Audited Financial Statements (including in each case any related schedules and notes) fairly present in all material respects the consolidated financial position of SMGC as of the respective dates specified therein, and the consolidated results of its operations and cash flows for the respective periods so specified, and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto. All of the Unaudited Financials (including in each case any related schedules and notes) fairly present in all material respects the consolidated financial position of SMGC as of the respective dates specified therein, and the consolidated results of its operations for the respective periods so specified, and have been prepared in accordance with GAAP consistently applied throughout the periods involved, except that the Unaudited Financials lack footnotes and are subject to normal year-end adjustments. SMGC has no obligation or liability (whether accrued, absolute, contingent, unliquidated or otherwise, whether due or to become due) which is not reflected in the Financials or disclosed on Schedule 2.21, other than operating liabilities that have arisen after the date of the Unaudited Financials in the ordinary course of business which did not in any event arise from borrowing or guaranteeing obligations for borrowed money or from breach of contract, breach of warranty, tort, infringement or violation of Law and which could not have a material and adverse effect on SMGC. Since the date of the Unaudited Financials, SMGC has not declared, set aside or paid any dividend, or made any distribution, in respect of the Partnership Interests, or repurchased, redeemed or otherwise acquired any such interests or made any payments to Seller or its Affiliates (collectively, "Restricted Distributions") other than payments under the Management Agreement for services performed in the ordinary course of business not exceeding \$10,000 per month and interest payments to Seller and/or its Affiliates under the intercompany indebtedness of SMGC to Seller and its Affiliates incurred, accruing interest and being paid in accordance with past practices and not exceeding \$10,000 per month. Since the date of the Unaudited Financials, except as disclosed in this Agreement, there has occurred no event or condition that could have a material adverse effect on SMGC.

Section 2.22 Employment and Compensation Matters. (a) Other than the defined contribution 401(k) plan, the Section 125 cafeteria plan, the health plan, the disability plan and the life insurance plan currently sponsored by SMGC, true, correct and complete copies of which have been provided to Buyer, there are no bonus, incentive, deferred compensation, profit

sharing, retirement, insurance, disability benefit, death benefit, trust agreements, arrangements, practices or other employee benefit plans, including those as defined in Section 3(3) of the Employment Retirement Income Security Act of 1974, as amended (“ERISA”), for employees of SMGC. All “employee benefit plans” of SMGC, as that term is defined under ERISA, are in material compliance with all requirements of ERISA and the Code, and SMGC has not engaged in any “reportable events” or “prohibited transactions” (as described in ERISA) with respect to such plans. Except as set forth on Schedule 2.22, none of the foregoing benefit plans affecting the employees of SMGC are pension plans or defined benefit plans or have any funding requirements or deficiencies within the meaning of ERISA.

(b) Other than accrued vacations incurred in the ordinary course of business not to exceed 30 days for any employee, there are no accrued vacations or other deferred benefits (other than under the defined contribution 401(k) plan) for employees of SMGC. SMGC has paid (i) all accrued obligations for payments to trusts or other funds or to any Governmental Authority or to any individual beneficiary with respect to withholding taxes, unemployment compensation benefits, profit sharing, disability or retirement benefits, social security benefits or any similar benefits for its employees, and (ii) all reasonably anticipated obligations of SMGC, whether arising by operations of law, contract or past custom, for vacation and holiday pay, bonuses and other forms of compensation which are or may become payable to its employees in the Business on account of employment to date.

(c) No unfair labor practice complaints are pending against SMGC or to the knowledge of Seller threatened to be filed against SMGC with the National Labor Relations Board or any similar entity. No grievances or arbitration proceedings arising out of collective bargaining agreements are pending against SMGC other than routine grievance set forth on Schedule 2.22, none of which is material; and no labor strikes are in effect or to the knowledge of Seller threatened against or affecting the SMGC Assets. SMGC is not subject to any labor or collective bargaining agreement with its employees and no employees are represented by any union or labor organization.

Section 2.23 Absence of Certain Changes. Since December 31, 2003 SMGC has conducted its business in the ordinary course consistent with past practices and there has not been any event or occurrence (other than any event or occurrence that generally affects the industry in which SMGC operates, including changes in the weather, markets for commodities and regulatory changes) that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

Section 2.24 Environmental. There has been no release or to the knowledge of Seller threatened release of any hazardous substances on or to any SMGC Assets, except in compliance with environmental Laws, or except to the extent the release or threatened release could not reasonably be expected to have a material adverse effect on SMGC, assuming disclosure to the applicable Governmental Authority of all relevant facts, conditions and circumstances. Neither Seller nor SMGC has any material contingent liability in connection with any release or to the knowledge of Seller threatened release of any hazardous substance or solid waste into the environment and related to the SMGC Assets. Except as set forth in Schedule 2.24, Seller and SMGC are in material compliance with Laws regarding air quality, water quality, solid waste

management and disposal, hazardous or toxic substances and any other federal, state or local environmental Laws.

Section 2.25 Disclaimer of Other Representations and Warranties. Except as expressly set forth in the Transaction Documents, Seller makes no representation or warranty, express or implied, at law or in equity, in respect of the Partnership Interests or SMGC or any of its assets, liabilities or operations, including, without limitation, with respect to merchantability or fitness for any particular purpose, and any such other representations or warranties are hereby expressly disclaimed. Buyer hereby acknowledges and agrees that, except to the extent specifically set forth in the Transaction Documents, Buyer is purchasing the Partnership Interests on an “as-is, where-is” basis.

ARTICLE III

REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer represents and warrants to Seller that the following are true, correct and complete:

Section 3.01 Organization, Power, Etc. Each of GP Acquisition Company and LP Acquisition Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Delaware and has all requisite corporate power and authority to own its assets and carry on its business as currently conducted, to enter into the Transaction Documents, and to consummate the transactions contemplated thereby.

Section 3.02 Validity and Effect of Agreement. The execution, delivery and performance of the Transaction Documents by the Buyer and the consummation by the Buyer of the transactions contemplated thereby, have been duly authorized by all requisite corporate actions and, assuming due execution and delivery by the Seller, the Transaction Documents to which Buyer is a party constitute the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent transfer or conveyance, moratorium or similar Laws or equitable principles affecting creditors’ rights generally.

Section 3.03 No Brokers. No broker has acted directly or indirectly for the Buyer, and the Buyer has not incurred any obligation to pay any brokerage fee, finder’s fee or other commission in connection with the Transaction Documents or the transactions contemplated thereby.

Section 3.04 Permits; Consents and Approvals. Except as disclosed on Schedule 3.04, there is no requirement applicable to Buyer to make any Filing with, to obtain any Consent of or to obtain or modify any Permit issued by, any Governmental Authority or other third party applicable to Buyer as a condition to or in connection with Buyer’s execution, delivery and performance of Transaction Documents and the consummation of the transactions contemplated thereby. The consummation by the Buyer of the transactions contemplated by this Agreement

does not and will not violate, contravene or conflict with, or give rise to any right of termination or acceleration under, any provision of any contract entered into by the Buyer.

Section 3.05 Litigation. Except as disclosed on Schedule 3.05, there is no Litigation now pending or to the knowledge of Buyer threatened by or before any Governmental Authority to which Buyer is or would be a party, and which may result in any order, judgment, award, court, decree, liability, injunction, restraining order or other determination which will or is likely to prevent or interfere with the consummation of any transaction contemplated by the Transaction Documents.

Section 3.06 Noncontravention. The execution, delivery and performance of the Transaction Documents by Buyer and the consummation of the transactions contemplated thereunder do not and will not (i) violate, contravene or conflict with the organizational documents of Buyer, (ii) violate, contravene or conflict with any Law applicable to Buyer or (iii) violate, contravene or conflict with or constitute a breach, default or an event which with notice or lapse of time or both, would constitute a default under, or permit the termination of, any material Permit, lease, contract or other agreement, commitment or obligation to which Buyer is a party or by which Buyer or its properties are bound.

Section 3.07 Acquisition for Investment. The Buyer has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of the investment contemplated by this Agreement and making an informed investment decision with respect thereto. Buyer represents to Seller that the Buyer is acquiring the Partnership Interests for its own account, for investment only and not with a view to, or any present intention of, effecting a distribution of such interest in violation of the Securities Act. Buyer acknowledges that the Partnership Interests have not been registered under the Securities Act or the securities laws of any state or other jurisdiction and cannot be disposed of except in accordance with the Securities Act and any applicable state laws. Buyer represents to Seller that the Buyer is an accredited investor (within the meaning of Regulation D promulgated under the Securities Act).

Section 3.08 Disclaimer of Other Representations and Warranties. Except as expressly set forth in the Transaction Documents, Buyer makes no representation or warranty, express or implied, at law or in equity, in respect of this Agreement or the Transactions contemplated thereby, and any such other representations or warranties are hereby expressly disclaimed.

ARTICLE IV

COVENANTS OF THE BUYER

The Buyer hereby covenants and agrees with Seller as follows:

Section 4.01 Cooperation by Buyer. The Buyer shall use commercially reasonable efforts to secure all necessary Consents and Permits from Governmental Authorities and other third parties as shall be required for Buyer to effect the transactions contemplated by the Transaction Documents, and the Buyer shall otherwise use commercially reasonable efforts to

cause the consummation of such transactions in accordance with the terms and conditions thereof and to cause all conditions contained in this Agreement over which the Buyer has control to be satisfied, in each case, as soon as reasonably practical and in any event prior to the Closing Termination Date (as defined below). The Buyer shall use commercially reasonable efforts to cooperate with Seller in Seller's efforts to secure all Consents and Permits to be obtained by Seller pursuant to Section 5.01 hereof. The Buyer further agrees to deliver to Seller prompt written notice of any event or condition which would reasonably be likely to result in any of the representations and warranties of the Buyer contained herein being untrue in any material respect.

Section 4.02 Governmental Filings. The Buyer shall timely make all governmental filings required for the execution, delivery and performance by the Buyer of the Transaction Documents. The Buyer agrees that it will cooperate with Seller in all respects in connection with any governmental filings required for the execution, delivery and performance by the Seller of the Transaction Documents, and in connection with any requests for information or further filings which may be necessary to obtain the necessary consents (or to allow the applicable time periods to expire) with respect thereto; provided that Seller shall deliver to Buyer and to its counsel drafts of such filings and all other materials to be submitted sufficiently in advance of any such submission so that Buyer and its counsel may review and comment upon such filings and other materials. Buyer agrees that any filing with the Missouri Public Service Commission regarding the transaction will not be made until the Buyer and the Seller have approved it, such approval not to be unreasonably withheld or delayed. The costs of the initial filing shall be borne and paid by Seller, but any costs related to any responses to or incurred in providing information to the Missouri Public Service Commission arising out of such filing will be paid by the Party providing the information or response.

Section 4.03 Further Assurances. At any time or from time to time after the date hereof, the Buyer shall, at the request of Seller, execute and deliver any further instruments or documents and take all such further action as the Seller may reasonably request to consummate and make effective the transactions contemplated by the Transaction Documents.

Section 4.04 Access. The Buyer will, and after the Closing will cause SMGC to, give Seller and its counsel and other representatives reasonable access at reasonable times and upon reasonable notice for a period of seven (7) years from and after the Closing to the records of SMGC delivered by or on behalf of Seller in connection with the transactions contemplated by the Transaction Documents if reasonably required in connection with or in anticipation of, or preparation for, any existing or future Litigation, Tax Return or audit related to Seller's ownership of SMGC prior to the Closing, and shall, and after the Closing shall cause SMGC to, permit Seller to make copies of any such records of SMGC. Should the Buyer subsequently transfer any direct or indirect interests in SMGC, the Buyer agrees to take, and after the Closing to cause SMGC to take, all reasonable action in their respective contractual arrangements relating to such transfer necessary to allow Seller to have continued access to all such records of SMGC as contemplated by the preceding sentence.

