UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(X) Quarterly report pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934
for the Quarterly Period Ended June 30, 2004

OR
( ) Transition report pursuant to Section 13 or 15(d)

of the Securities Exchange Act of 1934
for the transition period from __________ to __________.

Commission File Number	Exact Name of Registrant as specified in its charter; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
1-14756	Ameren Corporation (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-1723446
1-2967	Union Electric Company (Missouri Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	43-0559760
1-3672	Central Illinois Public Service Company (Illinois Corporation) 607 East Adams Street Springfield, Illinois 62739 (217) 523-3600	37-0211380
333-56594	Ameren Energy Generating Company (Illinois Corporation) 1901 Chouteau Avenue St. Louis, Missouri 63103 (314) 621-3222	37-1395586
2-95569	CILCORP Inc. (Illinois Corporation) 300 Liberty Street Peoria, Illinois 61602 (309) 677-5230	37-1169387
1-2732	Central Illinois Light Company (Illinois Corporation) 300 Liberty Street Peoria, Illinois 61602 (309) 677-5230	37-0211050

Indicate by check mark whether the Registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes (X) No ( )

Indicate by check mark whether each Registrant is an accelerated filer (as defined in Rule 12b-2 of the Securities Exchange Act of 1934).

Ameren Corporation	Yes	(X)	No	( )
Union Electric Company	Yes	( )	No	(X)
Central Illinois Public Service Company	Yes	( )	No	(X)
Ameren Energy Generating Company	Yes	( )	No	(X)
CILCORP Inc.	Yes	( )	No	(X)
Central Illinois Light Company	Yes	( )	No	(X)

The number of shares outstanding of each Registrant's classes of common stock as of July 30, 2004, was as follows:

Ameren Corporation	Common stock, $.01 par value - 194,274,842
Union Electric Company	Common stock, $5 par value, held by Ameren Corporation (parent company of the Registrant) - 102,123,834
Central Illinois Public Service Company	Common stock, no par value, held by Ameren Corporation (parent company of the Registrant) - 25,452,373
Ameren Energy Generating Company	Common stock, no par value, held by Ameren Energy Development Company (parent company of the Registrant and indirect subsidiary of Ameren Corporation) - 2,000
CILCORP Inc.	Common stock, no par value, held by Ameren Corporation (parent company of the Registrant) - 1,000
Central Illinois Light Company	Common stock, no par value, held by CILCORP Inc. (parent company of the Registrant and subsidiary of Ameren Corporation) - 13,563,871

This combined Form 10-Q is separately filed by Ameren Corporation, Union Electric Company, Central Illinois Public Service Company, Ameren Energy Generating Company, CILCORP Inc. and Central Illinois Light Company. Each Registrant hereto is filing on its own behalf all of the information contained in this quarterly report that relates to such Registrant. Each Registrant hereto is not filing any information that does not relate to such Registrant, and therefore makes no representation as to any such information.

Prior to the quarterly report on Form 10-Q for the period ended September 30, 2003, separate filings were made by each Registrant, except CILCORP Inc. and Central Illinois Light Company, which made a combined filing. Ameren Corporation and its subsidiaries changed to a combined filing in order to improve disclosure and to simplify administrative processes.

OMISSION OF CERTAIN INFORMATION

Ameren Energy Generating Company and CILCORP Inc. meet the conditions set forth in General Instruction H(1)(a) and (b) of Form 10-Q and are therefore filing this Form 10-Q with the reduced disclosure format allowed under that General Instruction.

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This Form 10-Q contains "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements should be read with the cautionary statements and important factors included in this Form 10-Q under the heading Forward-looking Statements. Forward-looking statements are all statements other than statements of historical fact, including those statements that are identified by the use of the words "anticipates," "estimates," "expects," "intends," "plans," "predicts," "projects" and similar expressions.

GLOSSARY OF TERMS AND ABBREVIATIONS

When we refer to our, we or us, it indicates that the referred information relates to all Ameren Companies. When we refer to financing or acquisition activities, we are defining Ameren as the parent holding company. When appropriate, subsidiaries of Ameren are specifically referenced in order to distinguish among their different business activities.

AERG - AmerenEnergy Resources Generating Company, a subsidiary of CILCO, which operates a non rate-regulated electric generation business in Illinois and which was formerly known as Central Illinois Generation, Inc.

AES - The AES Corporation.

AFS - Ameren Energy Fuels and Services Company, a subsidiary of Resources Company, which procures fuel and gas and manages the related risks for the Ameren Companies.

Ameren - Ameren Corporation and its subsidiaries on a consolidated basis. When referring to financing or acquisition activities, Ameren is defined as Ameren Corporation, the parent.

Ameren Companies - The individual Registrants within the Ameren consolidated group.

Ameren Energy - Ameren Energy, Inc., a subsidiary of Ameren Corporation, which serves as a power marketing and risk management agent for UE and Genco for transactions of primarily less than one year.

Ameren Services - Ameren Services Company, a subsidiary of Ameren Corporation, which provides a variety of support services to Ameren and its subsidiaries.

Capacity factor - A measure that indicates the percent of an electric power generating unit's(s') capacity that was used during a period.

CILCO - Central Illinois Light Company, a subsidiary of CILCORP, which operates a rate-regulated transmission and distribution business, a primarily non rate-regulated electric generation business, and a rate-regulated natural gas distribution business in Illinois as AmerenCILCO. CILCO owns all of the common stock of AERG.

CILCORP - CILCORP Inc., a subsidiary of Ameren Corporation, which operates as a holding company for CILCO.

CIPS - Central Illinois Public Service Company, a subsidiary of Ameren Corporation, which operates a rate-regulated electric and natural gas transmission and distribution business in Illinois as AmerenCIPS.

Cooling degree days - The summation of positive differences between the mean daily temperature and the 65 degrees Fahrenheit base. This statistic is useful as an indicator of demand for electricity for summer space cooling for residential and commercial customers.

CT - Combustion turbine generation equipment.

Development Company - Ameren Energy Development Company, a subsidiary of Resources Company and parent of Genco, which develops and constructs generating facilities for Genco.

DOE - Department of Energy, a governmental agency of the United States of America.

DOJ - Department of Justice, a governmental agency of the United States of America.

DRPlus - Ameren Corporation's dividend reinvestment and stock purchase plan.

Dynegy - Dynegy Inc., the indirect parent company of Illinois Power.

EEI - Electric Energy, Inc., a 60%-owned subsidiary of Ameren Corporation, which is 40% owned by UE and 20% owned by Resources Company, and which operates electric generation and transmission facilities in Illinois.

EPA - Environmental Protection Agency, a governmental agency of the United States of America.

Equivalent availability factor - A measure that indicates the percent of time an electric power generating unit(s) was available for service during a period.

ERISA - Employee Retirement Income Security Act of 1974, as amended.

Exchange Act - Securities Exchange Act of 1934, as amended.

FASB - Financial Accounting Standards Board, a rulemaking organization that establishes financial accounting and reporting standards in the United States of America.

FCC - Federal Communications Commission, a governmental agency of the United States of America.

FERC - Federal Energy Regulatory Commission, a governmental agency of the United States of America that, among other things, regulates interstate transmission and wholesale sales of electricity and natural gas and related matters and hydroelectric facilities.

FIN - FASB Interpretation intended to clarify accounting pronouncements previously issued by the FASB.

Fitch - Fitch Ratings, a credit rating agency.

FTC - Federal Trade Commission, a governmental agency of the United States of America.

GAAP - Generally accepted accounting principles in the United States of America.

Genco - Ameren Energy Generating Company, a subsidiary of Development Company, which operates a non rate-regulated electric generation business in Illinois and Missouri.

GridAmerica Companies - UE, CIPS, American Transmission Systems, Inc., a subsidiary of FirstEnergy Corp., and Northern Indiana Public Service Company, a subsidiary of NiSource, Incorporated.

Hart-Scott-Rodino Act - Hart-Scott-Rodino Antitrust Improvements Act of 1976, which establishes procedures for companies involved in transactions that meet certain criteria to file a premerger notification with the FTC and the DOJ Antitrust Division and establishes prescribed time periods for government review prior to completing their transaction.

Heating degree days - The summation of negative differences between the mean daily temperature and the 65 degrees Fahrenheit base. This statistic is useful as an indicator of demand for electricity and natural gas for winter space heating for residential and commercial customers.

IBEW - International Brotherhood of Electrical Workers.

ICC - Illinois Commerce Commission, a state agency that regulates the Illinois utility businesses and operations of UE, CIPS, CILCO and Illinois Power.

Illinois Customer Choice Law - Illinois Electric Service Customer Choice and Rate Relief Law of 1997, which provides for electric utility restructuring and introduces competition into the retail supply of electric energy in Illinois.

Illinois Power - Illinois Power Company, a wholly owned subsidiary of Illinova Corporation, which is a subsidiary of Dynegy.

IUOE - International Union of Operating Engineers.

MAIN - Mid-America Interconnected Network, Inc., one of the regional electric reliability councils organized for coordinating the planning and operation of the nation's bulk power supply.

Marketing Company - Ameren Energy Marketing Company, a subsidiary of Resources Company, which markets power for periods primarily over one year.

Medina Valley - AmerenEnergy Medina Valley Cogen (No. 4), LLC and its subsidiaries, which are subsidiaries of Resources Company, which indirectly own a 40 megawatt, gas-fired electric generation plant.

Midwest ISO - Midwest Independent Transmission System Operator Inc.

Missouri Environmental Authority - State Environmental Improvement and Energy Resources Authority of the State of Missouri, a governmental instrumentality that is authorized to finance environmental projects through the issuance of tax exempt bonds and notes.

Money pool - Borrowing arrangements with and among the Ameren Companies to coordinate and provide for certain short-term cash and working capital requirements. Separate money pools are maintained between rate-regulated and non rate-regulated businesses referred to as the utility money pool and the non-state regulated subsidiary money pool, respectively.

Moody's - Moody's Investors Service, Inc., a credit rating agency.

MoPSC - Missouri Public Service Commission, a state agency that regulates the Missouri utility business and operations of UE.

NRC - Nuclear Regulatory Commission, a governmental agency of the United States of America.

NOx - Nitrogen oxide.

NYMEX - New York Mercantile Exchange.

OATT - Open Access Transmission Tariff.

OCI - Other Comprehensive Income (Loss) as defined by GAAP.

PJM - PJM Interconnection LLC.

PUHCA - Public Utility Holding Company Act of 1935, as amended.

Resources Company - Ameren Energy Resources Company, a subsidiary of Ameren Corporation, which consists of non rate-regulated operations, including Development Company, Genco, Marketing Company, AFS and Medina Valley.

RRO - Regional Reliability Organization.

RTO - Regional Transmission Organization.

S&P - Standard and Poor's Inc., a credit rating agency.

SEC - Securities and Exchange Commission, a governmental agency of the United States of America.

SFAS - Statement of Financial Accounting Standards, the accounting and financial reporting rules issued by the FASB.

SO2 - Sulfur dioxide.

UE - Union Electric Company, a subsidiary of Ameren Corporation, which operates a rate-regulated electric generation, transmission and distribution business, and a rate-regulated natural gas distribution business in Missouri and Illinois as AmerenUE.

FORWARD-LOOKING STATEMENTS

Statements made in this report, which are not based on historical facts, are "forward-looking" and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such "forward-looking" statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, strategies, objectives, events, conditions, and financial performance. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, we are providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. The following factors, in addition to those discussed elsewhere in this report and in past and subsequent filings with the SEC, could cause actual results to differ materially from management expectations as suggested by such "forward-looking" statements:

o the closing and timing of Ameren's acquisition of Illinois Power and the impact of any conditions imposed by regulators in connection with their approval thereof;
o the effects of the stipulation and agreement relating to the UE Missouri electric excess earnings complaint case and other regulatory actions, including changes in regulatory policies;
o changes in laws and other governmental actions, including monetary and fiscal policies;
o the impact on the company of current regulations related to the opportunity for customers to choose alternative energy suppliers in Illinois;
o the effects of increased competition in the future due to, among other things, deregulation of certain aspects of our business at both the state and federal levels;
o the effects of participation in a FERC-approved RTO, including activities associated with the Midwest ISO;
o the availability of fuel for the production of electricity, such as coal and natural gas, and purchased power and natural gas for distribution, and the level and volatility of future market prices for such commodities, including the ability to recover any increased costs;
o the use of financial and derivative instruments;
o average rates for electricity in the Midwest;
o business and economic conditions;
o the impact of the adoption of new accounting standards and the application of appropriate technical accounting rules and guidance;
o interest rates and the availability of capital;
o actions of ratings agencies and the effects of such actions;
o weather conditions;
o generation plant construction, installation and performance;
o operation of nuclear power facilities, including planned and unplanned outages, and decommissioning costs;
o the effects of strategic initiatives, including acquisitions and divestitures;
o the impact of current environmental regulations on utilities and generating companies and the expectation that more stringent requirements will be introduced over time, which could potentially have a negative financial effect;
o future wages and employee benefits costs, including changes in returns on benefit plan assets;
o disruptions of the capital markets or other events making the Ameren Companies' access to necessary capital more difficult or costly;
o competition from other generating facilities, including new facilities that may be developed;
o difficulties in integrating CILCO and Illinois Power, if consummated, with Ameren's other businesses;
o changes in the energy markets, environmental laws or regulations, interest rates or other factors adversely impacting assumptions in connection with the CILCORP and Illinois Power, if consummated, acquisitions;
o cost and availability of transmission capacity for the energy generated by the Ameren Companies' generating facilities or required to satisfy energy sales made by the Ameren Companies; and legal and administrative proceedings.

Given these uncertainties, undue reliance should not be placed on these forward-looking statements. Except to the extent required by the federal securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS.

AMEREN CORPORATION
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Operating Revenues:				
Electric	$ 1,032	$ 968	$ 1,945	$ 1,824
Gas	119	118	420	368
Other	1	2	3	4
Total operating revenues	1,152	1,088	2,368	2,196
Operating Expenses:				
Fuel and purchased power	282	239	553	471
Gas purchased for resale	75	83	288	264
Other operations and maintenance	343	307	649	599
Depreciation and amortization	132	132	262	256
Taxes other than income taxes	74	77	154	155
Total operating expenses	906	838	1,906	1,745
Operating Income	246	250	462	451
Other Income and (Deductions):				
Miscellaneous income	4	5	12	11
Miscellaneous expense	(4)	(7)	(5)	(10)
Total other income and (deductions)	-	(2)	7	1
Interest Charges and Preferred Dividends:				
Interest	66	69	130	135
Preferred dividends of subsidiaries	2	2	5	5
Net interest charges and preferred dividends	68	71	135	140
Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle	178	177	334	312
Income Taxes	60	67	119	119
Income Before Cumulative Effect of Change in Accounting Principle	118	110	215	193
Cumulative Effect of Change in Accounting Principle, Net of Income Taxes of $-, $-, $- and $12	-	-	-	18
Net Income	$ 118	$ 110	$ 215	$ 211
Earnings per Common Share - Basic and Diluted:				
Income before cumulative effect of change in accounting principle	$ 0.65	$ 0.68	$ 1.20	$ 1.21
Cumulative effect of change in accounting principle, net of income taxes	-	-	-	0.11
Earnings per Common Share - Basic and Diluted	$ 0.65	$ 0.68	$ 1.20	$ 1.32
Dividends per Common Share	$ 0.635	$ 0.635	$ 1.27	$ 1.27
Average Common Shares Outstanding	182.7	161.2	178.5	160.1

The accompanying notes are an integral part of these consolidated financial statements.

AMEREN CORPORATION
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions, except per share amounts)

	June 30, 2004	December 31, 2003
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 511	$ 111
Accounts receivables - trade (less allowance for doubtful accounts of $12 and $13, respectively)	343	326
Unbilled revenue	258	221
Miscellaneous accounts and notes receivable	47	126
Materials and supplies, at average cost	458	487
Other current assets	35	46
Total current assets	1,652	1,317
Property and Plant, Net	11,052	10,920
Investments and Other Non-Current Assets:		
Investments in leveraged leases	153	164
Nuclear decommissioning trust fund	219	212
Goodwill and other intangibles, net	565	574
Other assets	354	320
Total investments and other non-current assets	1,291	1,270
Regulatory Assets	682	729
TOTAL ASSETS	$ 14,677	$ 14,236
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 291	$ 498
Short-term debt	35	161
Accounts and wages payable	273	480
Taxes accrued	220	103
Other current liabilities	215	215
Total current liabilities	1,034	1,457
Long-term Debt, Net	4,051	4,070
Preferred Stock of Subsidiary Subject to Mandatory Redemption	21	21
Deferred Credits and Other Non-Current Liabilities:		
Accumulated deferred income taxes, net	1,775	1,853
Accumulated deferred investment tax credits	145	151
Regulatory liabilities	862	824
Asset retirement obligations	425	413
Accrued pension liabilities	744	699
Other deferred credits and liabilities	175	190
Total deferred credits and other non-current liabilities	4,126	4,130
Preferred Stock of Subsidiaries Not Subject to Mandatory Redemption	182	182
Minority Interest in Consolidated Subsidiaries	25	22
Commitments and Contingencies (Note 9)		
Stockholders' Equity:		
Common stock, $.01 par value, 400.0 shares authorized - shares outstanding of 183.3 and 162.9 respectively	2	2
Other paid-in capital, principally premium on common stock	3,456	2,552
Retained earnings	1,835	1,853
Accumulated other comprehensive income (loss)	(41)	(44)
Other	(14)	(9)
Total stockholders' equity	5,238	4,354
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 14,677	$ 14,236

The accompanying notes are an integral part of these consolidated financial statements.

AMEREN CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Six Months Ended June 30, 2004	2003
Cash Flows From Operating Activities:		
Net income	$ 215	$ 211
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	-	(18)
Depreciation and amortization	262	256
Amortization of nuclear fuel	13	16
Amortization of debt issuance costs and premium/discounts	5	5
Deferred income taxes, net	(5)	(9)
Deferred investment tax credits, net	(6)	(6)
Coal contract settlement	18	-
Other	1	(11)
Changes in assets and liabilities, excluding the effects of the acquisitions:		
Receivables, net	(23)	6
Materials and supplies	29	(14)
Accounts and wages payable	(162)	(149)
Taxes accrued	117	99
Assets, other	(57)	17
Liabilities, other	29	27
Net cash provided by operating activities	436	430
Cash Flows From Investing Activities:		
Construction expenditures	(379)	(332)
Acquisitions, net of cash acquired	-	(489)
Nuclear fuel expenditures	(5)	(1)
Other	17	6
Net cash used in investing activities	(367)	(816)
Cash Flows From Financing Activities:		
Dividends on common stock	(232)	(205)
Capital issuance costs	(23)	(11)
Redemptions, repurchases, and maturities:		
Nuclear fuel lease	(67)	(20)
Short-term debt	(126)	(91)
Long-term debt	(260)	(420)
Issuances:		
Common stock	935	308
Long-term debt	104	298
Net cash provided by (used in) financing activities	331	(141)
Net change in cash and cash equivalents	400	(527)
Cash and cash equivalents at beginning of year	111	-
Cash and cash equivalents at end of period	$ 511	$ (527)
Cash Paid During the Periods:		
Interest	$ 145	$ 133
Income taxes, net	71	100

The accompanying notes are an integral part of these consolidated financial statements.

UNION ELECTRIC COMPANY
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Operating Revenues:				
Electric	$ 658	$ 616	$ 1,206	$ 1,171
Gas	25	20	97	85
Total operating revenues	683	636	1,303	1,256
Operating Expenses:				
Fuel and purchased power	139	123	282	265
Gas purchased for resale	14	13	58	52
Other operations and maintenance	207	187	400	372
Depreciation and amortization	74	71	146	141
Taxes other than income taxes	56	54	111	107
Total operating expenses	490	448	997	937
Operating Income	193	188	306	319
Other Income and (Deductions):				
Miscellaneous income	4	8	9	9
Miscellaneous expense	(4)	(2)	(5)	(3)
Total other income and (deductions)	-	6	4	6
Interest Charges	26	26	51	51
Income Before Income Taxes	167	168	259	274
Income Taxes	58	61	92	99
Net Income	109	107	167	175
Preferred Stock Dividends	2	2	3	3
Net Income Available to Common Stockholder	$ 107	$ 105	$ 164	$ 172

The accompanying notes as they relate to UE are an integral part of these consolidated financial statements.

UNION ELECTRIC COMPANY
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions, except per share amounts)

	June 30, 2004	December 31, 2003
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 15	$ 15
Accounts receivable - trade (less allowance for doubtful accounts of $5 and $6, respectively)	187	172
Unbilled revenue	170	111
Miscellaneous accounts and notes receivable	44	117
Materials and supplies, at average cost	182	175
Other current assets	12	26
Total current assets	610	616
Property and Plant, Net	6,904	6,758
Investments and Other Non-Current Assets:		
Nuclear decommissioning trust fund	219	212
Other assets	259	246
Total investments and other non-current assets	478	458
Regulatory Assets	637	685
TOTAL ASSETS	$ 8,629	$ 8,517
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 277	$ 344
Short-term debt	-	150
Borrowings from money pool	342	-
Accounts and wages payable	175	314
Taxes accrued	181	66
Other current liabilities	98	102
Total current liabilities	1,073	976
Long-term Debt, Net	1,762	1,758
Deferred Credits and Other Non-Current Liabilities:		
Accumulated deferred income taxes, net	1,214	1,289
Accumulated deferred investment tax credits	111	114
Regulatory liabilities	684	652
Asset retirement obligations	420	408
Accrued pension and other postretirement benefits	339	317
Other deferred credits and liabilities	81	80
Total deferred credits and other non-current liabilities	2,849	2,860
Commitments and Contingencies (Note 9)		
Stockholder's Equity:		
Common stock, $5 par value, 150.0 shares authorized - 102.1 shares outstanding	511	511
Preferred stock not subject to mandatory redemption	113	113
Other paid-in capital, principally premium on common stock	702	702
Retained earnings	1,649	1,630
Accumulated other comprehensive income (loss)	(30)	(33)
Total stockholder's equity	2,945	2,923
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 8,629	$ 8,517

The accompanying notes as they relate to UE are an integral part of these consolidated financial statements.

UNION ELECTRIC COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Six Months Ended June 30,	
	2004	2003
Cash Flows From Operating Activities:		
Net income	$ 167	$ 175
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	146	141
Amortization of nuclear fuel	13	16
Amortization of debt issuance costs and premium/discounts	2	2
Deferred income taxes, net	(8)	(16)
Deferred investment tax credits, net	(3)	(3)
Coal contract settlement	18	-
Other	3	(5)
Changes in assets and liabilities:		
Receivables, net	(58)	(40)
Materials and supplies	(7)	(1)
Accounts and wages payable	(125)	(147)
Taxes accrued	115	94
Assets, other	8	(14)
Liabilities, other	7	36
Net cash provided by operating activities	278	238
Cash Flows From Investing Activities:		
Construction expenditures	(253)	(226)
Nuclear fuel expenditures	(5)	(1)
Other	-	2
Net cash used in investing activities	(258)	(225)
Cash Flows From Financing Activities:		
Dividends on common stock	(145)	(165)
Dividends on preferred stock	(3)	(3)
Capital issuance costs	(1)	(3)
Redemptions, repurchases, and maturities:		
Nuclear fuel lease	(67)	(20)
Short-term debt	(150)	(73)
Long-term debt	(100)	(189)
Issuances:		
Long-term debt	104	298
Borrowings from money pool	342	154
Net cash used in financing activities	(20)	(1)
Net change in cash and cash equivalents	-	12
Cash and cash equivalents at beginning of year	15	9
Cash and cash equivalents at end of period	$ 15	$ 21
Cash Paid During the Periods:		
Interest	$ 50	$ 45
Income taxes, net	41	74

The accompanying notes as they relate to UE are an integral part of these consolidated financial statements.

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Operating Revenues:				
Electric	$ 139	$ 137	$ 266	$ 269
Gas	28	30	113	107
Total operating revenues	167	167	379	376
Operating Expenses:				
Purchased power	79	82	159	168
Gas purchased for resale	16	18	72	71
Other operations and maintenance	35	38	72	80
Depreciation and amortization	13	13	26	26
Taxes other than income taxes	5	7	14	16
Total operating expenses	148	158	343	361
Operating Income	19	9	36	15
Other Income and (Deductions):				
Miscellaneous income	6	7	13	14
Miscellaneous expense	(1)	(1)	(1)	(2)
Total other income and (deductions)	5	6	12	12
Interest Charges	8	9	16	18
Income Before Income Taxes	16	6	32	9
Income Taxes	8	3	14	4
Net Income	8	3	18	5
Preferred Stock Dividends	-	-	1	1
Net Income Available to Common Stockholder	$ 8	$ 3	$ 17	$ 4

The accompanying notes as they relate to CIPS are an integral part of these financial statements.

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
BALANCE SHEET
(Unaudited) (In millions)

	June 30, 2004	December 31, 2003
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 3	$ 16
Accounts receivable - trade (less allowance for doubtful accounts of $2 and $1, respectively)	51	48
Unbilled revenue	61	64
Miscellaneous accounts and notes receivable	22	22
Current portion of intercompany note receivable - Genco	324	49
Current portion of intercompany tax receivable - Genco	12	12
Materials and supplies, at average cost	42	51
Other current assets	12	6
Total current assets	527	268
Property and Plant, Net	951	955
Investments and Other Non-Current Assets:		
Intercompany note receivable - Genco	-	324
Intercompany tax receivable - Genco	144	150
Other assets	23	17
Total investments and other non-current assets	167	491
Regulatory Assets	31	28
TOTAL ASSETS	$ 1,676	$ 1,742
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Accounts and wages payable	$ 74	$ 71
Borrowings from money pool	47	121
Taxes accrued	31	19
Other current liabilities	26	27
Total current liabilities	178	238
Long-term Debt, Net	485	485
Deferred Credits and Other Non-Current Liabilities:		
Accumulated deferred income taxes, net	269	269
Accumulated deferred investment tax credits	11	11
Regulatory liabilities	146	145
Other deferred credits and liabilities	63	62
Total deferred credits and other non-current liabilities	489	487
Commitments and Contingencies (Note 9)		
Stockholder's Equity:		
Common stock, no par value, 45.0 shares authorized - 25.5 shares outstanding	120	120
Preferred stock not subject to mandatory redemption	50	50
Retained earnings	358	369
Accumulated other comprehensive income (loss)	(4)	(7)
Total stockholder's equity	524	532
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 1,676	$ 1,742

The accompanying notes as they relate to CIPS are an integral part of these financial statements.

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Six Months Ended June 30,	
	2004	2003
Cash Flows From Operating Activities:		
Net income	$ 18	$ 5
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	26	26
Deferred income taxes, net	(12)	(11)
Deferred investment tax credits, net	-	(1)
Other	3	(2)
Changes in assets and liabilities:		
Receivables, net	-	21
Materials and supplies	9	8
Accounts and wages payable	3	(1)
Taxes accrued	12	-
Assets, other	(7)	7
Liabilities, other	10	5
Net cash provided by operating activities	62	57
Cash Flows From Investing Activities:		
Construction expenditures	(21)	(22)
Intercompany note receivable - Genco	49	62
Net cash provided by investing activities	28	40
Cash Flows From Financing Activities:		
Dividends on common stock	(28)	(39)
Dividends on preferred stock	(1)	(1)
Repayments to money pool	(74)	-
Redemptions, repurchases, and maturities:		
Long-term debt	-	(95)
Borrowings from money pool	-	39
Net cash used in financing activities	(103)	(96)
Net change in cash and cash equivalents	(13)	1
Cash and cash equivalents at beginning of year	16	17
Cash and cash equivalents at end of period	$ 3	$ 18
Cash Paid During the Periods:		
Interest	$ 16	$ 20
Income taxes, net	15	14

The accompanying notes as they relate to CIPS are an integral part of these financial statements.

AMEREN ENERGY GENERATING COMPANY
STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Operating Revenues:				
Electric	$ 208	$ 173	$ 424	$ 379
Total operating revenues	208	173	424	379
Operating Expenses:				
Fuel and purchased power	90	72	182	160
Other operations and maintenance	44	35	74	68
Depreciation and amortization	19	19	38	37
Taxes other than income taxes	6	6	11	13
Total operating expenses	159	132	305	278
Operating Income	49	41	119	101
Other Income and (Deductions):				
Miscellaneous expense	-	-	(1)	-
Total other income and (deductions)	-	-	(1)	-
Interest Charges	24	25	47	51
Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle	25	16	71	50
Income Taxes	8	6	25	19
Income Before Cumulative Effect of Change in Accounting Principle	17	10	46	31
Cumulative Effect of Change in Accounting Principle, Net of Income Taxes of $-, $-, $- and $12	-	-	-	18
Net Income	$ 17	$ 10	$ 46	$ 49

The accompanying notes as they relate to Genco are an integral part of these financial statements.

AMEREN ENERGY GENERATING COMPANY
BALANCE SHEET
(Unaudited) (In millions, except shares)

	June 30, 2004	December 31, 2003
ASSETS		
Current Assets:		
Cash and cash equivalents	$ -	$ 2
Accounts receivable	79	88
Materials and supplies, at average cost	89	90
Other current assets	2	4
Total current assets	170	184
Property and Plant, Net	1,753	1,774
Other Non-Current Assets	20	19
TOTAL ASSETS	$ 1,943	$ 1,977
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Accounts and wages payable	$ 55	$ 75
Borrowings from money pool	156	124
Current portion of intercompany notes payable - CIPS and Ameren	358	53
Current portion of intercompany tax payable - CIPS	12	12
Taxes accrued	27	30
Other current liabilities	22	23
Total current liabilities	630	317
Long-term Debt, Net	698	698
Intercompany Notes Payable - CIPS and Ameren	-	358
Deferred Credits and Other Non-Current Liabilities:		
Accumulated deferred income taxes, net	104	99
Accumulated deferred investment tax credits	13	13
Intercompany tax payable - CIPS	144	150
Accrued pension and other postretirement benefits	22	19
Other deferred credits and liabilities	2	2
Total deferred credits and other non-current liabilities	285	283
Commitments and Contingencies (Note 9)		
Stockholder's Equity:		
Common stock, no par value, 10,000 shares authorized - 2,000 shares outstanding	-	-
Other paid-in capital	150	150
Retained earnings	181	170
Accumulated other comprehensive (loss) income	(1)	1
Total stockholder's equity	330	321
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 1,943	$ 1,977

The accompanying notes as they relate to Genco are an integral part of these financial statements.

AMEREN ENERGY GENERATING COMPANY
STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Six Months Ended June 30,	
	2004	2003
Cash Flows From Operating Activities:		
Net income	$ 46	$ 49
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	-	(18)
Depreciation and amortization	38	37
Deferred income taxes, net	18	27
Other	(2)	-
Changes in assets and liabilities:		
Accounts receivable	9	(2)
Materials and supplies	1	(15)
Taxes accrued	(3)	66
Accounts and wages payable	(10)	(17)
Assets, other	2	-
Liabilities, other	(17)	(1)
Net cash provided by operating activities	82	126
Cash Flows From Investing Activities:		
Construction expenditures	(28)	(31)
Net cash used in investing activities	(28)	(31)
Cash Flows From Financing Activities:		
Dividends on common stock	(35)	(2)
Redemptions, repurchases, and maturities:		
Repayments to money pool	-	(37)
Intercompany notes payable - CIPS and Ameren	(53)	(51)
Issuances:		
Borrowings from money pool	32	-
Net cash used in financing activities	(56)	(90)
Net change in cash and cash equivalents	(2)	5
Cash and cash equivalents at beginning of year	2	3
Cash and cash equivalents at end of period	$ -	$ 8
Cash Paid During the Periods:		
Interest	$ 48	$ 49
Income taxes, net paid (refunded)	15	(66)

The accompanying notes as they relate to Genco are an integral part of these financial statements.

CILCORP INC.
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions)

	Successor		Successor		Predecessor
	Three Months Ended June 30,	Three Months Ended June 30,	Six Months Ended June 30,	Five Months Ended June 30,	January
	2004	2003	2004	2003	2003
Operating Revenues:					
Electric	$ 89	$ 125	$ 187	$ 205	$ 47
Gas	50	66	191	169	58
Other	1	1	2	2	-
Total operating revenues	140	192	380	376	105
Operating Expenses:					
Fuel and purchased power	33	65	78	107	24
Gas purchased for resale	31	51	138	134	44
Other operations and maintenance	47	35	90	57	14
Depreciation and amortization	17	22	33	36	6
Taxes other than income taxes	5	9	14	17	4
Total operating expenses	133	182	353	351	92
Operating Income	7	10	27	25	13
Other Income and (Deductions):					
Miscellaneous expense	(1)	(1)	(2)	(1)	-
Total other income and (deductions)	(1)	(1)	(2)	(1)	-
Interest Charges and Preferred Dividends:					
Interest	14	11	26	20	5
Preferred dividends of subsidiaries	1	1	1	1	-
Net interest charges and preferred dividends	15	12	27	21	5
Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle	(9)	(3)	(2)	3	8
Income Taxes	(5)	(3)	(2)	-	3
Income Before Cumulative Effect of Change in Accounting Principle	(4)	-	-	3	5
Cumulative Effect of Change in Accounting Principle, Net of Income Taxes of $-, $-, $-, $- and $2	-	-	-	-	4
Net Income	$ (4)	$ -	$ -	$ 3	$ 9

The accompanying notes as they relate to CILCORP are an integral part of these consolidated financial statements.

CILCORP INC.
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions, except shares)

	Successor	
	June 30, 2004	December 31, 2003
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 5	$ 11
Accounts receivables - trade (less allowance for doubtful accounts of $4 and $6, respectively)	29	59
Unbilled revenue	22	40
Miscellaneous accounts and notes receivable	6	16
Materials and supplies, at average cost	129	154
Other current assets	4	5
Total current assets	195	285
Property and Plant, Net	1,154	1,127
Investments and Other Non-Current Assets:		
Investments in leveraged leases	127	130
Goodwill and other intangibles, net	558	567
Other assets	18	11
Total investments and other non-current assets	703	708
Regulatory Assets	13	16
TOTAL ASSETS	$ 2,065	$ 2,136
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ -	$ 100
Borrowings from money pool	232	145
Intercompany note payable - Ameren	57	46
Accounts and wages payable	75	108
Other current liabilities	37	38
Total current liabilities	401	437
Long-term Debt, Net	646	669
Preferred Stock of Subsidiary Subject to Mandatory Redemption	21	21
Deferred Credits and Other Non-Current Liabilities:		
Accumulated deferred income taxes, net	177	181
Accumulated deferred investment tax credits	11	11
Regulatory liabilities	31	24
Accrued pension and other postretirement benefits	266	259
Other deferred credits and liabilities	29	37
Total deferred credits and other non-current liabilities	514	512
Preferred Stock of Subsidiary Not Subject to Mandatory Redemption	19	19
Commitments and Contingencies (Note 9)		
Stockholder's Equity:		
Common stock, no par value, 10,000 shares authorized - 1,000 shares outstanding	-	-
Other paid-in capital	490	490
Retained earnings	(31)	(13)
Accumulated other comprehensive income (loss)	5	1
Total stockholder's equity	464	478
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 2,065	$ 2,136

The accompanying notes as they relate to CILCORP are an integral part of these consolidated financial statements.

CILCORP INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Successor Six Months Ended June 30, 2004	Successor Five Months Ended June 30, 2003	Predecessor January 2003
Cash Flows From Operating Activities:			
Net income	$ -	$ 3	$ 9
Adjustments to reconcile net income to net cash provided by operating activities:			
Cumulative effect of change in accounting principle	-	-	(4)
Depreciation and amortization	33	36	6
Deferred income taxes, net	3	(3)	(5)
Deferred investment tax credits, net	-	(1)	-
Other	7	(17)	-
Changes in assets and liabilities:			
Receivables, net	66	32	(20)
Materials and supplies	25	(8)	13
Accounts and wages payable	(26)	(42)	20
Taxes accrued	2	(3)	11
Assets, other	(3)	18	6
Liabilities, other	(4)	4	(5)
Net cash provided by operating activities	103	19	31
Cash Flows From Investing Activities:			
Construction expenditures	(73)	(38)	(16)
Other	4	2	1
Net cash used in investing activities	(69)	(36)	(15)
Cash Flows From Financing Activities:			
Dividends on common stock	(18)	-	-
Redemptions, repurchases, and maturities:			
Short-term debt	-	-	(10)
Long-term debt	(120)	(101)	-
Issuances:			
Borrowings from money pool	87	111	-
Intercompany note payable - Ameren	11	-	-
Net cash provided by (used in) financing activities	(40)	10	(10)
Net change in cash and cash equivalents	(6)	(7)	6
Cash and cash equivalents at beginning of year	11	38	32
Cash and cash equivalents at end of period	$ 5	$ 31	$ 38
Cash Paid During the Periods:			
Interest	$ 20	$ 9	$ 5
Income taxes, net (refunded) paid	(4)	9	-

The accompanying notes as they relate to CILCORP are an integral part of these consolidated financial statements.

CENTRAL ILLINOIS LIGHT COMPANY
CONSOLIDATED STATEMENT OF INCOME
(Unaudited) (In millions)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Operating Revenues:				
Electric	$ 89	$ 125	$ 187	$ 252
Gas	45	47	172	166
Total operating revenues	134	172	359	418
Operating Expenses:				
Fuel and purchased power	31	62	76	129
Gas purchased for resale	25	31	119	115
Other operations and maintenance	48	39	95	80
Depreciation and amortization	16	19	32	37
Taxes other than income taxes	6	9	14	21
Total operating expenses	126	160	336	382
Operating Income	8	12	23	36
Other Income and (Deductions):				
Miscellaneous expense	(2)	(1)	(3)	(1)
Total other income and (deductions)	(2)	(1)	(3)	(1)
Interest Charges	4	5	7	10
Income Before Income Taxes and Cumulative Effect of Change in Accounting Principle	2	6	13	25
Income Taxes	(1)	1	4	9
Income Before Cumulative Effect of Change in Accounting Principle	3	5	9	16
Cumulative Effect of Change in Accounting Principle, Net of Income Taxes of $-, $-, $- and $16	-	-	-	24
Net Income	3	5	9	40
Preferred Stock Dividends	1	1	1	1
Net Income Available to Common Stockholder	$ 2	$ 4	$ 8	$ 39

The accompanying notes as they relate to CILCO are an integral part of these consolidated financial statements.