ARTICLE V

COVENANTS OF SELLER

Seller hereby covenants and agrees with the Buyer as follows:

Section 5.01 Cooperation by Seller. The Seller shall use its commercially reasonable efforts to secure all necessary Consents and Permits from Governmental Authorities and other third parties as shall be required for SMGC or Seller to effect the transactions contemplated by the Transaction Documents, and the Seller shall otherwise use its commercially reasonable efforts to cause the consummation of such transactions in accordance with the terms and conditions thereof and to cause all conditions contained in this Agreement over which the Seller has control to be satisfied, in each case, as soon as reasonably practical and in any event prior to the Closing Termination Date. The Seller shall use commercially reasonable efforts to cooperate with the Buyer in Buyer's efforts to secure all Consents and Permits to be obtained by Buyer pursuant to Section 4.01 hereof. The Seller further agrees to deliver to Buyer prompt written notice of any event or condition which is reasonably likely to result in any of the representations and warranties of the Seller contained herein being untrue in any material respect.

Section 5.02 Governmental Filings. The Seller shall timely make all governmental filings required for the execution, delivery and performance by SMGC or Seller of the Transaction Documents. The Seller agrees that it will cooperate with Buyer in all respects in connection with any governmental filings required for the execution, delivery, and performance by the Buyer of the Transaction Documents, and in connection with any requests for information or further filings which may be necessary to obtain the necessary Consents (or to allow the applicable time periods to expire) with respect thereto; provided that Buyer shall deliver to Seller and to its counsel drafts of such filings and all other materials to be submitted sufficiently in advance of any such submission so that Seller and its counsel may review and comment upon such filings and other materials. Seller agrees that any filing with the Missouri Public Service Commission regarding the transaction will not be made until the Buyer and the Seller have approved it, such approval not to be unreasonably withheld or delayed. The costs of the initial filing shall be borne and paid by Seller, but any costs related to any responses to or incurred in providing information to the Missouri Public Service Commission arising out of such filing will be paid by the Party providing the information or response.

Section 5.03 Further Assurances. At any time or from time to time after the date hereof, Seller shall, at the request of the Buyer, execute and deliver any further instruments or documents and take all such further action as the Buyer may reasonably request to consummate and make effective the transactions contemplated in the Transaction Documents.

Section 5.04 Access. The Seller shall, and until the Closing Date shall cause SMGC to, make available during regular business hours and upon reasonable notice from Buyer the properties, employees and books and records of SMGC and all information in the possession of Seller and SMGC concerning SMGC. Except to the extent set forth in Section 8.07, no information or knowledge obtained by Buyer in any investigation shall affect or be deemed to modify any representation or warranty made by or any indemnification obligations of Seller

hereunder. Neither Seller nor SMGC shall be obligated to provide Buyer with access to any books and records if the same are not relevant to the continued ownership or operation of SMGC after the Closing to the extent the same (i) constitute internal evaluations by Seller pertaining to SMGC, (ii) cannot be provided by Seller or SMGC without breaching confidentiality agreements (or other agreement with similar effect) with third parties that are not Affiliates of Seller or SMGC, and for which Seller or SMGC is not able to obtain a waiver using commercially reasonable efforts or (iii) are subject to the attorney client privilege. If Seller or SMGC determines that it cannot provide Buyer access to certain documents, Seller or SMGC, as applicable agrees to provide Buyer with a written list identifying the documents that cannot be provided to Buyer, together with an explanation of why such documents cannot be provided. Seller will use its commercially reasonable efforts to obtain such waivers or consents as may be required for Buyer and its attorneys and other representatives to have access to such documents, but shall not be required to incur any expenses in connection therewith; provided, however, that if obtaining such a waiver requires incurring expenses or otherwise would not be commercially reasonable, Buyer, if it determines that it nonetheless desires that such a waiver be obtained, may pay the expenses of Seller to obtain such waiver and, in such case, Seller agrees to incur such expenses. Buyer agrees that any information provided to it or otherwise made available to it (whether pursuant to this Section 5.04 or otherwise) in connection with the transactions contemplated hereby shall be subject to the provisions of the Confidentiality Agreement, dated June 16, 2004, among DTE, DTE Ozark and Buyer (the "Confidentiality Agreement"). In addition to the foregoing, Seller shall, until one year after the Closing, to the extent he remains employed by Seller or its affiliates, make available Scott Klemm during regular business hours and upon reasonable notice from Buyer for consultation regarding SMGC. If Buyer requests and receives more than 20 hours of Scott Klemm's time in any one calendar month during the period ending on the last day of the third full calendar month following the Closing Date or requests and receives more than 10 hours of Scott Klemm's time during any calendar month following such period, then Buyer or SMGC shall reimburse Seller for such of Scott Klemm's time in excess of such limit at an hourly rate equal to _____ per hour. In addition, any reasonable incremental out-of-pocket costs incurred in connection with providing such assistance will be paid and/or reimbursed by Buyer.

Section 5.05 Maintenance of Organizational Status. Until the Closing Date, the Seller shall cause SMGC to (i) be maintained at all times as a limited partnership validly existing under the Laws of its state of organization, and (ii) timely file all required reports with all appropriate state and federal Governmental Authorities.

Section 5.06 Conduct of Business; Operations. Seller agrees that from the date hereof until the Closing, except as otherwise expressly permitted by this Agreement, it shall cause SMGC to conduct its business in the ordinary course consistent with past practice and shall, and shall cause SMGC to, use their commercially reasonable efforts to preserve intact SMGC's business organization and material relationships with third parties and to keep available the services of SMGC's present employees (subject to ordinary and customary retirements and resignations). Without limiting the generality of the foregoing, from the date hereof until the Closing, except as expressly permitted by this Agreement, without the prior written consent of Buyer, not to be unreasonably withheld or delayed, Seller shall cause SMGC not to:

- (a) amend or terminate the Partnership Agreement or the Management Agreement;
- (b) merge or consolidate with any other Person;
- (c) issue, sell, pledge, dispose of, grant, transfer, lease, license, guarantee or encumber, or authorize the issuance, sale, pledge, disposition, grant, transfer, lease, license, guarantee or encumbrance of, (i) ownership interests in SMGC or (ii) except in the ordinary course of business and in a manner consistent with past practice, any property or assets of SMGC;
- (d) make any loan, advance or capital contributions to or investments in any Person;
- (e) make any Restricted Distributions other than payments under the Management Agreement for services performed in the ordinary course of business not to exceed _____ per month and interest payments to Seller and/or its Affiliates under the intercompany indebtedness of SMGC to Seller and its Affiliates incurred, accruing interest and being paid in accordance with past practices and not exceeding _____ per month;
- (f) reclassify, combine, split, subdivide any of its ownership interests;
- (g) acquire (including, without limitation, by merger, consolidation, spin-off or acquisition of stock or material assets) any interest in any Person or any division thereof or any material assets, other than acquisitions of assets in the ordinary course of SMGC's regulated utility business and consistent with past practice;
- (h) incur any indebtedness for borrowed money or guarantee any indebtedness of another Person, or issue or sell any notes or other indebtedness or warrants or other equity interests of SMGC;
- (i) make or commit to make any gas purchases in excess of \$1,500,000 without prior consultation with Buyer;
- (j) terminate, cancel, waive any material rights under or agree to any material change in, any Contract of SMGC or enter into any Contract material to the business, condition (financial or other), results of operations or prospects of SMGC; provided, however, that SMGC may renew or extend the Southern Star Pipe Transportation Contract.
- (k) make any change with respect to accounting policies or procedures, except as required by changes in GAAP;
- (l) make any Tax election or take any position on any Tax Return filed on or after the date of this Agreement or adopt any method therefore that is inconsistent with elections made, positions taken or methods used in preparing or filing similar Tax Returns in prior periods except as required by applicable law;
- (m) make any filing with the Missouri Public Service Commission or the FERC other than routine filings made for which Buyer receives notice either (i) in advance, if practical and if

such notification is not inappropriate or precluded by law or the applicable regulatory authority, or (ii) as soon as practical after filing; or

(n) agree or commit to do any of the foregoing.

Section 5.07 Insurance. Until the Closing Date, the Seller shall maintain or cause SMGC to maintain all insurance with respect to SMGC and its assets and operations as is currently in effect including, but not limited to, with respect to SMGC's employees and the Business.

Section 5.08 Notices. Until the Closing Date, the Seller shall or shall cause SMGC to give all notices to Governmental Authorities and other third parties and take such other action required to be taken by Seller or SMGC under any Contract or Permit in connection with the transactions contemplated by the Transaction Documents and to provide notice to Buyer of any such action and any material communications from Governmental Authorities to Seller or SMGC regarding the same.

Section 5.09 No Solicitation or Negotiations. Seller shall, and shall cause its Affiliates and Seller's and its Affiliates' respective advisors, employees and other agents to (a) cease immediately and cause to be terminated any and all existing activities, discussions or negotiations, if any, with any third party conducted prior to the date hereof with respect to any proposal to acquire, whether by purchase, merger or otherwise, all or any portion of the assets of (other than in the ordinary course of business) or equity interests in SMGC (an "Acquisition Proposal") (b) not, directly or indirectly (i) seek, initiate or solicit any Person to make an Acquisition Proposal, (ii) engage in negotiations or discussion concerning an Acquisition Proposal with any Person or group or (iii) disclose any non-public information relating to SMGC or give access to the properties, employees, books or records of SMGC to any Person or group in connection with any Acquisition Proposal except with respect to this clause (iii) to the extent required by fiduciary duties or law in each case based on the advice of counsel. The foregoing shall not in any way (i) limit Seller's, SMGC's or their respective advisors, employees and other agents ability to participate in any type of business combination with Affiliates as required by applicable law as long as such combination does not result in the inability of Seller or SMGC to consummate the transaction contemplated hereby, or (ii) prohibit discussions with lenders and accountants in the ordinary course of business, or with any Governmental Entity or representatives of any exchange on which any equity interest or other publicly traded interest of any Affiliate of Seller are listed.

Section 5.10 Non-Competition; Non-Interference. Seller agrees that from the Closing Date until the anniversary of the Closing Date in the year 2007, Seller will not and will cause its Affiliates not to directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of a natural gas distribution company or propane distribution company located within the boundaries of SMGC's present six county service area. In the event of a breach of the foregoing non-compete covenant, it is understood and agreed that Buyer shall be entitled to injunctive relief as well as any and all other applicable remedies at law and in equity available to Buyer. If a court of competent jurisdiction should declare the non-compete covenant to be unenforceable, in whole or in part, due to any unreasonable restriction of

duration or geographical area, then the Parties hereby acknowledge and agree that such court of law or equity shall have the express authority of the Parties to reform the non-compete covenant to a reasonable restriction or to grant Buyer any and all other relief, at law or in equity, reasonably necessary to protect the interests of Buyer. Seller expressly covenants and acknowledges that it considers the non-compete covenant to be reasonable. Notwithstanding the foregoing, the beneficial ownership of less than ____% of the equity interests of any person having a class of equity interest actively traded on a national securities exchange or over-the-counter market will not be deemed to breach the prohibitions of this Section 5.12. In addition, the acquisition and/or ownership of an interest in any natural gas distribution company or propane distribution company acquired by Seller or any of its Affiliates where such acquisition is part of a larger acquisition and the portion of the acquisition that competes with SMGC constitutes ____% or less of the value of the entire acquisition shall not be deemed to breach the prohibitions of this Section 5.12.

ARTICLE VI

CONDITIONS PRECEDENT OF BUYER

The Buyer's obligation to proceed with the Closing under this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

Section 6.01 Compliance. The representations and warranties of Seller contained in the Transaction Documents shall be true and correct. Seller shall have performed or complied in all material respects with all agreements and covenants required by the Transaction Documents to be performed or complied with by Seller at or prior to the Closing Date.

Section 6.02 Consent. All material Consents and Permits (including the approval and consent of the Missouri Public Service Commission), necessary to permit the consummation of the transactions contemplated by this Agreement shall have been received, on or before the Closing Date, and such Consents and Permits shall not be subject to any terms, conditions, limitations or exceptions which shall adversely affect the economic feasibility for Buyer of the Transactions. Without limiting the foregoing, Buyer shall receive confirmation from the Missouri Public Service Commission that there shall be no negative effect on the tariffs associated with SMGC and the Business resulting from the consummation of the Transactions other than adjustments required by the Missouri Public Service Commission resulting in insignificant adjustments to such tariffs.

Section 6.03 Intercompany Loans and Management Agreement. All indebtedness and other obligations of SMGC to Seller and its Affiliates shall have been forgiven and the Management Agreement and any other agreements or commitments of SMGC with Seller and its Affiliates shall have been terminated.

Section 6.04 No Litigation Threatened. No action shall have been instituted or threatened by a third party (including the Missouri Public Service Commission) to restrain or prohibit any of the transactions contemplated hereby.

Section 6.05 Closing Matters. At the Closing, Seller shall deliver to the Buyer in form reasonably satisfactory to Buyer the items specified in Section 1.04(b).

ARTICLE VII

CONDITIONS PRECEDENT OF SELLER

The Seller's obligation to proceed with the Closing under this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

Section 7.01 Compliance. The representations and warranties of Buyer contained in the Transaction Documents shall be true and correct. Buyer shall have performed or complied in all material respects with all agreements and covenants required by the Transaction Documents to be performed or complied with by Buyer at or prior to the Closing Date.

Section 7.02 Consent. All material Consents and Permits (including the approval and consent of the Missouri Public Service Commission), necessary to permit the consummation of the transactions contemplated by this Agreement by Seller and SMGC shall have been received, on or before the Closing Date and such consents and approvals shall not be subject to any terms, conditions, limitations or exceptions which shall materially adversely affect the economic feasibility for Seller of the Transaction.

Section 7.03 No Litigation Threatened. No action shall have been instituted or threatened by a third party (including the Missouri Public Service Commission) to restrain or prohibit any of the transactions contemplated hereby.

Section 7.04 Closing Matters. At the Closing, Buyer shall deliver to the Seller in form reasonably satisfactory to Seller the items specified in Section 1.04(a).

ARTICLE VIII

SURVIVAL; INDEMNIFICATION

Section 8.01 Survival. The representations, warranties, covenants, agreements and indemnifications of the Parties herein contained or made pursuant hereto shall survive the Closing for a period of _____; provided that (a) the representations and warranties in Sections 2.01, 2.02 and 2.03 and associated indemnification rights shall survive until the later of the expiration of the applicable statute of limitations or _____; (b) representations, warranties, covenants, agreements and indemnifications relating to Taxes shall survive as set forth in Section 9.09(b); (c) any provisions which under Section 10.02 or otherwise by their terms survive the termination of the Agreement shall survive as indicated; and (d) any representation, warranty, covenant, agreement or indemnification as to which a claim (including a contingent claim) shall have been asserted during the survival period shall continue in effect with respect to such claim, along with associated indemnification rights, until such claim has been finally resolved or settled and payment with respect thereto made.

Section 8.02 Indemnification of DTE and DTE Ozark. From and after the date of this Agreement, but subject to the limitations set forth in this Article VIII, Buyer agrees to indemnify and hold harmless Seller and its respective officers, directors, employees, agents and representatives from and against any damage, loss, claim, obligation, liability, cost (including reasonable attorneys' fees and expenses), expense or deficiency (collectively, "Loss and Expense") suffered by reason of, arising out of or resulting from any breach of any representation, warranty, covenant or agreement of Buyer contained in this Agreement or in any other certificate or document delivered by Buyer to Seller pursuant to this Agreement. Indemnification with respect to Taxes shall be provided for in Article IX and not in this Article VIII.

Section 8.03 Indemnification of Buyer. From and after the date of this Agreement, but subject to the limitations set forth in this Article VIII, DTE and DTE Ozark agree, on a joint and several basis, to indemnify and hold harmless Buyer and its respective officers, directors, employees, agents and representatives from and against any Loss and Expense suffered by reason of, arising out of or resulting from any breach of any representation, warranty, covenant or agreement of Seller contained in the Transaction Documents.

Section 8.04 Notice of Claims. If Seller or Buyer believes that it has suffered or incurred any Loss and Expense, such Party (the "Indemnified Party") shall notify in writing, within 30 days after such Indemnified Party learns of such potential Loss and Expense, the Party against whom a claim for indemnification may be made pursuant to this Agreement (the "Indemnifying Party") in writing, describing such Loss and Expense, the amount thereof, if known, and the method of computation of such Loss and Expense, all with reasonable particularity and containing a reference to the provision of the Transaction Documents in respect of which such Loss and Expense shall have occurred. If any action at law or suit in equity is instituted by a third party with respect to which an Indemnified Party intends to claim any liability or expense as an indemnifiable Loss and Expense under this Article, such Indemnified Party shall give notice in writing, within 30 days after learning of such third party action, to the Indemnifying Party with respect to such action or suit. The failure to timely give such notice shall not affect any Indemnified Party's ability to seek reimbursement except to the extent such failure materially and adversely affects the Indemnifying Party's ability to defend successfully a claim or such notice is given after the expiration of the applicable survival period set forth in Section 8.01. Neither the Indemnified Party nor the Indemnifying Party may concede, settle or compromise any pending or threatened proceeding or claim without the consent of the other Party, which consent shall not be unreasonably withheld or delayed.

Section 8.05 Certain Limitations.

(a) Neither Seller nor Buyer shall be entitled to receive or receive indemnification of any punitive, incidental, indirect, special or consequential damages under this Agreement (other than punitive, incidental, indirect, special or consequential damages awarded as a result of third party claims for which indemnification is provided), including damages for lost revenues, income or profits. The aggregate damages and indemnifications for which either Party shall be liable shall be limited to an aggregate amount equal to one hundred percent (100%)

of the Purchase Price. The limitations set forth in this Section 8.05 shall not apply to any instances of intentional misrepresentation or fraud.

(b) Excluded Losses and Basket. Notwithstanding anything herein to the contrary, no Indemnifying Party shall have any obligation or liability to indemnify an Indemnified Party under this Article VIII with respect to any claim or series of related claims, unless in the reasonable estimate of the Notifying Party, (i) the amount of indemnifiable Loss and Expense in respect of such claims is greater than or equal to _____ (a "Qualifying Claim") and (ii) the aggregate amount of indemnifiable Loss and Expense suffered by the Indemnified Parties arising out of Qualifying Claims exceeds _____, in which event all Loss and Expense, including the first _____, shall be indemnified in accordance with the terms of this Article VIII.

(c) Multiple Indemnification. Notwithstanding anything to the contrary herein, no Indemnified Party may recover for any Loss and Expense more than once by claiming indemnification for the same Loss and Expense under multiple provisions.

Section 8.06 Exclusive Remedy. The indemnification rights and remedies provided to the Parties pursuant to this Article VIII, as limited by and subject to the provisions of this Article VIII, shall be the Parties' sole remedy for breach of any representation, warranty, covenant or obligation under this Agreement other than with respect to (i) Tax indemnification claims under Article IX; and (ii) any action or inaction by a Party that constitutes fraud or intentional misconduct, or which is taken or not taken in bad faith.

Section 8.07 Exclusion. Notwithstanding anything to the contrary in this Article VIII, neither DTE nor DTE Ozark shall be obligated under this Article VIII to indemnify any Buyer Indemnified Party for any Loss and Expense claimed by such Buyer Indemnified Party after Closing based on breach of any representation or warranty of Seller to the extent Randal T. Maffett and/or Michael Lewis had actual knowledge of such breach prior to the Closing.

Section 8.08 Tax Matters. Notwithstanding any provision in this Agreement to the contrary (except for the application of Sections 2.08 and 8.01), the indemnities set forth in this Article VIII shall not include Taxes; the rights and obligations of the parties with respect to indemnification for any and all Tax matters shall be governed exclusively by Article IX (and Sections 2.08 and 8.01).

ARTICLE IX

TAX MATTERS; CERTAIN COVENANTS

Section 9.01 Transfer and Sales Taxes. Seller shall indemnify and hold harmless Buyer from and against any and all Losses and Expenses related to any sales, use, transfer, real property transfer, recording, gains, stock transfer and other similar Taxes and fees ("Transfer Taxes"), if any, arising out of or in connection with the transactions involving Buyer pursuant to this Agreement. Buyer shall file such applications and documents as shall permit any such Transfer Tax to be assessed and paid on or prior to the Closing Date in accordance with any available pre-

sale filing procedure. Seller, to the extent required under Mo. Rev. Stat. Section 144.150, will file a final sales tax return and will request from the director of revenue a statement or certificate showing the amount of taxes, interest, additions to tax or penalties due and owing, if any. Buyer agrees to cooperate with Seller in obtaining such a certificate, including, if necessary, executing any documentation required to obtain such certificate.

Section 9.02 Indemnification. Seller shall indemnify and hold harmless Buyer from and against any and all Losses and Expenses, whether or not resulting from third party claims, resulting from, arising out of or relating to any and all Taxes of Seller or any of its Affiliates or SMGC attributable to the period prior to Closing and on the Closing Date. Without limiting the foregoing, Seller shall be solely responsible for all Taxes resulting from the forgiving of any indebtedness of SMGC in connection with the Closing.

Section 9.03 Procedures for Indemnification. The procedures for indemnification pursuant to this Article IX shall be conducted in a manner consistent with Section 8.04 hereof.

Section 9.04 Tax Returns and Information/Cooperation. Buyer and Seller will cooperate with each other and will make available to each other all information, records or documents that may be reasonably requested by a party in (i) determining the liability or potential liability for Taxes or a right to a refund of Taxes related to SMGC, (ii) filing any Tax Return, amended Tax Return or claim for refund related to SMGC, (iii) participating in or conducting any contest, or (iv) making representations to or furnishing information to parties subsequently desiring to purchase an interest in SMGC or any part of the business from SMGC. Seller shall make their tax representatives available on a basis mutually convenient to both parties to provide explanations of any documents or information provided hereunder. Each party will preserve such information, records or documents until the expiration of any applicable statute of limitations or extensions thereof, provided that Buyer and Seller shall preserve the confidentiality of any such information, records or documents until the expiration of any applicable statute of limitations or extensions thereof.

Section 9.05 Code Section 754 Election. At the request of Buyer, Seller shall consent to and cooperate with Buyer in making a Section 754 election by SMGC (and, if requested by Buyer, Seller shall also sign such election) with respect to SMGC's Tax year that includes the Closing Date to adjust the basis of SMGC's assets under Section 743.

Section 9.06 Time of Payment. Payment of any amounts due under this Article IX in respect of (i) Taxes shall be made within five (5) business days following an agreement among Buyer and Seller that an indemnity amount is payable, an assessment of a Tax by a Tax authority or a "determination" having been made as such term is defined in Section 1313(a) of the Code, and (ii) costs or expenses other than Taxes, shall be made within ten (10) business days after the date when the relevant party has been notified that such party has a liability for a determinable amount under this Article IX and is provided with calculations or other materials supporting such liability.