CENTRAL ILLINOIS LIGHT COMPANY
CONSOLIDATED BALANCE SHEET
(Unaudited) (In millions)

	June 30, 2004	December 31, 2003
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 3	$ 8
Accounts receivable - trade (less allowance for doubtful accounts of $4 and $6, respectively)	28	57
Unbilled revenue	21	35
Miscellaneous accounts and notes receivable	5	14
Materials and supplies, at average cost	52	69
Other current assets	4	5
Total current assets	113	188
Property and Plant, Net	1,137	1,101
Other Non-Current Assets	26	19
Regulatory Assets	13	16
TOTAL ASSETS	$ 1,289	$ 1,324
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ -	$ 100
Borrowings from money pool	233	149
Accounts and wages payable	72	101
Taxes accrued	4	13
Other current liabilities	33	30
Total current liabilities	342	393
Long-term Debt, Net	138	138
Preferred Stock Subject to Mandatory Redemption	21	21
Deferred Credits and Other Non-Current Liabilities:		
Accumulated deferred income taxes, net	97	101
Accumulated deferred investment tax credits	11	11
Regulatory liabilities	172	167
Accrued pension and other postretirement benefits	145	128
Other deferred credits and liabilities	19	23
Total deferred credits and other non-current liabilities	444	430
Commitments and Contingencies (Note 9)		
Stockholder's Equity:		
Common stock, no par value, 20.0 shares authorized - 13.6 shares outstanding	186	186
Preferred stock not subject to mandatory redemption	19	19
Other paid-in capital	52	52
Retained earnings	93	95
Accumulated other comprehensive income (loss)	(6)	(10)
Total stockholder's equity	344	342
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 1,289	$ 1,324

The accompanying notes as they relate to CILCO are an integral part of these consolidated financial statements.

CENTRAL ILLINOIS LIGHT COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited) (In millions)

	Six Months Ended June 30,	
	2004	2003
Cash Flows From Operating Activities:		
Net income	$ 8	$ 39
Adjustments to reconcile net income to net cash provided by operating activities:		
Cumulative effect of change in accounting principle	-	(24)
Depreciation and amortization	32	37
Deferred income taxes, net	4	(5)
Deferred investment tax credits, net	-	(1)
Other	7	(2)
Changes in assets and liabilities:		
Receivables, net	52	10
Materials and supplies	17	5
Accounts and wages payable	(28)	4
Taxes accrued	(9)	(13)
Assets, other	(7)	6
Liabilities, other	18	17
Net cash provided by operating activities	94	73
Cash Flows From Investing Activities:		
Construction expenditures	(73)	(54)
Other	1	1
Net cash used in investing activities	(72)	(53)
Cash Flows From Financing Activities:		
Dividends on common stock	(10)	(21)
Dividends on preferred stock	(1)	(1)
Redemptions, repurchases, and maturities:		
Short-term debt	-	(10)
Long-term debt	(100)	(101)
Issuances:		
Borrowings from money pool	84	99
Net cash used in financing activities	(27)	(34)
Net change in cash and cash equivalents	(5)	(14)
Cash and cash equivalents at beginning of year	8	22
Cash and cash equivalents at end of period	$ 3	$ 8
Cash Paid During the Periods:		
Interest	$ 9	$ 14
Income taxes, net	8	11

The accompanying notes as they relate to CILCO are an integral part of these consolidated financial statements.

AMEREN CORPORATION (CONSOLIDATED)
UNION ELECTRIC COMPANY (CONSOLIDATED)
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
AMEREN ENERGY GENERATING COMPANY
CILCORP INC. (CONSOLIDATED)
CENTRAL ILLINOIS LIGHT COMPANY (CONSOLIDATED)

COMBINED NOTES TO FINANCIAL STATEMENTS (UNAUDITED)
June 30, 2004

NOTE 1 - Summary of Significant Accounting Policies

General

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company registered with the SEC under the PUHCA. Ameren's primary asset is the common stock of its subsidiaries. Ameren's subsidiaries operate rate-regulated electric generation, transmission and distribution businesses, rate-regulated natural gas distribution businesses and non rate-regulated electric generation businesses in Missouri and Illinois. Dividends on Ameren's common stock are dependent on distributions made to it by its subsidiaries. Ameren's principal operating subsidiaries are listed below. Also see Glossary of Terms and Abbreviations.

o UE, also known as Union Electric Company, operates a rate-regulated electric generation, transmission and distribution business, and a rate-regulated natural gas distribution business in Missouri and Illinois. UE was incorporated in Missouri in 1922 and is successor to a number of companies, the oldest of which was organized in 1881. It is the largest electric utility in the State of Missouri and supplies electric and gas service to a 24,500 square mile area located in central and eastern Missouri and west central Illinois. This area has an estimated population of 3 million and includes the greater St. Louis area. UE supplies electric service to approximately 1.2 million customers and natural gas service to approximately 130,000 customers. See Note 3 - Rate and Regulatory Matters for information regarding the proposed transfer in 2004 of UE's Illinois electric and natural gas transmission and distribution businesses to CIPS.

o CIPS, also known as Central Illinois Public Service Company, operates a rate-regulated electric and natural gas transmission and distribution business in Illinois. CIPS was incorporated in Illinois in 1902. It supplies electric and gas utility service to portions of central and southern Illinois having an estimated population of 1 million in an area of approximately 20,000 square miles. CIPS supplies electric service to approximately 325,000 customers and natural gas service to approximately 170,000 customers.

o Genco, also known as Ameren Energy Generating Company, operates a non rate-regulated electric generation business in Illinois and Missouri. Genco was incorporated in Illinois in March 2000, in conjunction with the Illinois Customer Choice Law. Genco commenced operations on May 1, 2000, when CIPS transferred its five coal-fired power plants and related liabilities to Genco at historical net book value. Genco is a subsidiary of Development Company, which is a subsidiary of Resources Company, which is a subsidiary of Ameren. See Note 3 - Rate and Regulatory Matters for information regarding the proposed transfer in 2004 of Genco's CTs located in Pinckneyville and Kinmundy, Illinois to UE.

o CILCO, also known as Central Illinois Light Company, is a subsidiary of CILCORP (a holding company) and operates a rate-regulated electric transmission and distribution business, a primarily non rate-regulated electric generation business and a rate-regulated natural gas distribution business in Illinois. CILCO was incorporated in Illinois in 1913. It supplies electric and gas utility service to portions of central and east central Illinois in areas of approximately 3,700 and 4,500 square miles, respectively, with an estimated population of 1 million. CILCO supplies electric service to approximately 205,000 customers and natural gas service to approximately 210,000 customers. In October 2003, CILCO transferred its coal-fired plants and a CT facility, representing in the aggregate approximately 1,100 megawatts of electric generating capacity, to a wholly owned subsidiary, known as AERG, as a contribution in return for all the outstanding stock of AERG and AERG's assumption of certain liabilities. The net book value of the transferred assets was approximately $378 million and no gain or loss was recognized as the

transaction was accounted for as a transfer between entities under common control. The transfer was made in conjunction with the Illinois Customer Choice Law. CILCORP was incorporated in Illinois in 1985.

Ameren has various other subsidiaries responsible for the short and long-term marketing of power, procurement of fuel, management of commodity risks and providing other shared services. Ameren also has a 60% ownership interest in EEI through UE, which owns 40%, and Resources Company, which owns 20%. Ameren consolidates EEI for financial reporting purposes, while UE and Resources Company report EEI under the equity method.

The financial statements of Ameren are prepared on a consolidated basis and therefore include the accounts of its majority-owned subsidiaries. Results of CILCORP and CILCO reflected in Ameren's consolidated financial statements include the period from the acquisition date of January 31, 2003. See Note 2 - Acquisitions for further information. All significant intercompany transactions have been eliminated. All tabular dollar amounts are in millions, unless otherwise indicated.

Our accounting policies conform to GAAP. Our financial statements reflect all adjustments (which include normal, recurring adjustments) necessary, in our opinion, for a fair presentation of our results. The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions. Such estimates and assumptions affect reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates. The results of operations of an interim period may not give a true indication of results for a full year. Certain reclassifications have been made to prior year's financial statements to conform to 2004 reporting. These statements should be read in conjunction with the financial statements and the notes thereto included in the Ameren Companies' combined 2003 Annual Reports on Form 10-K and first quarter 2004 Quarterly Reports on Form 10-Q.

Earnings Per Share

There were no differences between the basic and diluted earnings per share amounts for the three and six month periods ended June 30, 2004 and 2003. Assumed stock option conversions increased the number of shares outstanding in the diluted earnings per share calculation by 161,665 shares for the three months ended June 30, 2004 (2003 - 306,389 shares) and 230,999 shares for the six months ended June 30, 2004 (2003 - 273,136 shares). Ameren's equity security units had no dilutive effect on earnings per share in 2003 and 2004. As only the Ameren parent company has publicly held common stock, earnings per share calculations are not relevant and are not presented for any of the subsidiaries of Ameren.

Accounting Changes and Other Matters

SFAS No.143 - "Accounting for Asset Retirement Obligations"

We adopted the provisions of SFAS No. 143, effective January 1, 2003. SFAS No. 143 provides the accounting requirements for asset retirement obligations associated with tangible, long-lived assets. Upon adoption of the standard, Ameren and Genco recognized a net after-tax gain of $18 million in the first quarter of 2003 for the cumulative effect of change in accounting principle. Prior to Ameren's acquisition of CILCORP, predecessor CILCORP and CILCO recognized a net after-tax gain upon adoption of SFAS No. 143 in 2003 of $4 million and $24 million, respectively, for the cumulative effect of change in accounting principle. In addition, in accordance with SFAS No. 143, estimated future removal costs associated with Ameren's, UE's, CIPS', CILCORP's and CILCO's rate-regulated operations that had previously been embedded in accumulated depreciation were reclassified to a regulatory liability.

Asset retirement obligations at Ameren and UE increased by approximately $6 million during the quarter ended, and $12 million during the six months ended, June 30, 2004, to reflect the accretion of obligations to their present value. Increases to Genco's, CILCORP's and CILCO's asset retirement obligations were immaterial during these periods. Substantially all of this accretion was recorded as an increase to regulatory assets.

In June 2004, the FASB issued an exposure draft on a proposed interpretation of SFAS No. 143. The comment period on the exposure draft ended on August 1, 2004. The interpretation would clarify that a legal obligation to perform an asset retirement activity that is conditional on a future event is within the scope of SFAS No. 143. Accordingly, an

entity would be required to recognize a liability for the fair value of an asset retirement obligation that is conditional on a future event if the liability's fair value can be estimated reasonably. The interpretation provides examples of conditional asset retirement obligations that may need to be recognized under the provisions of the interpretation, including asbestos removal. This proposed interpretation could require accrual of additional liabilities by the Ameren Companies and could result in increased expense, which while not yet quantifiable, could be material. This proposed interpretation would be effective for us no later than December 31, 2005.

FIN No. 46 - "Consolidation of Variable Interest Entities"

In January 2003, the FASB issued FIN No. 46, which changed the consolidation requirements for special purpose entities (SPEs) and non-special purpose entities (non-SPEs) that meet the criteria for designation as variable interest entities (VIEs). In December 2003, the FASB revised FIN No. 46 (FIN No. 46R) to clarify certain aspects of FIN No. 46 and modify the effective dates of the new guidance. FIN No. 46R provides guidance on the accounting for entities that are controlled through means other than voting rights by another entity. FIN No. 46R requires a VIE to be consolidated by a company if that company is designated as the primary beneficiary.

The Ameren Companies do not have any interests in entities that are considered SPEs. FIN No. 46R was effective on March 31, 2004 for any interests Ameren holds in non-SPEs. The adoption of FIN No. 46R did not have a material impact on the consolidated financial statements of the Ameren Companies. However, in connection with the adoption of FIN No. 46R, we have determined that the following significant variable interests are held by the Ameren Companies:

o EEI. Ameren has a 60% ownership interest in EEI through UE's 40% interest and Resources Company's 20% interest. Under the FIN No. 46R model, Ameren, UE and Resources Company have a variable interest in EEI, and Ameren is the primary beneficiary. Accordingly, Ameren will continue to consolidate EEI, and UE will continue to account for its investment in EEI under the equity method of accounting. The maximum exposure to loss as a result of these variable interests in EEI is limited to Ameren's and UE's equity investments in EEI.

o Tolling agreement. CILCO has a significant variable interest in Medina Valley through a tolling agreement to purchase steam, chilled water and electricity. We have concluded that CILCO is not the primary beneficiary of Medina Valley, and accordingly, CILCO does not consolidate Medina Valley. The maximum exposure to loss as a result of this variable interest in the tolling agreement is not material.

o Leveraged lease and affordable housing partnership investments. Ameren, UE and CILCORP have investments in leveraged lease and affordable housing partnership arrangements that are variable interests. We have concluded that neither Ameren, UE nor CILCORP are the primary beneficiary of any of the VIEs related to these investments. The maximum exposure to loss as a result of these variable interests is limited to the investments in these arrangements. At June 30, 2004, Ameren and CILCORP had net investments in leveraged leases of $153 million and $127 million, respectively. At June 30, 2004, Ameren, UE and CILCORP had investments in affordable housing partnerships of $19 million, $7 million and $7 million, respectively.

FASB Staff Position SFAS No. 106-1 and FASB Staff Position SFAS No. 106-2 "Accounting and Disclosure Requirements Related to the Medicare Prescription Drug, Improvement and Modernization Act of 2003"

On December 8, 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the Prescription Drug Act) was enacted. The Prescription Drug Act introduced a prescription drug benefit to retirees under Medicare as well as a federal subsidy to sponsors of retiree healthcare benefit plans that provide a benefit that is at least actuarially equivalent to the Medicare prescription drug benefit. Through its postretirement benefit plans, Ameren provides retirees with prescription drug coverage that we believe is actuarially equivalent to the Medicare prescription drug benefit. In January 2004, the FASB issued FASB Staff Position SFAS No. 106-1 (FSP SFAS 106-1), which permitted a plan sponsor of a postretirement healthcare plan that provides a prescription drug benefit to make a one-time election to defer the accounting for the effects of the Prescription Drug Act. Ameren made this one-time election allowed by FSP SFAS 106-1.

In May 2004, the FASB issued FASB Staff Position SFAS No. 106-2 (FSP SFAS 106-2), which superceded FSP SFAS 106-1. FSP SFAS 106-2 provides guidance on accounting for the effects of the Medicare prescription drug legislation by employers whose prescription drug benefits are actuarially equivalent to the drug benefit under Medicare Part D. Ameren elected to adopt FSP SFAS 106-2 during the second quarter ended June 30, 2004, retroactive to January

1, 2004. See Note 12 - Pension and other Postretirement Benefits for additional information on the impact of adoption of FSP SFAS 106-2.

Interchange Revenues

The following table presents the interchange revenues included in Operating Revenues - Electric for the three months and six months ended June 30, 2004 and 2003. See Note 8 - Related Party Transactions for information on sales among affiliates.

	Three Months		Six Months	
	2004	2003	2004	2003
Ameren(a)	$ 81	$ 71	$ 172	$ 185
UE	71	65	155	167
CIPS	10	10	19	18
Genco	36	27	75	72
CILCORP(b)	9	3	21	8
CILCO	9	3	21	8

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) 2003 amounts include January 2003 predecessor information, which was $3 million. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Purchased Power

The following table presents the purchased power expenses included in Operating Expenses - Fuel and Purchased Power for the three months and six months ended June 30, 2004 and 2003. See Note 8 - Related Party Transactions for information on affiliate purchased power transactions.

	Three Months		Six Months	
	2004	2003	2004	2003
Ameren(a)	$ 80	$ 71	$ 152	$ 123
UE	46	37	96	82
CIPS	79	82	159	168
Genco	32	30	70	71
CILCORP(b)	8	47	30	87
CILCO	8	44	30	84

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) 2003 amounts include January 2003 predecessor information, which was $12 million. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Excise Taxes

Excise taxes reflected on Missouri electric and gas, and Illinois gas, customer bills are imposed on us and are recorded gross in Operating Revenues and Taxes Other than Income Taxes. Excise taxes reflected on Illinois electric customer bills are imposed on the consumer and are recorded as tax collections payable and included in Taxes Accrued. The following table presents excise taxes recorded in Operating Revenues and Taxes Other than Income Taxes for the three months and six months ended June 30, 2004 and 2003:

	Three Months		Six Months	
	2004	2003	2004	2003
Ameren(a)	$ 31	$ 31	$ 65	$ 62
UE	27	25	51	47
CIPS	2	3	7	8
Genco	-	-	-	-
CILCORP(b)	2	3	7	9
CILCO	2	3	7	9

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003.

(b) 2003 amounts include January 2003 predecessor information which was $2 million. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

NOTE 2 - Acquisitions

CILCORP and Medina Valley

On January 31, 2003, Ameren completed the acquisition of all of the outstanding common stock of CILCORP from AES. CILCORP is the parent company of Peoria, Illinois-based CILCO. With the acquisition, CILCO became an indirect Ameren subsidiary, but remains a separate utility company, operating as AmerenCILCO. On February 4, 2003, Ameren also completed the acquisition from AES of Medina Valley, which indirectly owns a 40 megawatt, gas-fired electric generation plant. The results of operations for CILCORP and Medina Valley were included in Ameren's consolidated financial statements effective with the respective January and February 2003 acquisition dates. See Note 1 - Summary of Significant Accounting Policies for further information on the presentation of the results of CILCORP and CILCO in Ameren's consolidated financial statements.

The purchase price allocation for the acquisition of CILCORP and Medina Valley was finalized in January 2004. As a result, goodwill decreased by $8 million since December 31, 2003, primarily due to January 2004 adjustments to property and plant, income tax accounts and accrued severance expenses. The following table presents the final estimated fair values of the assets acquired and liabilities assumed at the dates of our acquisitions of CILCORP and Medina Valley.

Current assets	$ 323
Property and plant	1,162
Investments and other non-current assets	154
Specifically-identifiable intangible assets	6
Goodwill	560
Total assets acquired	2,205
Current liabilities	189
Long-term debt, including current maturities	937
Other non-current liabilities	521
Total liabilities assumed	1,647
Preferred stock assumed	41
Net assets acquired	$ 517

Specifically-identifiable intangible assets of $6 million are comprised of retail customer contracts, which are subject to amortization with an average life of 10 years. Goodwill of $560 million (CILCORP - $553 million; Medina Valley - $7 million) was recognized in connection with the CILCORP and Medina Valley acquisitions. None of this goodwill is expected to be deductible for tax purposes.

Illinois Power

On February 2, 2004, Ameren entered into an agreement with Dynegy to purchase the stock of Decatur, Illinois-based Illinois Power and Dynegy's 20% ownership interest in EEI. Illinois Power operates a rate-regulated electric and natural gas transmission and distribution business serving approximately 600,000 electric and 415,000 gas customers in areas contiguous to our existing Illinois utility service territories. The total transaction value is approximately $2.3 billion, including the assumption of approximately $1.8 billion of Illinois Power debt and preferred stock, with the balance of the purchase price to be paid in cash at closing. Ameren will place $100 million of the cash portion of the purchase price in a six-year escrow pending resolution of certain contingent environmental obligations of Illinois Power and other Dynegy affiliates for which Ameren has been provided indemnification by Dynegy. In addition, this transaction includes a firm capacity power supply contract for Illinois Power's annual purchase of 2,800 megawatts of electricity from a subsidiary of Dynegy. This contract will extend through 2006 and is expected to supply about 70% of Illinois Power's customer requirements.

Ameren's financing plan for this transaction includes the issuance of new Ameren common stock. In February 2004, Ameren issued 19.1 million common shares that generated net proceeds of $853 million, and in July 2004, Ameren completed its issuance of common stock for this transaction with the issuance of 10.9 million common shares that generated net proceeds of $445 million. Proceeds from these sales are expected to be used to finance the cash portion of the purchase price, to reduce Illinois Power debt assumed as part of this transaction and to pay any related

premiums. Pending such use, and/or if the acquisition is not completed, we plan to use the net proceeds to reduce present or future indebtedness and/or repurchase securities of Ameren or our subsidiaries.

Upon completion of the acquisition, expected by the end of 2004, Illinois Power will become an Ameren subsidiary operating as AmerenIP. The transaction remains subject to the approval of the ICC and the SEC under the PUHCA and other customary closing conditions. Ameren has received approval from the FERC and the FCC, and the waiting period under the Hart-Scott-Rodino Act has expired.

In April 2004, the FCC consented to the transfer of control of FCC licenses held by Illinois Power to Ameren, and the initial 30 calendar day waiting period expired without a request by the FTC or DOJ for additional information or documents under the Hart-Scott-Rodino Act. In July 2004, the FERC issued an order approving Ameren's acquisition of Illinois Power and Dynegy's interest in EEI. The principal conditions of the FERC's approval are that Illinois Power join the Midwest ISO prior to closing the transaction and 125 megawatts of EEI's power be sold to a nonaffiliate of Ameren.

A procedural schedule has been adopted in the ICC proceeding, which can permit an order to be issued by the fall of 2004. The ICC Staff and several intervenors filed testimony in early July expressing various concerns with the acquisition and objecting to parts of the application filed by Ameren and Illinois Power in March 2004. In late July, Ameren filed testimony responding to these concerns and objections. Hearings in the ICC proceeding are scheduled to be held in August 2004. However, we are unable to predict the ultimate outcome of the remaining regulatory proceedings or the timing of the final agency decisions.

According to Illinois Power's Annual Report on Form 10-K for the year ended December 31, 2003, Illinois Power had revenues of $1.6 billion, operating income of $166 million, and net income applicable to its common shareholder of $115 million, and at December 31, 2003, had total assets of $2.8 billion, excluding an intercompany note receivable from its parent company of approximately $2.3 billion. Illinois Power files quarterly, annual and current reports with the SEC pursuant to the Exchange Act.

NOTE 3 - Rate and Regulatory Matters

Intercompany Transfer of Electric Generating Facilities and Illinois Service Territory

As a part of the settlement of the Missouri electric rate case in 2002, UE committed to making certain infrastructure investments from January 1, 2002 through June 30, 2006 of $2.25 billion to $2.75 billion, including the addition of 700 megawatts of generation capacity. The new capacity requirement is expected to be satisfied by the additions in 2002 of 240 megawatts and the proposed transfer from Genco to UE, at net book value (approximately $250 million), of approximately 550 megawatts of CTs at Pinckneyville and Kinmundy, Illinois. In July 2004, the FERC approved the generation transfer, but the transfer remains subject to receipt of SEC approval under the PUHCA. Approval by the ICC is not required contingent upon prior approval and execution of UE's transfer of its generation Illinois public utility operations to CIPS as discussed below. Approval by the MoPSC is not required in order for this transfer to occur. However, the MoPSC has jurisdiction over UE's ability to recover the cost of the transferred generating facilities from its electric customers in its rates. As part of the settlement of the Missouri electric rate case in 2002, UE is subject to a rate moratorium providing for no changes in its electric rates before June 30, 2006, subject to certain statutory and other exceptions.

In May 2003, UE announced its plan to limit its public utility operations to the state of Missouri and to discontinue operating as a public utility subject to ICC regulation. UE intends to accomplish this plan by transferring its Illinois-based electric and natural gas businesses, including its Illinois-based distribution assets and certain of its transmission assets, to CIPS. In 2003, UE's Illinois electric and gas service territory generated revenues of $155 million and had a net book value of $122 million at December 31, 2003. UE's electric generating facilities and a certain minor amount of its electric transmission facilities in Illinois would not be part of the transfer. The transfer was approved by the FERC in December 2003. The transfer of UE's Illinois-based utility businesses will also require the approval of the ICC, the MoPSC and the SEC under the provisions of the PUHCA. In August 2003, UE filed with the MoPSC, and in October and November 2003, filed with the ICC and the SEC, respectively, for authority to transfer UE's Illinois-based utility

businesses, at net book value, to CIPS. The filing with the ICC seeks approval to transfer only UE's Illinois-based natural gas utility business since the ICC authorized the transfer of UE's Illinois-based electric utility business to CIPS in 2000. UE proposes to transfer approximately one-half of the assets directly to CIPS in consideration for a CIPS subordinated promissory note, and approximately one-half of the assets by means of a dividend in kind to Ameren followed by a capital contribution by Ameren to CIPS. A filing seeking approval of both the transfer of UE' Illinois-based utility businesses and Genco's CTs was made with the SEC in October 2003. If completed, the transfers will be accounted for at book value with no gain or loss recognition, which is appropriate treatment for transactions of this type by two entities under common control.

In January 2004, the MoPSC staff and the Missouri Office of Public Counsel filed rebuttal testimony with the MoPSC expressing concerns that the transfers of UE's Illinois-based utility businesses may be detrimental to the public in Missouri and recommended that the transfers be denied. Hearings occurred in late March and early April 2004 and post-hearing briefs were filed in May and in early June of 2004. The MoPSC is currently deliberating on this matter. See Note
8 - Related Party Transactions for a discussion of an amendment to the joint dispatch agreement among UE, Genco and CIPS, which was proposed to address concerns raised before the MoPSC in this proceeding.

We are unable to predict the ultimate outcome of these regulatory proceedings or the timing of the final decisions of the various agencies.

Federal - Electric Transmission

Regional Transmission Organization

In December 1999, the FERC issued Order 2000 requiring all utilities subject to FERC jurisdiction to state their intentions for joining a RTO. The MoPSC issued an order in early 2004 authorizing UE to participate in the Midwest ISO for a five year period, with participation after that period subject to further approvals by the MoPSC. Subsequently, the FERC issued a final order allowing UE's and CIPS' participation in the Midwest ISO. Under these orders, the MoPSC continues to set the transmission component of UE's rates to serve its bundled retail load. CILCO is already a member of the Midwest ISO and previously transferred functional control of its transmission system to the Midwest ISO. Genco does not own transmission assets, but pays the Midwest ISO to use the transmission system to transmit power from the Genco generating plants.

On May 1, 2004, functional control, but not ownership, of the UE and CIPS transmission systems was transferred to the Midwest ISO through GridAmerica LLC, or Grid America. The transfer had no accounting impact to UE and CIPS because they continue to own the transmission system assets. The participation by UE and CIPS in the Midwest ISO is expected to increase annual costs by $10 million to $20 million in the aggregate and could result in a decrease in annual revenues of between $5 million and $10 million in the aggregate. UE and CIPS may also be required to expand their transmission systems according to decisions made by the Midwest ISO rather than their internal planning process.

As a part of the transfer of functional control of UE's and CIPS' transmission systems to the Midwest ISO, Ameren received $26 million, which represented the refund of the $13 million exit fee paid by UE and the $5 million exit fee paid by CIPS, which were expensed when they left the Midwest ISO in 2001 plus $1 million interest on the exit fees and the reimbursement of $7 million that was invested in the proposed Alliance RTO. These refunds resulted in after-tax gains of approximately $11 million, $8 million and $3 million for Ameren, UE and CIPS, respectively, which were recorded in other operations and maintenance expenses.

Through orders issued during late 2003 and early 2004, the FERC had ordered the elimination of regional through-and-out rates assessed by the Midwest ISO and PJM on transmission service between the Midwest ISO and PJM regions, to be effective May 1, 2004. However, in March 2004, the FERC accepted an agreement among affected transmission owners that retains the regional through-and-out rates until December 1, 2004, and provides for continued negotiations aimed at developing a long-term transmission pricing structure to eliminate seams between the PJM and Midwest ISO regions based on specified pricing principles. Until the long-term transmission pricing structure has been established, UE, CIPS and CILCO cannot predict the ultimate impact that such structure will have on their costs and revenues.

In March 2004, the Midwest ISO tendered for filing at the FERC a proposed Open Access Transmission and Energy Markets Tariff (the "Energy Markets Tariff"), which is intended to supercede its existing Open Access Transmission

Tariff. The Energy Markets Tariff establishes rates, terms and conditions necessary for implementation of a centralized security-constrained economic dispatch platform supported by a day-ahead and real-time energy market design, including Locational Marginal-Cost Pricing and Financial Transmission Rights for transmission service within the Midwest ISO region. The Energy Markets Tariff also establishes market monitoring and mitigation procedures and codifies existing resource adequacy requirements placed on Midwest ISO members by their states or applicable RRO. The Midwest ISO initially proposed to make the Energy Markets Tariff effective on December 1, 2004, subject to its ability to implement the Energy Markets Tariff. However, implementation of the Energy Markets Tariff is now expected to be effective on March 1, 2005. The Energy Markets Tariff has not yet been accepted for filing by the FERC. Ameren is unable to determine the full impact that the Energy Markets Tariff will have until further information is available regarding the implementation of the Energy Markets Tariff.

Until UE and CIPS achieve some degree of operational experience participating in the Midwest ISO through GridAmerica, we are unable to predict the ultimate impact that such participation or ongoing RTO developments at the FERC or other regulatory authorities will have on our financial position, results of operations or liquidity.

New Market Power Analysis Screen Order

In an order issued in April 2004, the FERC replaced the Supply Margin Assessment Screen previously used to review applications by sellers of electricity at wholesale for authorization to sell power at market-based rates with two alternative measures of market power: (a) an uncommitted pivotal supplier analysis and (b) an uncommitted market share analysis which is to be prepared on a seasonal basis. If an applicant passes both screens, a rebuttable presumption will exist that it lacks generation market power. If the applicant fails either screen, a rebuttable presumption will exist that it has market power. Under such circumstances, the applicant may either seek to rebut the presumption by preparing a delivered price test (identifying the amount of economic capacity from neighboring areas that can be delivered to the control area) or propose mitigation measures. Unless some other mitigation measure is adopted, the applicant's authority to sell power at market-based rates in areas in which it has market power will be revoked, and the applicant will be required to sell at cost-based rates in those areas.

UE, Genco, CILCO, AERG, Development Company, Marketing Company and Medina Valley currently have authorization from the FERC to continue to sell power at market-based rates. However, the FERC indicated in its April order that it would apply the new market analysis screens to pending and future market-based rate applications, including three-year market-based rate reviews. All of the aforementioned Ameren entities currently have three-year market-based rate reviews pending at the FERC. Until Ameren has evaluated the impact of the FERC's order with respect to the Ameren system, we are unable to predict the ultimate impact that the new market power analysis screens will have on Ameren's ability to sell power at market-based rates.

NOTE 4 - SHORT-TERM BORROWINGS AND LIQUIDITY

Short-term borrowings consist of commercial paper issuances and bank line of credit drawings with maturities generally within 1 to 45 days. As of June 30, 2004, Ameren had short-term borrowings totaling $35 million, $32 million of which was borrowed by EEI. The average short-term borrowings at EEI were $10 million for the six months ended June 30, 2004, with a weighted-average interest rate of 1.7%. Peak short-term borrowings for EEI were $44 million for the six months June 30, 2004, with a weighted-average interest rate of 1.7%. CIPS, Genco, CILCORP and CILCO had no external short-term borrowings as of June 30, 2004 and December 31, 2003. At December 31, 2003, Ameren and UE had short-term borrowings outstanding, which totaled $161 million and $150 million, respectively.

At June 30, 2004, certain of the Ameren Companies had committed bank credit facilities totaling $829 million, all of which were available for use by UE, CIPS, CILCO and Ameren Services through a utility money pool arrangement. In addition, $600 million of the $829 million was available for use by Ameren directly, and by most of the non rate-regulated affiliates including, but not limited to, Resources Company, Genco, Marketing Company, AFS, AERG and Ameren Energy, through a non state-regulated subsidiary money pool agreement. We have money pool agreements with and among our subsidiaries to coordinate and provide for certain short-term cash and working capital requirements. Separate money pools are maintained between rate-regulated and non rate-regulated businesses. See Note 8 - Related Party Transactions for a detailed explanation of the money pool arrangements. The committed bank credit facilities are used to support our commercial paper programs under which no amounts were outstanding at June 30, 2004 (December

31, 2003 - $150 million). Access to our credit facilities for any of Ameren's subsidiaries is subject to reduction based on use by affiliates.

In July 2004, Ameren entered into two new credit agreements for $700 million in revolving credit facilities to be used for general corporate purposes, including support of Ameren and UE commercial paper programs. The $700 million in new facilities includes a $350 million three-year revolving credit facility and a $350 million five-year revolving credit facility. These new credit facilities replaced Ameren's existing $235 million 364-day revolving credit facility, which matured on July 14, 2004, and a $130 million multi-year revolving credit facility, which would have matured in July 2005. An existing Ameren $235 million multi-year revolving facility, which matures in July 2006, remains outstanding and available.

In May 2004, UE renewed its 364-day revolving facilities totaling $154 million that were due to expire that month for an additional one-year term.

EEI also has two bank credit agreements totaling $45 million with maturities through June 2005. At June 30, 2004, $32 million was borrowed and outstanding under these credit facilities.

Borrowings under Ameren's non state-regulated subsidiary money pool agreement by Genco, Development Company and Medina Valley, each an "exempt wholesale generator," are considered investments for purposes of the 50% SEC aggregate investment limitation. Based on Ameren's aggregate investment in these "exempt wholesale generators" as of June 30, 2004, the maximum permissible borrowings under Ameren's non state-regulated subsidiary money pool pursuant to this limitation for these entities were $705 million.

Indebtedness Provisions and Other Covenants

Certain of the Ameren Companies' bank credit agreements contain provisions which, among other things, place restrictions on the ability to incur liens, sell assets and merge with other entities. Certain of these credit agreements also contain a provision that limits Ameren's, UE's, CIPS' and/or CILCO's total indebtedness to 60% of total capitalization pursuant to a calculation defined in the related agreement. As of June 30, 2004, the ratio of total indebtedness to total capitalization (calculated in accordance with this provision) for Ameren, UE, CIPS and CILCO was 45%, 45%, 51% and 52%, respectively. In addition, certain of these credit agreements contain indebtedness cross-default provisions and material adverse change clauses which could trigger a default under these facilities in the event that any of Ameren' subsidiaries (subject to the definition in the underlying credit agreements), other than certain project finance subsidiaries, defaults in indebtedness in excess of $50 million. The credit agreements also require us to meet minimum ERISA funding rules.

None of the Ameren Companies' credit agreements or financing agreements contain credit rating triggers. A $100 million CILCO bank term loan containing a credit ratings trigger was repaid in February 2004. At June 30, 2004, the Ameren Companies and EEI were in compliance with their credit agreement provisions and covenants.

NOTE 5 - LONG-TERM DEBT AND EQUITY FINANCINGS

Ameren

In February 2004, Ameren issued, pursuant to an August 2002 Form S-3 shelf registration statement, 19.1 million shares of its common stock at $45.90 per share for net proceeds of $853 million. This issuance substantially depleted all of the capacity under the August 2002 shelf registration statement. In June 2004, the SEC declared effective a Form S-3 shelf registration statement filed by Ameren covering the offering from time to time of up to $2 billion of various forms of securities including long-term debt, trust preferred securities and equity securities. In July 2004, Ameren issued, pursuant to the June 2004 Form S-3 shelf registration statement, 10.9 million shares of its common stock at $42.00 per share for net proceeds of $445 million. The proceeds from these offerings are expected to provide funds required to pay the cash portion of the purchase price for our pending acquisition of Illinois Power and Dynegy's 20 percent interest in EEI, and to reduce Illinois Power debt, assumed as a part of this transaction, and pay related premiums. Pending such use, and/or if the acquisition is not completed, we plan to use the net proceeds to reduce present or future indebtedness

and/or repurchase securities of Ameren or its subsidiaries. A portion of the net proceeds may also be temporarily invested in short-term instruments. See Note 2
- Acquisitions for further information.

In March 2004, the SEC declared effective a Form S-3 registration statement filed by Ameren in February 2004, authorizing the offering of six million additional shares of its common stock under DRPlus. Shares of common stock sold under the DRPlus are, at Ameren's option, newly issued shares or treasury shares, or shares purchased in the open market or in privately negotiated transactions. Ameren is currently selling newly issued shares of its common stock under DRPlus. For the six months ended June 30, 2004, Ameren issued 1.2 million new common shares valued at approximately $60 million under its DRPlus and its 401(k) plans to be used for general corporate purposes.

UE

UE had a lease agreement, which was scheduled to expire on August 31, 2031, that provided for the financing of a portion of its nuclear fuel that was processed for use or was consumed at UE's Callaway nuclear plant. In February 2004, UE terminated this lease with a final payment of $67 million.

In February and March 2004, in connection with the delivery of bond insurance policies to secure the environmental improvement and pollution control revenue bonds (Series 1991, 1992, 1998A, 1998B, 1998C, 2000A, 2000B and 2000C) previously issued by the Missouri Environmental Authority, UE delivered separate series of its first mortgage bonds (which are subject to fallaway provisions, as defined in the related financing agreements, similar to those included in its first mortgage bonds which secure UE's senior secured notes) to secure its respective obligations under the existing loan agreements with the Missouri Environmental Authority relating to such environmental improvement and pollution control revenue bonds. As a result, the environmental improvement and pollution control revenue bonds were rated Aaa, AAA and AAA by Moody's, S&P's and Fitch's, respectively.

In May 2004, UE issued, pursuant to a September 2003 Form S-3 shelf registration statement, $104 million of 5.50% senior secured notes due May 15, 2014, with interest payable semi-annually on May 15 and November 15 of each year beginning in November 2004. UE received net proceeds of $103 million which were used to redeem and refinance the $100 million 7.00% first mortgage bonds due 2024. The remaining proceeds were used to pay for a portion of the redemption premium and issuance costs.

CILCORP and CILCO

In February 2004, CILCO repaid its secured bank term loan totaling $100 million with available cash and borrowings from the utility money pool. In May 2004, CILCORP repurchased, $15 million in principal amount of its 9.375% senior bonds for approximately $20 million, which included premium and accrued interest costs. In July 2004, CILCORP repurchased $2 million in principal amount of its 9.375% senior bonds for approximately $3 million which included premium and accrued interest costs. In July 2004, CILCO redeemed 11,000 shares of its 5.85% Class A preferred stock at a redemption price of $100 per share plus accrued and unpaid dividends. The redemption satisfied the Company's mandatory sinking fund redemption requirement for this series of preferred stock for 2004.

The amortization related to debt fair value adjustments recorded in connection with the CILCORP acquisition for the three month and six month periods ended June 30, 2004 was $2 million (2003 - $2 million) and $4 million (2003 - $3 million), respectively, and was recorded in interest expense in the Consolidated Statements of Income for Ameren and CILCORP. In conjunction with the repurchase of CILCORP's 9.375% senior bonds in May 2004, the fair value adjustment was reduced by $4 million during the second quarter of 2004.

EEI

In June 2004, EEI repaid its $40 million 7.61% bank term loan due 2004 with proceeds received from EEI's credit facilities.

Amortization of Interest-related Costs

The following table presents the amortization of debt issuance costs and any premium or discounts included in interest expense for the Ameren Companies for the three months and six months ended June 30, 2004 and 2003, respectively:

	Three Months		Six Months	
	2004	2003	2004	2003
Ameren(a)(c)	$ 5	$ 5	$ 10	$ 8
UE	1	1	2	2
CIPS	-	-	-	-
Genco	1	1	1	1
CILCORP(b)(c)	2	2	4	3
CILCO	-	-	-	-

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) January 2003 predecessor amounts were zero. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.
(c) In conjunction with the acquisition of CILCORP in 2003, CILCORP's long-term debt was adjusted to fair value.

Indenture Provisions and Other Covenants

UE

UE's indenture agreements and Articles of Incorporation include covenants and provisions related to the issuance of first mortgage bonds and preferred stock. For the issuance of additional first mortgage bonds, earnings coverage of twice the annual interest charges on first mortgage bonds outstanding and to be issued is required. For the 12 months ended June 30, 2004, UE had a coverage ratio of 8.5 times the annual interest charges on the first mortgage bonds outstanding, which would permit UE to issue an additional $4 billion of first mortgage bonds at an assumed interest rate of 7%. For the issuance of additional preferred stock, earnings coverage of at least 2.5 times the annual dividend on preferred stock outstanding and to be issued is required under UE's Articles of Incorporation. For the 12 months ended June 30, 2004, UE had a coverage ratio of 73 times the annual dividend requirement on preferred stock outstanding, which would permit UE to issue an additional $2.4 billion in preferred stock at an assumed dividend rate of 7%. The ability to issue such securities in the future will depend on such tests at that time.

In addition, UE's mortgage indenture contains certain provisions which restrict the amount of common dividends that can be paid by UE. Under this mortgage indenture, $31 million of total retained earnings was restricted against the payment of common dividends, except for those dividends payable in common stock, leaving $1.6 billion of free and unrestricted retained earnings at June 30, 2004.

CIPS

CIPS' indenture agreements and Articles of Incorporation include covenants which must be complied with in order to issue first mortgage bonds and preferred stock. For the issuance of additional first mortgage bonds, earnings coverage of twice the annual interest charges on first mortgage bonds outstanding and to be issued is required. For the 12 months ended June 30, 2004, CIPS had a coverage ratio of 3.6 times the annual interest charges for one year on the aggregate amount of first mortgage bonds outstanding and, subsequently, the most restrictive test under the indenture agreements would allow CIPS to issue an additional $127 million of first mortgage bonds. For the issuance of additional preferred stock, earnings coverage of 1.5 times annual interest charges on all long-term debt outstanding and the annual preferred stock dividends is required under CIPS' Articles of Incorporation. For the 12 months ended June 30, 2004, CIPS had a coverage ratio of 2.17 times the sum of the annual interest charges and dividend requirements on all long-term debt and preferred stock outstanding as of June 30, 2004, and consequently had the availability to issue the maximum amount of preferred stock allowed, which is $215 million, assuming a dividend rate of 7%. The ability to issue such securities in the future will depend on coverage ratios at that time.

Genco

Genco's senior note indenture includes provisions that require it to maintain a senior debt service coverage ratio of at least 1.75 to 1 (for both the prior four fiscal quarters and projected next succeeding four six-month periods) in order to pay dividends to Ameren or to make payments of principal or interest under certain subordinated indebtedness excluding amounts payable under its intercompany note payable with CIPS. For the 12 months ended June 30, 2004, this ratio was 4.21 to 1. In addition, the indenture also restricts Genco from incurring any additional indebtedness, with the exception of certain permitted indebtedness as defined in the indenture, unless its senior debt service coverage ratio equals at least 2.5 to 1 for the most recently ended four fiscal quarters and its senior debt to total capital ratio would not exceed 60%, both after giving effect to the additional indebtedness on a pro-forma basis. This debt incurrence requirement is disregarded in the event certain rating agencies reaffirm the ratings of Genco after considering the additional indebtedness. As of June 30, 2004, Genco's senior debt to total capital ratio was 55%.

CILCORP

Covenants in CILCORP's indenture governing its $475 million (original issuance amount) senior notes and bonds require CILCORP to maintain a debt to capital ratio of no greater than 0.67 to 1 and an interest coverage ratio of at least 2.2 to 1 in order to make any payment of dividends or intercompany loans to affiliates other than to its direct and indirect subsidiaries, including CILCO. However, in the event CILCORP is not in compliance with these tests, CILCORP may only make such payments of dividends or intercompany loans if its senior long-term debt rating is at least BB+ from S&P, Baa2 from Moody's and BBB from Fitch. For the 12 months ended June 30, 2004, CILCORP's debt to capital ratio was 0.63 to 1 and its interest coverage ratio was 2.5 to 1, calculated in accordance with related provisions in this indenture. The common stock of CILCO is pledged as security to the holders of these senior notes and bonds.

Off-Balance Sheet Arrangements

At June 30, 2004, neither Ameren nor any of its subsidiaries had any off-balance sheet financing arrangements, other than operating leases entered into in the ordinary course of business. Neither Ameren nor any of its subsidiaries expects to engage in any significant off-balance sheet financing arrangements in the near future.

NOTE 6 - Other Income and Deductions

The following table presents Other Income and Deductions for each of the Ameren Companies for the three months and six months ended June 30, 2004 and 2003:

	Three Months		Six Months	
	2004	2003	2004	2003
Ameren:(a)				
Miscellaneous income:				
Interest and dividend income	$ 3	$ 1	$ 5	$ 2
Allowance for equity funds used during construction	1	-	4	-
Other	-	4	3	9
Total miscellaneous income	$ 4	$ 5	$ 12	$ 11
Miscellaneous expense:				
Minority interest in subsidiary	$ (2)	$ (4)	$ (3)	$ (5)
Other	(2)	(3)	(2)	(5)
Total miscellaneous expense	$ (4)	$ (7)	$ (5)	$ (10)
UE:				
Miscellaneous income:				
Interest and dividend income	$ 1	$ -	$ 2	$ -
Equity in earnings of subsidiary	2	4	3	5
Allowance for equity funds used during construction	1	-	4	-
Other	-	4	-	4
Total miscellaneous income	$ 4	$ 8	$ 9	$ 9
Miscellaneous expense:				
Other	$ (4)	$ (2)	$ (5)	$ (3)
Total miscellaneous expense	$ (4)	$ (2)	$ (5)	$ (3)

	Three Months		Six Months	
	2004	2003	2004	2003
CIPS:				
Miscellaneous income:				
Interest and dividend income	$ 6	$ 7	$ 13	$ 14
Total miscellaneous income	$ 6	$ 7	$ 13	$ 14
Miscellaneous expense:				
Other	$ (1)	$ (1)	$ (1)	$ (2)
Total miscellaneous expense	$ (1)	$ (1)	$ (1)	$ (2)
Genco:				
Miscellaneous expense:				
Other	$ -	$ -	$ (1)	$ -
Total miscellaneous expense	$ -	$ -	$ (1)	$ -
CILCORP:(b)				
Miscellaneous expense:				
Other	$ (1)	$ (1)	$ (2)	$ (1)
Total miscellaneous expense	$ (1)	$ (1)	$ (2)	$ (1)
CILCO:				
Miscellaneous expense:				
Other	$ (2)	$ (1)	$ (3)	$ (1)
Total miscellaneous expense	$ (2)	$ (1)	$ (3)	$ (1)

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) January 2003 predecessor amounts were zero. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

NOTE 7 - Derivative Financial Instruments

Cash Flow Hedges

The following table presents balances in certain accounts for cash flow hedges as of June 30, 2004:

	Ameren	UE	CIPS	Genco	CILCORP(a)	CILCO
Balance Sheet:						
Other assets	$ 35	$ 8	$ 6	$ 9	$ 12	$ 12
Other deferred credits and liabilities.	11	10	-	1	-	-
Accumulated OCI:						
Power forwards(b)	(1)	-	-	(1)	-	-
Interest rate swaps(c)	5	-	-	5	-	-
Gas swaps and futures contracts(d)	21	4	6	-	11	11
Call options(e)	3	3	-	-	-	-

(a) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.
(b) Represents the mark-to-market loss for the hedged portion of electricity price exposure for periods generally less than one year. Certain contracts designated as hedges of electricity price exposure have terms up to five years.
(c) Represents a gain associated with interest rate swaps at Genco that were a partial hedge of the interest rate on debt issued in June 2002. The swaps cover the first 10 years of debt that has a 30-year maturity and the gain in OCI is amortized over a 10-year period that began in June 2002.
(d) Represents a gain associated with natural gas swaps and futures contracts. The swaps are a partial hedge of our natural gas requirements through October 2007. CILCO amount represents a gain associated with a partial hedge of natural gas requirements through October 2007.
(e) Represents the mark-to-market gain of two call options to purchase coal that are accounted for as cash flow hedges. One of these options to purchase coal expires in October 2004 and the other option expires in July 2005.

The pre-tax net gain or loss on power forward derivative instruments included in Other Income and Deductions at Ameren, UE and Genco, which represented the impact of discontinued cash flow hedges, the ineffective portion of cash flow hedges, as well as the reversal of amounts previously recorded in OCI due to transactions going to delivery or settlement, was a $2 million gain for Ameren, $1 million gain for UE and $1 million gain for Genco for the quarter ended June 30, 2004 (2003 - less than $1 million gain for Ameren, less than $1 million gain for UE, less than $1 million gain for Genco) and was a $2 million gain for Ameren, $1 million gain for UE and $1 million gain for Genco for the six

months ended June 30, 2004 (2003 - $1 million loss for Ameren, less than $1 million loss for UE, less than $1 million loss for Genco).

Other Derivatives

The following table represents for the three months and six months ended June 30, 2004 and 2003, the net change in market value of option transactions, which are used to manage our positions in SO2 allowances, coal, heating oil and electricity or power. Certain of these transactions are treated as non-hedge transactions under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." The net change in the market value of SO2 options is recorded in Operating Revenues - Electric, while the net change in the market value of coal, heating oil and electricity or power options is recorded as Operating Expenses - Fuel and Purchased Power.

Gains (Losses)(a)	Three Months		Six Months	
	2004	2003	2004	2003
SO2 options:				
Ameren(b)	$ (1)	$ -	$ (2)	$ (1)
UE	(4)	-	(7)	-
CIPS	-	-	-	-
Genco	3	-	5	(1)
CILCORP(c)	-	-	-	-
CILCO(c)	-	-	-	-

(a) Coal, power and heating oil option gains and losses were less than $1 million for the periods shown above.
(b) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(c) January 2003 predecessor amounts were zero.

NOTE 8 - Related Party Transactions

The Ameren Companies have engaged in, and may in the future engage in, affiliate transactions in the normal course of business. These transactions primarily consist of gas and power purchases and sales, services received or rendered, borrowings and lendings. Transactions between affiliates are reported as intercompany transactions on their financial statements, but are eliminated in consolidation for Ameren's financial statements. For a discussion of our material related party agreements, see Note 14 - Related Party Transactions under Part II, Item 8 of the Ameren Companies' combined Form 10-K for the fiscal year ended December 31, 2003. Below are updates to several related party transactions.

Electric Power Supply Agreements

Under two electric power supply agreements, Genco is obligated to supply to Marketing Company, and Marketing Company, in turn, is obligated to supply to CIPS, all of the energy and capacity needed by CIPS to offer service for resale to its native load customers at rates specified by the ICC and to fulfill CIPS' other obligations under all applicable federal and state tariffs or contracts. The agreement between CIPS and Marketing Company expires on December 31, 2004. The agreement between Genco and Marketing Company can be terminated by either party upon at least one year's notice, but may not be terminated prior to December 31, 2004. CIPS and Marketing Company filed in July 2004, a request with the FERC to extend their agreement through December 31, 2006. This extension was required by the ICC in its order approving Ameren's acquisition of CILCORP.

In October 2003, in conjunction with CILCO's transfer to AERG of substantially all of its generating assets, AERG entered into an electric power supply agreement with CILCO to supply CILCO with sufficient power to meet its native load requirements. This agreement expires on December 31, 2004. AERG and CILCO have agreed to extend the power supply agreement through December 31, 2006. Unlike the CIPS-Marketing Company agreement, the provisions of the agreement between CILCO and AERG allow the parties to extend the term of the agreement, and Ameren believes that no further FERC action is necessary for such an extension to become effective. The ICC also required this extension in its order approving Ameren's acquisition of CILCORP.

Joint Dispatch Agreement

UE and Genco jointly dispatch electric generation under an amended joint dispatch agreement. Under the agreement, each affiliate is required to serve its load requirements from its own generation first, and then allow access to any available generation to its affiliate. The joint dispatch agreement can be terminated by either party by giving one year's notice. To address concerns raised before the MoPSC in the proceeding relating to the transfer of UE's Illinois-based utility businesses to CIPS (see Note 3 - Rate and Regulatory Matters), UE offered to seek to amend the joint dispatch agreement so as to provide UE with a larger share of the margins on short term sales of power from the combined generation of UE and Genco. In particular, UE offered to use its best efforts to obtain all required regulatory approvals for such an amendment, but only if the MoPSC concluded that this was a necessary condition for its approval of the transfer of UE's Illinois-based utility businesses. If made, such an amendment is expected to provide to UE additional annual margins ranging from approximately $7 million to $24 million for UE's share of short term power sales. Such an amendment is expected to result in a corresponding reduction in Genco's margins from its share of short term power sales. However, this reduction is expected to be offset by margins received from additional power sales by Genco (through Marketing Company) to CIPS to serve the transferred UE Illinois-based electric utility business. Also as part of the proceeding before the MoPSC, UE offered to study alternatives to the current use of incremental costs to price system energy transfers under the joint dispatch agreement between UE and Genco, if the MoPSC concluded that this was a necessary condition for its approval. As a result of the foregoing, there is uncertainty as to the terms of the joint dispatch agreement and also as to its duration. The termination of the agreement, or modifications to it, could have a material adverse effect on UE or Genco. Modifications to, or termination of, the agreement would not have an immediate impact on Ameren due to UE's Missouri electric rate moratorium, which ends June 30, 2006.

Money Pools

Through the utility money pool, the pool participants can access committed credit facilities at Ameren, which totaled $600 million at June 30, 2004, and were increased to $935 million in July 2004. These facilities are in addition to UE's $154 million, CIPS' $15 million and CILCO's $60 million in committed credit facilities which are also available to the utility money pool participants. The total amount available to the pool participants from the utility money pool at any given time is reduced by the amount of borrowings by their affiliates, but increased to the extent the pool participants have surplus funds or other external sources are used to increase the available amounts. The average interest rate for borrowing under the utility money pool for the three months ended June 30, 2004 was 1.04% (2003 - 1.19%) and for the six months ended June 30, 2004 was 1.02% (2003 - 1.25%).

At June 30, 2004, $600 million was available through the non state-regulated subsidiary money pool, excluding additional funds available through excess cash balances. The average interest rate for borrowing under the non state-regulated subsidiary money pool for the three months ended June 30, 2004 was 8.84% (2003 - 8.84%) and for the six months ended June 30, 2004 was 8.84% (2003 - 8.84%).

CILCORP has been granted authority by the SEC under the PUHCA to borrow up to $250 million directly from Ameren in a separate arrangement unrelated to the money pools.

Intercompany Promissory Notes

Genco has affiliate notes payable of $324 million and $34 million to CIPS and Ameren, respectively, which, by their current terms, have final payments of principal and interest due on May 1, 2005. The note payable to CIPS was issued in conjunction with the transfer of its electric generating assets and related liabilities to Genco. Genco and CIPS expect to renew or modify the CIPS note to extend the principal maturity, which could include continued amortization of the principal amount. Such extension could require regulatory approval. Genco and Ameren are currently evaluating various alternatives with respect to the note payable to Ameren. In the event the maturities of these notes are not extended or restructured, whether due to not obtaining any necessary regulatory approvals or otherwise, Genco may need to access other financing sources to meet the maturity obligation to the extent it does not have cash available from its operating cash flows. Such sources of financing could include borrowings under the non state-regulated subsidiary money pool, or infusion of equity capital or new direct borrowings from Ameren, all subject to applicable regulatory financing authorizations and provisions in Genco's senior note indenture.

UE

The following tables present the impact of related party transactions on UE's Consolidated Statement of Income and Consolidated Balance Sheet, based primarily on the agreements discussed above and in Note 14 - Related Party Transactions under Part II, Item 8 of the Ameren Companies' combined Form 10-K for the year ended December 31, 2003:

Statement of Income	Three Months		Six Months	
	2004	2003	2004	2003
Operating revenues from affiliates:				
Power supply agreement with EEI	$ 2	$ 1	$ 2	$ 1
Joint dispatch agreement with Genco	28	24	58	56
Agency agreement with Ameren Energy	42	41	95	111
Gas transportation agreement with Genco	-	1	-	1
Total operating revenues	$ 72	$ 67	$ 155	$ 169
Fuel and purchased power expenses from affiliates:				
Power supply agreements:				
EEI	$ 17	$ 15	$ 33	$ 28
Marketing Company	3	3	5	5
Joint dispatch agreement with Genco	12	7	24	18
Agency agreement with Ameren Energy	11	11	30	28
Total fuel and purchased power expenses	$ 43	$ 36	$ 92	$ 79
Other operating expenses:				
Support service agreements:				
Ameren Services	$ 38	$ 41	$ 76	$ 86
Ameren Energy	4	5	7	10
AFS	1	2	2	4
Total other operating expenses	$ 43	$ 48	$ 85	$ 100
Interest expense:				
Borrowings (advances) related to money pool	$ 1	$ 1	$ 1	$ 2

Balance Sheet	June 30, 2004	December 31, 2003
Assets:		
Miscellaneous accounts and notes receivable	$ 11	$ 16
Advances to money pool	2	12
Liabilities:		
Accounts payable and wages payable	$ 69	$ 46
Borrowings from money pool	342	-

CIPS

The following tables present the impact of related party transactions on CIPS' Statement of Income and Balance Sheet, based primarily on the agreements discussed above and in Note 14 - Related Party Transactions under Part II, Item 8 of the Ameren Companies' combined Form 10-K for the year ended December 31, 2003:

Statement of Income	Three Months		Six Months	
	2004	2003	2004	2003
Operating revenues from affiliates:				
Power supply agreements:				
Marketing Company	$ 8	$ 8	$ 16	$ 15
CILCO	-	2	-	3
Total operating revenues	$ 8	$ 10	$ 16	$ 18
Fuel and purchased power expenses from affiliates:				
Power supply agreements:				
Marketing Company	$ 71	$ 74	$ 143	$ 153
EEI	8	8	16	15
Total fuel and purchased power expenses	$ 79	$ 82	$ 159	$ 168

Statement of Income	Three Months		Six Months	
	2004	2003	2004	2003
Other operating expenses:				
Support service agreements:				
Ameren Services	$ 12	$ 14	$ 24	$ 29
AFS	-	1	-	1
Total other operating expenses	$ 12	$ 15	$ 24	$ 30
Interest income:				
Note receivable from Genco	$ 6	$ 7	$ 13	$ 14

Balance Sheet	June 30, 2004	December 31, 2003
Assets:		
Miscellaneous accounts and notes receivable	$ 10	$ 10
Promissory note receivable from Genco(a)	324	373
Tax receivable from Genco(b)	156	162
Liabilities:		
Accounts payable and wages payable	$ 47	$ 43
Borrowings from money pool	47	121

(a) Amount includes current portion of $49 million as of December 31, 2003 and $324 million as of June 30, 2004.
(b) Amount includes current portion of $12 million as of December 31, 2003 and $12 million as of June 30, 2004.

Genco

The following tables present the impact of related party transactions on Genco's Statement of Income and Balance Sheet, based primarily on the agreements discussed above and in Note 14 - Related Party Transactions under Part II, Item 8 of the Ameren Companies' combined Form 10-K for the year ended December 31, 2003:

Statement of Income	Three Months		Six Months	
	2004	2003	2004	2003
Operating revenues from affiliates:				
Power supply agreements:				
Marketing Company	$ 168	$ 143	$ 341	$ 300
EEI	1	1	1	1
Joint dispatch agreement with UE	12	7	24	18
Agency agreement with Ameren Energy	22	19	49	54
Operating lease with Development Company	2	2	5	5
Total operating revenues	$ 205	$ 172	$ 420	$ 378
Fuel and purchased power expenses from affiliates:				
Joint dispatch agreement with UE	$ 28	$ 24	$ 58	$ 56
Agency agreement with Ameren Energy	3	6	10	15
Gas transportation agreement with UE	-	1	-	1
Total fuel and purchased power expenses	$ 31	$ 31	$ 68	$ 72
Other operating expenses:				
Support service agreements:				
Ameren Services	$ 4	$ 4	$ 8	$ 9
Ameren Energy	3	2	4	5
AFS	1	-	1	1
Total other operating expenses	$ 8	$ 6	$ 13	$ 15
Interest expense:				
Borrowings related to money pool	$ 3	$ 4	$ 6	$ 9
Note payable to CIPS	6	7	13	14
Note payable to Ameren	-	-	1	1

Balance Sheet	June 30, 2004	December 31, 2003
Assets:		
Miscellaneous accounts and notes receivable................	$ 73	$ 78
Liabilities:		
Accounts payable and wages payable.........................	23	22
Interest payable...	7	7
Promissory note payable to CIPS(a).........................	324	373
Promissory note payable to Ameren(b).......................	34	38
Tax payable to CIPS(c).....................................	156	162
Borrowings from money pool.................................	156	124

(a) Amount includes current portion of $49 million as of December 31, 2003 and $324 million as of June 30, 2004.
(b) Amount includes current portion of $4 million as of December 31, 2003 and $34 million as of June 30, 2004.
(c) Amount includes current portion of $12 million as of December 31, 2003 and $12 million as of June 30, 2004.

CILCORP

The following tables present the impact of related party transactions on CILCORP's Consolidated Statement of Income and Consolidated Balance Sheet, based primarily on the agreements discussed above and in Note 14 - Related Party Transactions under Part II, Item 8 of the Ameren Companies' combined Form 10-K for the year ended December 31, 2003:

Statement of Income(a)(b)	Three Months		Six Months	
	2004	2003	2004	2003
Operating revenues from affiliates:				
Gas supply and services agreement with Medina Valley...	$ -	$ 3	$ -	$ 10
Total operating revenues..............................	$ -	$ 3	$ -	$ 10
Fuel and purchased power expenses from affiliates:				
Executory tolling agreement with Medina Valley.........	$ 7	$ 6	$ 17	$ 15
Power purchase agreement with CIPS.....................	-	2	-	3
Total fuel and purchased power expenses...............	$ 7	$ 8	$ 17	$ 18
Other operating expenses:				
Support services agreements:				
Ameren Services....................................	$ 12	$ 1	$ 25	$ 1
AFS..	1	1	1	1
Total other operating expenses...........................	$ 13	$ 2	$ 26	$ 2
Interest expense:				
Note payable to Ameren.................................	$ 1	$ -	$ 2	$ -
Borrowings related to money pool.......................	1	-	2	-

(a) 2003 amounts include January 2003 predecessor information which included $2 million in operating revenues and $3 million in purchased power associated with the executory tolling agreement with Medina Valley.
(b) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Balance Sheet(a)	June 30, 2004	December 31, 2003
Assets:		
Miscellaneous accounts and notes receivable...................	$ 5	$ 8
Liabilities:		
Accounts payable..	$ 23	$ 16
Note payable to Ameren..	57	46
Borrowings from money pool....................................	232	145

(a) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

CILCO

The following tables present the impact of related party transactions on CILCO's Consolidated Statement of Income and on the Consolidated

Balance Sheet, based primarily on the various agreements discussed above and in Note 14 -

Related Party Transactions under Part II, Item 8 of the Ameren Companies' combined Form 10-K for the year ended December 31, 2003:

Statement of Income	Three Months		Six Months	
	2004	2003	2004	2003
Fuel and purchased power expenses from affiliates:				
Executory tolling agreement with Medina Valley........	$ 7	$ 6	$ 17	$ 16
Power purchase agreement with CIPS....................	-	2	-	3
Total fuel and purchased power expenses..............	$ 7	$ 8	$ 17	$ 19
Other operating expenses:				
Support services agreements:				
Ameren Services....................................	$ 12	$ 1	$ 24	$ 1
AFS..	-	1	-	1
Total other operating expenses.......................	$ 12	$ 2	$ 24	$ 2
Interest expense:				
Borrowings related to money pool.....................	$ 1	$ -	$ 2	$ -

Balance Sheet	June 30, 2004	December 31, 2003
Assets:		
Miscellaneous accounts and notes receivable..............	$ 5	$ 6
Liabilities:		
Accounts payable	$ 23	$ 23
Borrowings from money pool...............................	233	149

NOTE 9 - Commitments and Contingencies

Reference is made to Note 15 - Commitments and Contingencies under Part II, Item 8 of the Ameren Companies' combined Form 10-K for the fiscal year ended December 31, 2003.

Callaway Nuclear Plant

The following table presents insurance coverage at UE's Callaway nuclear plant at June 30, 2004:

Type and Source of Coverage	Maximum Coverages	Maximum Assessments for Single Incidents
Public liability:		
American Nuclear Insurers......................	$ 300	$ -
Pool participation............................	10,461	101(a)
	$ 10,761(b)	$ 101
Nuclear worker liability:		
American Nuclear Insurers......................	$ 300(c)	$ 4
Property damage:		
Nuclear Electric Insurance Ltd.................	$ 2,750(d)	$ 21
Replacement power:		
Nuclear Electric Insurance Ltd.................	$ 490(e)	$ 7

(a) Retrospective premium under the Price-Anderson liability provisions of the Atomic Energy Act of 1954, as amended (Price-Anderson). This is subject to retrospective assessment with respect to loss from an incident at any U.S. reactor, payable at $10 million per year. Price-Anderson expired in August 2002 and the temporary extension expired December 31, 2003. Until Price-Anderson is renewed, its provisions continue to apply to existing nuclear plants.
(b) Limit of liability for each incident under Price-Anderson.
(c) Industry limit for potential liability from workers claiming exposure to the hazards of nuclear radiation.
(d) Includes premature decommissioning costs.
(e) Weekly indemnity of $3.5 million for 52 weeks, which commences after the first eight weeks of an outage, plus $2.8 million per week for 110 weeks thereafter.

Price-Anderson limits the liability for claims from an incident involving any licensed U.S. nuclear facility. The limit is based on the number of licensed reactors and is adjusted at least every five years based on the Consumer Price Index. Utilities owning a nuclear reactor cover this exposure through a combination of private insurance and mandatory participation in a financial protection pool, as established by Price-

Anderson.

If losses from a nuclear incident at the Callaway nuclear plant exceed the limits of, or are not subject to, insurance, or if coverage is not available, we self-insure the risk. Although we have no reason to anticipate a serious nuclear incident, if one did occur, it could have a material, but indeterminable, adverse effect on our financial position, results of operations or liquidity.

Environmental Matters

Clean Air Act

The EPA issued a rule in October 1998 requiring 22 eastern states and the District of Columbia to reduce emissions of NOx in order to reduce ozone in the eastern United States. Among other things, the EPA's rule establishes an ozone season, which runs from May through September, and a NOx emission budget for each state, including Illinois. The EPA rule requires states to implement controls sufficient to meet their NOx budget by May 31, 2004. In February 2002, the EPA proposed similar rules for Missouri. These rules were finalized in the spring of 2004. The compliance date for the Missouri rules is May 1, 2007. UE has filed an appeal of these rules with the United States Court of Appeals.

In mid-December 2003, the EPA issued proposed regulations with respect to SO2 and NOx emissions (the "Clean Air Interstate Rule") and mercury emissions from coal-fired power plants. The new rules, if adopted, will require significant additional reductions in these emissions from our power plants in phases, beginning in 2010. The rules are currently under a public review and comment period and may change before being issued as final. The following table presents preliminary estimated capital costs based on current technology on the Ameren systems to comply with the Clean Air Interstate and mercury rules, as proposed:

	By 2010	2011 - 2015
Ameren	$1.1 billion to $1.4 billion	$375 million to $510 million
UE	$660 million to $860 million	$175 million to $230 million
CIPS	-	-
Genco	$280 million to $370 million	$160 million to $220 million
CILCORP(a)	$110 million to $150 million	$40 million to $60 million
CILCO	$110 million to $150 million	$40 million to $60 million

(a) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Emission Credits

Both federal and state laws require significant reductions in SO2 and NOx emissions that result from burning fossil fuels. The Clean Air Act and NOx Budget Trading Program created marketable commodities called allowances. Each allowance gives the owner the right to emit one ton of SO2 or NOx. All existing generating facilities have been allocated allowances based on past production and the statutory emission reduction goals. If additional allowances are needed for new generating facilities, they can be purchased from facilities having excess allowances or from allowance banks. Our generating facilities comply with the SO2 limits through the use and purchase of allowances, the use of low sulfur fuels or through the application of pollution control technology. The NOx Budget Trading Program limits emissions of NOx during the ozone season (May through September). The NOx Budget Trading Program applies to all electric generating units in Illinois beginning in 2004 and in the eastern third of Missouri beginning in 2007. Our generating facilities are expected to comply with the NOx limits through the use and purchase of allowances or through the application of pollution control technology, including low NOx burners, over fire air systems, combustion optimization and selective catalytic reduction (SCR) systems.

As of June 30, 2004, UE, Genco and CILCO held 1.7 million, 0.5 million and 0.3 million tons, respectively, of SO2 emission allowances for use between 2004 and 2012. Each company possesses additional allowances for use in periods beyond 2012. As of June 30, 2004, UE, Genco and CILCO Illinois facilities expect to hold 290, 26,200 and 8,300, respectively, of NOx emission allowances with vintages from 2004 to 2007. The Illinois EPA is still determining some NOx emission allowances allocations for this period and 2008. UE, Genco and CILCO expect to use a substantial portion of the SO2 and NOx allowances for ongoing operations. Allocations of NOx allowances for Missouri facilities are pending the finalization of rules by Missouri regulators. New environmental regulations, including the Clean Air

Interstate Rule, the timing of the installation of pollution control equipment and level of operations will have a significant impact on the amount of allowances actually required for ongoing operations.

Noise-related Matters

On October 28, 2003, Genco filed a rulemaking proceeding before the Illinois Pollution Control Board (IPCB) seeking site specific noise limitations for its CTs in Elgin, Illinois. The new limitations would allow Genco to meet Illinois noise requirements in a newly proposed residential area. On July 22, 2004, the Illinois Pollution Control Board adopted a final rule that establishes site-specific noise limitations for Genco's CTs in Elgin, Illinois so that Genco will be able to comply with Illinois noise regulations. No further litigation or rulemaking action by Genco is necessary.

Asbestos-Related Litigation

Ameren, UE, CIPS, Genco and CILCO have been named, along with numerous other parties, in a number of lawsuits which have been filed by certain plaintiffs claiming varying degrees of injury from asbestos exposure. Most have been filed in the Circuit Court of Madison County, Illinois. The number of total defendants named in each case is significant with as many as 110 parties named in a case to as few as six. However, the average number of parties is 60 in the cases that were pending as of June 30, 2004.

The claims filed against Ameren, UE, CIPS, Genco and CILCO allege injury from asbestos exposure during the plaintiffs' activities at our electric generating plants. In the case of CIPS, its former plants are now owned by Genco, and in the case of CILCO, most of its former plants are now owned by AERG. As a part of the transfer of ownership of the generating plants, the transferor (CIPS or CILCO) has contractually agreed to indemnify the transferee (Genco or AERG) for liabilities associated with asbestos-related claims arising from activities prior to the transfer. Each lawsuit seeks unspecified damages in excess of $50,000, which, if proved, typically would be shared among the named defendants.

From April 1, 2004 through June 30, 2004, seven additional lawsuits were filed against Ameren, UE and CIPS, mostly in the Circuit Court of Madison County, Illinois, two lawsuits were dismissed and five were settled. The following table presents the status as of June 30, 2004 of the asbestos-related lawsuits that have been filed against the Ameren Companies:

		Specifically Named as Defendant				
	Total(a)	Ameren	UE	CIPS	Genco	CILCO
Filed	195	18	134	77	2	15
Settled	42	-	31	16	-	1
Dismissed	72	3	53	22	-	2
Pending	81	15	50	39	2	12

(a) Addition of the numbers in the individual columns does not equal the total column because some of the lawsuits name multiple Ameren entities as defendants.

Ameren, UE, CIPS, Genco and CILCO believe that the final disposition of these proceedings will not have a material adverse effect on their financial position, results of operations or liquidity.

Other Matters

Enron Litigation Settlement

In May 2001, CILCO and Enron Power Marketing, Inc. (EPMI), a subsidiary of Enron Corp. (Enron), entered into a master agreement for electric purchases and sales, which covered energy transactions scheduled for deliveries during the period of 2001 to 2003. In November 2001, EPMI demanded that CILCO post $28 million in collateral based on mark-to-market exposure of open transactions. Also in November 2001, CILCO notified EPMI that events of default had occurred under the master agreement and pursuant to the termination provisions of the master agreement declared the master agreement terminated effective December 20, 2001. Enron and EPMI filed Chapter 11 bankruptcy petitions in December 2001 in the U.S. Bankruptcy Court for the Southern District of New York. In December 2002, EPMI filed a complaint against AES, Constellation New Energy, Inc., formerly known as AES New Energy Inc., and CILCO in the U.S. Bankruptcy Court seeking $31 million. As a result of court ordered mediation of this matter, an agreement in

principal was reached among the parties in June 2004, which upon finalization and approval by the U.S. Bankruptcy Court, will settle the outstanding claim by requiring CILCO to pay approximately $21 million to Enron or its subsidiary. The settlement payment is expected to be made during the fourth quarter of 2004. The payment will also settle an unrelated dispute between CILCO and another Enron subsidiary, Enron North America Corp. (ENA) over ENA's failure to deliver natural gas to CILCO pursuant to transactions entered into in May and October 2001. AES, in conjunction with its sale of CILCORP to Ameren in 2003, agreed to indemnify Ameren against the after-tax cost of all liabilities, which will include the settlement payment, legal fees and expenses, incurred by CILCO relating to the Enron claim. Ameren assigned its indemnification rights to CILCO. As a result, this settlement will have no earnings impact on Ameren, CILCORP or CILCO.

Labor-related Matters

On June 18, 2003, 20 retirees and surviving spouses of retirees of various Ameren companies (the plaintiffs) filed a complaint in the U.S. District Court, Southern District of Illinois, against Ameren, UE, CIPS, Genco and Ameren Services, and against our Retiree Medical Plan (the defendants). The retirees were members of various local labor unions of the IBEW and the IUOE. The complaint, referred to as Barnett, et al. vs Ameren Corporation, et al., alleges the following:

o the labor organizations which represented the plaintiffs have historically negotiated retiree medical benefits with the defendants and that pursuant to the negotiated collective bargaining agreements and other negotiated documents, the plaintiffs are guaranteed medical benefits at no cost or at a fixed maximum cost during their retirement;
o Ameren has unilaterally announced that, beginning in 2004, retirees must pay a portion of their own healthcare premiums and either an increasing portion of their dependents' premiums or newly imposed dependents' premiums, and that surviving spouses will be paying increased amounts for their medical benefits;
o the defendants' actions deprive the plaintiffs of vested benefits and thus violate ERISA and the Labor Management Relations Act of 1947, and constitute a breach of the defendants' fiduciary duties; and
o the defendants are estopped from changing the plan benefits. (This allegation was subsequently dropped from the amended complaints referred to below).

The plaintiffs filed the complaint on behalf of themselves, other similarly situated former non-management employees and their surviving spouses who retired from January 1, 1992 through October 1, 2002, and on behalf of all subsequent non-management retirees and their surviving spouses whose medical benefits are reduced or are threatened with reduction. The plaintiffs seek to have this lawsuit certified as a class action, seek injunctive relief and declaratory relief, seek actual damages for any amounts they are made to pay as a result of the defendants' actions, and seek payment of attorney fees and costs. An amended complaint that added three plaintiffs was filed July 15, 2003. In response to the Court's ruling on the defendants' motions to dismiss various counts of the complaint, a second amended complaint was filed on December 15, 2003, clarifying some of the allegations, adding two and dropping two plaintiffs, and adding the Ameren Group Medical Plan as a defendant. On April 27, 2004, the Court granted the defendants' motion to dismiss one of the counts brought in connection with the amended complaint which alleges the defendants breached their fiduciary duties under ERISA. In July 2004, the Court denied the plaintiffs' motion to certify this lawsuit as a class action. However, the plaintiffs requested reconsideration of the Court's order denying class certification. In August 2004, the defendants filed a motion for summary judgment. We are unable to predict the outcome of this lawsuit or the impact of the outcome on our financial position, results of operations or liquidity.

Certain employees of CILCO are represented by the IBEW. These employees comprise 4% of Ameren's workforce. Labor agreements covering these employees expire August 29, 2004. Labor agreements covering the remaining UE and CIPS employees represented by IBEW and the IUOE expire in June 2006 and June 2007. CILCO has presented its best and final offer and we cannot predict whether negotiations concerning this offer will be accepted.