Section 9.07 Liability for Taxes and Filing Returns. Seller shall be liable for all Taxes (and the defense of same in audits, assessments, etc.) relating to SMGC for the period of time up

to and including the Closing Date. Buyer shall be solely liable for all Taxes relating to SMGC for the period of time after the Closing Date. To the extent that, under state tax provisions, one return is required to be filed for a year that includes the Closing Date, Buyer will prepare such return. Buyer will make this return available for review to Seller within forty-five (45) days prior to the filing of such returns.

Section 9.08 Proration of Partnership Income and Loss. The Parties agree that for purposes of allocating SMGC income or loss between Buyer and Seller for the Tax year that includes the Closing Date, the Partnership income or loss for such Tax year shall be allocated between Buyer and Seller based on an interim closing of the books. For this purpose, Buyer's period of ownership shall include the Closing Date.

Section 9.09 Miscellaneous Tax Provisions. (a) Buyer and Seller agree to treat all payments made by either of them to or for the benefit of the other (including any payments to SMGC) under this Article IX, under other indemnity provisions of this Agreement and for any misrepresentations or breaches of warranties or covenants, as adjustments to the Purchase Price or as capital contributions for Tax purposes and that such treatment shall govern for purposes hereof except to the extent that the Laws of a particular jurisdiction provide otherwise.

(b) Notwithstanding any provision in this Agreement to the contrary, the obligations of the parties set forth in this Article IX and the indemnification rights for a breach of Section 2.08 as set out in Article VIII shall be unconditional and absolute and shall remain in effect until later of the expiration of the applicable statute of limitations with respect to the Tax liabilities in question or sixty (60) days after the final administrative or judicial determination of such Tax liabilities.

(c) Notwithstanding any provision in this Agreement to the contrary (except for the application of Section 2.08 and 8.01), all matters relating to Taxes shall be governed solely by this Article IX.

ARTICLE X

TERMINATION

Section 10.01 Termination. This Agreement may be terminated at any time prior to the Closing:

(a) By mutual written consent of Seller and Buyer;

(b) By one Party upon written notice to the other Party if the Closing has not occurred by _____ (the "Closing Termination Date"); provided, however, that no Party may give notice under this Section 10.01 (b) while such Party is in material breach of its obligations under this Agreement;

(c) By one Party upon written notice to the other Party if there shall have been a material breach of any of the representations, warranties, covenants or agreements of such other Party hereunder that is not cured within thirty (30) days after receipt by such other Party of

written notice from the terminating Party specifying with particularity such breach; provided, however, that if Buyer shall give notice to Seller of a material breach of any representation or warranty of Seller, the Parties shall attempt to reach agreement upon either (i) the means by which Seller shall cure the breach of the representation or warranty of Seller and the time period in which Seller shall accomplish the same (in which event the Closing Date shall be extended to allow Seller to cure the same, but not beyond the time period agreed by the Parties), or (ii) an appropriate adjustment to the Purchase Price to reflect the adverse effect of such breach. If the Parties shall be unable to reach agreement on a resolution as contemplated by clauses (i) or (ii) above within twenty (20) days after Buyer shall have given notice of such breach to Seller, Buyer may terminate this Agreement within ten (10) days thereafter. Nothing in this provision shall obligate either Party to agree upon a means to cure such breach or to an adjustment to the Purchase Price, and the decision on whether to agree upon a means to cure such breach or to an adjustment to the Purchase Price shall be at each Party's sole discretion;

(d) By one Party upon written notice to the other Party: (i) if any Governmental Authority shall have issued an order or similar ruling permanently restraining, enjoining or otherwise prohibiting the Closing, and such order, judgment or decree shall have become final without the possibility of appeal; or (ii) if any Law shall have been enacted or issued by any Governmental Authority which, directly or indirectly, prohibits the Closing; or

(e) By one Party upon written notice to the other Party, if such other Party (or if the terminating Party is Buyer, SMGC) is or becomes bankrupt or insolvent or there are proceedings pending or being contemplated by or threatened against such other Party (or if the terminating Party is Buyer, SMGC) which could reasonably be expected to result in such other Party (or if the terminating Party is Buyer, SMGC) being or becoming bankrupt or insolvent.

Section 10.02 Effect of Termination. If this Agreement is terminated, all further (but not prior) obligations of the Parties hereunder with respect to the Transactions shall terminate and there shall be no further obligations of the Parties to proceed to Closing; provided that such termination shall not relieve liability for breach of any representation, warranty, covenant or other agreement hereunder prior to the termination. The provisions of Articles VIII, IX, X and XI shall survive termination. In the event this Agreement is terminated by Seller pursuant to Section 10.01 (c) or (e), the Parties agree that the Seller's sole and exclusive remedy in connection with such termination will be to receive, as liquidated damages, an amount equal to the outstanding amount of the Letter of Credit; provided, that if the breach that causes Seller to terminate is a failure by Buyer to provide the Letter of Credit within the time frame specified in Section 1.02 (b), then Seller's sole and exclusive remedy in connection with such termination will be to receive, as liquidated damages, _____. In the event this Agreement is terminated by Buyer pursuant to Section 10.01 (c) or (e), the Parties agree that the Buyer's sole and exclusive remedy in connection with such termination will be to receive, as liquidated damages, _____.

ARTICLE XI

MISCELLANEOUS

Section 11.01 Conflicting Provisions. In the event there is any conflict between the provisions of this Agreement and those of any other Transaction Document or the Partnership Agreement, the provisions of this Agreement shall prevail.

Section 11.02 Modification. This Agreement may be modified only by a written instrument executed by Seller and Buyer.

Section 11.03 Headings. The headings of the Articles, Sections, and paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction hereof

Section 11.04 Notices. All notices which are required or may be given pursuant to the terms of this Agreement shall be in writing and shall be deemed given: (i) the next business day after being sent by Federal Express or any other recognized overnight courier service providing delivery confirmation; (ii) five business days after mailing by certified or registered mail, with postage prepaid and with return receipt requested; or (iii) when a confirmation is received after being sent by legible facsimile transmission, addressed as follows:

If to DTE to:

2000 Second Avenue
Detroit, Michigan 48226
Attention: Wendy Ellis
Fax: (313) 235-8500

If to DTE Ozark to:

2000 Second Avenue
Detroit, Michigan 48226
Attention: Wendy Ellis
Fax: (313) 235-8500

If to Buyer to:

Sendero SMGC GP Acquisition Company
Sendero SMGC LP Acquisition Company
1001 Fannin, Suite 550
Houston, Texas 77002
Attention: Randal T. Maffett
Fax: (713) 655-0523

With a copy to:

Mr. Todd Neugebauer
Mr. Charles H. Brownman
CHx Capital, LLC
511 16th Street, No. 300
Denver, Colorado 80202
Fax: (720) 946-2838

or to such other address or addresses as any Party shall have designated by notice in writing to the other Party in accordance with this Section 11.04.

Section 11.05 Entire Agreement. The Transaction Documents contain the entire understanding of the Parties with respect to the subject matter of this Agreement, and there are no representations, warranties, covenants or agreements other than those expressly set forth therein. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the subject matter of this Agreement.

Section 11.06 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns. Neither this Agreement nor any right hereunder may be assigned by any Party (in whole or in part) without the prior written consent of the other Party. Seller shall not unreasonably withhold or delay consent for any assignment of this Agreement or its rights hereunder to any lenders providing financing to Buyer for the payment of the Purchase Price or their successors and assigns or to any Person succeeding to the ownership of Purchased Interests after Closing.

Section 11.07 Severability. The terms of this Agreement are fully severable, and the decision or judgment of any court of competent jurisdiction rendering void or unenforceable any one or more of such terms shall not render void or unenforceable any of the other terms hereof.

Section 11.08 Captions; Article and Section References. The caption at the heading of each Article and Section of this Agreement is for convenience of reference only and is not to be deemed a part of the Agreement itself. Article and section references are to the articles and sections of this Agreement unless otherwise indicated.

Section 11.09 Choice of Law. This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri, without regard to principles of conflict of laws.

Section 11.10 Dispute Resolution,

(a) The Parties shall attempt good faith to resolve any controversy or claim arising from or relating to this Agreement promptly by negotiations. On the request of any Party, whether made before or after the institution of any legal proceeding, any action, dispute, claim or controversy of any kind now existing or hereafter arising between any of the Party in any way arising out of, pertaining to or in connection with this Agreement (a "Dispute") shall be resolved

by binding arbitration in accordance with the terms hereof. Any Party may, by summary proceedings, bring an action in court to compel arbitration of any Dispute.

(b) An arbitration shall be administered by the American Arbitration Association (the “AAA”) in accordance with the terms of this Section 11.09, the Commercial Arbitration Rules of the AAA, and, to the maximum extent applicable, the Federal Arbitration Act. Judgment on any award rendered by an arbitrator may be entered in any court having jurisdiction.

(c) Any arbitration shall be conducted before one arbitrator. The arbitrator shall be a practicing attorney licensed to practice in the State of Missouri who is knowledgeable in the subject matter of the Dispute selected by agreement between the parties hereto. If the parties cannot agree on the arbitrator within 30 days after the request for an arbitration, then any Party may request the AAA to select an arbitrator. The arbitrator may engage consultants that the arbitrator deems necessary to render a conclusion in the arbitration proceeding.

(d) To the maximum extent practicable, an arbitration proceeding hereunder shall be concluded within 60 days of the filing of the Dispute with the AAA. Arbitration proceedings shall be conducted in St. Louis, Missouri. Arbitrators shall be empowered to impose sanctions and to take such other actions as the arbitrators deem necessary to the same extent a judge could impose sanctions or take such other actions pursuant to the Federal Rules of Civil Procedure and applicable Law. At the conclusion of any arbitration proceeding, the arbitrator shall make specific written findings of fact and conclusions of law. The arbitrator shall have the power to award recovery of all costs and conclusions of law. The arbitrator shall have the power to award recovery of all costs and fees to the prevailing Party. Each arbitrator agrees to keep all Disputes and arbitration proceeding strictly confidential except for the disclosure of information required by applicable Law.

(e) All fees of the arbitrator and any consultants engaged by the arbitrator, shall be paid by the Parties involved unless otherwise awarded by the arbitrator.

Section 11.11 Counterparts. This Agreement may be executed and delivered in one or more counterparts, each of which shall be deemed to be part of one and the same original document.

Section 11.12 Publicity. Except as otherwise required by applicable laws or regulations, or the rules of any stock exchange on which the securities of a Person or its Affiliates are listed, no Party hereto shall issue any press release or make any other public statement, in each case relating to or connected with or arising out of this Agreement or the matters contained herein, without obtaining the prior approval of the other Party hereto to the contents and the manner of presentation and publication thereof.

Section 11.13 No Third Party Beneficiary Rights. This Agreement is not intended to and shall not be construed to give any Person any interest or rights (including, without limitation, any third party beneficiary rights) except to the extent expressly set forth in this Agreement.

Section 11.14 Enforcement. The Parties hereto agree that the remedy at law for any breach of this Agreement is inadequate and that should any dispute arise concerning any matter hereunder, this Agreement shall be enforceable by an injunction or a decree of specific performance. Such remedies shall, however, be cumulative and nonexclusive, and shall be in addition to any other remedies that the Parties hereto may have.

Section 11.15 Waiver. Any of the terms and conditions of this Agreement may be waived in writing at any time by the Party entitled to the benefits of such terms and conditions. No waiver by any Party of any breach of this Agreement shall be deemed a waiver of any subsequent breach of the same or any other provision.

Section 11.16 Joint and Several Obligations. DTE and DTE Ozark shall be jointly and severally liable for the obligations of Seller under this Agreement. GP Acquisition Company and LP Acquisition Company shall be jointly and severally liable for the obligations of Buyer under this Agreement.