Leveraged Leases

Ameren owns interests in assets which have been financed as leveraged leases. One of these leveraged leases is a $10 million net investment at June 30, 2004, in an aircraft leased to Delta Air Lines. Delta Air Lines reported significant operating losses and disclosed in its Form 10-Q filing for the three months ended March 31, 2004, that there is a possibility of filing for bankruptcy if the company cannot achieve a competitive cost structure, regain sustained profitability and access the capital markets under acceptable terms. Ameren could lose all or a portion of its investment

in the Delta Air Lines lease in the event of a bankruptcy or default by Delta Air Lines or any voluntary restructuring of the lease. As of June 30, 2004, Delta Air Lines was current in its lease payments related to this lease.

NOTE 10 - Callaway Nuclear Plant

Under the Nuclear Waste Policy Act of 1982, the DOE is responsible for the permanent storage and disposal of spent nuclear fuel. The DOE currently charges one mill, or 1/10 of one cent, per nuclear-generated kilowatthour sold for future disposal of spent fuel. Pursuant to this Act, UE collects one mill from its electric customers for each kilowatthour of electricity that it generates from its Callaway nuclear plant. Electric utility rates charged to customers provide for recovery of such costs. The DOE is not expected to have its permanent storage facility for spent fuel available until at least 2015. UE has sufficient storage capacity at its Callaway nuclear plant until 2019 and has the capability for additional storage capacity through the licensed life of the plant. The delayed availability of the DOE's disposal facility is not expected to adversely affect the continued operation of the Callaway nuclear plant through its currently licensed life.

Electric utility rates charged to customers provide for the recovery of the Callaway nuclear plant's decommissioning costs over the life of the plant, based on an assumed 40-year life, ending with expiration of the plant's operating license in 2024. The Callaway nuclear plant site is assumed to be decommissioned based on immediate dismantlement method and removal from service. Decommissioning costs, including decontamination, dismantling and site restoration, are estimated to be $536 million in current year dollars and are expected to escalate approximately 3.5% per year through the end of decommissioning activity in 2033. Decommissioning costs are charged to cost of services used to establish electric rates for UE's customers and amounted to approximately $7 million in each of the years 2003, 2002 and 2001. Every three years, the MoPSC and ICC require UE to file updated cost studies for decommissioning its Callaway nuclear plant, and electric rates may be adjusted at such times to reflect changed estimates. The latest studies were filed in 2002. Costs collected from customers are deposited in an external trust fund to provide for the Callaway nuclear plant's decommissioning. Fund earnings are expected to average approximately 8.6% annually through the date of decommissioning. If the assumed return on trust assets is not earned, we believe it is probable that any such earnings deficiency will be recovered in rates. The fair value of the nuclear decommissioning trust fund for UE's Callaway nuclear plant is reported in Nuclear Decommissioning Trust Fund in Ameren's and UE's Consolidated Balance Sheets. This amount is legally restricted to fund the costs of nuclear decommissioning. Changes in the fair value of the trust fund are recorded as an increase or decrease to the nuclear decommissioning trust fund and to the regulatory asset recorded in connection with the adoption of SFAS No.
143. Upon the completion of UE's transfer of its Illinois electric and gas utility businesses to CIPS, which is subject to the receipt of regulatory approvals, the assets and liabilities related to the Illinois portion of the decommissioning trust fund will be transferred to Missouri. See Note 3 - Rate and Regulatory Matters for further information.

NOTE 11 - Stockholders' Equity

Paid-In Capital

Ameren's paid-in capital increased by $904 million as of June 30, 2004 compared to December 31, 2003. Ameren received net proceeds of $853 million from the issuance of 19.1 million shares of its common stock in February 2004. In addition, during the six months ended June 30, 2004, Ameren, pursuant to a Form S-3 registration statement, issued 1.3 million new shares of common stock valued at $60 million under its DRPlus and its 401(k) plans. Ameren's paid-in capital decreased $9 million due to the cashless exercise of stock options by its employees in the first six months of 2004. See Note 5 - Long-term Debt and Equity Financings for further information.

Other Comprehensive Income

Comprehensive income includes net income as reported on the statements of income and all other changes in common stockholders' equity, except those resulting from transactions with common stockholders. A reconciliation of

net income to comprehensive income for the three months and six months ended June 30, 2004 and 2003 is shown below for the Ameren Companies:

	Three Months Ended		Six Months Ended	
	2004	2003	2004	2003
Ameren:(a)				
Net income	$ 118	$ 110	$ 215	$ 211
Unrealized gain (loss) on derivative hedging instruments, net of taxes (benefit) of $3, $(2), $3, $(2)	6	(4)	6	(5)
Reclassification adjustments for gains (losses) included in net income, net of taxes (benefit) of $(1), $-, $(1), $(1)	(3)	-	(3)	(2)
Total comprehensive income, net of taxes	$ 121	$ 106	$ 218	$ 204
UE:				
Net income	$ 109	$ 107	$ 167	$ 175
Unrealized gain (loss) on derivative hedging instruments, net of taxes (benefit) of $-, $(1), $1, $(1)	1	(2)	3	(2)
Reclassification adjustments for gains (losses) included in net income, net of taxes (benefit) of $-, $-, $-, $-	-	-	-	(1)
Total comprehensive income, net of taxes	$ 110	$ 105	$ 170	$ 172
CIPS:				
Net income	$ 8	$ 3	$ 18	$ 5
Unrealized gain (loss) on derivative hedging instruments, net of taxes (benefit) of $1, $(1), $2, $(1)	1	(2)	4	(2)
Reclassification adjustments for gains (losses) included in net income, net of taxes (benefit) of $-, $-, $-, $-	-	-	(1)	-
Total comprehensive income, net of taxes	$ 9	$ 1	$ 21	$ 3
Genco:				
Net income	$ 17	$ 10	$ 46	$ 49
Unrealized gain (loss) on derivative hedging instruments, net of taxes (benefit) of $-, $-, $(1), $-	-	-	(1)	-
Reclassification adjustments for gains (losses) included in net income, net of taxes (benefit) of $-, $-, $-, $-	(1)	-	(1)	-
Total comprehensive income, net of taxes	$ 16	$ 10	$ 44	$ 49
CILCORP: (b)				
Net income (loss)	$ (4)	$ -	$ -	$ 12
Unrealized gain (loss) on derivative hedging instruments, net of taxes (benefit) of $1, $-, $2, $(1)	3	-	6	(1)
Reclassification adjustments for gains (losses) included in net income, net of taxes (benefit) of $(1), $-, $(1), $-	(2)	-	(2)	-
Total comprehensive income (loss), net of taxes	$ (3)	$ -	$ 4	$ 11
CILCO:				
Net income	$ 3	$ 5	$ 9	$ 40
Unrealized gain (loss) on derivative hedging instruments, net of taxes (benefit) of $1, $-, $2, $(1)	3	-	6	(1)
Reclassification adjustments for gains (losses) included in net income, net of taxes (benefit) of $(1), $-, $(1), $-	(2)	-	(2)	-
Total comprehensive income, net of taxes	$ 4	$ 5	$ 13	$ 39

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003 and includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) 2003 amounts include January 2003 predecessor information, which was zero. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Outstanding Shares of Common Stock

The following table reconciles the outstanding shares of Ameren common stock for the three months and six months ended June 30, 2004 and 2003:

	Three Months Ended		Six Months Ended	
	2004	2003	2004	2003
Shares outstanding at beginning of period............	182.5	161.1	162.9	154.1
Shares issued..	0.8	0.6	20.4	7.6
Shares outstanding at end of period	183.3	161.7	183.3	161.7

NOTE 12 - PENSION AND OTHER POSTRETIREMENT BENEFITS

In December 2003, the FASB issued SFAS No. 132 (Revised 2003), "Employers' Disclosures about Pensions and Other Postretirement Benefits (SFAS No. 132R)," which retains the disclosure requirements in SFAS No. 132 and contains additional requirements. These additional requirements include disclosures about a plan sponsor's investment strategies, detailed information of plan assets, expected future cash flow requirements, and interim disclosures related to periodic benefit cost. The following table presents Ameren's net periodic benefit costs (and the components of those costs) for pension and other postretirement benefits for the three months and six months ended June 30, 2004 and 2003:

	Pension Benefits				Postretirement Benefits			
	Three Months		Six Months		Three Months		Six Months	
	2004	2003	2004	2003	2004	2003	2004	2003
Service cost.........................	$ 10	$ 9	$ 21	$ 19	$ 3	$ 3	$ 7	$ 6
Interest cost........................	31	32	63	66	12	15	28	30
Expected return on plan assets........	(29)	(31)	(59)	(64)	(7)	(8)	(16)	(16)
Amortization cost:								
Transition obligation...............	-	-	-	-	1	1	2	2
Prior service cost..................	3	2	6	4	(1)	(1)	(2)	(2)
Losses..............................	6	2	12	4	7	8	17	17
Net periodic benefit cost............	21	14	43	29	15	18	36	37

The total amount of our contributions paid, and expected to be paid, do not differ significantly from amounts previously disclosed.

Ameren adopted FSP SFAS 106-2 during the second quarter of 2004, retroactive to January 1, 2004, which resulted in the recognition of a federal subsidy for postretirement benefit costs related to prescription drug benefits. See Note 1 - Summary of Significant Accounting Policies. The effect of this subsidy was a reduction of various components of Ameren's, and principally UE's, net periodic postretirement benefit costs for the second quarter of 2004. Interest costs and amortization losses were reduced by $4 million each, partially offset by a reduction in the expected return on plan assets of $2 million. The subsidy-related reduction in Ameren's, and principally UE's, accumulated postretirement benefit obligation was $71 million.

UE, CIPS, Genco, CILCORP and CILCO are participants in Ameren's plans and are responsible for their proportional share of the pension benefit costs. The following table presents the pension costs incurred for the three months and six months ended June 30, 2004 and 2003:

	Three Months		Six Months	
	2004	2003	2004	2003
Ameren(a)...	$ 21	$ 14	$ 43	$ 29
UE..	13	7	26	19
CIPS..	3	2	6	4
Genco...	2	1	4	3
CILCORP(b)..	2	2	4	2
CILCO...	3	4	8	6

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries.
(b) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

UE, CIPS, Genco, CILCORP and CILCO are participants in Ameren's plans and are responsible for their proportional share of the postretirement benefit costs. The following table presents the postretirement costs incurred for the three months and six months ended June 30, 2004 and 2003:

	Three Months		Six Months	
	2004	2003	2004	2003
Ameren(a)	$ 15	$ 18	$ 36	$ 37
UE	8	14	22	25
CIPS	3	2	4	4
Genco	1	-	2	2
CILCORP(b)	2	2	5	5
CILCO	4	4	9	9

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries.
(b) Includes predecessor information for January 2003. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

NOTE 13 - Segment Information

As discussed in the Ameren Companies combined Form 10-K for the fiscal year ended December 31, 2003, Ameren's two reportable segments are: (1) Utility Operations, which generates electricity and transmits and distributes gas and electricity; and (2) Other, which is comprised of the parent holding company, Ameren Corporation.

The table below presents segment information about the reported revenues and net income of Ameren for the three months and six months ended June 30, 2004 and 2003:

	Utility Operations	Other	Reconciling Items (a)	Total
Three months 2004:				
Operating revenues	$ 1,435	$ -	$ (283)	$ 1,152
Net income	115	3	-	118
Three months 2003: (b)				
Operating revenues	$ 1,345	$ -	$ (257)	$ 1,088
Net income	114	(4)	-	110
Six months 2004:				
Operating revenues	$ 2,948	$ -	$ (580)	$ 2,368
Net income	212	3	-	215
Six months 2003: (b)				
Operating revenues	$ 2,727	$ -	$ (531)	$ 2,196
Net income	221	(10)	-	211

(a) Elimination of intercompany revenues.
(b) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

OVERVIEW

Executive Summary

Despite some challenges during the second quarter of 2004, Ameren was able to once again deliver solid financial results. The second quarter 2004 earnings were reduced by the incremental costs Ameren incurred in connection with the scheduled refueling and maintenance outage at its Callaway nuclear plant. A similar Callaway outage did not occur in 2003. In addition, the second quarter was negatively impacted by earnings per share dilution principally caused by Ameren's issuance of common shares to prefund the Illinois Power acquisition. Despite these factors, second quarter earnings benefited from solid organic growth, a return to more normal summer weather, stronger power prices, the refund of a Midwest ISO exit fee and a focus on cost control.

A major effort taking place at Ameren in the first half of 2004 was the work towards completion of the Illinois Power acquisition. In early July 2004, Ameren completed the equity financing for the acquisition of Illinois Power and the additional 20% interest in EEI from Dynegy. Ameren continues to proceed through the regulatory approval process. As a result of the progress to date in the regulatory approval process, Ameren believes the Illinois Power acquisition remains on target to close by the end of this year.

General

Ameren, headquartered in St. Louis, Missouri, is a public utility holding company registered with the SEC under the PUHCA. Ameren's primary asset is the common stock of its subsidiaries. Ameren's subsidiaries operate rate-regulated electric generation, transmission and distribution businesses, rate-regulated natural gas distribution businesses and non rate-regulated electric generation businesses in Missouri and Illinois. Dividends on Ameren's common stock are dependent on distributions made to it by its subsidiaries. See Note 1 - Summary of Significant Accounting Policies to our financial statements under Part I, Item 1 of this report for a detailed description of our principal operating subsidiaries. Also see the Glossary of Terms and Abbreviations.

o UE, also known as Union Electric Company, operates a rate-regulated electric generation, transmission and distribution business and a rate-regulated natural gas distribution business in Missouri and Illinois.

o CIPS, also known as Central Illinois Public Service Company, operates a rate-regulated electric and natural gas transmission and distribution business in Illinois.

o Genco, also known as Ameren Energy Generating Company, operates a non rate-regulated electric generation business in Illinois and Missouri.

o CILCO, also known as Central Illinois Light Company, is a subsidiary of CILCORP (a holding company) and was acquired on January 31, 2003. It operates a rate-regulated electric transmission and distribution business, a primarily non rate-regulated electric generation business and a rate-regulated natural gas distribution business in Illinois.

The financial statements of Ameren are prepared on a consolidated basis and therefore include the accounts of its majority-owned subsidiaries. Results of CILCORP and CILCO reflected in Ameren's consolidated financial statements include the period from the acquisition date of January 31, 2003. See Note 2 - Acquisitions to our financial statements under Part I, Item 1 of this report for further information. All significant intercompany transactions have been eliminated. All tabular dollar amounts are in millions, unless otherwise indicated.

In addition to presenting results of operations and earnings amounts in total, certain measures are expressed in cents per share. These amounts reflect factors that directly impact Ameren's earnings. We believe this per share information is useful because it enables readers to better understand the impact of these factors on our earnings. All references in this report of earnings per share are on the basis of diluted shares.

Illinois Power Acquisition

On February 2, 2004, Ameren entered into an agreement with Dynegy to purchase the stock of Decatur, Illinois-based Illinois Power and Dynegy's 20% ownership interest in EEI. Illinois Power operates a rate-regulated electric and natural gas transmission and distribution business serving approximately 600,000 electric and 415,000 gas customers in areas contiguous to our existing Illinois utility service territories. The total transaction value is approximately $2.3 billion, including the assumption of approximately $1.8 billion of Illinois Power debt and preferred stock, with the balance of the purchase price to be paid in cash at closing. Ameren will place $100 million of the cash portion of the purchase price in a six-year escrow pending resolution of certain contingent environmental obligations of Illinois Power and other Dynegy affiliates for which Ameren has been provided indemnification by Dynegy. In addition, this transaction includes a firm capacity power supply contract for Illinois Power's annual purchase of 2,800 megawatts of electricity from a subsidiary of Dynegy. This contract will extend through 2006 and is expected to supply about 70% of Illinois Power's customer requirements.

In February 2004, Ameren issued 19.1 million common shares that generated net proceeds of $853 million, and in July 2004, Ameren issued 10.9 million common shares that generated net proceeds of $445 million. Proceeds from these sales are expected to be used to finance the cash portion of the purchase price, to reduce Illinois Power debt assumed as part of this transaction and to pay any related premiums. Pending such use, and/or if the acquisition is not completed, Ameren plans to use the net proceeds to reduce present or future indebtedness and/or repurchase securities of Ameren or its subsidiaries. However, prior to the closing of the acquisition of Illinois Power, Ameren expects the new common shares to be dilutive to earnings per share.

Upon completion of the acquisition, expected by the end of 2004, Illinois Power will become an Ameren subsidiary operating as AmerenIP. The transaction remains subject to the approval of the ICC and the SEC under the PUHCA and other customary closing conditions. In April 2004, the FCC consented to the transfer of control of FCC licenses held by Illinois Power to Ameren, and the initial 30 calendar day waiting period expired without a request by the FTC or DOJ for additional information or documents under the Hart-Scott-Rodino Act. In July 2004, the FERC issued an order approving Ameren's acquisition of Illinois Power and Dynegy's interest in EEI. The principal conditions of the FERC's approval were that Illinois Power join the Midwest ISO prior to closing and 125 megawatts of EEI's power be sold to a nonaffiliate annually. A procedural schedule has been adopted in the ICC proceeding, which can permit an order to be issued by the fall of 2004. The ICC Staff and several intervenors filed testimony in early July expressing various concerns with the acquisition and objecting to parts of the application filed by Ameren and Illinois Power in March 2004. Hearings in the ICC proceeding are scheduled to be held in August 2004. As a result of progress to date in the regulatory approval processes, we believe the acquisition remains on target to close by the end of 2004. However, we are unable to predict the ultimate outcome of the remaining regulatory proceedings or the timing of the final agency decisions.

According to Illinois Power's Annual Report on Form 10-K for the year ended December 31, 2003, Illinois Power had revenues of $1.6 billion, operating income of $166 million, and net income applicable to its common shareholder of $115 million, and at December 31, 2003, had total assets of $2.8 billion, excluding an intercompany note receivable from its parent company of approximately $2.3 billion. Illinois Power files quarterly, annual and current reports with the SEC pursuant to the Exchange Act.

Ameren expects the acquisition of Illinois Power to be accretive to earnings in the first two years of ownership based on a variety of assumptions related to power prices, interest rates, synergies and regulatory outcomes, among other things. Although Ameren has entered into fixed price power contracts for approximately 70% of Illinois Power's energy supply needs, Ameren's expectations for Illinois Power's earnings through 2006 remain sensitive to changing energy prices for Illinois Power's entire power supply requirements as a result of purchase accounting, as well as other assumptions.

RESULTS OF OPERATIONS

Earnings Summary

Our results of operations and financial position are affected by many factors. Weather, economic conditions and the actions of key customers or competitors can significantly impact the demand for our services. Our results are also affected by seasonal fluctuations caused by winter heating and summer cooling demand. With over 90% of Ameren's revenues directly subject to regulation by various state and federal agencies, decisions by regulators can have a material impact on the price we charge for our services. Our non rate-regulated sales are subject to market conditions for power. We principally utilize coal, nuclear fuel, natural gas and oil in our operations. The prices for these commodities can fluctuate significantly due to the world economic and political environment, weather, supply and demand levels and many other factors. We do not have fuel or purchased power cost recovery mechanisms in Missouri or Illinois for our electric utility businesses, but we do have gas cost recovery mechanisms in each state for our gas delivery businesses. The electric rates for UE are set through June 2006, and are set for CIPS and CILCO through the end of 2006 such that cost decreases or increases will not be immediately reflected in rates. In addition, the gas delivery rates for UE in Missouri are set through June 2006. Fluctuations in interest rates impact our cost of borrowing and pension and postretirement benefits. We employ various risk management strategies in order to try to reduce our exposure to commodity risks and other risks inherent in our business. The reliability of our power plants and transmission and distribution systems and the level of purchased power cost, operating and administrative costs and capital investment are key factors that we seek to control in order to optimize our results of operations, cash flows and financial position.

Ameren's net income increased $8 million to $118 million, or 65 cents per share, in the second quarter of 2004 from $110 million, or 68 cents per share, in the second quarter of 2003. The change in net income between 2003 and 2004 was primarily due to organic growth in our service territory, a return to more normal early summer weather versus the mild weather of 2003 and increased margins on interchange sales, principally due to higher power prices. In addition, second quarter net income benefited from a FERC-ordered refund of $18 million in exit fees, previously paid by UE and CIPS to the Midwest ISO in May 2004, upon their re-entry into the Midwest ISO. Partially offsetting these benefits were increased fuel and purchased power and other operations and maintenance costs principally as a result of UE's Callaway nuclear plant refueling and maintenance outage. Net income for Ameren was also reduced by increased employee benefit costs and decreased sales of emission credits. Increased common shares outstanding, primarily due to a February 2004 offering in order to prefund a portion of the equity financing for the Illinois Power acquisition, reduced earnings per share in the first six months of 2004.

Ameren's net income increased $4 million to $215 million, or $1.20 per share for the six months ended June 30, 2004 compared to year-ago earnings of $211 million, or $1.32 per share. In the first six months of 2003, Ameren's net income included a net cumulative effect after-tax gain of $18 million, or 11 cents per share, associated with the adoption of SFAS No. 143, "Accounting for Asset Retirement Obligations." The net SFAS No. 143 gain resulted principally from the elimination of non-legal obligation costs of removal for non rate-regulated assets from accumulated depreciation.

The following table presents the net cumulative effect after-tax gain recorded at each of the Ameren Companies upon adoption of SFAS No. 143:

Net Cumulative Effect After-Tax Gain	
Ameren(a)	$ 18
UE	-
CIPS	-
Genco	18
CILCORP(b)	4
CILCO	24

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) Represents predecessor information recorded in January 2003 prior to the acquisition date of January 31, 2003. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Excluding the net cumulative effect after-tax gain discussed above, Ameren's net income increased $22 million for the first six months of 2004 as compared to the same period in 2003. The change in net income was primarily due to

organic growth in revenues due to a recovering economy, favorable weather conditions in the second quarter of the current year, increased sales of emission credits, the Midwest ISO refund and results of CILCORP being included for an additional month in 2004. Partially offsetting these benefits were increased fuel and purchased power and other operations and maintenance costs as a result of the Callaway nuclear plant outage, and increased employee benefit costs. Increased common shares outstanding reduced earnings per share for the first six months of 2004 as compared to the same period in 2003 for Ameren.

As a holding company, Ameren's net income and cash flows are primarily generated by its principal subsidiaries, UE, CIPS, Genco and CILCORP. The following table presents the contribution by Ameren's principal subsidiaries to Ameren's consolidated net income for the three months and six months ended June 30, 2004 and 2003:

	Three Months		Six Months	
	2004	2003	2004	2003
Net income:				
UE(a)	$ 107	$ 105	$ 164	$ 172
CIPS	8	3	17	4
Genco(a)	17	10	46	49
CILCORP(b)	(4)	-	-	3
Other(c)	(10)	(8)	(12)	(17)
Ameren net income	$ 118	$ 110	$ 215	$ 211

(a) Includes earnings from interchange sales by Ameren Energy that provided approximately $16 million and $33 million of UE's net income in the three and six months ended June 30, 2004, respectively, (2003 - second quarter - $11 million; year-to-date - $33 million) and approximately $8 million and $18 million of Genco's net income in the three and six months ended June 30, 2004, respectively (2003 - second quarter - $5 million; year-to-date - $17 million).
(b) Excludes net income prior to the acquisition date of January 31, 2003. January 2003 predecessor amount was $9 million. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.
(c) Includes corporate general and administrative expenses, transition costs associated with the CILCORP acquisition, and other non rate-regulated operations.

Electric Operations

The following table presents the favorable (unfavorable) variations in electric margins, defined as electric revenues less fuel and purchased power, for the three months and six months ended June 30, 2004, from the comparable periods in 2003. We consider electric margin to be a useful measure to analyze the change in profitability of our electric operations between periods and have included the below analysis as a complement to our financial information provided in accordance with GAAP. However, electric margin may not be a presentation defined under GAAP and may not be comparable to other companies or more useful than the GAAP information we are providing.

The variation for Ameren reflects the contribution from CILCORP for the January 2004 period as a separate line item, which allows other margin components to be comparable year over year as we owned CILCORP for only five months in the first six months of 2003. The variations in CILCORP and CILCO electric margins are for the three months and six months ended June 30, 2004, as compared to the same periods in 2003.

	Ameren(a)	UE	CIPS	Genco	CILCORP(b)	CILCO
Three Months						
Electric revenue change:						
Effect of weather (estimate)	$ 32	$ 24	$ 2	$ -	$ 4	$ 4
Growth and other (estimate)	32	22	-	26	(46)	(46)
Rate reductions	(10)	(10)	-	-	-	-
Interchange revenues	24	6	-	9	6	6
EEI	(14)	-	-	-	-	-
Total	$ 64	$ 42	$ 2	$ 35	$ (36)	$ (36)
Fuel and purchased power change:						
Fuel:						
Generation and other	$ (20)	$ 1	$ -	$ (14)	$ (6)	$ (4)
Price	(11)	(8)	-	(2)	(1)	(1)
Purchased power	(9)	(9)	3	(2)	39	36
EEI	(3)	-	-	-	-	-
Total	$ (43)	$ (16)	$ 3	$ (18)	$ 32	$ 31
Net change in electric margins	$ 21	$ 26	$ 5	$ 17	$ (4)	$ (5)

	Ameren(a)	UE	CIPS	Genco	CILCORP(b)	CILCO
Six Months						
Electric revenue change:						
CILCORP - January 2004...............	$ 47	$ -	$ -	$ -	$ -	$ -
Effect of weather (estimate).........	18	14	-	-	3	3
Growth and other (estimate)..........	87	50	(4)	42	(81)	(81)
Rate reductions......................	(17)	(17)	-	-	-	-
Interchange revenues.................	(1)	(12)	1	3	13	13
EEI..................................	(13)	-	-	-	-	-
Total	$ 121	$ 35	$ (3)	$ 45	$ (65)	$ (65)
Fuel and purchased power change:						
CILCORP - January 2004...............	$ (24)	$ -	$ -	$ -	$ -	$ -
Fuel:						
Generation and other...............	(21)	9	-	(19)	(10)	(7)
Price..............................	(16)	(12)	-	(4)	6	6
Purchased power......................	(15)	(14)	9	1	57	54
EEI	(6)	-	-	-	-	-
Total	$ (82)	$ (17)	$ 9	$ (22)	$ 53	$ 53
Net change in electric margins..........	$ 39	$ 18	$ 6	$ 23	$ (12)	$ (12)

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.

(b) Includes predecessor information for January 2003. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Ameren

Ameren's electric margin increased $21 million for the three months and $39 million for the six months ended June 30, 2004, compared to the same periods in 2003. Excluding the additional month of CILCORP results in the current year, electric margin increased $16 million for the six months ended June 30, 2004. The increase in electric margin for the six months ended June 30, 2004, was primarily attributable to organic sales growth. Sales of emission credits decreased $7 million in the current quarter, but increased $7 million for the first six months of 2004 as compared to 2003. The second quarter of the current year also benefited from favorable weather conditions and increased interchange margins as compared to 2003. The increases to electric margin were partially offset by electric rate reductions and an increase in fuel and purchased power primarily due to the Callaway outage and higher fuel prices.

The favorable weather conditions in the second quarter were primarily due to a return to more normal early summer weather conditions in 2004 versus 2003. Cooling degree days were approximately 75% higher in the second quarter of 2004 in our overall service territory compared to the same period in 2003 and approximately 20% higher compared to normal conditions. Residential and commercial sales rose 15% and 6%, respectively, during the quarter due to the weather and organic growth. For the six months ended June 30, 2004, the favorable weather conditions in the second quarter were partially offset by warmer winter weather in the first quarter of 2004. Heating degree days were approximately 9% less in the first three months of 2004 in our overall service territory compared to the same period in 2003 and approximately 6% less compared to normal conditions.

Rate reductions resulting from the 2002 UE electric rate case settlement in Missouri negatively impacted electric revenues during the current year periods. Annual reductions of $50 million, $30 million and $30 million were effective April 1, 2002, April 1, 2003 and April 1, 2004, respectively.

Interchange margins increased $11 million for the three months, but decreased $2 million for the six months ended June 30, 2004, compared to the same periods in 2003. Higher power prices and improved coal-fired plant generation in the second quarter partially offset decreased availability of low-cost generation due to the Callaway outage. During the second quarter, Ameren's base load coal electric generating stations increased their average capacity factors to 75%, up from 61% in the comparable prior year quarter, and equivalent availability factors increased to 85% from 77% in the same quarter of the prior year. Average realized power prices on interchange sales increased to approximately $35 per megawatthour in the second quarter of 2004 from approximately $29 per megawatthour in the second quarter of 2003. Average power prices for the six month periods ended June 30, 2004 and June 30, 2003, were comparable.

Ameren's fuel and purchased power increased $43 million in the quarter ended June 30, 2004 and $58 million, excluding the additional month of CILCORP, in the six months ended June 30, 2004, compared to the same periods in 2003. This increase in both periods was due to increased power purchases necessitated by the Callaway nuclear plant outage and increased fuel prices. See Operating Expenses and Other Statement of Income Items below for further discussion of the Callaway nuclear plant outage.

UE

UE's electric margin increased $26 million for the three months and $18 million for the six months ended June 30, 2004, as compared to the same periods in 2003. Favorable weather conditions and organic sales growth increased electric margin in the second quarter and first six months of 2004, as compared to 2003. Residential and commercial sales increased 15% and 7%, respectively, during the second quarter due to the weather and organic growth. The second quarter of 2004 also benefited from increased interchange margins. Interchange margins increased $7 million for the three months ended June 30, 2004 as compared to the same period in 2003. Higher power prices and improved availability of coal-fired plants in the second quarter of 2004 more than offset decreased availability of generation due to the Callaway nuclear plant outage. The first half of 2004 also included an increase in sales of emission credits of $16 million over the prior year primarily resulting from activity in the first quarter of this year. Partially offsetting these increases to margin were rate reductions resulting from the 2002 Missouri electric rate case settlement mentioned above. Lower power prices during the first quarter of 2004 than the strong first quarter of 2003 primarily contributed to a decrease in interchange margin for the six month period ended June 30, 2004.

Fuel and purchased power increased $16 million in the second quarter and $17 million for the first six months of 2004. Purchased power increased due to the Callaway outage during the second quarter of 2004 as well as an unplanned outage during the first quarter of 2004. The increase in fuel costs in 2004 was principally due to weather-driven demand and increased utilization of UE's coal-fired plants due to outages at the Callaway plant as well as higher fuel prices.

CIPS

CIPS' electric margin increased $5 million for the three months and $6 million for the six months ended June 30, 2004, compared to the same periods in 2003. Increases in electric margin for the three and six month periods in 2004 were primarily attributable to organic sales growth. Residential and commercial sales increased 18% and 3%, respectively, during the second quarter due to organic growth and favorable weather conditions.

Genco

Genco's electric margin increased $17 million for the three months and $23 million in the six months ended June 30, 2004, as compared to the same periods in 2003. Increases in electric margin were primarily attributable to an increase in wholesale margins due to sales to new customers coupled with increased use of lower cost generation available as a result of fewer power plant outages in 2004. The increase in wholesale margin was in addition to an increase in interchange margins principally due to higher power prices in the second quarter of 2004. Interchange margins increased $4 million for the three months ended June 30, 2004, primarily due to higher power prices. However, lower power prices during the first quarter of 2004, as compared to the strong first quarter of 2003, resulted in interchange margins being comparable for the six months ended June 30, 2004 to the same period in the prior year.

CILCORP and CILCO

Electric margin decreased $4 million at CILCORP and $5 million at CILCO for the three months ended June 30, 2004, and decreased $12 million at both CILCORP and CILCO for the six months ended June 30, 2004, as compared to the same periods in 2003. Decreases in electric margin were primarily attributable to reduced revenues of approximately $85 million due to two large CILCO industrial customers switching to Marketing Company in July and October 2003 and transfers of other non rate-regulated customers to Marketing Company, partially offset by favorable weather conditions. Fuel and purchased power also decreased for the three months and six months ended June 30, 2004, due to customer switching within the Ameren Companies.

Gas Operations

The following table presents the favorable variations in gas margins, defined as gas revenues less gas purchased for resale, for the three months and six months ended June 30, 2004, from the comparable periods in 2003. We consider gas margin to be a useful measure to analyze the change in profitability of our gas operations between periods and have included the table below as a complement to our financial information provided in accordance with GAAP. However, gas margin may not be a presentation defined under GAAP and may not be comparable to other companies or more useful than the GAAP information we are providing.

	Three Months	Six Months
Ameren(a)	$ 9	$ 28
UE	4	6
CIPS	-	5
Genco	-	-
CILCORP(b)	4	4
CILCO	4	2

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) Includes predecessor information for January 2003. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Gas margins at Ameren, UE, CIPS, CILCORP and CILCO increased during the six months ended June 30, 2004, primarily due to delivery rate increases, partially offset by milder winter weather conditions. Ameren's margin also increased $13 million due to the additional month of CILCORP results in the current year. Excluding the additional month of CILCORP in the current year, Ameren's sales were down 4% for the six months ended June 30, 2004 as a result of the mild winter weather conditions.

Increases in the three month period ended June 30, 2004, were due primarily to rate increases. The following table presents the effect of gas delivery rate increases on revenues for the three months and six months ended June 30, 2004, from the comparable periods in 2003:

	Three Months	Six Months
Ameren	$ 6	$ 15
UE	3	6
CIPS	1	5
Genco	-	-
CILCORP	2	4
CILCO	2	4

Operating Expenses and Other Statement of Income Items

The following table presents the favorable (unfavorable) variations in operating and other expenses for the three months and six months ended June 30, 2004, from the comparable period in 2003:

	Ameren(a)	UE	CIPS	Genco	CILCORP(b)	CILCO
Three Months						
Other operations and maintenance	$ (36)	$ (20)	$ 3	$ (9)	$ (12)	$ (9)
Depreciation and amortization	-	(3)	-	-	5	3
Taxes other than income taxes	3	(2)	2	-	4	3
Other income and deductions	2	(6)	(1)	-	-	(1)
Interest	3	-	1	1	(3)	1
Income taxes	7	3	(5)	(2)	2	2
Six Months						
Other operations and maintenance	$ (50)	$ (28)	$ 8	$ (6)	$ (19)	$ (15)
Depreciation and amortization	(6)	(5)	-	(1)	9	5
Taxes other than income taxes	1	(4)	2	2	7	7
Other income and deductions	6	(2)	-	(1)	(1)	(2)
Interest	5	-	2	4	(1)	3
Income taxes	-	7	(10)	(6)	5	5

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003. Includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) Includes predecessor information for January 2003.

Other Operations and Maintenance

Ameren's other operations and maintenance expenses increased $36 million for the three months and $50 million for the six months ended June 30, 2004, as compared to the same periods in 2003. Excluding the additional month of CILCORP results in the current year of $15 million, expenses increased $35 million for the six months ended June 30, 2004.

Expenses at Ameren and UE increased primarily due to increased power plant maintenance expenses as a result of the outage at UE's Callaway nuclear plant during the second quarter of 2004. The outage lasted 64 days and resulted in incremental maintenance costs of approximately $40 million. Refueling outages occur approximately every 18 months and typically include the replacement of fuel and the performance of maintenance and inspections. The last refueling outage occurred in the fall of 2002. In addition to the Callaway outage expenses, employee benefit costs were higher at Ameren during both the quarter and the six months ended June 30, 2004. The adoption in the second quarter of 2004, retroactive to January 1, 2004, of FASB Staff Position SFAS No. 106-2 resulted in the recognition of nontaxable federal subsidies expected to be provided under the Medicare Prescription Drug, Improvement and Modernization Act, which partially offset employee benefit cost increases in the second quarter of 2004. See Note 1 - Summary of Significant Accounting Policies and Note 12 - Pension and Other Postretirement Benefits to our financial statements under Part I, Item 1 of this report for further information. UE's employee benefit costs decreased for the second quarter of 2004 as a result of the recording of the subsidy and were comparable to the prior year amounts for the six months ended June 30, 2004. Ameren, UE and CIPS benefited during the second quarter of 2004 from the refund to UE, referenced above, of previously paid exit fees upon its re-entry into the Midwest ISO.

CIPS' other operations and maintenance expenses decreased in the three months and six months ended June 30, 2004, as compared to the same periods in 2003, primarily due to CIPS' portion of the Midwest ISO exit fee refund.

Genco's, CILCORP's and CILCO's other operations and maintenance expenses increased in the three months and six months ended June 30, 2004, as compared to the same periods in 2003, primarily due to higher employee benefit costs.

Depreciation and Amortization

Ameren's depreciation and amortization expenses were comparable to the prior year for the three months and six months ended June 30, 2004, excluding the additional month of CILCORP expenses in the current year ($6 million). Depreciation and amortization expenses at CIPS and Genco were also comparable in the second quarter and first six months of 2004 to the same periods in 2003.

UE's depreciation and amortization expenses increased in the second quarter and for the first six months of 2004, as compared to the same periods in 2003, primarily due to capital additions.

Depreciation and amortization expenses at CILCORP and CILCO decreased in the three months and six months ended June 30, 2004, as compared to the same periods in 2003, primarily due to property retirements exceeding capital additions.

Taxes Other Than Income Taxes

Taxes other than income taxes decreased at Ameren and CIPS in the three months and six months ended June 30, 2004, as compared to the same periods in 2003, primarily due to decreased property taxes.

UE's taxes other than income taxes increased in the three months and six months ended June 30, 2004, as compared to the same periods in 2003, primarily due to higher gross receipts taxes as a result of increased utility sales in 2004.

Genco's taxes other than income taxes decreased in the first six months of 2004, as compared to 2003, primarily due to favorable property tax assessments in the current year. Taxes other than income taxes for the second quarter of 2004 were comparable to the same period in the prior year.

Taxes other than income taxes decreased at CILCORP and CILCO in the second quarter and first six months ended June 30, 2004, as compared to 2003, primarily due to reduced gross receipts taxes as a result of customers switching to Marketing Company.

Other Income and Deductions

Ameren's other income and deductions increased in the second quarter and first six months of 2004, as compared to the same periods in 2003, primarily due to increased interest income as a result of investing the proceeds from the February 2004 equity offering.

Other income and deductions at UE decreased in the second quarter and first six months of 2004, as compared to the same periods in 2003, primarily due to a net decrease in earnings from UE's ownership interest in EEI and donations made in 2004.