[signatures follow]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the authorized officers of Buyer and Seller as of the day and year first above written.

BUYER:

SENDERO SMGC GP ACQUISITION
COMPANY

By: _____
Name: _____
Title: _____

SENDERO SMGC LP ACQUISITION
COMPANY

By: _____
Name: _____
Title: _____

SELLER:

DTE ENTERPRISES, INC.

By: _____
Name: N. A. KHOURI
Title: VICE PRESIDENT & TREASURER

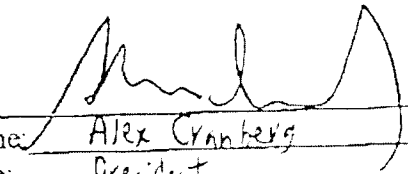
DTE OZARK, INC.

By: _____
Name: N. A. KHOURI
Title: VICE PRESIDENT & TREASURER

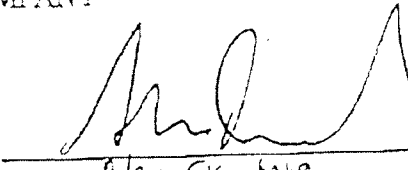
IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by duly authorized officers of Buyer and Seller as of the day and year first above written.

BUYER:

SENDERO SMGC GP ACQUISITION
COMPANY

By: 
Name: Alex Cranberg
Title: President

SENDERO SMGC LP ACQUISITION
COMPANY

By: 
Name: Alex Cranberg
Title: President

SELLER:

DTE ENTERPRISES, INC.

By: _____
Name: _____
Title: _____

DTE OZARK, INC.

By: _____
Name: _____
Title: _____

EXHIBIT A

Assignment of General Partnership Interest

Attached

EXHIBIT A
ASSIGNMENT AND ASSUMPTION AGREEMENT
(General Partnership Interest)

ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), effective as of the Closing Date, as defined in the Purchase Agreement, (the "Effective Date"), by and between DTE Enterprises, Inc., a Michigan corporation (the "Assignor"), and Sendero SMGC GP Acquisition Company, a Delaware limited liability company (the "Assignee"). The Assignor and the Assignee are referred to collectively herein as the "Parties."

W I T N E S S E T H :

WHEREAS, the Assignor holds 2 Class B Units of Southern Missouri Gas Company, L.P., a Missouri limited partnership ("SMGC"), representing 2% of the outstanding partnership interests in SMGC (the "General Partnership Interest");

WHEREAS, the Assignor and Assignee are parties to that certain Agreement for Purchase of Partnership Interests, dated as of November 15, 2004 (the "Purchase Agreement"), whereby the Assignor has agreed to transfer and deliver to the Assignee, and the Assignee has agreed to acquire and accept from the Assignor, the General Partnership Interest;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties, intending legally to be bound, hereby agree as follows:

Section 1. Assignment. The Assignor hereby conveys, grants, transfers, assigns and sets over unto the Assignee effective as of the Effective Date, all of the Assignor's right, title and interest in and to the General Partnership Interest, including but not limited to, all rights to profits, losses, credits and distributions. Distributions received by Assignor not in violation of the terms of the Purchase Agreement prior to the Effective Date shall remain the property of the Assignor.

Section 2. Assumption. The Assignee hereby accepts the transfer and assignment of the General Partnership Interest from the Assignor and agrees to be bound on the Effective Date and thereafter by all terms and conditions contained herein, in the Purchase Agreement and in the Agreement of Limited Partnership of Southern Missouri Gas Company, L.P. effective as of May 1, 2003 (the "Partnership Agreement") with respect to the General Partnership Interest.

Section 3. Successors and Assigns. This Agreement shall inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 4. Entire Agreement; Amendments. This Agreement and the Purchase Agreement constitutes the entire understanding among the Parties hereto with respect to the subject matter hereof and supersedes any other understanding of the parties with respect to such matters. This Agreement may be modified only by a written instrument executed by the Parties.

Section 5. Choice of Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Missouri without regard to conflicts of laws principles.

Section 6. Jurisdiction. Each Party irrevocably submits to the nonexclusive jurisdiction of the courts of the State of Missouri for purposes of enforcing the terms hereof.

Section 7. Counterparts. This Agreement may be executed and delivered in one or more counterparts, each of which shall be deemed to be part of one and the same original document.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by a duly authorized officer of the Assignor and by a duly authorized officer of the Assignee as of the day and year first above written.

ASSIGNOR: DTE ENTERPRISES, INC.

By: _____
Name:
Title:

ASSIGNEE: SENDERO SMGC GP ACQUISITION COMPANY

By: _____
Name:
Title:

EXHIBIT B

Assignment of Limited Partnership Interest

Attached

EXHIBIT B
ASSIGNMENT AND ASSUMPTION AGREEMENT
(DTE Limited Partnership Interest)

ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), effective as of the Closing Date, as defined in the Purchase Agreement, (the "Effective Date"), by and between DTE Enterprises, Inc., a Michigan corporation (the "Assignor"), and Sendero SMGC LP Acquisition Company, a Delaware limited liability company (the "Assignee"). The Assignor and the Assignee are referred to collectively herein as the "Parties."

WITNESSETH:

WHEREAS, the Assignor holds 94 Class A Units of Southern Missouri Gas Company, L.P., a Missouri limited partnership ("SMGC"), representing 94% of the outstanding partnership interests in SMGC (the "DTE Limited Partnership Interest");

WHEREAS, the Assignor and Assignee are parties to that certain Agreement for Purchase of Partnership Interests, dated as of November 15, 2004 (the "Purchase Agreement"), whereby the Assignor has agreed to transfer and deliver to the Assignee, and the Assignee has agreed to acquire and accept from the Assignor, the DTE Limited Partnership Interest;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties, intending legally to be bound, hereby agree as follows:

Section 1. Assignment. The Assignor hereby conveys, grants, transfers, assigns and sets over unto the Assignee effective as of the Effective Date, all of the Assignor's right, title and interest in and to the DTE Limited Partnership Interest, including but not limited to, all rights to profits, losses, credits and distributions. Distributions received by Assignor not in violation of the terms of the Purchase Agreement prior to the Effective Date shall remain the property of the Assignor.

Section 2. Assumption. The Assignee hereby accepts the transfer and assignment of the DTE Limited Partnership Interest from the Assignor and agrees to be bound by all terms and conditions contained herein, in the Purchase Agreement and in the Agreement of Limited Partnership of Southern Missouri Gas Company, L.P. effective as of May 1, 2003 (the "Partnership Agreement") with respect to the DTE Limited Partnership Interest.

Section 3. Successors and Assigns. This Agreement shall inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 4. Entire Agreement; Amendments. This Agreement and the Purchase Agreement constitutes the entire understanding among the Parties hereto with respect to the subject matter hereof and supersedes any other understanding of the parties with respect to such matters. This Agreement may be modified only by a written instrument executed by the Parties.

Section 5. Choice of Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Missouri without regard to conflicts of laws principles.

Section 6. Jurisdiction. Each Party irrevocably submits to the nonexclusive jurisdiction of the courts of the State of Missouri for purposes of enforcing the terms hereof.

Section 7. Counterparts. This Agreement may be executed and delivered in one or more counterparts, each of which shall be deemed to be part of one and the same original document.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by a duly authorized officer of the Assignor and by a duly authorized officer of the Assignee as of the day and year first above written.

ASSIGNOR: DTE ENTERPRISES, INC.

By: _____
Name:
Title:

ASSIGNEE: SENDERO SMGC LP ACQUISITION COMPANY

By: _____
Name:
Title:

ASSIGNMENT AND ASSUMPTION AGREEMENT
(DTE Ozark Limited Partnership Interest)

ASSIGNMENT AND ASSUMPTION AGREEMENT (this "Agreement"), effective as of the Closing Date, as defined in the Purchase Agreement, (the "Effective Date"), by and between DTE Ozark, Inc., a Michigan corporation (the "Assignor"), and Sendero SMGC LP Acquisition Company, a Delaware limited liability company (the "Assignee"). The Assignor and the Assignee are referred to collectively herein as the "Parties."

W I T N E S S E T H :

WHEREAS, the Assignor holds 4 Class A Units of Southern Missouri Gas Company, L.P., a Missouri limited partnership ("SMGC"), representing 4% of the outstanding partnership interests in SMGC (the "DTE Ozark Limited Partnership Interest");

WHEREAS, the Assignor and Assignee are parties to that certain Agreement for Purchase of Partnership Interests, dated as of November 15, 2004 (the "Purchase Agreement"), whereby the Assignor has agreed to transfer and deliver to the Assignee, and the Assignee has agreed to acquire and accept from the Assignor, the DTE Ozark Limited Partnership Interest;

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, the Parties, intending legally to be bound, hereby agree as follows:

Section 1. Assignment. The Assignor hereby conveys, grants, transfers, assigns and sets over unto the Assignee effective as of the Effective Date, all of the Assignor's right, title and interest in and to the DTE Ozark Limited Partnership Interest, including but not limited to, all rights to profits, losses, credits and distributions. Distributions received by Assignor not in violation of the terms of the Purchase Agreement prior to the Effective Date shall remain the property of the Assignor.

Section 2. Assumption. The Assignee hereby accepts the transfer and assignment of the DTE Ozark Limited Partnership Interest from the Assignor and agrees to be bound by all terms and conditions contained herein, in the Purchase Agreement and in the Agreement of Limited Partnership of Southern Missouri Gas Company, L.P. effective as of May 1, 2003 (the "Partnership Agreement") with respect to the DTE Ozark Limited Partnership Interest.

Section 3. Successors and Assigns. This Agreement shall inure to the benefit of the Parties and their respective successors and permitted assigns.

Section 4. Entire Agreement; Amendments. This Agreement and the Purchase Agreement constitutes the entire understanding among the Parties hereto with respect to the subject matter hereof and supersedes any other understanding of the parties with respect to such matters. This Agreement may be modified only by a written instrument executed by the Parties.

Section 5. Choice of Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Missouri without regard to conflicts of laws principles.

Section 6. Jurisdiction. Each Party irrevocably submits to the nonexclusive jurisdiction of the courts of the State of Missouri for purposes of enforcing the terms hereof.

Section 7. Counterparts. This Agreement may be executed and delivered in one or more counterparts, each of which shall be deemed to be part of one and the same original document.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by a duly authorized officer of the Assignor and by a duly authorized officer of the Assignee as of the day and year first above written.

ASSIGNOR:

DTE OZARK, INC.

By: _____

Name:

Title:

ASSIGNEE:

SENDERO SMGC LP ACQUISITION COMPANY

By: _____

Name:

Title:

Schedule 2.04
Consents and Approvals

- Missouri Public Service Commission
- City Clerk – City of Ava, Missouri
- City Clerk – City of Cabool, Missouri
- City Clerk – City of Marshfield, Missouri
- City Clerk – City of Mountain Grove, Missouri
- Oneok Energy Marketing and Trading Company, L.P. – Notification of Termination of Parental Guarantee

Schedule 2.06
Litigation

None other than open worker compensation claims with respect to the following employees/former employees:

- Paul (Dean) Aldridge
- Robert Barnes

Schedule 2.10
Compliance with Law

None

Schedule 2.11
Permits; Regulatory Status

Two sections have been identified in which SMGC serves customers but for which it presently does not have a Certificate of Convenience and Necessity from the Missouri Public Service Commission. These sections are as follows:

- T28N R19W Section 7 in Webster County (Rogersville)
 - Involves approximately 3 customers and 1,173 feet of main
- T29N R12W Section 33 in Wright County (Mountain Grove)
 - Involves approximately 29 customers and 10,330 feet of main.

Active Cases Before the Missouri Public Service Commission

1. Case No. GR-2005-0064–In the Matter of Southern Missouri Gas Company, SMGC’s Purchased Gas Adjustment Factors to be Reviewed in its 2003-2004 Actual Cost Adjustment.
2. Case No. GO-2004-0195–In the Matter of an Investigation into Compliance with the Required Registration of Sellers of Electricity and Gas for Use or Consumption within Missouri.

Schedule 2.13
Real Property

Land:

<u>Description</u>	<u>Location</u>	<u>Tract Size</u>	<u>County</u>
• Pipeline Interconnect	S23T28NR21W	2 acres	Greene
• 4" Pig Launcher-Marshfield	S56T29NR18W	30' x 50'	Webster
• 4" Receiver & City Gate – Marshfield	S15T30NR18W	50' x 75'	Webster
• City Gate – Rogersville	S19T28NR19W	50' x 75'	Webster
• City Gate – Fordland	S5T28NR18W	30' x 50'	Webster
• City Gate – Diggins	S25T29NR18W	30' x 50'	Webster
• City Gate – Seymour	S2T28NR17W	30' x 30'	Webster
• 4" Receiver & City Gate – Ava	S3&S10T26NR16W	50' x 75"	Douglas
• City Gate – Mansfield	S17T28NR15W	50' x 75'	Wright
• 4" Pig Launcher – Mansfield	S20T28NR15W	20' x 30'	Wright
• City Gate – Norwood	S13T28NR14W	30' x 50'	Wright
• City Gate – Mountain Grove	S4155T28NR12W	50' x 75'	Wright
• City Gate – Cabool	S11T28NR11W	50' x 75'	Texas
• 8" x 6" Receiver/Launcher	S13T28NR11W	50' x 75'	Texas
• City Gate – Willow Springs	S30T27NR9W	50' x 75'	Howell
• City Gate – West Plains (Rhonda)	S18T24NR8W	20' x 30'	Howell
• City Gate – West Plains (Ann)	S18T24NR8W	90' x 120'	Howell
• Future 4" Launcher – Mountain View	S33T27NR9W	25' x 30'	Howell
• Future Receiver & City Gate – Mountain View	S21T27NR7W	1.55 acres	Howell

Title Insurance Policies: The Company obtained a title insurance policy on the 2-acre pipeline interconnect site in Greene County (which is the first item listed above) but not for any other property listed above.

Easements – Transmission System:

- Vast majority of system is on public right of way. Included in this Schedule is a list of private easements relative to the transmission system.

Easements – Distribution System:

- Nearly all of the system is on public right of way granted through franchise agreements. Private easements obtained to serve primarily farm tap customers. A specific list of such private easements is not included in this Schedule.

Schedule 2.13
Real Property-Continued

1. A deed dated January 27, 1995, given by Bryant Farms of Greene County L.L.C., in favor of SMGC and recorded in Greene County in Book 2365 on pages 1897, 1898 & 1899.
2. An easement dated May 6, 1995, given by Kyle A. Keltner, Trustee, in favor of SMGC and recorded in Greene County in Book 2405 on pages 904, 905, 906, 907 & 908.
3. An easement dated April 28, 1995, given by Gary and Tilford Jones, in favor of SMGC and recorded in Greene County in Book 2405 on pages 909 & 910.
4. An easement dated April 6, 1995, given by Bessie and Winfred Clouse, in favor of SMGC and recorded in Webster County in Book 264 on page 264.
5. An easement dated April 11, 1995, given by Delvic and Alberta Daniels, in favor of SMGC for Workspace.
6. An easement dated April 7, 1995, given by Forrest and Vina Lynch, in favor of SMGC for Workspace.
7. An easement dated May 24, 1995, given by Charles and Sharon Davis, in favor of SMGC and recorded in Wright County in Book 232 on pages 509 & 510.
8. An easement dated June 5, 1995, given by John and Lona Ryan, in favor of SMGC and recorded in Wright County in Book 232 on pages 522 & 523.
9. An easement dated May 2, 1995, given by Herold McNally, Trustee, in favor of SMGC and recorded in Wright County for Workspace.
10. An easement dated May 2, 1995, given by Oliver & Genevec Fry, in favor of SMGC for Workspace.
11. An easement dated October 24, 1995, given by Max Miller, in favor of SMGC and recorded in Wright County in Book 232 on pages 885 - 887.
12. A deed dated May 16, 1995, given by James and Dee Clouse, in favor of SMGC and recorded in Wright County in Book 232 on pages 619 & 620.
13. An easement dated May 23, 1995, given by Irene & William Miller, in favor of SMGC for Workspace.
14. An easement dated May 12, 1995, given by Gordon Vogt, in favor of SMGC for Workspace.
15. An easement dated May 20, 1995, given by Justin and Marion Thomason, in favor of SMGC and recorded in Wright County in Book 232 on pages 517 & 518.
16. An easement dated May 20, 1995, given by Benjamin Thomason, in favor of SMGC for Workspace.
17. An easement dated June 2, 1995, given by City of Norwood, in favor of SMGC and recorded in Wright County in Book 232 on page 511.
18. An easement dated June 3, 1995, given by Danny and Becky Davis, in favor of SMGC and recorded in Wright County in Book 232 on pages 506-508.
19. An easement dated May 11, 1995, given by James Hurt and Tabatha Smith, in favor of SMGC and recorded in Wright County in Book 232 on pages 514-516.
20. An easement dated May 18, 1995, given by Elizabeth and Michael Ross, in favor of SMGC and recorded in Wright County in Book 232 on pages 519-521.
21. An easement dated May 5, 1995, given by Ada Grosvenor, in favor of SMGC and recorded in Wright County in Book 232 on pages 524-526.
22. An easement dated May 22, 1995, given by Lana Tollison, in favor of SMGC and recorded in

- Wright County in Book 232 on pages 527-529.
23. An easement dated May 17, 1995, given by James and Mary Pebbles, in favor of SMGC for Workspace.
 24. A deed dated March 27, 1995, given by City of Mountain Grove, in favor of SMGC and recorded in Wright County in Book 230 on pages 332-333.
 25. An easement dated June 1, 1995, given by Steve Thompson, in favor of SMGC for Workspace.
 26. An easement dated October 25, 1995, given by Max Penner, in favor of SMGC for Workspace.
 27. An easement dated June 17, 1995, given by John and Mollie Shelton, in favor of SMGC and recorded in Texas County in Book 544 on pages 428-429.
 28. A deed dated August 27, 1997, given by John and Lynda Casey, in favor of SMGC and recorded in Texas County in Book 574 on page 465.
 29. A deed dated September 4, 1997 & September 15, 1997, given by Linda Moore and Sheryl Melson, in favor of SMGC and recorded in Texas County in Book 585 on page 57.
 30. An easement dated May 19, 1995, given by John and Mary Coddington, in favor of SMGC and recorded in Texas County in Book 544 on pages 262-264.
 31. An easement dated June 5, 1995, given by Denise and Medora Hunter, in favor of SMGC and recorded in Texas County in Book 544 on page 265-267.
 32. An easement dated June 6, 1995, given by Willard Dees, Trustee, in favor of SMGC and recorded in Texas County in Book 544 on pages 268-270.
 33. An easement dated May 15, 1995, given by T. Michael and Vivian Lewis, in favor of SMGC for Workspace.
 34. An easement dated May 10, 1995, given by Edgie Moody, in favor of SMGC for Workspace.
 35. An easement dated April 27, 1995, given by Scott Pitts, in favor of SMGC for Workspace.
 36. An easement dated May 5, 1995, given by Siah and Joan Davis, in favor of SMGC for Workspace.
 37. A deed dated December 6, 1996, given by Bobby Hendricks, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 1154-1197.
 38. An easement dated May 5, 1995, given by Lola Osternderf, in favor of SMGC for Workspace.
 39. An easement dated May 25, 1995, given by Clifford and Carolyn Pettitt, in favor of SMGC for Workspace.
 40. An easement dated May 25, 1995, given by David and Brenda Montgomery, in favor of SMGC for Workspace.
 41. An easement dated July 15, 1995, given by Rony and Roma Evans, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5039-5095.
 42. An easement dated July 6, 1995, given by Thomas and Margrit Mattarocchia, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5040-5095.
 43. An easement dated May 31, 1995, given by Joe Lewis, in favor of SMGC for Workspace.
 44. An easement dated June 14, 1995, given by First General Baptist Church, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5081-5095.
 45. An easement dated June 15, 1995, given by Elmo and Fern Baldrige, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5041-5095.
 46. An easement dated June 27, 1995, given by W.E. Wilson, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5080-5095.
 47. An easement dated June 27, 1995, given by Eddie Foster, in favor of SMGC and recorded in

- Howell County in Cab B, Drawer 5 on pages 5083-5095.
48. An easement dated June 12, 1995, given by Verta Campbell, in favor of SMGC for Workspace.
 49. An easement dated June 12, 1995, given by Edward Morris, in favor of SMGC for Workspace.
 50. An easement dated June 15, 1995, given by Mitchell and Victoria Daniels, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5042-5095.
 51. An easement dated June 7, 1995, given by Edgar and Cynthia Green, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5043-5095.
 52. An easement dated June 19, 1995, given by Nathan Pitman, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5084-5095.
 53. An easement dated September 1, 1995, given by Frank and Mary Carver, Trustee, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5044-5095.
 54. An easement dated July 27, 1995, given by Sparks Farming, Inc., in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5419-5495.
 55. An easement dated October 5, 1995, given by Shirley Jautz, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5503-5595.
 56. An easement dated September 22, 1995, given by Opal Larew, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5045-5095.
 57. An easement dated July 17, 1995, given by Jack and Wanda Bridges, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5079-5095.
 58. An easement dated July 21, 1995, given by Faith Bible Tabernacle Church Trust, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5046-5095.
 59. An easement dated July 17, 1995, given by Howell Oregon Electric Co-op Inc., in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5047-5095.
 60. An easement dated July 27, 1995, given by Show Me Power Electric Co-op, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5048-5095.
 61. An easement dated September 20, 1995, given by James and Renolda Clegg, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5049-5095.
 62. An easement dated August 17, 1995, given by Sharon Waddell, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5050-5095.
 63. An easement dated July 22, 1995, given by Cay Burge and Freda Clinton, Trustees, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5051-5195.
 64. An easement dated July 5, 1995, given by James and Carolyn Billings, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5053-5095.
 65. An easement dated July 26, 1995, given by Dale and Lucy Bjorgaard, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5052-5095.
 66. An easement dated July 26, 1995, given by Cecil and Helen Brixey, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5054-5095.
 67. An easement dated July 10, 1995, given by Donald and Jetta Toler, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5056-5095.
 68. An easement dated July 17, 1995, given by Peggy Jarvis and Sonya Long, in favor of SMGC and recorded in Howell County in Cab B, Drawer 6 on page 2004R6940.
 69. An easement dated July 22, 1995, given by Leroy and Clara Schnur, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5037-5095.
 70. An easement dated July 27, 1995, given by Leslie Wood, in favor of SMGC and recorded in

- Howell County in Cab B, Drawer 5 on pages 5055-5095.
71. An easement dated July 28, 1995, given by Brian and Linda White, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5057-5095.
 72. An easement dated September 12, 1995, given by Steve and Candice Mallory, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5058-5095.
 73. An easement dated September 25, 1995, given by Reorganized School District #5, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5059-5095.
 74. An easement dated September 28, 1995, given by Doering Investments, Inc., in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5082-5095.
 75. A deed dated May 6, 1997, given by Wayhaven, Inc., in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 2830-2897.
 76. A deed dated November 8, 1995, given by Wayhaven, Inc., in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5835-5895.
 77. An easement dated October 6, 1995, given by J.R. and Joan Knowles, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 5278-5295.