Other income and deductions at CIPS, Genco, CILCORP and CILCO were comparable in the second quarter and first six months of 2004 to the same periods in 2003.

Interest

Interest expense decreased at Ameren in the second quarter and first six months of 2004, as compared to the same periods in 2003, primarily due to the redemption of Ameren floating rate notes at the end of 2003, as well as redemptions of long-term debt during 2003 at its subsidiaries as noted below.

Interest expense decreased at CIPS in the second quarter and first six months of 2004, as compared to the same periods of 2003, primarily due to the maturity or redemption of first mortgage bonds in the second quarter of 2003.

Genco's interest expense was reduced in the second quarter and first six months of 2004, as compared to the same periods of 2003, primarily due to a reduction in principal amounts outstanding on intercompany promissory notes to CIPS and Ameren along with decreased borrowings from Ameren's non state-regulated subsidiary money pool.

Interest expense decreased at CILCO in the second quarter and first six months of 2004, as compared to the same periods of 2003, primarily due to the redemption of long-term debt in the second quarter of 2003 and the first quarter of 2004.

Interest expense increased at CILCORP in the second quarter and first six months of 2004 due to increased non state-regulated subsidiary money pool borrowings, partially offset by redemptions of debt at CILCO and repurchases of CILCORP debt.

UE's interest expense was comparable in the second quarter and first six months of 2004 to the same periods in 2003.

Income Taxes

Income tax expense was flat at Ameren for the first six months of 2004, as compared to the same period in 2003. Higher pre-tax income was offset by a lower effective tax rate at Ameren for the second quarter of 2004, as compared to the same period in 2003, primarily due to the recording of the expected nontaxable federal Medicare subsidy in the second quarter of 2004 and the exercising of stock options by our employees in the first six months of 2004, which resulted in lower taxable income, but no income statement expense.

Income tax expense increased at CIPS and Genco in the second quarter and first six months of 2004, as compared to the same periods in 2003, primarily due to higher pre-tax income. Income tax expense decreased at UE, CILCORP and CILCO primarily due to lower pre-tax income in 2004. UE's effective tax rate was also impacted by the recording of the expected nontaxable federal Medicare subsidy.

LIQUIDITY AND CAPITAL RESOURCES

The tariff-based gross margins of Ameren's rate-regulated utility operating companies continue to be the principal source of cash from operating activities for Ameren and its rate-regulated subsidiaries. A diversified retail customer mix of primarily rate-regulated residential, commercial and industrial classes and a commodity mix of gas and electric service provide a reasonably predictable source of cash flows. In addition, we plan to utilize short-term debt to support normal operations and other capital requirements.

The following table presents net cash provided by (used in) operating, investing and financing activities for the six months ended June 30, 2004 and 2003:

	Net Cash Provided By (Used In) Operating Activities			Net Cash Provided By (Used In) Investing Activities			Net Cash Provided By (Used In) Financing Activities		
	2004	2003	Variance	2004	2003	Variance	2004	2003	Variance
Ameren(a)........	$ 436	$ 43	$ 6	$ (367)	$ (816)	$ 449	$ 331	$ (141)	$ 472
UE...............	278	238	40	(258)	(225)	(33)	(20)	(1)	(19)
CIPS.............	62	57	5	28	40	(12)	(103)	(96)	(7)
Genco............	82	126	(44)	(28)	(31)	3	(56)	(90)	34
CILCORP(b).......	103	50	53	(69)	(51)	(18)	(40)	-	(40)
CILCO............	94	73	21	(72)	(53)	(19)	(27)	(34)	7

(a) Excludes amounts for CILCORP and CILCO prior to the acquisition date of January 31, 2003; includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) 2003 amounts include January 2003 predecessor information. CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Cash Flows from Operating Activities

Cash flows provided by operating activities increased for all Ameren Companies, except Genco, for the six months ended June 30, 2004, as compared to the same period in 2003. The increase in cash flows provided by operating activities for Ameren was due to increased earnings resulting from warmer weather in the second quarter of 2004 compared to the same period in 2003, stronger power prices that benefited interchange margins, solid organic growth in Ameren's service territory, partially offset by costs of the Callaway refueling outage. Ameren's and UE's cash flows from operating activities also increased due to $18 million of cash received in the first six months of 2004 related to UE's settlement of a dispute over mine reclamation issues with a coal supplier. In addition, Ameren operating cash flows benefited in 2004 by $18 million (UE - $13 million, CIPS - $5 million) from a refund of exit fees for costs incurred related to entering an RTO and $8 million from the return of other amounts (UE - $4 million, CIPS - $2 million).

Increases in cash flows from operating activities in the first six months of 2004, compared to the same period in 2003, were partially offset by a net use of cash for changes in working capital requirements. Significant uses of cash for the period ended June 30, 2004, compared to 2003, included higher accounts receivables in the current period due to warmer weather in the first six months of 2004 compared to 2003 and lower accounts payable due to reduced days outstanding. The net cash used for working capital requirements was partially offset by lower income taxes paid due to timing differences and decreased materials and supplies inventories resulting from decreased natural gas volumes being put into storage during the winter injection period.

Cash flows from operating activities increased for UE, CILCORP and CILCO for the six months ended June 30, 2004, compared to the same period in 2003, primarily due to the working capital changes, partially offset by decreased net earnings. UE's cash from operating activities also benefited from the timing of income tax payments and the Midwest ISO refund. CIPS' cash flows from operating activities increased for the first six months of 2004, compared to the same period in 2003, principally due to increased earnings associated with lower purchased power costs and the Midwest ISO exit fee refund. These benefits were partially offset by working capital changes principally due to reduced taxes paid due to the timing of payments and increased accounts receivable in 2004. Genco's cash flows from operating activities decreased in the first six months of 2004, compared to the same period in 2003, due to working capital changes primarily resulting from reduced taxes paid in the six months ended June 30, 2004, compared to the same period in the prior year.

Cash Flows from Investing Activities

Cash flows from investing activities increased for Ameren and Genco and decreased for UE, CIPS, CILCORP and CILCO for the six months ended June 30, 2004 as compared to the same period in 2003. Ameren's decrease in cash used in investing activities was primarily due to $489 million in cash paid for the acquisitions of CILCORP and Medina Valley in early 2003. Excluding the acquisition costs described above, Ameren's cash flows used in investing activities increased by approximately $40 million for the six months ended June 30, 2004 compared to the same period in 2003. The increase in investing activities for Ameren was principally due to higher construction expenditures at UE, CILCORP and CILCO. UE's construction expenditures for the six months ended June 30, 2004 primarily included upgrades and replacement of condenser bundles and low pressure rotor equipment related to the refueling outage in the second quarter of 2004 at UE's Callaway nuclear plant. In addition, UE's construction expenditures included upgrades at UE's various other power plants and additional construction expenditures for new transmission and distribution lines. CILCORP's and CILCO's construction expenditures were primarily related to power plant upgrades that were made in order for CILCO's non rate-regulated subsidiary, AERG, to have more flexibility in fuel supply for power generation in the future. Cash flows provided by investing activities for CIPS decreased for the six months ended June 30, 2004, compared to the same period in 2003, primarily due to lower cash receipts related to CIPS' intercompany note receivable with Genco in the first six months of 2004, which totaled $49 million compared to $62 million in the first six months of 2003. Genco's decrease in cash flows used in investing activities primarily resulted from reduced construction expenditures in the first six months of 2004 compared to the same period in 2003. Genco's construction expenditures in 2004 included costs primarily associated with the replacement of a turbine generator at one of its power plants.

We continually review our generation portfolio and expected electrical needs, and as a result, we could modify our plan for generation capacity, which could include the timing of when certain assets will be added to, or removed from, our portfolio, the type of generation asset technology that will be employed, or whether capacity may be purchased, among other things. Any changes that we plan to make for future generating needs could result in significant capital expenditures or losses being incurred, which could be material.

Cash Flows from Financing Activities

Ameren

Ameren's cash flows from financing activities increased for the six months ended June 30, 2004, as compared to the same period in 2003. In February 2004, Ameren received net proceeds of $853 million from the issuance of 19.1 million common shares. The proceeds are ultimately expected to be utilized to pay the cash portion of the purchase price for Ameren's acquisition of Illinois Power and Dynegy's 20% interest in EEI and to reduce Illinois Power debt assumed as part of this transaction and pay related premiums. During the first six months of 2004, these proceeds were indirectly used to repay a $100 million bank term loan at CILCO, repay short term debt of approximately $181 million, and invested in short-term investments. The common stock proceeds received in the first quarter of 2003 were used to fund a portion of the acquisitions of CILCORP in January 2003 and Medina Valley in February 2003. See Note 2 - Acquisitions to our financial statements under Part I, Item 1 of this report for further explanation. In addition, Ameren's increase in cash flows from financing activities was due to the decrease in redemptions, repurchases and maturities of long-term debt totaling $260 million in the first six months of 2004 compared to $420 million in the same period in 2003.

The increase in cash flows from financing activities at Ameren described above was partially offset by an increase in the redemptions, repurchases and maturities of short-term debt, as well as the termination of UE's nuclear fuel lease, totaling $193 million in the first six months of 2004, compared to $111 million in the same period in 2003. Due to the increase in number of common shares outstanding, Ameren's dividend payments on common stock increased during the six months ended June 30, 2004, compared to the same period in 2003, which also caused a decrease in Ameren's cash flows from financing activities.

UE

UE's cash flows from financing activities decreased for the six months ended June 30, 2004, as compared to the same period in 2003. In 2004, cash provided by borrowings from the utility money pool arrangement of $342 million was partially offset by the $217 million of cash used for repurchases of short-term debt and the nuclear fuel lease

termination payment. The lease agreement, which was scheduled to expire on August 31, 2031, provided for the financing of a portion of UE's nuclear fuel that was processed for use or was consumed at UE's Callaway nuclear plant.

CIPS

CIPS' cash flows from financing activities decreased for the six months ended June 30, 2004, principally due to $74 million of repayments to the utility money pool arrangement in 2004 compared to $39 million of borrowings from the money pool arrangement in 2003. The net decrease in cash provided by the money pool arrangement in 2004 was partially offset by a decrease in redemptions of long-term debt in the first six months of 2004, compared to same period in 2003, and reduced dividend contributions to Ameren, which totaled $28 million in the first six months of 2004, compared to $39 million in the same period of 2003.

Genco

Genco's cash flows from financing activities increased for the six months ended June 30, 2004, as compared to the same period in 2003, primarily due to borrowings from the non state-regulated subsidiary money pool arrangement that totaled $32 million in 2004 compared to repayments to the money pool arrangement of $37 million in 2003. The increase in cash flows was offset by an increase in dividends paid to Ameren, which totaled $35 million in 2004 compared to $2 million in 2003.

Genco has affiliate notes payable of $324 million and $34 million to CIPS and Ameren, respectively, which, by their current terms, have final payments of principal and interest due on May 1, 2005. The note payable to CIPS was issued in conjunction with the transfer of its electric generating assets and related liabilities to Genco. Genco and CIPS expect to renew or modify the CIPS note to extend the principal maturity, which could include continued amortization of the principal amount. However, such extension could require regulatory approval. Genco and Ameren are currently evaluating various alternatives with respect to the note payable to Ameren. In the event the maturities of these notes are not extended or restructured, Genco may need to access other financing sources to meet the maturity obligation to the extent it does not have cash available from its operating cash flows. Such sources of financing could include borrowings under the non state-regulated subsidiary money pool, or infusion of equity capital or new direct borrowings from Ameren, all subject to applicable regulatory financing authorizations and provisions in Genco's borrowing agreements.

CILCORP

CILCORP's cash flows from financing activities decreased for the six months ended June 30, 2004, as compared to the same period in 2003. The decrease was primarily due to an increase in repurchases of long-term debt. Borrowings from the non state-regulated subsidiary money pool arrangement that totaled $87 million in 2004 were the primary source of funds for the repurchase of CILCO's $100 million secured bank term loan. Dividends of $18 million in 2004 also contributed to the increase in cash used by financing activities in 2004 compared to 2003.

CILCO

CILCO's cash flows from financing activities increased for the six months ended June 30, 2004, as compared to the same period in 2003, primarily due to reduced redemptions and repurchases of short-term debt and reduced dividend contributions made to CILCORP in 2004 compared to 2003. CILCO's increase in cash flows from financing activities was offset by reduced borrowings from the utility money pool arrangement in 2004 compared to the same period in 2003. The proceeds received by CILCO from the money pool arrangement along with available cash in the first quarter of 2004 were used to repay CILCO's $100 million bank term loan facility.

Short-term Borrowings and Liquidity

Short-term borrowings consist of commercial paper issuances and bank line of credit drawings with maturities generally within 1 to 45 days. As of June 30, 2004, Ameren had short-term borrowings totaling $35 million, of which $32 million was borrowed at EEI. The average short-term borrowings at EEI were $10 million for the six months ended June 30, 2004, with a weighted-average interest rate of 1.7%. Peak short-term borrowings for EEI were $44 million for the six months ended June 30, 2004, with a weighted-average interest rate of 1.7%. CIPS, Genco, CILCORP and CILCO had no short-term borrowings as of June 30, 2004 and December 31, 2003. At December 31, 2003, Ameren and

UE were the only Ameren Companies that had short-term borrowings outstanding, which totaled $161 million and $150 million, respectively.

In July 2004, Ameren entered into two new credit agreements for $700 million in revolving credit facilities to be used for general corporate purposes, including support of Ameren and UE commercial paper programs. The $700 million in new facilities includes a $350 million three-year revolving credit facility and a $350 million five-year revolving credit facility. These new credit facilities replaced Ameren's existing $235 million 364-day revolving credit facility, which matured in July 2004, and a $130 million multi-year revolving credit facility, which would have matured in July 2005. An existing Ameren $235 million multi-year revolving credit facility, which matures in July 2006, remains outstanding and available.

At July 31, 2004, certain of the Ameren Companies had committed bank credit facilities that totaled $1.2 billion, all of which were available for use by UE, CIPS, CILCO and Ameren Services through a utility money pool arrangement. In addition, $935 million of the $1.2 billion was available for use by Ameren directly and most of the non rate-regulated affiliates including, but not limited to, Resources Company, Genco, Marketing Company, AFS, AERG and Ameren Energy, through a non state-regulated subsidiary money pool agreement. We have money pool agreements with and among our subsidiaries to coordinate and provide for certain short-term cash and working capital requirements. Separate money pools are maintained between rate-regulated and non rate-regulated businesses. See Note 8 - Related Party Transactions to our financial statements under Part I, Item 1 of this report for a detailed explanation of the money pool arrangements. The committed bank credit facilities are used to support our commercial paper programs under which there were no amounts outstanding at June 30, 2004 (December 31, 2003 - $150 million). Access to our credit facilities for any of Ameren's subsidiaries is subject to reduction based on use by affiliates.

The following table presents the various committed credit facilities of the Ameren Companies and EEI as of July 31, 2004:

Credit Facility	Expiration	Amount Committed	Amount Available
Ameren:(a)			
Multi-year revolving............	July 2006	$ 235	$ 235
Multi-year revolving............	July 2007	350	350
Multi-year revolving............	July 2009	350	350
UE:			
Various 364-day revolving.......	through July 2005	154	154
CIPS:			
Two 364-day revolving...........	through July 2005	15	15
CILCO:			
Three 364-day revolving.........	through June 2005	60	60
EEI:			
Two bank credit facilities......	through June 2005	45	17
Total		$ 1,209	$ 1,181

(a) CILCORP and Genco may access the credit facilities through intercompany borrowing arrangements.

In addition to committed credit facilities, a further source of liquidity for the Ameren Companies is available cash and cash equivalents.

Ameren and UE are authorized by the SEC under PUHCA to have up to an aggregate of $1.5 billion and $1 billion, respectively, of short-term unsecured debt instruments outstanding at any time. In addition, CIPS, CILCORP and CILCO each have PUHCA authority to have up to an aggregate of $250 million each of short-term unsecured debt instruments outstanding at any time. Genco is authorized by the FERC to have up to $300 million of short-term debt outstanding at any time.

Long-term Debt and Equity

The following table presents the issuances of common stock and the issuances, redemptions, repurchases and maturities of long-term debt for the six months ended June 30, 2004 and 2003. For additional information related to the

terms and uses of these issuances and the sources of funds and terms for the redemptions, see Note 5 - Long-term Debt and Equity Financings to our financial statements under Part I, Item 1 of this report.

	Month Issued, Redeemed, Repurchased or Matured	Six Months Ended June 30, 2004	2003
Issuances			
Long-term debt			
UE:			
5.50% Senior secured notes due 2014..................	May	$ 104	$ -
4.75% Senior secured notes due 2015..................	April	-	114
5.50% Senior secured notes due 2034..................	March	-	184
Total Ameren long-term debt issuances....................		$ 104	$ 298
Common stock			
Ameren:			
6,325,000 Shares at $40.50...........................	January	$ -	$ 256
19,063,181 Shares at $45.90..........................	February	875	-
DRPlus and 401(k)(a).................................	Various	60	52
Total Ameren common stock issuances......................		$ 935	$ 308
Total Ameren long-term debt and common stock issuances...		$ 1,039	$ 606
Redemptions, Repurchases and Maturities			
Long-term debt			
UE:			
7.00% First mortgage bonds due 2024..................	June	$ 100	$ -
81/4% First mortgage bonds due 2022..................	April	-	104
8.00% First mortgage bonds due 2022..................	May	-	85
CIPS:			
6.99% Series 97-1 first mortgage bonds due 2003......	March	$ -	$ 5
6 3/8% Series Z first mortgage bonds due 2003........	April	-	40
7 1/2% Series X first mortgage bonds due 2003........	April	-	50
CILCORP:			
9.375% Senior bonds due 2029.........................	May	20	-
CILCO:			
Secured bank term loan...............................	February	100	-
6.82% First mortgage bonds due 2003..................	February	-	25
8.20% First mortgage bonds due 2022..................	April	-	65
7.80% Two series of first mortgage bonds due 2023....	April	-	10
EEI:			
2000 Bank term loan, 7.61% due 2004..................	June	40	-
Medina Valley:			
Secured term loan due 2019...........................	June	-	36
Total Ameren long-term debt redemptions, repurchases and maturities.......................		$ 260	$ 420

(a) Includes issuances of common stock of 1.2 million shares in the first six months of 2004 and 1.3 million shares in the first six months of 2003 under our DRPlus and in connection with our 401(k) plans.

Ameren

In June 2004, the SEC declared effective a Form S-3 shelf registration statement filed by Ameren covering the offering from time to time of up to $2 billion of various forms of securities including long-term debt, trust preferred securities and equity securities. In July 2004, Ameren issued, pursuant to the June 2004 Form S-3 shelf registration statement, 10.9 million shares of its common stock at $42.00 per share for net proceeds of $445 million. The proceeds from these offerings are expected to provide funds required to pay the cash portion of the purchase price for our pending acquisition of Illinois Power and Dynegy's 20 percent interest in EEI, and to reduce Illinois Power debt, assumed as a part of this transaction, and pay related premiums. Pending such use, and/or if the acquisition is not completed, we plan

to use the net proceeds to reduce present or future indebtedness and/or repurchase securities of Ameren or its subsidiaries. A portion of the net proceeds may also be temporarily invested in short-term instruments. See Note 2
- Acquisitions to our financial statements under Part I, Item 1 of this report for further information.

In March 2004, the SEC declared effective a Form S-3 registration statement filed by Ameren in February 2004, authorizing the offering of six million additional shares of its common stock under DRPlus. Shares of common stock sold under the DRPlus are, at Ameren's option, newly issued shares or treasury shares, or shares purchased in the open market or in privately negotiated transactions. Ameren is currently selling newly issued shares of its common stock under DRPlus. For the six months ended June 30, 2004, Ameren received net proceeds of approximately $60 million from the issuance of approximately 1.2 million new common shares under its DRPlus and its 401(k) plans to be used for general corporate purposes.

UE

UE issued securities totaling $104 million in 2004, pursuant to the September 2003 Form S-3 shelf registration statement with the amount of securities remaining available for issuance at June 30, 2004, totaling $696 million.

Indebtedness Provisions, Other Covenants and Off Balance Sheet Arrangements

See Note 4 - Short-term Borrowings and Liquidity to our financial statements under Part I, Item 1 of this report for a discussion of the indebtedness provisions contained in certain of the Ameren Companies' bank credit facilities. Also see Note 5 - Long-term Debt and Equity Financings to our financial statements under Part I, Item 1 of this report for a discussion of off-balance sheet arrangements and of the covenants and provisions contained in certain of the Ameren Companies' indenture agreements and Articles of Incorporation.

At June 30, 2004, the Ameren Companies and EEI were in compliance with the provisions and covenants of their credit agreements, indentures and Articles of Incorporation.

We rely on our short-term and long-term capital markets as a significant source of funding for capital requirements not satisfied by our operating cash flows. Our inability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets, could negatively impact our ability to maintain or grow our businesses. Based on our current credit ratings, we believe that we will continue to have access to the capital markets. However, events beyond our control may create uncertainty in the capital markets such that our cost of capital would increase or our ability to access the capital markets would be adversely affected. All of the Ameren Companies expect to fund maturities of long-term debt and contractual obligations through a combination of cash flow from operations and external financing.

Dividends

The amount and timing of dividends payable on Ameren's common stock are within the sole discretion of Ameren's Board of Directors. Ameren's Board of Directors has not set specific targets or payout parameters when declaring common stock dividends. However, the Board considers various issues including Ameren's historic earnings and cash flow, projected earnings, cash flow and potential cash flow requirements, dividend payout rates at other utilities, return on investments with similar risk characteristics and overall business considerations. Dividends paid by Ameren to stockholders during the first six months of 2004 totaled $232 million or $1.27 per share (2003 - $205 million or $1.27 per share).

UE's Board of Directors' declared quarterly preferred stock dividends totaling $1 million payable August 15, 2004, to shareholders of record on July 20, 2004. CIPS' Board of Directors' declared quarterly preferred stock dividends in the amount of $1 million payable September 30, 2004, to shareholders of record on September 15, 2004. CILCO's Board of Directors' declared quarterly preferred stock dividends totaling $1 million, which was paid on July 1, 2004, to shareholders of record on June 4, 2004.

Certain of our financial agreements and corporate organizational documents contain covenants and conditions that, among other things, provide restrictions on the Ameren Companies' payment of dividends. Ameren would experience restrictions on dividend payments if it were to defer contract adjustment payments on its equity security units. UE would experience restrictions on dividend payments if it were to extend or defer interest payments on its subordinated

debentures. CIPS has provisions restricting dividend payments based on ratios of common stock to total capitalization along with provisions related to certain operating expenses and accumulations of earned surplus. Genco's indenture includes restrictions which prohibit making any dividend payments if debt service coverage ratios are below a defined threshold. CILCORP has restrictions in the event leverage ratio and interest coverage ratio thresholds are not met or if CILCORP's senior long-term debt does not have specified ratings as described in its indenture. CILCO has restrictions on dividend payments relative to the ratio of its balance of retained earnings to the annual dividend requirement on its preferred stock and amounts to be set aside for any sinking fund retirement of its 5.85% Series preferred stock.

The following table presents dividends paid directly or indirectly to Ameren by its subsidiaries for the six months ended June 30, 2004 and 2003:

	Six Months Ended June 30,	
	2004	2003
UE	$ 145	$ 165
CIPS	28	39
Genco	35	2
CILCORP (parent company only)(a)	-	(22)
CILCO	10	22
Non-registrants	14	(1)
Dividends paid to Ameren	$ 232	$ 205

(a) Indicates funds retained from CILCO dividend.

Credit Ratings

On July 30, 2004, Standard & Poor's Ratings Services affirmed its A- long-term corporate credit ratings on Ameren, UE, CIPS, Genco, CILCORP and CILCO and removed the ratings from CreditWatch with negative implications. The A-2 short-term credit for Ameren and UE were not on CreditWatch. The outlook is negative for the long-term ratings.

On July 8, 2004, Moody's confirmed Ameren's A3 senior unsecured debt and bank loan ratings along with its A3 issuer rating. Moody's rating outlook for these ratings was stable. This rating action concluded the review of Ameren's long-term ratings that was initiated on February 4, 2004 in connection with Ameren's agreement to purchase Illinois Power from Dynegy. Ameren's Prime-2 rating for short term debt, including commercial paper, was not under review, and was affirmed.

Any adverse change in the Ameren Companies' credit ratings may reduce their access to capital and/or increase the costs of borrowings resulting in a negative impact on earnings. At June 30, 2004, if the Ameren Companies were to receive a sub-investment grade rating (less than BBB- or Baa3), Ameren, UE, CIPS, Genco, CILCORP and CILCO could have been required to post collateral for certain trade obligations amounting to $65 million, $29 million, $1 million, $6 million, $2 million and $2 million, respectively. In addition, the cost of borrowing under our credit facilities would increase or decrease based on credit ratings. A credit rating is not a recommendation to buy, sell or hold securities and should be evaluated independently of any other rating. Ratings are subject to revision or withdrawal at any time by the assigning rating organization.

OUTLOOK

We expect the following industry-wide trends and company-specific issues to impact earnings in 2004 and beyond:

o Economic conditions, which principally impact native load demand, particularly from our industrial customers, were weak for the past few years, but improved in 2003 and early 2004.
o Ameren, UE and CIPS have historically achieved weather-adjusted growth in their native electric residential and commercial load of approximately 2% per year and expect this trend to continue for at least the next few years.
o Electric rates in UE's, CIPS' and CILCO's Illinois service territories are legislatively fixed through January 1, 2007. An electric rate case settlement in UE's Missouri service territory has resulted in annual reductions of $50 million, $30 million and $30 million on April 1, 2002, April 1, 2003, and April 1, 2004, respectively. In addition, electric rates in Missouri cannot change prior to July 1, 2006, subject to certain exclusions outlined in UE's rate settlement.

o The ICC is currently conducting workshops seeking input from interested parties on the framework for retail rate determination and the framework for generation procurement by customers after the current Illinois rate freeze ends in 2006. We believe the ICC will make a final decision on these matters in 2005.
o Power prices in the Midwest impact the amount of revenues UE, Genco and CILCO can generate by marketing any excess power into the interchange markets. Power prices in the Midwest also impact the cost of power we purchase in the interchange markets. There continues to be overcapacity in peaking generation in the Midwest. However, power prices increased in 2004 and 2003 relative to 2002, due in part to higher prices for natural gas.
o Increased expenses associated with rising employee benefit costs and higher insurance and security costs associated with additional measures UE has taken, or may have to take, at its Callaway nuclear plant and other operating plants related to world events.
o UE's Callaway nuclear plant will have a refueling outage in the fall of 2005. Refueling outages occur approximately every 18 months and typically include the replacement of fuel and the performance of maintenance and inspections. Routine refueling outages have historically lasted 30 - 35 days. If inspections discover items requiring additional maintenance, the outage period could be longer, and cost significantly more, than expected. UE's fall 2005 refueling outage is expected to last 70 - 75 days and is expected to be higher in cost due to the installation of new steam generator units.
o In January 2004, the MoPSC approved a settlement with UE authorizing an annual gas delivery rate increase of approximately $13 million, which went into effect on February 15, 2004. The settlement provides that gas delivery rates cannot change prior to July 1, 2006, subject to certain exclusions. In October 2003, the ICC issued orders awarding CILCO an increase in annual gas delivery rates of $9 million and awarding CIPS and UE increases in annual gas delivery rates of $7 million and $2 million, respectively that went into effect in November 2003.
o In the second quarter of 2004, UE received a refund of $13 million and CIPS received a refund of $5 million upon entering the Midwest ISO. These refunds were for fees previously paid to exit the Midwest ISO. However, Ameren, UE and CIPS will incur higher ongoing operation costs and may lose some revenue as a result of participating in the Midwest ISO. See Note 3 - Rate and Regulatory Matters to our financial statements under Part I, Item 1 of this report for additional information.
o Ameren, CILCORP and CILCO expect to realize further CILCORP integration synergies associated with reduced overhead expenses and lower fuel costs.
o Ameren expects the acquisition of Illinois Power to be accretive to earnings in the first two years of ownership based on a variety of assumptions related to power prices, interest rates, expected synergies and regulatory outcomes, among other things. While Ameren has contractually fixed the cash outlays for approximately 70% of Illinois Power's energy supple needs, expectations for Illinois Power earnings remain sensitive to changing energy prices for Illinois Power's entire power supply requirements, and other assumptions. In February 2004, Ameren sold 19.1 million shares of new common stock and in July 2004, sold 10.9 million shares of new Ameren common stock. Proceeds from these sales are expected to ultimately be used to finance the cash portion of the purchase price of Illinois Power and Dynegy's 20% interest in EEI and to reduce Illinois Power debt assumed as part of this transaction and pay any related premiums. However, prior to the closing of the acquisition of Illinois Power, Ameren expects the new common shares to be dilutive to earnings per share.

In the ordinary course of business, we evaluate strategies to enhance our financial position, results of operations and liquidity. These strategies may include potential acquisitions, divestitures, and opportunities to reduce costs or increase revenues, and other strategic initiatives in order to increase Ameren's shareholder value. We are unable to predict which, if any, of these initiatives will be executed, as well as the impact these initiatives may have on our future financial position, results of operations or liquidity, however the impact could be material.

RISK FACTORS

Ameren may not be able to complete its acquisition of Illinois Power. If Ameren does not complete the acquisition, dilution to its earnings per share will result unless Ameren is able to otherwise use the proceeds from the common stock it issued in February and July 2004, so as to avoid or mitigate such dilution.

On February 2, 2004, Ameren entered into an agreement with Dynegy to purchase the stock of Illinois Power and Dynegy's 20% ownership interest in EEI. The total transaction value is approximately $2.3 billion, including the assumption of approximately $1.8 billion of Illinois Power debt and preferred stock. Ameren's financing plan for this

transaction includes the issuance of new Ameren common stock. In February 2004, Ameren issued 19.1 million common shares that generated net proceeds of $853 million, and in July 2004, Ameren issued 10.9 million common shares that generated net proceeds of $445 million. Proceeds from these sales are expected to be used to finance the cash portion of the purchase price, to reduce Illinois Power debt assumed as part of this transaction and to pay any related premiums. Pending such use, and /or if the acquisition is not completed, we plan to use the net proceeds to reduce present or future indebtedness and /or repurchase securities of Ameren or our subsidiaries. The acquisition is subject to various regulatory approvals, including the ICC and the SEC and other customary closing conditions. See Note 3 - Rate and Regulatory Matters to our financial statements under Part I, Item 1 of this report for information as to the status of these regulatory proceedings. On April 14, 2004, the FCC consented to the transfer of control; on April 30, 2004, the initial 30 calendar day waiting period expired without a request by the FTC or DOJ for additional information or documents under the Hart-Scott-Rodino Act; and in July 2004, the FERC approved the acquisition of Illinois Power and Dynegy's 20% ownership interest in EEI by Ameren. Although Ameren expects to complete the transaction by the end of 2004, it cannot be certain that all of the required approvals will be obtained, or the other closing conditions will be satisfied, within that time frame, if at all, or without terms and conditions that may have a material adverse effect on our operations. Ameren is also relying on the ability of Dynegy to close the sale of Illinois Power when the required approvals are received. If Ameren is unable to complete the acquisition, the issuance of the common stock in February and July 2004, will result in dilution to Ameren's earnings per share unless it is able to otherwise use the proceeds from the common stock it issued, in a manner that will avoid or mitigate such dilution.

If Ameren is able to complete its acquisition of Illinois Power, Ameren may not be able to successfully integrate it into its other businesses or achieve the benefits it anticipates.

If Ameren completes the acquisition of Illinois Power, it cannot assure you that it will be able to successfully integrate Illinois Power with its other businesses. The integration of Illinois Power with its other businesses will present significant challenges and, as a result, Ameren may not be able to operate the combined company as effectively as expected. Ameren may also fail to achieve the anticipated benefits of the acquisition as quickly or as cost effectively as anticipated or may not be able to achieve those benefits at all. While Ameren expects that this acquisition will be accretive to earnings per share in the first full year of operation after the transaction is completed, this expectation is based on important assumptions, including assumptions related to expected financing arrangements, interest rates, market prices for power, synergies and regulatory outcomes, which may ultimately be incorrect. As a result, if Ameren is unable to integrate its businesses effectively or achieve the benefits anticipated, our financial position, results of operations and liquidity may be materially adversely affected.

The electric and gas rates that certain of the Ameren Companies are allowed to charge in Missouri and Illinois are largely set through 2006. This "rate freeze," along with other actions of regulators, can significantly affect our earnings, liquidity and business activities and are largely outside our control.

The rates that certain of the Ameren Companies are allowed to charge for their services are the single most important item influencing the financial position, results of operations and liquidity of the Ameren Companies. We are highly regulated and the regulation of the rates that we charge our customers is determined, in large part, outside of our control by governmental organizations, including the MoPSC, the ICC and the FERC. Ameren, UE, CIPS, Genco and CILCORP are also subject to regulation by the SEC under the PUHCA. Decisions made by these regulators could have a material impact on our financial position, results of operations and liquidity.

As a part of the settlement of UE's Missouri electric rate case in 2002, UE is subject to a rate moratorium providing for no changes in its electric rates in Missouri before July 1, 2006, subject to limited statutory and other exceptions. A rate reduction of $30 million went into effect on April 1, 2004, which is the last portion of the $110 million rate reduction included in the stipulation entered into as part of the settlement of the Missouri electric rate case. In addition, as a provision of the Illinois legislation related to the restructuring of the Illinois electric industry, a rate freeze is in effect in Illinois through January 1, 2007. This Illinois legislation also contains a provision requiring that earnings from the Illinois jurisdiction in excess of certain levels be shared equally with UE's, CIPS' and CILCO's Illinois customers through 2006. This Illinois legislation is also applicable to Illinois Power. Furthermore, as part of the settlement of UE's Missouri gas rate case, which was approved by the MoPSC on January 13, 2004, UE agreed to a rate moratorium providing for no changes in its gas delivery rates prior to July 1, 2006, subject to certain exceptions (the increased rates approved as part of the settlement became effective on February 15, 2004). The ICC is currently conducting workshops seeking input from interested parties on the framework for retail rate determination and the framework for generation

procurement by customers after the current Illinois rate freeze ends in 2006. We believe the ICC will make a decision on these matters in 2005.

As a part of the settlement of UE's Missouri electric rate case in 2002, UE also undertook to use commercially reasonable efforts to make critical energy infrastructure investments of $2.25 billion to $2.75 billion from January 1, 2002 through June 30, 2006, including, among other things, the addition of more than 700 megawatts of new generation capacity (240 megawatts of which was added in 2002) and the replacement of steam generators at UE's Callaway nuclear plant. The amount of energy infrastructure investment through June 2006, described in the settlement is consistent with UE's previously disclosed estimate of construction expenditures UE expects to make over the same time period. However, UE's agreement to a rate moratorium will result in these capital expenditures not becoming recoverable in rates, or earning a return, before July 1, 2006. Therefore, UE's undertakings with respect to making energy infrastructure investments and funding new programs, coupled with the rate reductions and rate moratorium described above, could result in increased financing requirements for UE and thus have a material impact on our liquidity.

The Ameren Companies do not have the benefit of a fuel adjustment clause in either Missouri or Illinois for their electric operations that would allow them to recover increased fuel and power costs from customers. Therefore, to the extent that we have not hedged our fuel and power costs, we are exposed to changes in fuel and power prices to the extent fuel for our electric generating facilities and power must be purchased on the open market in order for us to serve our customers.

Steps taken and being considered at the federal and state levels continue to change the structure of the electric industry and utility regulation. At the federal level, the FERC has been mandating changes in the regulatory framework in which transmission-owning public utilities, such as UE, CIPS and CILCO operate. In Missouri, where a majority of our retail electric revenues are currently derived, restructuring bills have been introduced in the past, but no legislation has been passed. Based on historical information in Illinois Power's Annual Reports on Form 10-K for the year ended December 31, 2003, upon completion of the acquisition of Illinois Power, over 50% of Ameren's electric revenues will be derived in Illinois. The Illinois Customer Choice Law provides for electric utility restructuring and retail direct access. Retail direct access, which allows customers to choose their electric generation supplier, was first offered to Illinois residential customers on May 1, 2002. Although retail direct access in Illinois has not had a negative effect on Ameren's revenues or liquidity, we expect competitive forces in the electric supply segment of our business to continue to increase.

The potential negative consequences associated with further electric industry restructuring in our service territories, if it occurs, could be significant and could include the impairment and writedown of certain assets, including generation related plant and net regulatory assets, lower revenues, reduced profit margins and increased costs of capital and operations expenses.

Increased federal and state environmental regulation could require UE, Genco and CILCO to incur large capital expenditures and increase operating costs.

Approximately 65% of Ameren's generating capacity is coal-fired. The balance is nuclear, gas-fired, hydro and oil-fired. The EPA has recently issued proposed regulations with respect to SO2, NOx and mercury emissions from coal-fired power plants. These new rules, if adopted, would require significant additional reductions in these emissions from our power plants in phases, beginning in 2010. The rules are currently under a public review and comment period, and may change before being issued as final late in 2004 or early 2005. Preliminary estimates of capital costs based on current technology on the Ameren systems to comply with the SO2 and NOx rules, as proposed, range from $400 million to $600 million by 2010, with an additional $500 million to $800 million by 2015. The proposed mercury regulations contain a number of options and the final control requirements are highly uncertain. Ameren anticipates additional capital costs to comply with the mercury rules could range from $300 million to $500 million by 2010, with UE incurring approximately half of the costs and Genco incurring most of the remaining costs. Depending upon the final mercury rules, additional amounts could be required to comply with mercury rules by 2018.

In addition, Illinois has developed a NOx control regulation for utility generating plant boilers consistent with an EPA program aimed at reducing ozone levels in the eastern United States. In February 2002, the EPA proposed similar rules for Missouri. Ameren currently estimates that the remaining capital expenditures could range from $210 million to

$250 million between 2004 and 2008 in order to comply with the final NOx regulations in Missouri and Illinois. This estimate includes the assumption that these rules will require the installation of selective catalytic reduction technology on some units, as well as additional controls.

We are unable to predict the ultimate effect of any new environmental regulations, guidelines, enforcement initiatives or legislation on our financial position, results of operations or liquidity. Any of these factors would add significant pollution control costs to UE's, Genco's and CILCO's generating assets and therefore, could also increase financing requirements for some of the Ameren Companies. While costs incurred by UE would be eligible for recovery in rates, subject to MoPSC or ICC approval, as applicable, there is no similar mechanism for recovery of costs by Genco or CILCO in Illinois.

UE's and CIPS' participation in a RTO could increase costs, reduce revenues and reduce UE's and CIPS' control over their transmission assets.

In December 1999, the FERC issued Order 2000 requiring all utilities subject to FERC jurisdiction to state their intentions for joining a RTO. The MoPSC issued an order in early 2004 authorizing UE to participate in the Midwest ISO for a five year period, with participation after that period subject to further approvals by the MoPSC. Subsequently, the FERC issued a final order allowing UE's and CIPS' participation in the Midwest ISO. Under these orders, the MoPSC continues to set the transmission component of UE's rates to serve its bundled retail load. CILCO is already a member of the Midwest ISO and previously transferred functional control of its transmission system to the Midwest ISO.

On May 1, 2004, functional control of the UE and CIPS transmission systems was transferred to the Midwest ISO through GridAmerica LLC, or Grid America. The participation by UE and CIPS in the Midwest ISO is expected to increase annual costs by $10 million to $20 million in the aggregate and could result in a decrease in annual revenues of between $5 million and $10 million in the aggregate. UE and CIPS may also be required to expand their transmission systems according to decisions made by a RTO rather than their internal planning process. In addition, we are unable to determine the full impact of the Energy Markets Tariff tendered by the Midwest ISO for filing at the FERC in March 2004 (discussed in Note 3 - Rate and Regulatory Matters to our financial statements under Part I, Item 1 of this report) until further information is available regarding the implementation of the Energy Markets Tariff.

Until UE and CIPS achieve some degree of operational experience participating in the Midwest ISO through GridAmerica, we are unable to predict the ultimate impact that such participation or ongoing RTO developments at the FERC or other regulatory authorities will have on our financial position, results of operations or liquidity.

The inability of UE and CIPS to recover "through and out" transmission revenues could result in a material net revenue reduction.

Through orders issued during late 2003 and early 2004, the FERC had ordered the elimination of regional through-and-out rates assessed by the Midwest ISO that involved transmission service between the Midwest ISO and PJM regions to be effective May 1, 2004. However, on March 19, 2004, the FERC accepted an agreement among affected transmission owners that retains the regional through-and-out rates until December 1, 2004, and provides for continued negotiations aimed at developing a long-term transmission pricing structure to eliminate seams between the PJM and Midwest ISO regions based on specified pricing principles. Until the long-term transmission pricing structure has been established, UE and CIPS cannot predict the ultimate impact that such structure will have on their costs and revenues.

The substance and implementation of standard market design rules by the FERC is uncertain and may adversely affect the way in which UE, CIPS and CILCO operate their transmission assets.

On July 31, 2002, the FERC issued its standard market design NOPR. The NOPR proposes a number of changes to the way the current wholesale transmission service and energy markets are operated. Specifically, the NOPR proposes that all jurisdictional transmission facilities be placed under the control of an independent transmission provider (similar to a RTO), proposes a new transmission service tariff that provides a single form of transmission service for all users of the transmission system including bundled retail load, and proposes a new energy market and congestion management system that uses locational marginal pricing as its basis. In our initial comments on the NOPR, which were filed at the FERC on November 15, 2002, we expressed our concern with the potential impact of the proposed rules in their current form on the cost and reliability of service to retail customers. We also proposed that certain modifications be made to

the proposed rules in order to protect transmission owners from the possibility of trapped transmission costs that might not be recoverable from ratepayers as a result of inconsistent regulatory policies. We filed additional comments on the remaining sections of the NOPR during the first quarter of 2003.

In April 2003, the FERC issued a "white paper" reflecting comments received in response to the NOPR. More specifically, the white paper indicated that the FERC will not assert jurisdiction over the transmission rate component of bundled retail service and will insure that existing bundled retail customers retain their existing transmission rights and retain rights for future load growth in its final rule. Moreover, the white paper acknowledged that the final rule will provide the states with input on resource adequacy requirements, allocation of firm transmission rights, and transmission planning. The FERC also requested input on the flexibility and timing of the final rule's implementation.

Although issuance of the final rule is uncertain and its implementation schedule is still unknown, the Midwest ISO was in the process of implementing a separate market design similar to the proposed market design in the NOPR. In July 2003, the Midwest ISO filed with the FERC a revised OATT codifying the terms and conditions under which it will implement the new market design. Thereafter, on October 17, 2003, the Midwest ISO filed a motion to withdraw its revised OATT. On October 29, 2003, the FERC issued a series of orders granting the motion for withdrawal of the revised OATT and providing guidance to be followed by the Midwest ISO in developing a new energy market design in the future. In March 2004, the Midwest ISO tendered for filing at the FERC a proposed Energy Markets Tariff, which is intended to supercede its existing OATT (see Note 3 - Rate and Regulatory Matters to our financial statements under Item I, Part 1 of this report). Until the FERC issues a final rule and the Midwest ISO finalizes its new market design, we are unable to predict the ultimate impact of the NOPR or the Midwest ISO new market design on our future financial position, results of operations or liquidity.

The market-based rate authority currently held by UE, Genco, CILCO, AERG, Development Company, Marketing Company and Medina Valley could be partially revoked as a result of FERC's new market power analysis screen order.

In an order issued in April 2004, the FERC replaced the Supply Margin Assessment Screen previously used to review applications by sellers of electricity at wholesale for authorization to sell power at market-based rates with two alternative measures of market power: (a) an uncommitted pivotal supplier analysis and (b) an uncommitted market share analysis which is to be prepared on a seasonal basis. If an applicant passes both screens, a rebuttable presumption will exist that it lacks generation market power. If the applicant fails either screen, a rebuttable presumption will exist that it has market power. Under such circumstances, the applicant may either seek to rebut the presumption by preparing a delivered price test (identifying the amount of economic capacity from neighboring areas that can be delivered to the control area) or propose mitigation measures. Unless some other mitigation measure is adopted, the applicant's authority to sell power at market-based rates in areas in which it has market power will be revoked, and the applicant will be required to sell at cost-based rates in those areas.

UE, Genco, CILCO, AERG, Development Company, Marketing Company and Medina Valley currently have authorization from the FERC to continue to sell power at market-based rates. However, the FERC indicated in its April order that it would apply the new market analysis screens to pending and future market-based rate applications, including three-year market-based rate reviews. All of the aforementioned Ameren entities currently have three-year market-based rate reviews pending at the FERC. Until Ameren has evaluated the impact of the FERC's order with respect to the Ameren system, we are unable to predict the ultimate impact that the new market power analysis screens will have on Ameren's ability to sell power at market-based rates.

Increasing costs associated with our defined benefit retirement plans, healthcare plans and other employee related benefits may adversely affect our results of operations, liquidity and financial position.

The Ameren Companies made cash contributions totaling $25 million and $31 million to defined benefit retirement plans during 2003 and 2002, respectively. In addition, a minimum pension liability was recorded at December 31, 2002, which resulted in an after-tax charge to OCI and a reduction in stockholders' equity for Ameren of $102 million. At December 31, 2003, the minimum pension liability was reduced, resulting in OCI of $46 million and an increase in stockholders' equity. The Ameren Companies expect to be required under the ERISA to fund an average of approximately $115 million annually from 2005 through 2008, in order to maintain minimum funding levels for our pension plans. These amounts are estimates and may change based on actual stock market performance, changes in

interest rates, and any pertinent changes in government regulations, each of which could also result in a requirement to record an additional minimum pension liability. Furthermore, if Ameren completes its acquisition of Illinois Power, we could incur material funding requirements with respect to Illinois Power's existing defined benefit retirement plans.

In addition to the costs of our retirement plans, the costs to us of providing healthcare benefits to our employees and retirees have increased substantially in recent years. We believe that our employee benefit costs, including costs related to healthcare plans for our employees and former employees, will continue to rise. The increasing costs and funding requirements associated with our defined benefit retirement plans, healthcare plans and other employee benefits may adversely affect our results of operations, liquidity or financial position.

UE's, Genco's and CILCO's electric generating facilities are subject to operational risks that could result in unscheduled plant outages, unanticipated operation and maintenance expenses and increased power purchase costs.

UE, CILCO, Genco, AERG, Medina Valley and EEI own and operate coal, nuclear, gas-fired, hydro and oil-fired generating facilities constituting approximately 14,600 megawatts (net) of installed capability. Operation of electric generating facilities involves certain risks which can adversely affect energy output and efficiency levels. Included among these risks are:

o increased prices for fuel and fuel transportation as existing contracts expire,
o facility shutdowns due to a breakdown or failure of equipment or processes,
o longer than anticipated maintenance outages,
o disruptions in the delivery of fuel and lack of adequate inventories,
o labor disputes,
o inability to comply with regulatory or permit requirements,
o disruptions in the delivery of electricity,
o increased capital expenditures requirements, including those due to environmental regulation,
o operator error, and
o unusual or adverse weather conditions, including catastrophic events such as fires, explosions, floods or other similar occurrences affecting electric generating facilities.

A substantial portion of Genco's and AERG's generating capacity is committed under affiliate contracts which expire over the next several years.

Genco and AERG have several electric power supply agreements under which Genco and AERG directly or indirectly supply the full requirements of UE, CIPS and CILCO, including the following:

o Under two electric power supply agreements, Genco is obligated to supply to Marketing Company, and Marketing Company, in turn, is obligated to supply to CIPS, all of the energy and capacity needed by CIPS to offer service for resale to its native load customers and to fulfill CIPS' other obligations under all applicable federal and state tariffs or contracts. Any power not used by CIPS is sold by Marketing Company under various long-term wholesale and retail contracts. The agreement between CIPS and Marketing Company was originally set to expire on December 31, 2004. The agreement between Genco and Marketing Company can be terminated by either party upon at least one year's notice, but may not be terminated prior to December 31, 2004. CIPS and Marketing Company filed in July 2004, a request with the FERC to extend their agreement through December 31, 2006. This extension was required by the ICC in its order approving Ameren's acquisition of CILCORP.

o AERG has an electric power supply agreement with CILCO to supply it sufficient power to meet its native load requirements. This agreement was originally set to expire on December 31, 2004. AERG and CILCO have agreed to extend the power supply agreement through December 31, 2006. Unlike the CIPS-Marketing Company agreement, the provisions of the agreement between CILCO and AERG allow the parties to extend the term of the agreement, and Ameren believes that no further FERC action is necessary for such an extension to become effective. The ICC required this extension in its order approving Ameren's acquisition of CILCORP.

Midwest power markets have experienced high levels of new capacity development over the last several years, which, in part, have contributed to soft long-term power prices in this region. Owners of generating capacity in the

Midwest are actively seeking markets for their energy and capacity and have asked our regulators to closely scrutinize power supply arrangements among our subsidiaries when we have sought approval to enter into them. It cannot be predicted whether obtaining extensions on other long-term replacement power sale contracts for the energy and capacity currently committed under these agreements when they expire will be successful. To the extent Genco or AERG cannot secure extensions or other long-term replacement power sale contracts for the energy and capacity currently committed under these agreements, our generating subsidiaries and Marketing Company will face competition from other power suppliers in the Midwest and will be exposed to price risk.

Genco participates with UE in an agreement to jointly dispatch its generating facilities with those of UE, which thereby produces benefits and efficiencies for both generating parties. Pending or future federal and state regulatory proceedings and policies may evolve in ways that could impact Genco's ability to continue to participate in these affiliate transactions on current terms. For example, as a result of the pending MoPSC proceeding relating to the transfer of UE's Illinois-based utility business, there is uncertainty as to the terms of the joint dispatch agreement and also as to its duration. The termination of the agreement, or modifications to it, could have a material adverse effect on UE or Genco.

Genco's and CILCO's electric generating facilities must compete for the sale of energy and capacity, which exposes them to price risk.

As owners of non rate-regulated electric generating facilities, Genco (4,800 megawatts) and AERG (1,100 megawatts) will not have any recovery of their costs or any specified rate of return set by a regulatory body. Of these non rate-regulated electric generating facilities, approximately 3,500 megawatts are currently under full requirements contracts with our affiliates, including the contracts referred to in the immediately preceding risk factor. The remainder of the generating capacity must compete for the sale of energy and capacity. UE is currently seeking regulatory approval of the transfer by Genco to it of approximately 550 megawatts of CTs at Pinckneyville and Kinmundy, Illinois, which transfer is expected to occur in 2004, with the result that those CTs will no longer be non rate-regulated.

To the extent electric capacity generated by these facilities is not under contract to be sold, either now or in the future, the revenues and results of operations of these non rate-regulated subsidiaries will generally depend on the prices that they can obtain for energy and capacity in Illinois and adjacent markets. Among the factors that could influence such prices (all of which are beyond our control to a significant degree) are:

o the current and future market prices for natural gas, fuel oil and coal,
o current and forward prices for the sale of electricity,
o the extent of additional supplies of electric energy from current competitors or new market entrants,
o the pace of deregulation in our market area and the slowing expansion of deregulated markets,
o the regulatory and pricing structures developed for Midwest energy markets as they continue to evolve and the pace of development of regional markets for energy and capacity outside of bilateral contracts,
o future pricing for, and availability of, transmission services on transmission systems, the effect of RTOs, development and export energy transmission constraints, which could limit the ability to sell energy in markets adjacent to Illinois,
o the rate of growth in electricity usage as a result of population changes, regional economic conditions and the implementation of conservation programs, and
o climate conditions prevailing in the Midwest market from time to time.

UE's ownership and operation of a nuclear generating facility creates business, financial and waste disposal risks.

UE owns the Callaway nuclear plant, which represents approximately 14% of UE's generation capability. Therefore, UE is subject to the risks of nuclear generation, which include the following:

o the potential harmful effects on the environment and human health resulting from the operation of nuclear facilities and the storage, handling and disposal of radioactive materials,
o limitations on the amounts and types of insurance commercially available to cover losses that might arise in connection with UE's nuclear operations or those of others in the United States,
o uncertainties with respect to contingencies and assessment amounts if insurance coverage is inadequate,

o increased public and governmental concerns over the adequacy of security at nuclear power plants, and
o uncertainties with respect to the technological and financial aspects of decommissioning nuclear plants at the end of their licensed lives (UE's facility operating license for the Callaway nuclear plant expires in 2024), and
o costly and extended outages from scheduled or unscheduled maintenance.

The NRC has broad authority under federal law to impose licensing and safety related requirements for the operation of nuclear generation facilities. In the event of non-compliance, the NRC has the authority to impose fines or shut down a unit, or both, depending upon its assessment of the severity of the situation, until compliance is achieved. Revised safety requirements promulgated by the NRC could necessitate substantial capital expenditures at nuclear plants such as UE's. In addition, although UE has no reason to anticipate a serious nuclear incident at its plant, if an incident did occur, it could harm UE's results of operations or financial position. A major incident at a nuclear facility anywhere in the world could cause the NRC to limit or prohibit the operation or licensing of any domestic nuclear unit.

Operating performance at UE's Callaway nuclear plant has recently resulted in unscheduled plant outages and the extension of Callaway's scheduled refueling and maintenance outage in 2004. In addition, Ameren and UE have incurred significant unanticipated replacement power and maintenance costs. As a result, the operating performance at UE's Callaway nuclear plant has declined as compared to its past operating performance and the operating performance of other nuclear plants in the United States. Ameren and UE are actively working to address factors leading to the decline in Callaway's operating performance, including management and supervision of operating personnel, equipment reliability, maintenance worker practices, engineering performance and overall organizational effectiveness. However, Ameren and UE cannot predict whether such efforts will result in an overall improvement of operations at Callaway. Efforts taken are expected to result in incremental operating costs at Callaway. Further, additional unscheduled or extended outages at Callaway could have a material effect on the financial position, results of operations and cash flows of Ameren and UE.

Our energy risk management strategies may not be effective in managing fuel and electricity pricing risks, which could result in unanticipated liabilities to us or increased volatility of our earnings.

We are exposed to changes in market prices for natural gas, fuel, electricity and emission credits. Prices for natural gas, fuel, electricity and emission credits may fluctuate substantially over relatively short periods of time and expose us to commodity price risk. We utilize derivatives such as forward contracts, futures contracts, options and swaps to manage these risks. We attempt to manage our exposure from these activities through enforcement of established risk limits and risk management procedures. We cannot assure you that these strategies will be successful in managing our pricing risk, or that they will not result in net liabilities to us as a result of future volatility in these markets.

In addition, although we routinely enter into contracts to offset our positions (i.e., to hedge our exposure to the risks of demand, market effects of weather and changes in commodity prices), we do not always hedge the entire exposure of our operations from commodity price volatility. Furthermore, our ability to hedge our exposure to commodity price volatility depends on liquid commodity markets. As a result, to the extent the commodity markets are illiquid, we may not be able to execute our risk management strategies, which could result in greater open positions than we would prefer at a given time. To the extent that open positions exist, fluctuating commodity prices can improve or diminish our financial results and financial position.

Our businesses are dependent on our ability to successfully access the capital markets. We may not have access to sufficient capital in the amounts and at the times needed.

We rely on access to short-term and long-term capital markets as a significant source of liquidity and funding for capital requirements not satisfied by our operating cash flows. The inability to raise capital on favorable terms, particularly during times of uncertainty in the capital markets, could negatively impact our ability to maintain and grow our businesses. Based on our current credit ratings, we believe that we will continue to have access to the capital markets. However, events beyond our control may create uncertainty in the capital markets such that our cost of capital would increase or our ability to access the capital markets would be adversely affected.

REGULATORY MATTERS

See Note 2 - Acquisitions, Note 3 - Rate and Regulatory Matters and Note 8
- Related Party Transactions to our financial statements under Part I, Item 1 of this report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Market risk represents the risk of changes in value of a physical contract or a financial instrument, derivative or non-derivative, caused by fluctuations in market variables such as interest rates. The following discussion of our risk management activities includes "forward-looking" statements that involve risks and uncertainties. Actual results could differ materially from those projected in the "forward-looking" statements. We handle market risks in accordance with established policies, which may include entering into various derivative transactions. In the normal course of business, we also face risks that are either non-financial or non-quantifiable. Such risks principally include business, legal and operational risks and are not represented in the following discussion.

Our risk management objective is to optimize our physical generating assets within prudent risk parameters. Our risk management policies are set by a Risk Management Steering Committee, which is comprised of senior-level Ameren officers.

Interest Rate Risk

We are exposed to market risk through changes in interest rates associated with:

o long-term and short-term variable-rate debt;
o fixed-rate debt;
o commercial paper;
o auction-rate long-term debt; and
o auction-rate preferred stock.

We manage our interest rate exposure by controlling the amount of these instruments we hold within our total capitalization portfolio and by monitoring the effects of market changes in interest rates.

The following table presents the estimated increase (decrease) in our annual interest expense and net income if interest rates were to change by 1% on variable rate debt outstanding at June 30, 2004:

	Interest Expense	Net Income(a)
Ameren(b)	$ 5	$ (3)
UE	8	(5)
CIPS	-	-
Genco	2	(1)
CILCORP(c)	3	(2)
CILCO	2	(1)

(a) Calculations are based on an effective tax rate of 36%.
(b) Includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(c) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

The model does not consider the effects of the reduced level of potential overall economic activity that would exist in such an environment. In the event of a significant change in interest rates, management would likely take actions to further mitigate our exposure to this market risk. However, due to the uncertainty of the specific actions that would be taken and their possible effects, the sensitivity analysis assumes no change in our financial structure.

Credit Risk

Credit risk represents the loss that would be recognized if counterparties fail to perform as contracted. NYMEX-traded futures contracts are supported by the financial and credit quality of the clearing members of the NYMEX and have nominal credit risk. On all other transactions, we are exposed to credit risk in the event of nonperformance by the counterparties to the transaction.

Our physical and financial instruments are subject to credit risk consisting of trade accounts receivables, executory contracts with market risk exposures and leveraged lease investments. The risk associated with trade receivables is mitigated by the large number of customers in a broad range of industry groups comprising our customer base. No non-affiliated customer represents greater than 10%, in the aggregate, of our accounts receivable. Ameren's revenues are primarily derived from sales of electricity and natural gas to customers in Missouri and Illinois. UE and Genco have credit exposure associated with accounts receivables from nonaffiliated companies for interchange sales. At June 30, 2004, UE's, Genco's and Marketing Company's combined credit exposure to non-investment grade counterparties related to interchange sales was $2 million, net of collateral. We establish credit limits for these counterparties and monitor the appropriateness of these limits on an ongoing basis through a credit risk management program, which involves daily exposure reporting to senior management, master trading and netting agreements, and credit support such as letters of credit and parental guarantees. We also analyze each counterparty's financial condition prior to entering into sales, forwards, swaps, futures or option contracts and monitor counterparty exposure associated with our leveraged leases.

Equity Price Risk

Our costs of providing non-contributory defined benefit retirement and postretirement benefit plans are dependent upon a number of factors, such as the rate of return on plan assets, discount rate, the rate of increase in healthcare costs and contributions made to the plans. The market value of our plan assets was affected by declines in the equity market for 2000 through 2002 for the pension and postretirement plans. As a result, a minimum pension liability was recorded at December 31, 2002, which resulted in a charge to OCI and a reduction in stockholders' equity. At December 31, 2003, the minimum pension liability was reduced resulting in OCI of $46 million and an increase in stockholders' equity. The minimum pension liability has not changed as of June 30, 2004.

The amount of the pension liability as of June 30, 2004, was the result of asset returns, interest rates and our contributions to the plans during 2003. In future years, the liability recorded, the costs reflected in net income or OCI, or cash contributions to the plans could increase materially without a recovery in equity markets in excess of our assumed return on plan assets of 8.5%. If the fair value of the plan assets were to grow and exceed the accumulated benefit obligations in the future, the recorded liability would then be reduced and a corresponding amount of equity would be restored, net of taxes.

Commodity Price Risk

The Ameren Companies are exposed to changes in market prices for natural gas, fuel and electricity to the extent they cannot be recovered through rates. For a more detailed discussion of our commodity price risk, see Commodity Price Risk under Part II, Item 7A of the Ameren Companies' combined Form 10-K for the fiscal year ended December 31, 2003. Below are tables presenting the percentage of fuel that is price-hedged and the effects a material change in price will have on our coal costs not currently covered under fixed-price contracts as of June 30, 2004.

The following table presents the percentages of the required supply of coal for our coal-fired power plants, nuclear fuel and natural gas for our CTs and distribution, as appropriate, which are price-hedged for the remainder of 2004 through 2008:

	2004	2005	2006 - 2008
Ameren:			
Coal	100%	92%	60%
Nuclear fuel	100	100	32
Natural gas for generation	27	16	4
Natural gas for distribution	43	17	5

	2004	2005	2006 - 2008
UE:			
Coal	100%	88%	53%
Nuclear fuel	100	100	32
Natural gas for generation	36	12	4
Natural gas for distribution	41	14	4
CIPS:			
Natural gas for distribution	39%	17%	4%
Genco:			
Coal	100%	100%	82%
Natural gas for generation	14	18	5
CILCORP:(a)			
Coal	100%	83%	54%
Natural gas for distribution	46	19	6
CILCO:			
Coal	100%	83%	54%
Natural gas for distribution	46	19	6

(a) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

The following table presents the estimated increase (decrease) in our total fuel expense and net income if coal costs were to change by 1% on any requirements currently not covered by fixed-price contracts for the remainder of 2004 through 2008:

	Fuel Expense	Net Income(a)
Ameren(b)	$ 6	$ 3
UE	3	2
CIPS	-	-
Genco	1	1
CILCORP(c)	1	-
CILCO	1	-

(a) Calculations are based on an effective tax rate of 36%.
(b) Includes amounts for non-registrant Ameren subsidiaries.
(c) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

Fair Value of Contracts

Most of our commodity contracts qualify for treatment as normal purchases and normal sales. However, we utilize derivatives principally to manage the risk of changes in market prices for natural gas, fuel, electricity and emission credits. Price fluctuations in natural gas, fuel and electricity cause:

o an unrealized appreciation or depreciation of our firm commitments to purchase or sell when purchase or sales prices under the firm commitment are compared with current commodity prices;
o market values of fuel and natural gas inventories or purchased power to differ from the cost of those commodities in inventory under firm commitment; and
o actual cash outlays for the purchase of these commodities to differ from anticipated cash outlays.

The derivatives that we use to hedge these risks are dictated by risk management policies and include forward contracts, futures contracts, options and swaps. We continually assess our supply and delivery commitment positions against forward market prices and internally-forecasted forward prices and modify our exposure to market, credit and operational risk by entering into various offsetting transactions. In general, we believe these transactions serve to reduce our price risk. See Note 7 - Derivative Financial Instruments to our financial statements under Part I, Item 1 of this report for further information.

The following table presents the favorable (unfavorable) changes in the fair value of all contracts marked-to-market during the three months and six months ended June 30, 2004:

	Ameren(a)	UE	CIPS	CILCORP(b)	CILCO
Three Months					
Fair value of contracts at beginning of period, net.....	$ 18	$ (2)	$ 4	$ 11	$ 11
Contracts realized or otherwise settled during the period...	-	-	-	-	-
Changes in fair values attributable to changes in valuation technique and assumptions	-	-	-	-	-
Fair value of new contracts entered into during the period...	-	-	-	-	-
Other changes in fair value..........................	6	-	2	1	1
Fair value of contracts outstanding at end of period, net..................................	$ 24	$ (2)	$ 6	$ 12	$ 12
Six Months					
Fair value of contracts at beginning of period, net.....	$ 12	$ (1)	$ 1	$ 6	$ 6
Contracts realized or otherwise settled during the period...	(4)	1	(1)	(3)	(3)
Changes in fair values attributable to changes in valuation technique and assumptions	-	-	-	-	-
Fair value of new contracts entered into during the period...	-	-	-	-	-
Other changes in fair value..........................	16	(2)	6	9	9
Fair value of contracts outstanding at end of period, net..................................	$ 24	$ (2)	$ 6	$ 12	$ 12

(a) Includes amounts for non-registrant Ameren subsidiaries as well as intercompany eliminations.
(b) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

The following table presents maturities of contracts as of June 30, 2004:

Sources of Fair Value	Maturity Less than 1 Year	Maturity 1-3 Years	Maturity 4-5 Years	Maturity in Excess of 5 Years	Total Fair Value(a)
Ameren:					
Prices actively quoted..............	$ 14	$ 9	$ -	$ -	$ 23
Prices provided by other external sources(b).......................	1	-	-	-	1
Prices based on models and other valuation methods(c).............	2	-	(2)	-	-
Total...............................	$ 17	$ 9	$ (2)	$ -	$ 24
UE:					
Prices actively quoted..............	$ 2	$ 2	$ -	$ -	$ 4
Prices provided by other external sources(b).......................	1	-	-	-	1
Prices based on models and other valuation methods(c).............	(6)	1	(2)	-	(7)
Total...............................	$ (3)	$ 3	$ (2)	$ -	$ (2)
CIPS:					
Prices actively quoted..............	$ 3	$ 3	$ -	$ -	$ 6
Prices provided by other external sources(b).......................	-	-	-	-	-
Prices based on models and other valuation methods(c).............	-	-	-	-	-
Total...............................	$ 3	$ 3	$ -	$ -	$ 6

Sources of Fair Value	Maturity Less than 1 Year	Maturity 1-3 Years	Maturity 4-5 Years	Maturity in Excess of 5 Years	Total Fair Value(a)
CILCORP:(d)					
Prices actively quoted	$ 8	$ 4	$ -	$ -	$ 12
Prices provided by other external sources(b)........................	-	-	-	-	-
Prices based on models and other valuation methods(c)..............	-	-	-	-	-
Total	$ 8	$ 4	$ -	$ -	$ 12
CILCO:					
Prices actively quoted	$ 8	$ 4	$ -	$ -	$ 12
Prices provided by other external sources(b)........................	-	-	-	-	-
Prices based on models and other valuation methods(c)..............	-	-	-	-	-
Total	$ 8	$ 4	$ -	$ -	$ 12

(a) Contracts of less than $8 million were with non-investment-grade rated counterparties.
(b) Principally power forwards based on a published survey of settled forward pricing and natural gas swap valuations based on NYMEX prices for over-the-counter contracts.
(c) Principally coal and SO2 option values based on a Black-Scholes model that includes information from external sources and our estimates. Also includes power forward contract values based on our estimates.
(d) CILCORP consolidates CILCO and therefore includes CILCO amounts in its balances.

ITEM 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

As of June 30, 2004, the principal executive officer and principal financial officer of each registrant have evaluated the effectiveness of the design and operation of such registrant's disclosure controls and procedures (as defined in Rules 13a - 15(e) and 15d - 15(e) of the Exchange Act). Based upon that evaluation, the principal executive officer and principal financial officer of each such registrant have concluded that such disclosure controls and procedures are effective in timely alerting them to any material information relating to such registrant, which is required to be included in such registrant's reports filed or submitted with the SEC under the Exchange Act.

(b) Change in Internal Controls

There has been no change in the registrants' internal control over financial reporting that occurred during their most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, their internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. Legal Proceedings.

Note 2 - Acquisitions, Note 3 - Rate and Regulatory Matters, Note 8 -
Related Party Transactions and Note 9 - Commitments and Contingencies to our financial statements under Part I, Item 1 of this report contain information on legal and administrative proceedings which are incorporated by reference under this item.

ITEM 2. CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY

SECURITIES.

Ameren Corporation's purchases of equity securities reportable under Item 703 of Regulation S-K:

Period	(a)Total Number of Shares (or Units) Purchased(a)	(b)Average Price Paid per Share (or Unit)	(c)Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d)Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
April 1 - April 30, 2004........	1,000	$ 44.21	-	-
May 1 - May 31, 2004..........	61,382	43.43	-	-
June 1 - June 30, 2004.........	950	44.14	-	-
Total	63,332	$ 43.45	-	-

(a) These shares of Ameren common stock were purchased by Ameren in open-market transactions in satisfaction of Ameren's obligations upon the exercise by employees of options issued under Ameren's Long-term Incentive Plan of 1998. Ameren does not have any publicly announced equity securities repurchase plans or programs.

None of the other registrants purchased equity securities reportable under Item 703 of Regulation S-K during the April 1 to June 30, 2004, period.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

Ameren

At Ameren's annual meeting of shareholders held on April 27, 2004, the following matters were presented to the meeting for a vote and the results of such voting are as follows:

Item (1) Election of 12 directors (comprising Ameren's full Board of
Directors) to serve until the next annual meeting of shareholders in 2005.

Name	For	Withheld	Non-Voted Brokers(a)
Susan S. Elliott	151,719,167	3,971,806	0
Clifford L. Greenwalt	151,468,735	4,222,238	0
Thomas A. Hays	151,678,396	4,012,577	0
Richard A. Liddy	150,385,122	5,305,851	0
Gordon R. Lohman	151,764,063	3,926,910	0
Richard A. Lumpkin	150,526,942	5,164,031	0
John Peters MacCarthy	147,760,462	7,930,511	0
Paul L. Miller, Jr.	150,616,064	5,074,909	0
Charles W. Mueller	151,794,798	3,896,175	0
Douglas R. Oberhelman	141,796,966	13,894,007	0
Gary L. Rainwater	151,353,286	4,337,686	0
Harvey Saligman	150,480,134	5,210,839	0

(a) Broker shares included in the quorum but not voting on the item.

Item (2) Ratification of PricewaterhouseCoopers LLP as Ameren's independent
registered public accounting firm for the fiscal year ending December 31, 2004.

For	Against	Abstain	Non-Voted Brokers(a)
151,263,408	2,667,991	1,758,182	18,926,816

(a) Broker shares included in the quorum but not voting on the item.

Item (3) Shareholder proposal relating to the storage of irradiated fuel rods at UE's Callaway nuclear plant.

For	Against	Abstain	Non-Voted Brokers(a)
10,155,207	101,417,459	9,541,877	53,501,853

(a) Broker shares included in the quorum but not voting on the item.

UE

At UE's annual meeting of shareholders held on April 27, 2004, the following matter was presented to the meeting for a vote and the results of such voting are as follows:

Item (1) Election of six directors (comprising UE's full Board of Directors) to serve until the next annual meeting ofshareholders in 2005.

Name	For	Withheld	Non-Voted Brokers(a)
Warner L. Baxter	102,557,609	10,061	0
Gary L. Rainwater	102,557,609	10,061	0
Gary L. Randolph	102,557,009	10,061	0
Steven R. Sullivan	102,557,609	10,061	0
Thomas R. Voss	102,557,509	10,161	0
David A. Whiteley	102,557,009	10,061	0

(a) Broker shares included in the quorum but not voting on the item.

CIPS

At CIPS' annual meeting of shareholders held on April 27, 2004, the following matter was presented to the meeting for a vote and the results of such voting are as follows:

Item (1) Election of six directors (comprising CIPS' full Board of Directors) to serve until the next annual meeting of shareholders in 2005.

Name	For	Withheld	Non-Voted Brokers(a)
Warner L. Baxter	25,813,624	31,963	0
Daniel F. Cole	25,813,619	31,968	0
Gary L. Rainwater	25,813,614	31,973	0
Steven R. Sullivan	25,813,619	31,968	0
Thomas R. Voss	25,813,616	31,971	0
David A. Whiteley	25,813,624	31,963	0

(a) Broker shares included in the quorum but not voting on the item.

CILCO

At CILCO's annual meeting of shareholders held on April 27, 2004, the following matter was presented to the meeting for a vote and the results of such voting are as follows:

Item (1) Election of six directors (comprising CILCO's full Board of Directors) to serve until the next annual meeting of shareholders in 2005.

Name	For	Withheld	Non-Voted Brokers(a)
Warner L. Baxter	13,794,566	1,243	0
Scott A. Cisel	13,794,566	1,243	0
Daniel F. Cole	13,794,566	1,243	0

Gary L. Rainwater	13,794,566	1,243	0
Steven R. Sullivan	13,794,566	1,243	0
Thomas R. Voss	13,794,566	1,243	0

(a) Broker shares included in the quorum but not voting on the item.

GENCO and CILCORP

The information called for by this item is omitted in reliance on General Instruction H(1)(a) and (b) of Form 10-Q.

ITEM 5. OTHER INFORMATION.

Reference is made to Item 2. Properties under Part I of the Ameren Companies' combined Form 10-K for the fiscal year ended December 31, 2003 for a discussion of UE's, CIPS' and CILCO's written notice to MAIN of their intent to withdraw from that organization effective January 1, 2005. MAIN is a regional electric reliability council organized for coordinating the planning and operation of bulk power supply in the central United States. In July 2004, UE, CIPS and CILCO further notified MAIN that they agree to delay their withdrawal to January 1, 2006 provided the configuration of MAIN remains the same. The right to withdraw effective January 1, 2005, was reserved in the event that certain utilities elect not to remain as regular MAIN members after December 31, 2004. UE, CIPS and CILCO intend to join another RRO prior to their withdrawal from MAIN. UE, CIPS and CILCO may withdraw their notice of intent to withdraw from MAIN at any time.

ITEM 6. Exhibits and Reports on Form 8-K.

(a) Exhibits. The documents listed below are being filed on behalf of Ameren, UE, CIPS, Genco, CILCORP and CILCO (collectively the "Ameren Companies").

Exhibit Designation	Registrant(s)	Nature of Exhibit
Plan of Acquisition, Reorganization, Arrangement, Liquidation or Succession		
2.1	Ameren Companies	Amendment No. 2, dated as of April 30, 2004, to Stock Purchase Agreement, dated as of February 2, 2004, by and between Dynegy and certain of its subsidiaries and Ameren
2.2	Ameren Companies	Amendment No. 3, dated as of May 31, 2004, to Stock Purchase Agreement, dated as of February 2, 2004, by and between Dynegy and certain of its subsidiaries and Ameren
Material Contracts		
10.1	Ameren	Three-Year Revolving Credit Agreement dated as of July 14, 2004
10.2	Ameren	Five-Year Revolving Credit Agreement dated as of July 14, 2004
10.3	Ameren CILCORP CILCO	Extension of Power Supply between AERG and CILCO
Code of Ethics		
14.1	Ameren Companies	*Code of Ethics amended as of June 11, 2004
Rule 13a-14(a) / 15d-14(a) Certifications		
31.1	Ameren	Rule13a-14(a)/15d-14(a) Certification of Principal Executive Officer of Ameren
31.2	Ameren	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer of Ameren
31.3	UE	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer of UE
31.4	UE	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer of UE
31.5	CIPS	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer of CIPS
31.6	CIPS	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer of CIPS
31.7	Genco	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer of Genco

Exhibit Designation	Registrant(s)	Nature of Exhibit
31.8	Genco	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer of Genco
31.9	CILCORP	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer of CILCORP
31.10	CILCORP	Rule13a-14(a)/15d-14(a) Certification of Principal Financial Officer of CILCORP
31.11	CILCO	Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer of CILCO
31.12	CILCO	Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer of CILCO
Section 1350 Certifications		
32.1	Ameren	Section 1350 Certification of Principal Executive Officer of Ameren
32.2	Ameren	Section 1350 Certification of Principal Financial Officer of Ameren
32.3	UE	Section 1350 Certification of Principal Executive Officer of UE
32.4	UE	Section 1350 Certification of Principal Financial Officer of UE
32.5	CIPS	Section 1350 Certification of Principal Executive Officer of CIPS
32.6	CIPS	Section1350 Certification of Principal Financial Officer of CIPS
32.7	Genco	Section 1350 Certification of Principal Executive Officer of Genco
32.8	Genco	Section 1350 Certification of Principal Financial Officer of Genco
32.9	CILCORP	Section 1350 Certification of Principal Executive Officer of CILCORP
32.10	CILCORP	Section 1350 Certification of Principal Financial Officer of CILCORP
32.11	CILCO	Section 1350 Certification of Principal Executive Officer of CILCO
32.12	CILCO	Section 1350 Certification of Principal Financial Officer of CILCO

* Revisions to the Code of Ethics are also being posted on Ameren's website within five business days following the date of the revision, in accordance with SEC regulation.