In addition, SMGC has pipe installed on the property of Dale Sukow in Section 22 Township 25 North Range 9 West in Howell County, Missouri and has paid \$4,000 to Mr. Sukow, but cannot locate an executed copy of the easement.

Schedule 2.13
Real Property-Continued

Marshfield Lateral

- 1a. A deed dated February 27, 1995, given by Larry and Della Glenn, in favor of SMGC and recorded in Webster County in Book 95 on page 01243.
- 2a. An easement dated December 8, 1994, given by David Schwartz, in favor of SMGC for Workspace.
- 3a. An easement dated December 8, 1994, given by John T. Miller, in favor of SMGC for Workspace.
- 4a. An easement dated March 2, 1995, given by Willie Smith, in favor of SMGC for Workspace.
- 5a. An easement dated March 30, 1995, given by Robert Grand, in favor of SMGC for Workspace.
- 6a. An easement dated April 2, 1995, given by Bill and Georgia Cantrell, in favor of SMGC for Workspace.
- 7a. An easement dated March 29, 1995, given by Wallace Day, in favor of SMGC for Workspace.
- 8a. An easement dated March 1995, given by Jeffrey Hensley, in favor of SMGC and recorded in Webster County in Book 95 on page 04007.
- 9a. An easement dated March 21, 1995, given by Richard and Constance Krause, in favor of SMGC and recorded in Webster County in Book 95 on page 04008.
- 10a. An easement dated March 21, 1995, given by Vernard and Jean Gann, in favor of SMGC and recorded in Webster County in Book 95 on page 04009.
- 11a. An easement dated April 4, 1995, given by Tom and Carol Replogle, in favor of SMGC and recorded in Webster County in Book 95 on page 04010.
- 12a. An easement dated March 13, 1995, given by Tom and Carol Replogle, in favor of SMGC and recorded in Webster County in Book 95 on page 00955.
- 13a. An easement dated February 26, 1995, given by John Bigger, in favor of SMGC for Workspace.
- 14a. An easement dated May 12, 1995, given by Vera Felin Living Trust, in favor of SMGC and recorded in Webster County in Book 95 on page 01918.
- 15a. An easement dated March 1995, given by Kenneth and Debra Pekarek, in favor of SMGC and recorded in Webster County in Book 95 on page 04006.
- 16a. An easement dated April 6, 1995, given by Hillside Christian Church, in favor of SMGC and recorded in Webster County in Book 95 on page 04011.
- 17a. An easement dated March 31, 1995, given by George and Rebecca Garton, in favor of SMGC and recorded in Webster County in Book 95 on page 04005.
- 18a. A deed dated March 31, 1995, given by George and Rebecca Garton, in favor of SMGC and recorded in Webster County in Book 95 on page 01213.

Schedule 2.13
Real Property-Continued

Ava Lateral

- 1b. A deed dated December 4, 1996, given by Don and Katie Freeman, in favor of SMGC and recorded in Wright County in Book 237 on pages 937 & 938.
- 2b. An easement dated August 4, 1995, given by Mansfield Lime and Stone, Inc., in favor of SMGC and recorded in Wright County in Book 291 on page 498.
- 3b. An easement dated January 3, 1995, given by Freda Findley, in favor of SMGC and recorded in Wright County in Book 291 on page 495.
- 4b. An easement dated May 16, 1995, given by Donald and Lena Findley, in favor of SMGC and recorded in Wright County in Book 232 on pages 512 and 513.
- 5b. An easement dated April 25, 1995, given by Hershall and Fern Wolf, in favor of SMGC and recorded in Wright County in Book 291 on page 490.
- 6b. An easement dated April 26, 1995, given by Dorlene House, in favor of SMGC and recorded in Wright County in Book 291 on page 486.
- 7b. An easement dated April 25, 1995, given by Billy and Dorothy Clouse, in favor of SMGC and recorded in Wright County in Book 291 on page 483.
- 8b. An easement dated July 21, 95, given by Earl and Edna Paxton, in favor of SMGC and recorded in Douglas County in Book 291 on page 480.
- 9b. An easement dated March 29, 1995, given by Ruby and William Jones, in favor of SMGC and recorded in Douglas County in Book 291 on page 470.
- 10b. An easement dated March 29, 1995, given by Cyrus Fariborz, in favor of SMGC and recorded in Douglas County in Book 291 on page 478.
- 11b. An easement dated March 23, 1995, given by John and Patricia Gresham, in favor of SMGC and recorded in Douglas County in Book 291 on page 493.
- 12b. An easement dated July 12, 1995, given by John and Janice Gorman, in favor of SMGC and recorded in Douglas County in Book 291 on page 475.
- 13b. An easement dated July 20, 1995, given by Bryan Leaper, in favor of SMGC and recorded in Douglas County in Book 291 on page 472.
- 15b. A deed dated August 8, 1995, given by Agron and Lele Selenica, in favor of SMGC and recorded in Douglas County in Book 319 on pages 572-573.

In addition, SMGC has pipe installed on the property of Thomas Nichols in Section 2 Township 26 North Range 16 West in Douglas County, Missouri, but has no executed easement and can find no record of any monies being paid.

Schedule 2.13
Real Property-Continued

Phase 2 City Gates

Rogersville City Gate A deed dated July 31, 1996, given by Dan, Bruce and Samuel Grisham, in favor of SMGC and recorded in Webster County in Book 96 on page 03880.

Fordland City Gate A deed dated July 20, 1996, given by Keneth and Emma Bowers, in favor of SMGC and recorded in Webster County in Book 96 on page 03879.

Diggins City Gate A deed dated July 26, 1996, given by William and Jean Bowers, in favor of SMGC and recorded in Webster County in Book 96 on page 03881.

Seymore City Gate A deed dated December 26, 1997, given by John and Dorothy Boggess, in favor of SMGC and recorded in Webster County in Book 96 on page 06521.

Norwood City Gate A deed dated July 15, 1996, given by James and Nancy Feltner, in favor of SMGC and recorded in Wright County in Book 236 on pages 105 & 106.

Mountain View Launcher

A deed dated September 4, 1996, given by Elmo Baldrige, in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 2829-2897.

Mountain View City Gate

A deed dated May 24, 1996, given by Rancho Casa Del Toro, Inc., in favor of SMGC and recorded in Howell County in Cab B, Drawer 5 on pages 4910-4996.

Schedule 2.14
Leased Property

- Lease between Wayne Biggs and SMGC dated June 19, 1997.
- Lease between Gary and Debbie Hutson and SMGC dated December 1, 1995.
- Lease between Bill and Kathy Stein and SMGC dated April 6, 1996.
- Lease between Vermeer Sales and SMGC dated April 18, 2002.
- Lease between Pitney Bowes Credit Corporation and SMGC dated October 10, 2000.
- Lease between Pitney Bowes Credit Corporation and SMGC dated April 10, 2002.

Schedule 2.15
Personal Property

Personal Property having an original cost in excess of \$1,000 as of September 30, 2004:

A. Vehicles and Equipment

- See attached spreadsheet.

B. Computer Hardware

- AS400 Model 2463 including configuration and setup
- AS400 Accessory Equipment – CISCO PIX 506E and Firewall
- Itron Meter Reading Equipment – 4 handheld units and base
- IBM 4312 Laser Printer – Serial # 01-63381
- HP Laserjet 4100N Laser Printer – Serial # USBNG07287
- Cannon Copier – Serial # 6378A003BS
- Gateway Pentium 3 – Serial # 0015811202
- Gateway Pentium 3 – Serial # 0015476485
- Gateway Pentium 2 – Serial # 0009004433
- Gateway Pentium 3 – Serial # 0013804196
- Gateway Pentium 3 – Serial # 0019843070
- Gateway Pentium 4 – Serial # 0022694390
- Gateway Server 6400 – Serial # 0021581545
- Gateway Pentium 3 – Serial # 0021592710
- Gateway Pentium 3 – Serial # 0021592711
- 3 –Dell Dimension 4500 Computers – Serial #'s D1LCV11, 61LCV11, & J0LCV11
- Dell Optiplex260 – Serial # 8DCWN21
- Dell Server Poweredge 600C – Serial # FOYN21

C. Computer Software

- Platinum Software (financials)
- Daffron Software (customer information and billing-includes custom programming)

Personal Property - Continued

D. Machinery and Equipment

- Fuelmaker CNG Compressor Model C3-- Serial # C31246
- 3 -- LifeAir Pack 30 Breathing Apparatus Equipment (used in an emergency situation)
- Grundomat Mole Model 75ZS -- Serial # Z752497S2465
- Grundomat Mole Model 45ZS -- Serial # Z451698S8720
- Fuel Tank and Pump for Truck
- Ridgid 300 Pipe Threading Machine -- Serial # ED66067J00
- Ridgid 300 Pipe Threading Machine -- Serial # ED29686E96
- Genie Personal Lift Model AWP-20S
- Algas Propane Air Plant Serial # A95I25733
- Honda EB5000 Generator
- 1 ¼" Hammerhead Mole
- 1 ¼" Hammerhead Mole
- 2 ½" Hammerhead Mole
- 3 -- Metrotech Line Locators
- 5 -- GeoMetric Pipe and Cable Locators
- 2 -- Metrotech Line Locators
- 1 -- MSA 60 Gas Detector
- 2 -- Porta-Fid II Gas Detectors -- Serial #'s 8280-4 and 8281-4
- 4 - McElroy Fusion Machines 2LC (Up to 2" diameter)
- 1 -- McElroy Fusion Machine 14 (Up to 4" diameter)
- Mueller DH5 Taping Machine - Serial # 39315
- Heath Odorometer -- Serial # ZF1015
- Innogaz Fusion Control Box -- Serial # 1509
- Innogaz Pipe Scraper
- Miller Bobcat Welder 225G -- Serial # KF966797
- Honda Water Pump, WP30X -- Serial # WZBF-1008914
- Recor 14.4LP Modem Pipe Mount
- 2 -- Recor BVC to AVC Upgrade -- Serial # 84307593 and 84307554
(Basic Volume Corrector to Advanced Volume Corrector)

E. Communication Equipment

- Base Radio System, radios for vehicles, and communication equipment installed on towers

F. Inventory

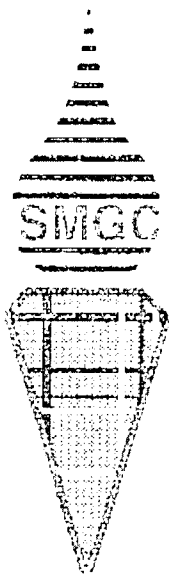
- HP Split Coup PLI DCO 4"
- HP Split Coup PLI DCO 6"
- HP Split Coup PLI DCO 8"
- Meter Romet 11000
- Meter RPM 1.5
- Poly Valve 8"

Contracts

- Transportation Contract between Southern Star (formerly Williams Central Pipeline) and SMGC dated July 25, 1994.
- Transportation Contract between Southern Star (formerly Williams Central Pipeline) and SMGC dated March 16, 1995.
- Gas Supply Contract between BP Energy Company (formerly Amoco Energy Trading Corporation) and SMGC dated November 1, 1997.
- Gas Supply Contract between Oneok Energy Marketing and Trading Company, L.P. and SMGC dated December 1, 2000.
- Odorization Agreement between City Utilities and SMGC dated September 17, 1998.
- Gas Sales Agreement between Ava Public Schools and SMGC dated January 1, 2001.
- Gas Sales Agreement between Caterpillar Inc. and SMGC dated January 1, 2001.
- Gas Sales Agreement between Jasper Engine and SMGC dated June 7, 2004.
- Gas Sales Agreement between Mansfield Public Schools and SMGC dated January 1, 2001.
- Gas Sales Agreement between Marshfield Core Center and SMGC dated December 15, 2003.
- Gas Sales Agreement between Mountain Grove Public Schools and SMGC dated January 1, 2001.
- Gas Sales Agreement between Royal Oak and SMGC dated October 1, 2001.
- Gas Sales Agreement between West Plains Schools and SMGC dated January 1, 2001.
- Gas Sales Agreement between Willow Springs Schools and SMGC dated January 1, 2001.
- Gas Sales Agreement between Southern Missouri State University and SMGC dated March 1, 2003.
- Gas Sales Agreement between Copeland Corporation and SMGC dated May 22, 1997.
- Gas Sales Agreement between Hutchens Industries and SMGC dated November 6, 1996.
- Gas Sales Agreement between York Casket and SMGC dated August 19, 1996.
- Transport Delivery Agreement between Dairy Farmers of America, Inc. and SMGC dated April 9, 1998.
- Transport Delivery Agreement between Ozarks Correctional Center and SMGC dated February 7, 2000.
- Transport Delivery Agreement between Marathon Electric and SMGC dated July 8, 2002.
- Transport Delivery Agreement between SEI and SMGC dated August 12, 2004.
- Working Capital Loan Agreement between DTE Enterprises, Inc. and SMGC dated October 29, 2001.
- Management Agreement between DTE Enterprises, Inc. and SMGC dated May 1, 2003.
- Partnership Agreement between DTE Enterprises, Inc. and DTE Ozark, Inc. dated July 1, 2004.