(b) Reports on Form 8-K. The Ameren Companies filed the following reports on Form 8-K during the quarterly period ended June 30, 2004:

Date of Report	Items Reported	Financial Statements Filed
Ameren:		
April 29, 2004 (a)	12	(b)
May 18, 2004	5, 7	None
UE:		
May 18, 2004	5, 7	None
CIPS:		
None		
Genco:		
None		
CILCORP:		
None		
CILCO:		
None		

(a) This report was furnished pursuant to Item 12 and not deemed "filed" for purposes of Section 18 of the Exchange Act.
(b) Consolidated operating statistics for three months ended March 31, 2004, and March 31, 2003, unaudited consolidated balance sheet as of March 31, 2004, and December 31, 2003, unaudited consolidated statement of income for three months ended March 31, 2004, and March 31, 2003, and unaudited consolidated statement of cash flows for three months ended March 31, 2004 and March 31, 2003.

SIGNATURES

Pursuant to the requirements of the Exchange Act, each Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized. The signature for each undersigned company shall be deemed to relate only to matters having reference to such company or its subsidiaries.

AMEREN CORPORATION
(Registrant)

/s/ Martin J. Lyons

Martin J. Lyons
Vice President and Controller
(Principal Accounting Officer)

UNION ELECTRIC COMPANY
(Registrant)

/s/ Martin J. Lyons

Martin J. Lyons
Vice President and Controller
(Principal Accounting Officer)

CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(Registrant)

/s/ Martin J. Lyons

Martin J. Lyons
Vice President and Controller
(Principal Accounting Officer)

AMEREN ENERGY GENERATING COMPANY
(Registrant)

/s/ Martin J. Lyons

Martin J. Lyons
Vice President and Controller
(Principal Accounting Officer)

CILCORP INC.
(Registrant)

/s/ Martin J. Lyons

Martin J. Lyons
Vice President and Controller
(Principal Accounting Officer)

CENTRAL ILLINOIS LIGHT COMPANY
(Registrant)

/s/ Martin J. Lyons

Martin J. Lyons
Vice President and Controller
(Principal Accounting Officer)

Date: August 9, 2004

Exhibit 2.1

AMENDMENT NO. 2 TO
STOCK PURCHASE AGREEMENT

THIS AMENDMENT NO. 2, dated as of April 30, 2004, to the STOCK PURCHASE AGREEMENT, dated as of February 2, 2004, is entered into by and among Ameren Corporation, a Missouri corporation ("Purchaser"), Illinova Corporation, an Illinois corporation ("Seller"), Illinova Generating Company, an Illinois corporation ("IGC"), and Dynegy Inc., an Illinois corporation ("Dynegy"). Dynegy, IGC and Seller are referred to herein as the "Dynegy Parties".

W I T N E S S E T H:

WHEREAS, Purchaser and the Dynegy Parties entered into a Stock Purchase Agreement, dated February 2, 2004, as amended by Amendment No. 1 dated as of March 23, 2004 (the "Amended Agreement"), providing for the sale to Purchaser of all of the capital stock of Illinois Power Company, an Illinois corporation, held by Seller, and IGC's 20% share of Electric Energy, Inc., an Illinois corporation; and

WHEREAS, Purchaser and the Dynegy Parties wish to amend the Amended Agreement as set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual terms, conditions and agreements set forth herein, the parties hereto hereby agree as follows:

Section 1 Defined Terms. All capitalized terms used and not defined herein have the meanings set forth in the Amended Agreement.

Section 2 Amendment to Section 5.21. Section 5.21(b) of the Amended Agreement is amended by changing the reference to "90 days" in the second sentence to "120 days".

Section 3 Amendment to Exhibit B. Exhibit B to the Amended Agreement is amended by changing the reference to "ninety (90) days" in the bracketed note at the top of page 1 of Exhibit B to "one hundred twenty (120) days".

Section 4 No Other Amendments. Except as set forth herein, the Amended Agreement remains in full force and effect.

Section 5 Counterparts. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Seller, IGC, Dynegy and Purchaser have caused this Amendment No. 2 to the Original Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ILLINOVA CORPORATION

By /s/ Robert T. Ray

Name: Robert T. Ray
Title: Sr. Vice President-Treasurer

ILLINOVA GENERATING COMPANY

By /s/ Robert T. Ray

Name: Robert T. Ray
Title: Sr. Vice President-Treasurer

DYNEGY INC.

By /s/ Robert T. Ray

Name: Robert T. Ray
Title: Sr. Vice President-Treasurer

AMEREN CORPORATION

By /s/ Steven R. Sullivan

Name: Steven R. Sullivan
Title: Senior Vice President Governmental / Regulatory Policy, General Counsel & Secretary

Exhibit 2.2

AMENDMENT NO. 3 TO
STOCK PURCHASE AGREEMENT

THIS AMENDMENT NO. 3, dated as of May 31, 2004, to the STOCK PURCHASE AGREEMENT, dated as of February 2, 2004, is entered into by and among Ameren Corporation, a Missouri corporation ("Purchaser"), Illinova Corporation, an Illinois corporation ("Seller"), Illinova Generating Company, an Illinois corporation ("IGC"), and Dynegy Inc., an Illinois corporation ("Dynegy"). Dynegy, IGC and Seller are referred to herein as the "Dynegy Parties".

W I T N E S S E T H:

WHEREAS, Purchaser and the Dynegy Parties entered into a Stock Purchase Agreement, dated February 2, 2004, as amended by Amendment No. 1 dated as of March 23, 2004 and by Amendment No. 2 dated as of April 30, 2004 (the "Amended Agreement"), providing for the sale to Purchaser of all of the capital stock of Illinois Power Company, an Illinois corporation, held by Seller, and IGC's 20% share of Electric Energy, Inc., an Illinois corporation; and

WHEREAS, Purchaser and the Dynegy Parties wish to amend the Amended Agreement as set forth herein;

NOW, THEREFORE, in consideration of the premises and the mutual terms, conditions and agreements set forth herein, the parties hereto hereby agree as follows:

Section 1 Defined Terms. All capitalized terms used and not defined herein have the meanings set forth in the Amended Agreement.

Section 2 Amendment to Section 5.21. Section 5.21(b) of the Amended Agreement is amended by changing the reference to "120 days" in the second sentence to "150 days".

Section 3 Amendment to Exhibit B. Exhibit B to the Amended Agreement is amended by changing the reference to "one hundred twenty (120) days" in the bracketed note at the top of page 1 of Exhibit B to "one hundred thirty five (135) days".

Section 4 No Other Amendments. Except as set forth herein, the Amended Agreement remains in full force and effect.

Section 5 Counterparts. This Agreement may be executed in one or more counterparts, and by the parties in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

IN WITNESS WHEREOF, Seller, IGC, Dynegy and Purchaser have caused this Amendment No. 3 to the Original Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ILLINOVA CORPORATION

By /s/ Alec Dreyer

Name:
Title:

ILLINOVA GENERATING COMPANY

By /s/ Alec Dreyer

Name:
Title:

DYNEGY INC.

By /s/ Alec Dreyer

Name:
Title:

AMEREN CORPORATION

By /s/ Steven R. Sullivan

Name:
Title:

Exhibit 10.1

THREE-YEAR REVOLVING CREDIT AGREEMENT

DATED AS OF JULY 14, 2004

among

AMEREN CORPORATION,

THE LENDERS FROM TIME TO TIME PARTIES HERETO

and

JPMORGAN CHASE BANK,
as Administrative Agent

and

BARCLAYS BANK PLC,
as Syndication Agent

THE BANK OF NEW YORK,
THE BANK OF TOKYO MITSUBISHI, LTD. and
WACHOVIA BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents

J.P. MORGAN SECURITIES INC.
and

BARCLAYS CAPITAL,
AS JOINT ARRANGERS AND BOOKRUNNERS

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Exhibit B - Form of Compliance Certificate

Exhibit C - Form of Assignment and Assumption Agreement

Exhibit D - Form of Loan/Credit Related Money Transfer Instruction

Exhibit E - Form of Promissory Note (if requested)

Exhibit F - Form of Designation Agreement

THREE-YEAR REVOLVING CREDIT AGREEMENT

This Three-Year Revolving Credit Agreement, dated as of July 14, 2004, is entered into by and among Ameren Corporation, a Missouri corporation, the Lenders and JPMorgan Chase Bank as Administrative Agent. The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1. Certain Defined Terms. As used in this Agreement:

"Accounting Changes" is defined in Section 9.8 hereof.

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the Closing Date, by which the Borrower or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding ownership interests of a partnership or limited liability company of any Person.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Agent.

"Advance" means (a) Revolving Loans (i) made by some or all of the Lenders on the same Borrowing Date or (ii) converted or continued by the Lenders on the same date of conversion or continuation, consisting, in either case, of the aggregate amount of the several Revolving Loans of the same Type and, in the case of Eurodollar Loans, for the same Interest Period, (b) a Competitive Loan or group of Competitive Loans of the same type made on the same date and as to which a single Interest Period is in effect or (c) a Swingline Loan.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of 10% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting securities, by contract or otherwise.

"Agent" means JPMCB, not in its individual capacity as a Lender, but in its capacity as contractual representative of the Lenders pursuant to Article X, and any successor Agent appointed pursuant to Article X.

"Aggregate Commitment" means the aggregate of the Commitments of all the Lenders, as reduced from time to time pursuant to the terms hereof. The initial Aggregate Commitment is Three Hundred Fifty Million and 00/100 Dollars ($350,000,000).

"Aggregate Outstanding Credit Exposure" means, at any time, the aggregate of the Outstanding Credit Exposures of all the Lenders.

"Aggregate Revolving Credit Exposure" means, at any time, the aggregate of the Revolving Credit Exposures of all the Lenders.

"Agreement" means this Three-Year Revolving Credit Agreement, as it may be amended, restated, supplemented or otherwise modified and as in effect from time to time.

"Agreement Accounting Principles" means generally accepted accounting principles as in effect in the United States from time to time, applied in a manner consistent with that used in preparing the financial statements of the Borrower referred to in Section 5.4; provided, however, that except as provided in Section 9.8, with respect to the calculation of financial ratio set forth in Sections 6.17 (and the defined terms used in such Sections), "Agreement Accounting Principles" means generally accepted accounting principles as in effect in the United States as of the Closing Date, applied in a manner consistent with that used in preparing the financial statements of the Borrower referred to in Section 5.4 hereof.

"Alternate Base Rate" means, for any day, a fluctuating rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of (a) the Federal Funds Effective Rate for such day and (b) one-half of one percent (0.5%) per annum.

"Applicable Fee Rate" means, with respect to the Facility Fee and the LC Participation Fee at any time, the percentage rate per annum which is applicable at such time with respect to each such fee as set forth in the Pricing Schedule.

"Applicable Margin" means, with respect to Advances of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type, as set forth in the Pricing Schedule.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means J.P. Morgan Securities Inc. and Barclays Capital and their respective successors, in their respective capacities as Joint Arrangers and Bookrunners.

"Article" means an article of this Agreement unless another document is specifically referenced.

"Assignment Agreement" is defined in Section 12.3.1.

"Authorized Officer" means any of the chief executive officer, president, chief operating officer, chief financial officer, treasurer or vice president of the Borrower, acting singly.

"Available Aggregate Commitment" means, at any time, the Aggregate Commitment then in effect minus the Aggregate Outstanding Credit Exposure at such time.

"Barclays Bank" means Barclays Bank PLC, in its individual capacity, and its successors.

"Borrower" means Ameren Corporation, a Missouri corporation, and its permitted successors and assigns.

"Borrowing Date" means a date on which an Advance is made hereunder.

"Borrowing Notice" is defined in Section 2.11.

"Business Day" means (i) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in New York, New York for the conduct of substantially all of their commercial lending activities, interbank wire transfers can be made on the Fedwire system and dealings in Dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in New York, New York for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Change in Control" means (i) the acquisition by any Person, or two or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of twenty percent (20%) or more of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower;
(ii) the Borrower shall cease to own, directly or indirectly and free and clear of all Liens or other encumbrances (except for such Liens or other encumbrances permitted by Section 6.13), 100% of the outstanding shares of the ordinary voting power represented by the issued and outstanding common stock of each of CIPS, Ameren Energy Generating Company, AmerenEnergy Resources Generating Company, Union Electric and CILCO, and, from and after the date of the IP Acquisition, IP, in each case on a fully diluted basis; or (iii) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower or a committee or subcommittee thereof to which such power was delegated nor (ii) appointed by directors so nominated; provided that any individual who is so nominated in connection with a merger, consolidation, acquisition or similar transaction shall be included in such majority unless such individual was a member of the Borrower's board of directors prior thereto.

"CILCO" means Central Illinois Light Company d/b/a AmerenCILCO, an Illinois corporation.

"CILCORP" means CILCORP Inc., an Illinois corporation, the parent company of CILCO.

"CIPS" means Central Illinois Public Service Company d/b/a AmerenCIPS, an Illinois corporation.

"Closing Date" means July 14, 2004.

"Code" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time, and any rule or regulation issued thereunder.

"Combined Commitment" means the sum of (i) the Aggregate Commitment hereunder plus (ii) so long as the "Commitments" under the Five-Year Credit Agreement shall remain in effect or there shall be any "Outstanding Credit Exposure" thereunder, the "Aggregate Commitment" under and as defined in the Five-Year Credit Agreement.

"Combined LC Exposure" means, for any date, the sum of (i) the LC Exposure hereunder plus (ii) so long as the "Commitments" under the Five-Year Credit Agreement shall remain in effect or there shall be any "Outstanding Credit Exposure" thereunder, the "LC Exposure" as of such date under (and as defined in) the Five-Year Credit Agreement.

"Combined Swingline Exposure" means, for any date, the sum of (i) the Swingline Exposure hereunder plus (ii) so long as the "Commitments" under the Five-Year Credit Agreement shall remain in effect or there shall be any "Outstanding Credit Exposure" thereunder, the "Swingline Exposure" as of such date under (and as defined in) the Five-Year Credit Agreement.

"Combined Utilized Amount" means, for any date, the sum of (i) the Aggregate Outstanding Credit Exposure hereunder plus (ii) so long as the "Commitments" under the Five-Year Credit Agreement shall remain in effect or there shall be any "Outstanding Credit Exposure" thereunder, the "Aggregate Outstanding Credit Exposure" as of such date under (and as defined in) the Five-Year Credit Agreement.

"Commitment" means, for each Lender, the amount set forth on the Commitment Schedule or in an Assignment Agreement executed pursuant to Section 12.3 opposite such Lender's name, as it may be modified as a result of any assignment that has become effective pursuant to Section 12.3.2 or as otherwise modified from time to time pursuant to the terms hereof.

"Commitment Schedule" means the Schedule identifying each Lender's Commitment as of the Closing Date attached hereto and identified as such.

"Commonly Controlled Entity" means any trade or business, whether or not incorporated, which is under common control with the Borrower or any Subsidiary within the meaning of Section 4001 of ERISA or that, together with the Borrower or any Subsidiary, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"Competitive Bid" means an offer by a Lender to make a Competitive Loan in accordance with Section 2.4.

"Competitive Bid Rate" means, with respect to any Competitive Bid, the Margin or the Fixed Rate, as applicable, offered by the Lender making such Competitive Bid.

"Competitive Bid Request" means a request by the Borrower for Competitive Bids in accordance with Section 2.4.

"Competitive Loan" means a Loan made pursuant to Section 2.4.

"Consolidated Indebtedness" of a Person means at any time the Indebtedness of such Person and its Subsidiaries calculated on a consolidated basis as of such time.

"Consolidated Net Worth" of a Person means at any time the consolidated stockholders' equity and preferred stock of such Person and its Subsidiaries calculated on a consolidated basis in accordance with Agreement Accounting Principles.

"Consolidated Tangible Assets" means the total amount of all assets of the Borrower and its consolidated Subsidiaries determined in accordance with Agreement Accounting Principles, minus, to the extent included in the total amount of the Borrower's and its consolidated Subsidiaries' total assets, the net book value of all (i) goodwill, including, without limitation, the excess cost over book value of any asset, (ii) organization or experimental expenses,
(iii) unamortized debt discount and expense, (iv) patents, trademarks, tradenames and copyrights, (v) treasury stock, (vi) franchises, licenses and permits, and (vii) other assets which are deemed intangible assets under Agreement Accounting Principles.

"Consolidated Total Capitalization" means at any time the sum of Consolidated Indebtedness and Consolidated Net Worth, each calculated at such time.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

"Conversion/Continuation Notice" is defined in Section 2.12.

"Credit Extension" means the making of an Advance or the issuance of a Letter of Credit hereunder.

"Credit Extension Date" means the Borrowing Date for an Advance or the date of issuance of a Letter of Credit.

"Default" means an event described in Article VII.

"Designated Lender" means, with respect to each Designating Lender, each Eligible Designee designated by such Designating Lender pursuant to Section 12.1.2.

"Designating Lender" means, with respect to each Designated Lender, the Lender that designated such Designated Lender pursuant to Section 12.1.2.

"Designation Agreement" is defined in Section 12.1.2.

"Disclosed Matters" means the events, actions, suits and proceedings and the environmental matters disclosed in the Exchange Act Documents.

"Documentation Agents" means The Bank of New York, The Bank of Tokyo Mitsubishi, Ltd. and Wachovia Bank, National Association.

"Dollar" and "$" means the lawful currency of the United States of America.

"Eligible Designee" means a special purpose corporation, partnership, trust, limited partnership or limited liability company that is administered by the respective Designating Lender or an Affiliate of such Designating Lender and
(i) is organized under the laws of the United States of America or any state thereof, (ii) is engaged primarily in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) issues (or the parent of which issues) commercial paper rated at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Event" means (a) any Reportable Event; (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in
Section 412 of the Code or Section 302 of ERISA) whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303 (d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any Commonly Controlled Entity of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any Commonly Controlled Entity from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any Commonly Controlled Entity of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any Commonly

Controlled Entity of any notice, or the receipt by any Multiemployer Plan from the Borrower or any Commonly Controlled Entity of any notice, concerning the imposition of "withdrawal liability" (as defined in Part I of Subtitle E of Title IV of ERISA) or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar Advance" means an Advance which, except as otherwise provided in Section 2.14, bears interest at the applicable Eurodollar Rate.

"Eurodollar Base Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the applicable British Bankers' Association LIBOR rate for deposits in Dollars as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period, provided that, if no such British Bankers' Association LIBOR rate is available to the Agent, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the rate determined by the Agent to be the rate at which JPMCB or one of its affiliate banks offers to place deposits in Dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, in the approximate amount of JPMCB's relevant Eurodollar Loan and having a maturity equal to such Interest Period.

"Eurodollar Loan" means a Loan which, except as otherwise provided in
Section 2.14, bears interest at the applicable Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus
(ii) (A) in the case of a Eurodollar Advance consisting of Revolving Loans, the then Applicable Margin, changing as and when the Applicable Margin changes and (B) in the case of a Eurodollar Advance consisting of a Competitive Loan or Loans, the Margin applicable to such Loan or Loans.

"Eurodollar Rate Advance" means an Advance consisting of Competitive Loans bearing interest at the Eurodollar Rate.

"Exchange Act Documents" means (a) the Annual Report of each of the Borrower, CIPS, Union Electric, Ameren Energy Generating Company, IP (subject to the IP Acquisition), CILCORP and CILCO to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2003, (b) the Quarterly Reports of each of the Borrower, CIPS, Union Electric, Ameren Energy Generating Company, IP (subject to the IP Acquisition), CILCORP and CILCO to the Securities and Exchange Commission on Form 10-Q for the fiscal quarter ended March 31, 2004, and (c) all Current Reports of each of the Borrower, CIPS, Union Electric, Ameren Energy Generating Company, IP (subject to the IP Acquisition), CILCORP and CILCO to the Securities and Exchange Commission on Form 8-K from January 1, 2004 to the Closing Date.

"Excluded Taxes" means, in the case of each Lender or applicable Lending Installation and the Agent, taxes imposed on its overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which such Lender or the Agent is incorporated or organized or

any political combination or subdivision or taxing authority thereof or (ii) the jurisdiction in which the Agent's or such Lender's principal executive office or such Lender's applicable Lending Installation is located.

"Exhibit" refers to an exhibit to this Agreement, unless another document is specifically referenced.

"Existing 364-Day Credit Agreement" means the 364-Day Revolving Credit Agreement dated as of July 17, 2003, among the Borrower, the lenders from time to time party thereto and JPMCB, as administrative agent.

"Existing CILCO Indenture" means the Indenture of Mortgage and Deed of Trust dated as of April 1, 1933, as heretofore or from time to time hereafter supplemented and amended, between CILCO and Deutsche Bank Trust Company Americas f/k/a Bankers Trust Company, as Trustee.

"Existing Credit Agreements" means the Existing 364-Day Credit Agreement and the Existing Thee-Year Credit Agreement.

"Existing Indentures" means (i) the Indenture of Mortgage and Deed of Trust dated as of June 15, 1937, as heretofore or from time to time hereafter supplemented and amended, between Union Electric and The Bank of New York, as Trustee, and (ii) the Indenture of Mortgage or Deed of Trust dated as of October 1, 1941, as heretofore or from time to time hereafter supplemented and amended, between CIPS and U.S. Bank Trust National Association and Patrick J. Crowley, as Trustees.

"Existing IP Indenture" means the General Mortgage Indenture and Deed of Trust dated as of November 1, 1992, as heretofore or from time to time supplemented and amended between IP and BNY Midwest Trust Company as successor to Harris Trust and Savings Bank, as Trustee.

"Existing Three-Year Credit Agreement" means the 3-Year Revolving Credit Agreement dated as of July 19, 2002, as amended, among the Borrower, the lenders from time to time party thereto and Bank One, N.A., as administrative agent.

"Facility Fee" is defined in Section 2.8.1.

"Facility Termination Date" means the earlier of (a) July 14, 2007, and (b) the date of termination in whole of the Aggregate Commitment pursuant to Section 2.8 hereof or the Commitments pursuant to Section 8.1 hereof.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:00 a.m. (New York time) on such day on such transactions received by the Agent from three Federal Funds brokers of recognized standing selected by the Agent in its sole discretion.

"First Mortgage Bonds" means bonds or other indebtedness issued by Union Electric, CIPS or CILCO, as applicable, pursuant to the Existing Indentures or the Existing CILCO Indenture and, from and after the IP Acquisition, bonds or other indebtedness issued by IP pursuant to the Existing IP Indenture.

"Five-Year Credit Agreement" means the Five-Year Revolving Credit Agreement dated as of the date hereof by and among the Borrower, the lenders party thereto and JPMCB, as administrative agent, as the same may be amended, restated, supplemented or otherwise modified and as in effect from time to time.

"Fixed Rate" means, with respect to any Competitive Loan (other than a Eurodollar Loan), the fixed rate of interest per annum specified by the Lender making such Competitive Loan in its related Competitive Bid.

"Fixed Rate Advance" means an Advance consisting of Competitive Loans bearing interest at a Fixed Rate.

"Fixed Rate Loan" means a Competitive Loan bearing interest at a Fixed Rate.

"Floating Rate" means, for any day, a rate per annum equal to the sum of
(i) the Alternate Base Rate for such day, changing when and as the Alternate Base Rate changes plus (ii) the then Applicable Margin, changing as and when the Applicable Margin changes.

"Floating Rate Advance" means an Advance which, except as otherwise provided in Section 2.14, bears interest at the Floating Rate.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Inactive Subsidiary" means any Subsidiary of the Borrower that (a) does not conduct any business operations, (b) has assets with a total book value not in excess of $1,000,000 and (c) does not have any Indebtedness outstanding.

"Indebtedness" of a Person means, at any time, without duplication, such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (other than current accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, bonds, debentures, acceptances, or other instruments, (v) obligations to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property, (vi) Capitalized Lease Obligations (except for Capitalized Lease Obligations entered into by Union Electric in connection with the Peno Creek Project), (vii) Contingent Obligations of such Person, (viii) reimbursement obligations under letters of credit, bankers acceptances, surety bonds and similar instruments issued upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable,
(ix) Off-Balance Sheet Liabilities, (x) obligations under Sale and Leaseback Transactions,

(xi) Net Mark-to-Market Exposure under Rate Management Transactions and (xii) any other obligation for borrowed money which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person.

"Interest Period" means (a) with respect to a Eurodollar Advance, a period of one, two, three or six months, commencing on the date of such Advance and ending on but excluding the day which corresponds numerically to such date one, two, three or six months thereafter and (b) with respect to any Fixed Rate Advance, the period (which shall not be less than 7 days or more than 360 days) commencing on the date of such Advance and ending on the date specified in the applicable Competitive Bid Request; provided, however, that (i) in the case of Eurodollar Advances, if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month and
(ii) if an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day, provided, however, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day. For purposes hereof, the date of an Advance initially shall be the date on which such Advance is made and, in the case of an Advance comprising Revolving Loans, thereafter shall be the effective date of the most recent conversion or continuation of such Loans.

"Investment" of a Person means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person; stocks, bonds, mutual funds, partnership interests, notes, debentures or other securities owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person.

"IP" means Illinois Power Company, an Illinois corporation.

"IP Acquisition" means the acquisition by the Borrower of all of the common stock of IP, 662,924 shares of preferred stock, $50 par value per share, of IP, and 12,400 shares of common stock, $100 par value per share, of Electric Energy, Inc., on the terms and conditions set forth in that certain Stock Purchase Agreement dated as of February 2, 2004, as amended, by and among the Borrower, as purchaser, Illinova Corporation, as seller, Illinova Generating Company, and Dynegy Inc.

"Issuing Bank" means, at any time, JPMorgan Chase Bank and each other person that shall have become an Issuing Bank hereunder as provided in Section 2.6(j), each in its capacity as an issuer of Letters of Credit hereunder. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Issuing Bank Agreement" shall have the meaning assigned to such term in
Section 2.6(j).

"JPMCB" means JPMorgan Chase Bank.

"LC Commitment" shall mean, as to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit pursuant to Section 2.6. The initial amount of each Issuing Bank's LC Commitment is set forth on the LC Commitment Schedule, or in the case of any additional Issuing Bank, as provided in Section 2.6(j).

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Pro Rata Share of the total LC Exposure at such time.

"LC Participation Fee" is defined in Section 2.8.2.

"Lenders" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns. Unless the context requires otherwise, the term "Lenders" includes the Swingline Lender.

"Lending Installation" means, with respect to a Lender or the Agent, the office, branch, subsidiary or affiliate of such Lender or the Agent listed on the signature pages hereof or on the administrative information sheets provided to the Agent in connection herewith or on a Schedule or otherwise selected by such Lender or the Agent pursuant to Section 2.20.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"Lien" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement, and, in the case of stock, stockholders agreements, voting trust agreements and all similar arrangements).

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Loan Documents" means this Agreement and all other documents, instruments, notes (including any Notes issued pursuant to Section 2.16 (if requested)) and agreements executed in connection herewith or therewith or contemplated hereby or thereby, as the same may be amended, restated or otherwise modified and in effect from time to time.

"Margin" means, with respect to any Competitive Loan bearing interest at a rate based on the Eurodollar Base Rate, the marginal rate of interest, if any, to be added to or subtracted from the Eurodollar Base Rate to determine the rate of interest applicable to such Loan, as specified by the Lender making such Loan in its related Competitive Bid.

"Material Adverse Effect" means a material adverse effect on (i) the business, Property, condition (financial or otherwise), operations or results of operations or prospects of the Borrower, or the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower to perform its obligations under the Loan Documents, or (iii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Agent or the Lenders thereunder.

"Material Indebtedness" means (i) any Indebtedness outstanding under the Five-Year Credit Agreement and (ii) any other Indebtedness in an outstanding principal amount of $50,000,000 or more in the aggregate (or the equivalent thereof in any currency other than Dollars).

"Material Indebtedness Agreement" means any agreement under which any Material Indebtedness was created or is governed or which provides for the incurrence of Indebtedness in an amount which would constitute Material Indebtedness (whether or not an amount of Indebtedness constituting Material Indebtedness is outstanding thereunder).

"Money Pool Agreements" means, collectively, (i) that certain Ameren Corporation System Utility Money Pool Agreement, dated as of March 25, 1999, by and among the Borrower, Ameren Services Company, Union Electric, CIPS, CILCO, and AmerenEnergy Resources Generating Company, as amended from time to time (including, without limitation, the addition of any of their Affiliates as parties thereto), and (ii) that certain Ameren Corporation System Non-Regulated Subsidiary Money Pool Agreement, dated as of February 27, 2003, by and among the Borrower, Ameren Services Company and Subsidiaries of the Borrower excluding Union Electric, CIPS and CILCO, as amended from time to time (including, without limitation, the addition of any of their Affiliates, other than Union Electric, CIPS and CILCO, and, from and after the date of the IP Acquisition, IP, as parties thereto).

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA.

"Net Mark-to-Market Exposure" of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Rate Management Transactions. "Unrealized losses" means the fair market value of the cost to such Person of replacing such Rate Management Transaction as of the date of determination (assuming the Rate Management Transaction were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Rate Management Transaction as of the date of determination (assuming such Rate Management Transaction were to be terminated as of that date).

"Non-U.S. Lender" is defined in Section 3.5(iv).

"Note" is defined in Section 2.16.

"Obligations" means all Loans, reimbursement obligations in respect of LC Disbursements, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to the Agent, any Issuing Bank, any Lender, the Arrangers, any affiliate of the Agent,

any Issuing Bank, any Lender or the Arrangers, or any indemnitee under the provisions of Section 9.6 or any other provisions of the Loan Documents, in each case of any kind or nature, present or future, arising under this Agreement or any other Loan Document, whether or not evidenced by any note, guaranty or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, foreign exchange risk, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term includes, without limitation, all interest, charges, expenses, fees, attorneys' fees and disbursements, paralegals' fees (in each case whether or not allowed), and any other sum chargeable to the Borrower or any of its Subsidiaries under this Agreement or any other Loan Document.

"Off-Balance Sheet Liability" of a Person means the principal component of
(i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability under any Sale and Leaseback Transaction which is not a Capitalized Lease, (iii) any liability under any so-called "synthetic lease" or "tax ownership operating lease" transaction entered into by such Person, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheets of such Person, but excluding from this clause (iv) Operating Leases.

"Operating Lease" of a Person means any lease of Property (other than a Capitalized Lease) by such Person as lessee which has an original term (including any required renewals and any renewals effective at the option of the lessor) of one year or more.

"Other Taxes" is defined in Section 3.5(ii).

"Outstanding Credit Exposure" means, as to any Lender at any time, the aggregate principal amount of its (i) Revolving Loans, (ii) Competitive Loans,
(iii) LC Exposure and (iv) Swingline Exposure outstanding at such time.

"Participants" is defined in Section 12.2.1.

"Payment Date" means the last day of each March, June, September and December and the Facility Termination Date.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Peno Creek Project" means the Chapter 100 financing transaction and agreements related thereto entered into between Union Electric and the City of Bowling Green, Missouri (the "City") pursuant to which (i) Union Electric conveys to and leases from the City certain land and improvements including four combustion turbine generating units, and (ii) the City shall issue indebtedness (which shall be purchased by Union Electric) to finance the acquisition of such Property.

"Person" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" means at a particular time, any employee benefit plan (other than a Multiemployer Plan) which is covered by ERISA or Section 412 of the Code and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pricing Schedule" means the Schedule identifying the Applicable Margin and Applicable Fee Rate attached hereto and identified as such.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced from time to time by JPMCB (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Project Finance Subsidiary" means any Subsidiary created for the purpose of obtaining non-recourse financing for any operating asset that is the sole and direct obligor of Indebtedness incurred in connection with such financing. A Subsidiary shall be deemed to be a Project Finance Subsidiary only from and after the date on which such Subsidiary is expressly designated as a Project Finance Subsidiary to the Agent by written notice executed by an Authorized Officer.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Pro Rata Share" means, with respect to a Lender, a portion equal to a fraction the numerator of which is such Lender's Commitment at such time (in each case, as adjusted from time to time in accordance with the provisions of this Agreement) and the denominator of which is the Aggregate Commitment at such time, or, if the Aggregate Commitment has been terminated, a fraction the numerator of which is such Lender's Outstanding Credit Exposure at such time and the denominator of which is the Aggregate Outstanding Credit Exposure at such time.

"Purchasers" is defined in Section 12.3.1.

"Rate Management Obligations" of a Person means any and all unsatisfied or undischarged obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

"Rate Management Transaction" means any transaction whether linked to one or more interest rates, foreign currencies, or equity prices, (including an agreement with respect thereto) now existing or hereafter entered by the Borrower or a Subsidiary (other than a Project Finance Subsidiary) which is a rate swap, basis swap, forward rate transaction, equity or equity index

swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks, non-banks and non-broker lenders for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"Regulation X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA or the regulations issued under Section 4043 of ERISA, other than those events as to which the thirty day notice period is waived under Sections .21, .22, .23, .26, .27 or .28 of PBGC Reg. ss. 4043.

"Required Lenders" means Lenders in the aggregate having greater than fifty percent (50%) of the Aggregate Commitment; provided that for purposes of declaring the Loans to be due and payable pursuant to Article VIII and for all purposes after the Loans have become due and payable pursuant to Article VIII and the Aggregate Commitment has been terminated, "Required Lenders" shall mean Lenders in the aggregate holding greater than fifty percent (50%) of the Aggregate Outstanding Credit Exposure.

"Reserve Requirement" means, with respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on "Eurocurrency liabilities" (as defined in Regulation D).

"Revolving Advance" an Advance comprised of Revolving Loans.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans, such Lender's LC Exposure and such Lender's Swingline Exposure at such time.

"Revolving Eurodollar Advance" means a Revolving Advance comprising a Loan or Loans that bear interest at the Eurodollar Rate.

"Revolving Floating Rate Advance" means a Revolving Advance comprising a Loan or Loans that bear interest at a Floating Rate.

"Revolving Loan" means, with respect to a Lender, such Lender's loan made pursuant to its commitment to lend set forth in Section 2.1 (and any conversion or continuation thereof).

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

"Sale and Leaseback Transaction" means any sale or other transfer of Property by any Person with the intent to lease such Property as lessee.

"Schedule" refers to a specific schedule to this Agreement, unless another document is specifically referenced.

"Section" means a numbered section of this Agreement, unless another document is specifically referenced.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or
(ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Substantial Portion" means, with respect to the Property of the Borrower and its Subsidiaries, Property which represents more than 10% of the consolidated assets of the Borrower and its Subsidiaries or property which is responsible for more than 10% of the consolidated net sales or of the consolidated net income of the Borrower and its Subsidiaries, in each case, as would be shown in the consolidated financial statements of the Borrower and its Subsidiaries as at the end of the four fiscal quarter period ending with the fiscal quarter immediately prior to the fiscal quarter in which such determination is made (or if financial statements have not been delivered hereunder for that fiscal quarter which ends the four fiscal quarter period, then the financial statements delivered hereunder for the quarter ending immediately prior to that quarter).

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Pro Rata Share of the total Swingline Exposure at such time; provided that if the Aggregate Commitment has been terminated such Pro Rata Share shall be determined based on the Commitments most recently in effect, but giving effect to any subsequent assignments.

"Swingline Lender" means JPMorgan Chase Bank, in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.5.

"Syndication Agent" means Barclays Bank.

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes.

"Transferee" is defined in Section 12.4.

"Type" means, with respect to any Advance, its nature as a Fixed Rate Advance, Floating Rate Advance or Eurodollar Advance.

"Union Electric" means Union Electric Company d/b/a AmerenUE, a Missouri corporation.

"Unmatured Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"USA Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

1.2. Plural Forms. The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

ARTICLE II

THE CREDITS

2.1. Commitment. From and including the Closing Date and prior to the Facility Termination Date, upon the satisfaction of the conditions precedent set forth in Section 4.1 and 4.2, as applicable, each Lender severally and not jointly agrees, on the terms and conditions set forth in this Agreement, to make Revolving Loans to the Borrower from time to time in an amount not to exceed in the aggregate at any one time outstanding of its Pro Rata Share of the Available Aggregate Commitment; provided that at no time shall the Aggregate Outstanding Credit Exposure hereunder exceed the Aggregate Commitment. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Revolving Loans at any time prior to the Facility Termination Date. The commitment of each Lender to lend hereunder shall automatically expire on the Facility Termination Date.

2.2. Required Payments; Termination. The Borrower hereby unconditionally promises to pay (i) to the Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Facility Termination Date, (ii) to the Agent for the account of each Lender the then unpaid principal amount of each Competitive Loan on the last day of the Interest Period applicable to such Loan, which shall not be later than the Facility Termination Date and (iii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Facility Termination Date and the fifth Business Day after such Swingline Loan is made; provided that on each date that a Revolving Loan or Competitive Loan is made, the Borrower shall repay all Swingline Loans then outstanding. Notwithstanding the termination of the Commitments under this Agreement on the Facility Termination Date, until all of the Obligations (other than contingent indemnity obligations) shall have been fully paid and satisfied and all financing arrangements among the Borrower and the Lenders hereunder and under the

other Loan Documents shall have been terminated, all of the rights and remedies under this Agreement and the other Loan Documents shall survive.

2.3. Loans. Each Advance hereunder shall consist of (a) Revolving Loans made by the Lenders ratably in accordance with their Pro Rata Shares of the Aggregate Commitment, (b) Competitive Loans or (c) Swingline Loans.

2.4. Competitive Bid Procedure. (a) Subject to the terms and conditions set forth herein, from time to time during the period commencing on the Closing Date and ending on the date immediately prior to the Facility Termination Date the Borrower may request Competitive Bids and may (but shall not have any obligation to) accept Competitive Bids and borrow Competitive Loans; provided that the Aggregate Outstanding Credit Exposure at any time shall not exceed the Aggregate Commitment.