Intellectual Property

- Trade Name: Southern Missouri Gas Company, L.P.
- Logo:



Neither the trade name nor the logo has been registered or copyrighted.

Bank of America

<u>Account Number</u>	<u>Type</u>	<u>Authorized Signatory</u>
190110140986	Deposits & Payables	Scott Klemm, Marty Malkowski, and Bill Walker
190110140870	Payroll	Scott Klemm, Marty Malkowski, and Bill Walker
190110140765	Petty Cash	Scott Klemm, Marty Malkowski, Bill Walker, and Michael Lumby

First Home Savings

<u>Account Number</u>	<u>Type</u>	<u>Authorized Signatory</u>
182659	Deposits & Wires	Scott Klemm, Marty Malkowski, and Bill Walker

Schedule 2.21
Undisclosed Liabilities

None

Schedule 2.22
Employment and Compensation Matters

None

Schedule 2.24
Environmental

None

Schedule 3.04
Consents and Approvals

- Missouri Public Service Commission
- State of Missouri Corporation Division – Amended Certificate of Limited Partnership

Schedule 3.05
Litigation

None

Resolutions of the Board of Directors

(Non-proprietary versions)

Exhibit 3

DTE ENTERPRISES, INC.

**UNANIMOUS CONSENT OF THE BOARD OF DIRECTORS
IN LIEU OF A SPECIAL MEETING**

The undersigned, constituting all of the Directors of DTE Enterprises, Inc., a Michigan corporation ("Company"), acting pursuant to the provisions of the Michigan Business Corporation Act, hereby unanimously consent to the adoption of the following preamble and resolutions:

WHEREFORE, the officers of this Company have advised this Board that it is in the best interest of this Company to sell this Company's General and Limited Partnership interests in Southern Missouri Gas Company, L.P. (SMGC); and

NOW, THEREFORE, BE IT

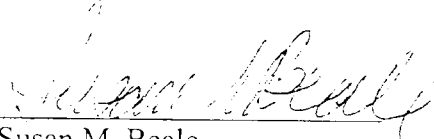
RESOLVED, that the officers of this Company be, and they hereby are, authorized to sell this Company's General and Limited Partnership interests in SMGC at a price to be approved by this Company's Vice President and Treasurer or an Assistant Treasurer of this Company; the signature of any such officer on the Agreement for Purchase to be deemed the approval required by these resolutions; and further

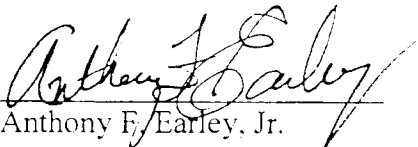
RESOLVED, that the Vice President and Treasurer or an Assistant Treasurer of this Company be, and each of them hereby are, authorized to execute an Agreement for Purchase of Partnership Interests (Agreement for Purchase) providing for the sale of this Company's interests in SMGC and providing for such terms and conditions as the signatory officer shall deem appropriate; the signature of any such officer on the Agreement for Purchase to be deemed the approval required by these resolutions; and further

RESOLVED, that the officers of this Company be, and they hereby are, authorized to apply for and secure such regulatory approvals for the transaction herein authorized as such officers shall deem necessary or advisable, including the approval of the Missouri Public Service Commission; and

RESOLVED, that the officers of this Company be, and they hereby are, authorized to do all acts and deeds and execute and deliver all such documents as such officers shall deem necessary or appropriate to carry into effect the purpose and intent of the transaction authorized by these resolutions; provided, however, that only the Vice President and Treasurer or an Assistant Treasurer of this Company may execute and deliver an Agreement for Purchase of this Company's General and Limited Partnership interests in SMGC.

Executed this 28th day of October, 2004.


Susan M. Beale


Anthony F. Earley, Jr.

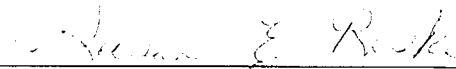

David E. Meador

Certification of Resolution
of the Board of Directors
of DTE Ozark, Inc.

I, SUSAN E. RISKE, Assistant Corporate Secretary of DTE Ozark, Inc., do hereby certify that the attached is a true and correct copy of a resolution passed by the Board of Directors of said Company on October 28, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand this 3rd day of November 2004.

DTE OZARK, INC.



Assistant Corporate Secretary

DTE OZARK, INC.

**UNANIMOUS CONSENT OF THE BOARD OF DIRECTORS
IN LIEU OF A SPECIAL MEETING**

The undersigned, constituting all of the Directors of DTE Ozark, Inc., a Michigan corporation ("Company"), acting pursuant to the provisions of the Michigan Business Corporation Act, hereby unanimously consent to the adoption of the following preamble and resolutions:

WHEREFORE, the officers of this Company have advised this Board that it is in the best interest of this Company to sell this Company's Limited Partnership interest in Southern Missouri Gas Company, L.P. (SMGC); and

NOW, THEREFORE, BE IT

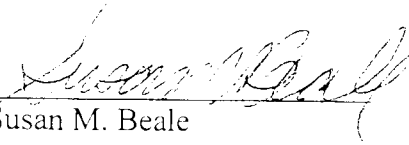
RESOLVED, that the officers of this Company be, and they hereby are, authorized to sell this Company's Limited Partnership interest in SMGC at a price to be approved by this Company's Vice President and Treasurer or an Assistant Treasurer of this Company; the signature of any such officer on the Agreement for Purchase to be deemed the approval required by these resolutions; and further

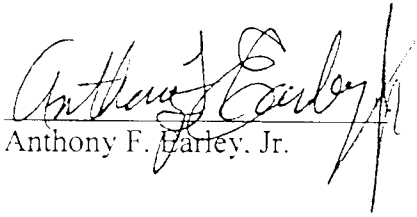
RESOLVED, that the Vice President and Treasurer or an Assistant Treasurer of this Company be, and each of them hereby are, authorized to execute an Agreement for Purchase of Partnership Interests (Agreement for Purchase) providing for the sale of this Company's interest in SMGC and providing for such terms and conditions as the signatory officer shall deem appropriate; the signature of any such officer on the Agreement for Purchase to be deemed the approval required by these resolutions; and further

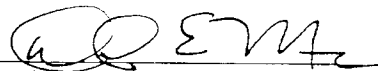
RESOLVED, that the officers of this Company be, and they hereby are, authorized to apply for and secure such regulatory approvals for the transaction herein authorized as such officers shall deem necessary or advisable, including the approval of the Missouri Public Service Commission; and

RESOLVED, that the officers of this Company be, and they hereby are, authorized to do all acts and deeds and execute and deliver all such documents as such officers shall deem necessary or appropriate to carry into effect the purpose and intent of the transaction authorized by these resolutions; provided, however, that only the Vice President and Treasurer or an Assistant Treasurer of this Company may execute and deliver an Agreement for Purchase of this Company's Limited Partnership interest in SMGC.

Executed this 28th day of October, 2004.


Susan M. Beale


Anthony F. Carley, Jr.


David E. Meador

**CONSENT OF
THE SOLE MEMBER
OF
SENDERO SMGC LP ACQUISITION COMPANY, LLC**

The undersigned (the "*Member*"), being the sole member of Sendero SMGC LP Acquisition Company, LLC, a Missouri limited liability company (the "*Company*"), does hereby consent to the adoption of the following resolutions:

Acquisition of Interest in Southern Missouri Gas Company, L.P.

RESOLVED, that the Company is hereby authorized to enter into an agreement to purchase the outstanding limited partner interest in Southern Missouri Gas Company, L.P. for consideration approximately equal to [REDACTED]

Authorization of Further Acts

RESOLVED, that each Officer hereby is authorized to do and perform any and all such other acts and things that may be necessary or proper to carry out the purposes and intent of the foregoing resolution(s).

IN WITNESS WHEREOF, the Member has executed these resolutions effective as of January 11, 2005.

CEX CAPITAL, LLC

By: Charles H. Brownman

Name: Charles H. Brownman

Title: Vice President and Secretary

NON-PROPRIETARY

**CONSENT OF
THE SOLE MEMBER
OF
SENDERO SMGC GP ACQUISITION COMPANY, LLC**

The undersigned (the "*Member*"), being the sole member of Sendero SMGC GP Acquisition Company, LLC, a Missouri limited liability company (the "*Company*"), does hereby consent to the adoption of the following resolutions:

Acquisition of Interest in Southern Missouri Gas Company, L.P.

RESOLVED, that the Company is hereby authorized to enter into an agreement to purchase the outstanding limited partner interest in Southern Missouri Gas Company, L.P. for consideration approximately equal to [REDACTED]

Authorization of Further Acts

RESOLVED, that each Officer hereby is authorized to do and perform any and all such other acts and things that may be necessary or proper to carry out the purposes and intent of the foregoing resolution(s).

IN WITNESS WHEREOF, the Member has executed these resolutions effective as of January 11, 2005.

CHX CAPITAL, LLC

By: Charles H. Brownman
Name: Charles H. Brownman
Title: Vice President and Secretary


NON-PROPRIETARY

Certification of Consent
by the Sole Member of
of Sendero SMGC GP Acquisition Company, LLC

I, Charles H. Brownman, Vice President and Secretary of Sendero SMGC GP Acquisition Company, LLC, so hereby certify that the attached is a true and correct copy of a Consent by the Sole Member of Sendero SMGC GP Acquisition Company, LLC dated effective as of November 10, 2004.

IN WITNESS WHEREOF, I have hereunto set my hand this March 29, 2004.

**CHX CAPITAL, LLC, as Sole Member of
SMGC GP Acquisition Company, LLC**

By: 
Name: Charles H. Brownman
Title: Vice President and Secretary

Income Statement and Balance Sheet of Southern Missouri Gas Company, L.P.

with adjustments showing impact of financing

(Highly Confidential—filed under seal)

Exhibit 4

Capitalization Expenditure Schedule
for Southern Missouri Gas Company, L.P.

Exhibit 5

Southern Missouri Gas Company, L.P.
Capital Expenditure Schedule

<u>Year</u>	<u>Capital Expenditures</u>
1999	\$ 2,020,832
2000	\$ 1,184,137
2001	\$ 574,814
2002	\$ 621,844
2003	\$ 553,496