To request Competitive Bids, the Borrower shall notify the Agent of such request by telephone, in the case of a Eurodollar Advance, not later than 11:00
a.m., New York time, four Business Days before the date of the proposed Advance and, in the case of a Fixed Rate Advance, not later than 10:00 a.m., New York time, one Business Day before the date of the proposed Advance; provided that the Borrower may submit up to (but not more than) two Competitive Bid Requests on the same day, but a Competitive Bid Request shall not be made within five Business Days after the date of any previous Competitive Bid Request, unless any and all such previous Competitive Bid Requests shall have been withdrawn or all Competitive Bids received in response thereto rejected. Each such telephonic Competitive Bid Request shall be confirmed promptly by hand delivery or telecopy to the Agent of a written Competitive Bid Request in a form approved by the Agent and signed by the Borrower. Each such telephonic and written Competitive Bid Request shall specify the following information:

(ii) the aggregate amount of the requested Advance;

(iii) the date of such Advance, which shall be a Business Day;

(iv) whether such Advance is to be a Eurodollar Rate Advance or a Fixed Rate Advance; and

(v) the Interest Period to be applicable to such Advance, which shall be a period contemplated by the definition of the term "Interest Period".

Promptly following receipt of a Competitive Bid Request in accordance with this Section, the Agent shall notify the Lenders of the details thereof by telecopy, inviting the Lenders to submit Competitive Bids.

(b) Each Lender may (but shall not have any obligation to) make one or more Competitive Bids to the Borrower in response to a Competitive Bid Request. Each Competitive Bid by a Lender must be in a form approved by the Agent and must be received by the Agent by telecopy, in the case of a Eurodollar Rate Advance, not later than 10:30 a.m., New York time, three Business Days before the proposed date of such Advance, and in the case of a Fixed Rate Advance, not later than 10:30 a.m., New York time, on the proposed date of such Advance. Competitive Bids that do not conform substantially to the form approved by the Agent may be

rejected by the Agent, and the Agent shall notify the applicable Lender as promptly as practicable. Each Competitive Bid shall specify (i) the principal amount (which shall be a minimum of $5,000,000 and an integral multiple of $1,000,000 and which may equal the entire principal amount of the Advance requested by the Borrower) of the Competitive Loan or Loans that the Lender is willing to make, (ii) the Competitive Bid Rate or Rates at which the Lender is prepared to make such Loan or Loans (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) and (iii) the Interest Period applicable to each such Loan and the last day thereof.

(c) The Agent shall promptly notify the Borrower by telecopy of the Competitive Bid Rate and the principal amount specified in each Competitive Bid and the identity of the Lender that shall have made such Competitive Bid.

(d) Subject only to the provisions of this paragraph, the Borrower may accept or reject any Competitive Bid. The Borrower shall notify the Agent by telephone, confirmed by telecopy in a form approved by the Agent, whether and to what extent it has decided to accept or reject each Competitive Bid, in the case of a Eurodollar Rate Advance, not later than 10:30 a.m., New York time, three Business Days before the date of the proposed Advance, and in the case of a Fixed Rate Advance, not later than 10:30 a.m., New York time, on the proposed date of the Advance; provided that (i) the failure of the Borrower to give such notice shall be deemed to be a rejection of each Competitive Bid, (ii) the Borrower shall not accept a Competitive Bid made at a particular Competitive Bid Rate if the Borrower rejects a Competitive Bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the aggregate amount of the requested Advance specified in the related Competitive Bid Request, (iv) to the extent necessary to comply with clause (iii) above, the Borrower may accept Competitive Bids at the same Competitive Bid Rate in part, which acceptance, in the case of multiple Competitive Bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such Competitive Bid, and (v) except pursuant to clause (iv) above, no Competitive Bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of $5,000,000 and an integral multiple of $1,000,000; provided further that if a Competitive Loan must be in an amount less than $5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of $1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple Competitive Bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of $1,000,000 in a manner determined by the Borrower. A notice given by the Borrower pursuant to this paragraph shall be irrevocable.

(e) The Agent shall promptly notify each bidding Lender by telecopy whether or not its Competitive Bid has been accepted (and, if so, the amount and Competitive Bid Rate so accepted), and each successful bidder will thereupon become bound, subject to the terms and conditions hereof, to make the Competitive Loan in respect of which its Competitive Bid has been accepted.

(f) If the Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such Competitive Bid directly to the Borrower at least one quarter of an

hour earlier than the time by which the other Lenders are required to submit their Competitive Bids to the Agent pursuant to paragraph (b) of this Section.

2.5. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower from time to time during the period commencing on the Closing Date and ending on the date immediately prior to the Facility Termination Date, in an aggregate principal amount at any time outstanding that will not result in (i) the Combined Swingline Exposure exceeding $30,000,000 or (ii) the Aggregate Outstanding Credit Exposure exceeding the Aggregate Commitment; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) Each Swingline Loan shall bear interest at (i) the rate per annum applicable to Floating Rate Advances or (ii) any other rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) which shall be quoted by the Swingline Lender on the date such Loan is made and accepted by the Borrower as provided in this Section 2.5; provided, that commencing on any date on which the Swingline Lender requires the Lenders to acquire participations in a Swingline Loan pursuant to Section 2.5(d), such Loan shall bear interest at the rate per annum applicable to Floating Rate Advances.

(c) To request a Swingline Loan, the Borrower shall notify the Swingline Lender of such request by telephone (confirmed by telecopy), not later than 12:00 noon, New York time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan and the Interest Period to be applicable thereto. If so requested by the Borrower, the Swingline Lender will quote an interest rate that, if accepted by the Borrower, will be applicable to the requested Swingline Loan, and the Borrower will promptly notify the Swingline Lender in the event it accepts such rate. The Swingline Lender will promptly advise the Agent of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general deposit account of the Borrower with the Swingline Lender by 3:00 p.m., New York time, on the requested date of such Swingline Loan.

(d) The Swingline Lender may by written notice given to the Agent not later than 10:00 a.m., New York time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Agent will give notice thereof to each Lender, specifying in such notice such Lender's Pro Rata Share of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Agent, for the account of the Swingline Lender, such Lender's Pro Rata Share of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall

comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.11 with respect to Loans made by such Lender (and Section 2.11 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Agent shall notify the Borrower of any participation in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participation therein shall be promptly remitted to the Agent; any such amounts received by the Agent shall be promptly remitted by the Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear. The purchase of participation in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

2.6. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the Agent and the applicable Issuing Bank, from and including the Closing Date and prior to the Facility Termination Date. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to the applicable Issuing Bank and the Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the Combined LC Exposure shall not exceed $75,000,000 and (ii) the Aggregate Outstanding Credit Exposure shall not exceed the Aggregate Commitment. If the Required Lenders notify the Issuing Banks that a Default exists and instruct the Issuing Banks to suspend the issuance, amendment, renewal or extension of Letters of Credit, no Issuing Bank shall issue, amend, renew or extend any Letter of Credit without the consent of the Required

Lenders until such notice is withdrawn by the Required Lenders (and each Lender that shall have delivered such notice agrees promptly to withdraw it at such time as no Default exists).

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Facility Termination Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Pro Rata Share of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Agent, for the account of such Issuing Bank, such Lender's Pro Rata Share of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Agent an amount equal to such LC Disbursement not later than 12:00 noon, New York City time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on (i) the Business Day that the Borrower receives such notice, if such notice is received prior to 10:00 a.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, if such LC Disbursement is not less than $1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.1 or 2.5 that such payment be financed with a Floating Rate Advance or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Floating Rate Advance or Swingline Loan. If the Borrower fails to make such payment when due, the Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Pro Rata Share thereof. Promptly following receipt of such notice, each Lender shall pay to the Agent its Pro Rata Share of the payment then due from the Borrower, in the same manner as provided in Section 2.11 with respect to Loans made by such Lender (and Section 2.11 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Agent shall promptly pay to such Issuing Bank the amounts so received by it from the Lenders. Promptly

following receipt by the Agent of any payment from the Borrower pursuant to this paragraph, the Agent shall distribute such payment to such Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement (other than the funding of a Floating Rate Advance or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. None of the Agent, the Lenders or the Issuing Banks, or any of their respective affiliates, directors, officers or employees, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Bank; provided that the foregoing shall not be construed to excuse an Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or wilful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), an Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof and subject to any non-waivable provisions of the laws and/or other rules to which a Letter of Credit is subject, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Agent and the

Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Floating Rate Advances; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.14 shall apply. Interest accrued pursuant to this paragraph shall be for the account of such Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Cash Collateralization. If any Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposures representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Agent, in the name of the Agent and for the benefit of the Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Default with respect to the Borrower described in Sections 7.6 or 7.7. Such deposit shall be held by the Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Agent to reimburse each Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposures representing greater than 50% of the total LC Exposure), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of a Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Defaults have been cured or waived.

(j) Designation of Additional Issuing Banks. From time to time, the Borrower may by notice to the Agent and the Lenders designate as additional Issuing Banks one or more Lenders that agree to serve in such capacity as provided below. The acceptance by a Lender of any appointment as an Issuing Bank hereunder shall be evidenced by an agreement (an "Issuing

Bank Agreement"), which shall be in a form satisfactory to the Borrower and the Agent, shall set forth the LC Commitment of such Lender and shall be executed by such Lender, the Borrower and the Agent and, from and after the effective date of such agreement, (i) such Lender shall have all the rights and obligations of an Issuing Bank under this Agreement and the other Loan Documents and (ii) references herein and in the other Loan Documents to the term "Issuing Bank" shall be deemed to include such Lender in its capacity as an Issuing Bank.

2.7. Types of Advances. Revolving Advances may be Floating Rate Advances or Eurodollar Advances, or a combination thereof, selected by the Borrower in accordance with Sections 2.10 and 2.11. Swingline Loans will be Floating Rate Advances. Competitive Loans may be Eurodollar Rate Advances or Fixed Rate Advances, or a combination thereof, selected by the Borrower in accordance with Section 2.4.

2.8. Facility Fee; Letter of Credit Fees; Reductions in Aggregate Commitment.

2.8.1 Facility Fee. The Borrower agrees to pay to the Agent for the account of each Lender a facility fee (the "Facility Fee") at a per annum rate equal to the Applicable Fee Rate on such Lender's Commitment (whether used or unused) from and including the Closing Date to and including the Facility Termination Date, payable quarterly in arrears on each Payment Date hereafter and on the Facility Termination Date, provided that, if any Lender continues to have Revolving Credit Exposure outstanding hereunder after the termination of its Commitment (including, without limitation, during any period when Loans or Letters of Credit may be outstanding but new Loans or Letters of Credit may not be borrowed or issued hereunder), then the Facility Fee shall continue to accrue on the aggregate principal amount of the Revolving Credit Exposure of such Lender until such Lender ceases to have any Revolving Credit Exposure.

2.8.2 Letter of Credit Fees. The Borrower agrees to pay (i) to the Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit (the "LC Participation Fee"), which shall accrue at the Applicable Fee Rate on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank a fronting fee, which shall accrue at the rate or rates per annum separately agreed upon between the Borrower and such Issuing Bank on the average daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as each Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. LC Participation Fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Closing Date; provided that all such fees shall be payable on the Facility Termination Date and any such fees accruing after the date on which the Commitments

terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable promptly upon receipt of an invoice therefor.

2.8.3 Reductions in Aggregate Commitment. The Borrower may permanently reduce the Aggregate Commitment in whole, or in part, ratably among the Lenders in integral multiples of $5,000,000, upon at least ten (10) Business Days' written notice to the Agent, which notice shall specify the amount of any such reduction, provided, however, that the amount of the Aggregate Commitment may not be reduced below the Aggregate Outstanding Credit Exposure. All accrued facility fees shall be payable on the effective date of any termination of the obligations of the Lenders to make Credit Extensions hereunder and on the final date upon which all Revolving Loans are repaid.

2.9. Minimum Amount of Each Advance. Each Eurodollar Advance shall be in the minimum amount of $5,000,000 (and in multiples of $1,000,000 if in excess thereof), and each Floating Rate Advance shall be in the minimum amount of $5,000,000 (and in multiples of $1,000,000 if in excess thereof), provided, however, that any Floating Rate Advance may be in the amount of the Available Aggregate Commitment.

2.10. Optional Principal Payments. The Borrower may from time to time pay, without penalty or premium, all outstanding Floating Rate Advances, or any portion of the outstanding Floating Rate Advances, in a minimum aggregate amount of $5,000,000 or any integral multiple of $1,000,000 in excess thereof, upon one
(1) Business Day's prior notice to the Agent. The Borrower may from time to time pay, subject to the payment of any funding indemnification amounts required by
Section 3.4 but without penalty or premium, all outstanding Eurodollar Advances, or, in a minimum aggregate amount of $5,000,000 or any integral multiple of $1,000,000 in excess thereof, any portion of the outstanding Eurodollar Advances upon three (3) Business Days' prior notice to the Agent; provided that no Competitive Loan may be prepaid without the consent of the applicable Lender.

2.11. Method of Selecting Types and Interest Periods for New Revolving Advances. The Borrower shall select the Type of Revolving Advance and, in the case of each Revolving Eurodollar Advance, the Interest Period applicable thereto from time to time; provided that there shall be no more than five (5) Interest Periods in effect with respect to all of the Revolving Loans at any time, unless such limit has been waived by the Agent in its sole discretion. The Borrower shall give the Agent irrevocable notice (a "Borrowing Notice") not later than 11:00 a.m. (New York time) on the Borrowing Date of each Revolving Floating Rate Advance and three Business Days before the Borrowing Date for each Revolving Eurodollar Advance, specifying:

(i) the Borrowing Date, which shall be a Business Day, of such Advance,

(ii) the aggregate amount of such Advance,

(iii) the Type of Advance selected, and

(iv) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

The Agent shall provide written notice of each request for borrowing under this
Section 2.11 by 11:00 a.m. (New York time) (or, if later, within one hour after receipt of the applicable

Borrowing Notice from the Borrower) on each Borrowing Date for each Floating Rate Advance or on the third Business Day prior to each Borrowing Date for each Eurodollar Advance, as applicable. Not later than 1:00 p.m. (New York time) on each Borrowing Date, each Lender shall make available its Revolving Loan or Revolving Loans in Federal or other funds immediately available in New York to the Agent at its address specified pursuant to Article XIII. The Agent will promptly make the funds so received from the Lenders available to the Borrower at the Agent's aforesaid address.

2.12. Conversion and Continuation of Outstanding Revolving Advances; No Conversion or Continuation of Revolving Eurodollar Advances After Default. Revolving Floating Rate Advances shall continue as Floating Rate Advances unless and until such Revolving Floating Rate Advances are converted into Revolving Eurodollar Advances pursuant to this Section 2.12 or are repaid in accordance with Section 2.10. Each Revolving Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Revolving Eurodollar Advance shall be automatically converted into a Revolving Floating Rate Advance unless (x) such Revolving Eurodollar Advance is or was repaid in accordance with Section 2.10 or (y) the Borrower shall have given the Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Revolving Eurodollar Advance continue as a Revolving Eurodollar Advance for the same or another Interest Period. Subject to the terms of Section 2.9, the Borrower may elect from time to time to convert all or any part of a Revolving Advance of any Type into any other Type or Types of Advances; provided that any conversion of any Revolving Eurodollar Advance shall be made on, and only on, the last day of the Interest Period applicable thereto. Notwithstanding anything to the contrary contained in this Section 2.12, during the continuance of a Default or an Unmatured Default, the Agent may (or shall at the direction of the Required Lenders), by notice to the Borrower, declare that no Revolving Advance may be made, converted or continued as a Eurodollar Advance. The Borrower shall give the Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of a Revolving Advance or continuation of a Revolving Eurodollar Advance not later than 11:00 a.m. (New York time) at least one (1) Business Day, in the case of a conversion into a Revolving Floating Rate Advance, or three (3) Business Days, in the case of a conversion into or continuation of a Revolving Eurodollar Advance, prior to the date of the requested conversion or continuation, specifying:

(i) the requested date, which shall be a Business Day, of such conversion or continuation,

(ii) the aggregate amount and Type of the Advance which is to be converted or continued, and

(iii)the amount of such Advance which is to be converted into or continued as a Eurodollar Advance and the duration of the Interest Period applicable thereto.

This Section shall not apply to Competitive Loans or Swingline Loans, which may not be converted or continued.

2.13. Changes in Interest Rate, etc. Each Floating Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance

is made or is automatically converted from a Eurodollar Advance into a Floating Rate Advance pursuant to Section 2.12, to but excluding the date it is paid or is converted into a Eurodollar Advance pursuant to Section 2.12 hereof, at a rate per annum equal to the Floating Rate for such day. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the Eurodollar Rate determined by the Agent as applicable to such Eurodollar Advance based upon the Borrower's selections under Sections 2.10 and 2.11 and otherwise in accordance with the terms hereof. No Interest Period may end after the Facility Termination Date. Each Fixed Rate Advance shall bear interest at the Fixed Rate applicable thereto.

2.14. Rates Applicable After Default. During the continuance of a Default (including the Borrower's failure to pay any Loan when due, whether upon stated maturity, acceleration or otherwise) the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that (i) each Eurodollar Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus 2% per annum and (ii) each Floating Rate Advance shall bear interest at a rate per annum equal to the Floating Rate in effect from time to time plus 2% per annum, provided that, during the continuance of a Default under Section 7.6 or 7.7, the interest rates set forth in clauses (i) and (ii) above shall be applicable to all Advances, fees and other Obligations hereunder without any election or action on the part of the Agent or any Lender.

2.15. Funding of Loans; Method of Payment. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Agent at the Agent's address specified pursuant to Article XIII, or at any other Lending Installation of the Agent specified in writing by the Agent to the Borrower, by 12:00 noon (New York time) on the date when due and shall be applied ratably by the Agent among the Lenders. Each payment delivered to the Agent for the account of any Lender shall be delivered promptly by the Agent to such Lender in the same type of funds that the Agent received at its address specified pursuant to Article XIII or at any Lending Installation specified in a notice received by the Agent from such Lender. The Agent is hereby authorized to charge the account of the Borrower maintained with JPMCB for each payment of principal, interest and fees as it becomes due hereunder.

2.16. Noteless Agreement; Evidence of Indebtedness. (i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(ii) The Agent shall also maintain accounts in which it will record (a) the date and the amount of each Loan made hereunder, the Type thereof and the Interest Period (in the case of an Eurodollar Advance) with respect thereto, (b) the amount of any

principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (c) the effective date and amount of each Assignment Agreement delivered to and accepted by it and the parties thereto pursuant to Section 12.3, (d) the amount of any sum received by the Agent hereunder from the Borrower and each Lender's share thereof, and (e) all other appropriate debits and credits as provided in this Agreement, including, without limitation, all fees, charges, expenses and interest.

(iii) The entries maintained in the accounts maintained pursuant to paragraphs (i) and (ii) above shall be prima facie evidence absent manifest error of the existence and amounts of the Obligations therein recorded; provided, however, that the failure of the Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(iv) Any Lender may request that its Loans be evidenced by a promissory note in substantially the form of Exhibit E (a "Note"). In such event, the Borrower shall prepare, execute and deliver to such Lender such Note payable to the order of such Lender. Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (prior to any assignment pursuant to Section 12.3) be represented by one or more Notes payable to the order of the payee named therein, except to the extent that any such Lender subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in paragraphs (i) and (ii) above.

2.17. Telephonic Notices. The Borrower hereby authorizes the Lenders and the Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Agent or any Lender in good faith believes to be acting on behalf of the Borrower, it being understood that the foregoing authorization is specifically intended to allow Borrowing Notices and Conversion/Continuation Notices to be given telephonically. The Borrower agrees to deliver promptly to the Agent a written confirmation, signed by an Authorized Officer, if such confirmation is requested by the Agent or any Lender, of each telephonic notice. If the written confirmation differs in any material respect from the action taken by the Agent and the Lenders, the records of the Agent and the Lenders shall govern absent manifest error.

2.18. Interest Payment Dates; Interest and Fee Basis. Interest accrued on each Floating Rate Advance shall be payable in arrears on each Payment Date, commencing with the first such date to occur after the Closing Date, on any date on which the Floating Rate Advance is prepaid, whether due to acceleration or otherwise, and at maturity. Interest accrued on that portion of the outstanding principal amount of any Floating Rate Advance converted into a Eurodollar Advance on a day other than a Payment Date shall be payable on the date of conversion. Interest accrued on each Eurodollar Advance shall be payable on the last day of its applicable Interest Period, on any date on which the Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest accrued on each Fixed Rate Loan shall be payable on the last day of the

Interest Period applicable to the Advance of which such Loan is a part and, in the case of a Fixed Rate Advance with an Interest Period of more than 90 days' duration (unless otherwise specified in the applicable Competitive Bid Request), each day prior to the last day of such Interest Period that occurs at intervals of 90 days' duration after the first day of such Interest Period, and any other dates that are specified in the applicable Competitive Bid Request as dates for payment of interest with respect to such Advance. Interest accrued on each Swingline Loan shall be payable on the day that such Loan is required to be repaid. Interest accrued on any Advance that is not paid when due shall be payable on demand and on the date of payment in full. Interest on Eurodollar Advances, Fixed Rate Loans and fees hereunder shall be calculated for actual days elapsed on the basis of a 360-day year. Interest on Floating Rate Advances shall be calculated for actual days elapsed on the basis of a 365/366-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to 12:00 noon (New York time) at the place of payment. If any payment of principal of or interest on an Advance, any fees or any other amounts payable to the Agent or any Lender hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of principal payment, such extension of time shall be included in computing interest, fees and commissions in connection with such payment.

2.19. Notification of Advances, Interest Rates, Prepayments and Commitment Reductions; Availability of Loans. Promptly after receipt thereof, the Agent will notify each Lender in writing of the contents of each Aggregate Commitment reduction notice, Borrowing Notice, Conversion/Continuation Notice, and repayment notice received by it hereunder. The Agent will notify the Borrower and each Lender of the interest rate applicable to each Revolving Eurodollar Advance promptly upon determination of such interest rate and will give the Borrower and each Lender prompt notice of each change in the Alternate Base Rate.

2.20. Lending Installations. Each Lender may book its Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans and any Notes issued hereunder shall be deemed held by each Lender for the benefit of any such Lending Installation. Each Lender may, by written notice to the Agent and the Borrower in accordance with Article XIII, designate replacement or additional Lending Installations through which Loans will be made by it and for whose account Loan payments are to be made.

2.21. Non-Receipt of Funds by the Agent. Unless the Borrower or a Lender, as the case may be, notifies the Agent prior to the date on which it is scheduled to make payment to the Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Agent for the account of the Lenders, that it does not intend to make such payment, the Agent may assume that such payment has been made. The Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Agent, the recipient of such payment shall, on demand by the Agent, repay to the Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the Federal Funds Effective Rate for such day

for the first three days and, thereafter, the interest rate applicable to the relevant Loan or (y) in the case of payment by the Borrower, the interest rate applicable to the relevant Loan.

2.22. Replacement of Lender. If the Borrower is required pursuant to Section 3.1, 3.2 or 3.5 to make any additional payment to any Lender or if any Lender's obligation to make or continue, or to convert Floating Rate Advances into, Eurodollar Advances shall be suspended pursuant to Section 3.3 (any Lender so affected an "Affected Lender"), the Borrower may elect, if such amounts continue to be charged or such suspension is still effective, to terminate or replace the Commitment of such Affected Lender, provided that no Default or Unmatured Default shall have occurred and be continuing at the time of such termination or replacement, and provided further that, concurrently with such termination or replacement, (i) if the Affected Lender is being replaced, another bank or other entity which is reasonably satisfactory to the Borrower and the Agent shall agree, as of such date, to purchase for cash the Outstanding Credit Exposure of the Affected Lender pursuant to an Assignment Agreement substantially in the form of Exhibit C and to become a Lender for all purposes under this Agreement and to assume all obligations of the Affected Lender to be terminated as of such date and to comply with the requirements of Section 12.3 applicable to assignments, and (ii) the Borrower shall pay to such Affected Lender in immediately available funds on the day of such replacement (A) all interest, fees and other amounts then accrued but unpaid to such Affected Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Affected Lender under Sections 3.1, 3.2 and 3.5, and (B) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 3.4 had the Loans of such Affected Lender been prepaid on such date rather than sold to the replacement Lender, in each case to the extent not paid by the purchasing lender and (iii) if the Affected Lender is being terminated, the Borrower shall pay to such Affected Lender all Obligations due to such Affected Lender (including the amounts described in the immediately preceding clauses (i) and (ii) plus the outstanding principal balance of such Affected Lender's Advances and the amount of such Lender's funded participations in unreimbursed LC Disbursements). Notwithstanding the foregoing, the Borrower may not terminate the Commitment of an Affected Lender if, after giving effect to such termination, the Aggregate Outstanding Credit Exposure would exceed the Aggregate Commitment.

ARTICLE III

YIELD PROTECTION; TAXES

3.1. Yield Protection. If, on or after the Closing Date, the adoption of any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any change in any such law, rule, regulation, policy, guideline or directive or in the interpretation or administration thereof by any governmental or quasi-governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender or applicable Lending Installation with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

3.1.1 subjects any Lender or any applicable Lending Installation to any Taxes, or changes the basis of taxation of payments (other than with respect to Excluded Taxes) to any Lender in respect of its Eurodollar Loans, or

3.1.2 imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Advances), or

3.1.3 imposes any other condition the result of which is to increase the cost to any Lender or any applicable Lending Installation of making, funding or maintaining its Commitment, Eurodollar Loans or Fixed Rate Loans or reduces any amount receivable by any Lender or any applicable Lending Installation in connection with its Commitment, Eurodollar Loans or Fixed Rate Loans, or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of Commitment, Eurodollar Loans or Fixed Rate Loans held or interest received by it, by an amount deemed material by such Lender,

and the result of any of the foregoing is to increase the cost to such Lender or applicable Lending Installation of making or maintaining its Commitment, Eurodollar Loans or Fixed Rate Loans or to reduce the return received by such Lender or applicable Lending Installation in connection with such Commitment, Eurodollar Loans or Fixed Rate Loans, then, within 15 days of demand, accompanied by the written statement required by Section 3.6, by such Lender, the Borrower shall pay such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction in amount received.

3.2. Changes in Capital Adequacy Regulations. If a Lender determines the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporation controlling such Lender is increased as a result of a Change, then, within 15 days of demand, accompanied by the written statement required by Section 3.6, by such Lender, the Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender determines is attributable to this Agreement, its Outstanding Credit Exposure or its Commitment hereunder (after taking into account such Lender's policies as to capital adequacy). "Change" means (i) any change after the Closing Date in the Risk-Based Capital Guidelines or (ii) any adoption of, or change in, or change in the interpretation or administration of any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the Closing Date which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "Risk-Based Capital Guidelines" means (i) the risk-based capital guidelines in effect in the United States on the Closing Date, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the Closing Date.

3.3. Availability of Types of Advances. If (x) any Lender determines that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, or (y) the Required Lenders determine that (i) deposits of a type and maturity appropriate to match fund Eurodollar Advances are not available or (ii) the interest rate applicable to Eurodollar Advances does not accurately reflect the cost of making or maintaining Eurodollar Advances, or
(iii) no reasonable basis exists for determining the Eurodollar Base Rate, then the Agent shall suspend the availability of Eurodollar Advances and require any affected Eurodollar Advances to be repaid or converted to Floating Rate Advances on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law, subject to the payment of any funding indemnification amounts required by Section 3.4.

3.4. Funding Indemnification. If any payment of a Eurodollar Advance or a Fixed Rate Loan occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a Eurodollar Advance is not made or continued, a Fixed Rate Loan is not made or a Floating Rate Advance is not converted into a Eurodollar Advance, on the date specified by the Borrower for any reason other than default by the Lenders, or a Eurodollar Advance or Fixed Rate Loan is not prepaid on the date specified by the Borrower for any reason, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain such Eurodollar Advance or Fixed Rate Loan.

3.5. Taxes. (i) All payments by the Borrower to or for the account of any Lender or the Agent hereunder or under any Note shall be made free and clear of and without deduction for any and all Taxes. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender or the Agent, (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.5) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (b) the Borrower shall make such deductions, (c) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (d) the Borrower shall furnish to the Agent the original copy of a receipt evidencing payment thereof or, if a receipt cannot be obtained with reasonable efforts, such other evidence of payment as is reasonably acceptable to the Agent, in each case within 30 days after such payment is made.

(ii) In addition, the Borrower shall pay any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any Note or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note ("Other Taxes").

(iii)The Borrower shall indemnify the Agent and each Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed on amounts payable under this Section 3.5) paid by the Agent or such Lender as a result of its Commitment, any Credit Extensions made by it hereunder, or otherwise in connection with its participation in this Agreement and any liability (including penalties, interest and expenses) arising therefrom or with

respect thereto. Payments due under this indemnification shall be made within 30 days of the date the Agent or such Lender makes demand therefor pursuant to Section 3.6.

(iv) Each Lender that is not incorporated under the laws of the United States of America or a state thereof (each a "Non-U.S. Lender") agrees that it will, not more than ten Business Days after the date on which it becomes a party to this Agreement (but in any event before a payment is due to it hereunder), (i) deliver to each of the Borrower and the Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, or (ii) in the case of a Non-U.S. Lender that is fiscally transparent, deliver to the Agent a United States Internal Revenue Form W-8IMY together with the applicable accompanying forms, W-8 or W-9, as the case may be, and certify that it is entitled to an exemption from United States withholding tax. Each Non-U.S. Lender further undertakes to deliver to each of the Borrower and the Agent
(x) renewals or additional copies of such form (or any successor form) on or before the date that such form expires or becomes obsolete, and
(y) after the occurrence of any event requiring a change in the most recent forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Borrower or the Agent. All forms or amendments described in the preceding sentence shall certify that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form or amendment with respect to it and such Lender advises the Borrower and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

(v) For any period during which a Non-U.S. Lender has failed to provide the Borrower with an appropriate form pursuant to clause (iv) above (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any governmental authority, occurring subsequent to the date on which such Non-U.S. Lender became a party to this Agreement), such Non-U.S. Lender shall not be entitled to indemnification under this Section 3.5 with respect to Taxes imposed by the United States; provided that, should a Non-U.S. Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under clause (iv) above, the Borrower shall take such steps as such Non-U.S. Lender shall reasonably request to assist such Non-U.S. Lender to recover such Taxes.

(vi) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any Note pursuant to the law of

any relevant jurisdiction or any treaty shall deliver to the Borrower (with a copy to the Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

(vii)If the U.S. Internal Revenue Service or any other governmental authority of the United States or any other country or any political subdivision thereof asserts a claim that the Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered or properly completed, because such Lender failed to notify the Agent of a change in circumstances which rendered its exemption from withholding ineffective, or for any other reason), such Lender shall indemnify the Agent fully for all amounts paid, directly or indirectly, by the Agent as tax, withholding therefor, or otherwise, including penalties and interest, and including taxes imposed by any jurisdiction on amounts payable to the Agent under this subsection, together with all reasonable costs and expenses related thereto (including attorneys' fees and time charges of attorneys for the Agent, which attorneys may be employees of the Agent). The obligations of the Lenders under this
Section 3.5(vii) shall survive the payment of the Obligations and termination of this Agreement.

3.6. Lender Statements; Survival of Indemnity. Each Lender shall deliver a written statement of such Lender to the Borrower (with a copy to the Agent) as to the amount due, if any, under Section 3.1, 3.2, 3.4 or 3.5. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on the Borrower in the absence of manifest error, and upon reasonable request of the Borrower, such Lender shall promptly provide supporting documentation describing and/or evidence of the applicable event giving rise to such amount to the extent not inconsistent with such Lender's policies or applicable law. Determination of amounts payable under such Sections in connection with a Eurodollar Loan shall be calculated as though each Lender funded its Eurodollar Loan through the purchase of a deposit of the type, currency and maturity corresponding to the deposit used as a reference in determining the Eurodollar Rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement of any Lender shall be payable on demand after receipt by the Borrower of such written statement. The obligations of the Borrower under Sections 3.1, 3.2, 3.4 and 3.5 shall survive payment of the Obligations and termination of this Agreement.

3.7. Alternative Lending Installation. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under Sections 3.1, 3.2 and 3.5 or to avoid the unavailability of Eurodollar Advances under Section 3.3, so long as such designation is not, in the judgment of such Lender, disadvantageous to such Lender. A Lender's designation of an alternative Lending Installation shall not affect the Borrower's rights under
Section 2.22 to replace a Lender.

ARTICLE IV

CONDITIONS PRECEDENT

4.1. Initial Credit Extension. The Lenders and the Issuing Banks shall not be required to make the initial Credit Extension hereunder unless the following conditions precedent have been satisfied and the Borrower has furnished to the Agent with sufficient copies for the Lenders and the Issuing Banks:

4.1.1 Copies of the articles or certificate of incorporation of the Borrower, together with all amendments thereto, and a certificate of good standing, each certified by the appropriate governmental officer in its jurisdiction of incorporation.

4.1.2 Copies, certified by the Secretary or Assistant Secretary of the Borrower, of its by-laws and of its Board of Directors' resolutions and of resolutions or actions of any other body authorizing the execution of the Loan Documents to which the Borrower is a party.

4.1.3 An incumbency certificate, executed by the Secretary or Assistant Secretary of the Borrower, which shall identify by name and title and bear the signatures of the Authorized Officers and any other officers of the Borrower authorized to sign the Loan Documents to which the Borrower is a party, upon which certificate the Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Borrower.

4.1.4 A certificate, signed by the Chairman, Chief Executive Officer, President, Executive Vice President, Chief Financial Officer, any Senior Vice President, any Vice President or the Treasurer of the Borrower, stating that on the initial Credit Extension Date (a) no Default or Unmatured Default has occurred and is continuing, (b) all of the representations and warranties in Article V shall be true and correct in all material respects as of such date and (c) no material adverse change in the business, financial condition or operations of the Borrower and its Subsidiaries, taken as a whole, has occurred since December 31, 2003 except for the Disclosed Matters.

4.1.5 A written opinion of the Borrower's counsel, in form and substance satisfactory to the Agent and addressed to the Lenders, in substantially the form of Exhibit A.

4.1.6 Any Notes requested by a Lender pursuant to Section 2.16 payable to the order of each such requesting Lender.

4.1.7 Written money transfer instructions, in substantially the form of Exhibit D, addressed to the Agent and signed by an Authorized Officer, together with such other related money transfer authorizations as the Agent may have reasonably requested.

4.1.8 The Agent shall have determined that (i) there is an absence of any material adverse change or disruption in primary or secondary loan syndication markets, financial markets or in capital markets generally that would likely impair syndication of the Loans hereunder, and (ii) the Borrower has fully cooperated with the Agent's syndication

efforts, including, without limitation, by providing the Agent with information regarding the Borrower's operations and prospects and such other information as the Agent deems necessary to successfully syndicate the Loans hereunder.

4.1.9 Evidence satisfactory to the Agent that the Existing Credit Agreements shall have been or shall simultaneously with the effectiveness of this Agreement on the Closing Date be terminated (except for those provisions that expressly survive the termination thereof) and all loans outstanding, if any, and other amounts owed to the lenders or agents thereunder shall have been, or shall simultaneously with the effectiveness of this Agreement, paid in full.

4.1.10 Evidence satisfactory to the Agent that the Five-Year Credit Agreement shall have been duly executed by all parties thereto.

4.1.11 All documentation and other information that any Lender shall reasonably have requested in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

4.1.12 Such other documents as any Lender or its counsel may have reasonably requested.

4.2. Each Credit Extension. The Lenders and the Issuing Banks shall not be required to make any Credit Extension unless on the applicable Credit Extension Date:

4.2.1 There exists no Default or Unmatured Default.

4.2.2 The representations and warranties contained in Article V are true and correct as of such Credit Extension Date except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date.

4.2.3 All legal matters incident to the making of such Advance shall be satisfactory to the Lenders and their counsel.

4.2.4 In the case of any Credit Extension which would (i) be made after June 30, 2007, (ii) cause the aggregate principal amount of short-term Indebtedness of the Borrower to exceed $1,500,000,000, or (iii) cause the aggregate principal amount of issuances and sales by the Borrower of capital stock, preferred stock, the other securities specified in the SEC order referred to in Section 5.18 and long-term Indebtedness to exceed $2,500,000,000, such Credit Extension shall have been duly authorized by an order of the Securities and Exchange Commission and the Agent shall have received a true and complete copy of such order authorizing such Credit Extension.

Each Borrowing Notice or request for the issuance of a Letter of Credit with respect to each such Credit Extension shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 4.2.1, 4.2.2, 4.2.3 and 4.2.4 have been satisfied. Any

Lender or Issuing Bank may require a duly completed compliance certificate in substantially the form of Exhibit B as a condition to making a Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to each Lender, each Issuing Bank and the Agent as of each of (i) the Closing Date, (ii) the date of the initial Credit Extension hereunder (if different from the Closing Date) and (iii) each date as required by Section 4.2:

5.1. Existence and Standing. Each of the Borrower and its Subsidiaries is a corporation, partnership (in the case of Subsidiaries only) or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

5.2. Authorization and Validity. The Borrower has the power and authority and legal right to execute and deliver the Loan Documents and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents and the performance of its obligations thereunder have been duly authorized by proper proceedings, and the Loan Documents to which the Borrower is a party constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, except as enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyances, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally; (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) requirements of reasonableness, good faith and fair dealing.

5.3. No Conflict; Government Consent. Neither the execution and delivery by the Borrower of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate
(i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Subsidiaries or (ii) the Borrower's or any Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating agreement or other management agreement, as the case may be, or (iii) the provisions of any indenture, instrument or agreement to which the Borrower or any of its Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with, or constitute a default under, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower or a Subsidiary pursuant to the terms of, any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower or any of its Subsidiaries, is required to be obtained by the Borrower or any of its Subsidiaries in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the

Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4. Financial Statements. The December 31, 2003 consolidated financial statements of the Borrower and its Subsidiaries included in the Borrower's Form 10-K for the fiscal year ended December 31, 2003 and the March 31, 2004 consolidated financial statements of the Borrower and its Subsidiaries included in the Borrower's Form 10-Q for the quarterly period ended March 31, 2004 heretofore delivered to the Agent and the Lenders, in each case, were prepared in accordance with generally accepted accounting principles in effect on the date such statements were prepared (except for the absence of footnotes and subject to year end audit adjustments) and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations for the period then ended.

5.5. Material Adverse Change. Since December 31, 2003, there has been no change in the business, Property, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries which could reasonably be expected to have a Material Adverse Effect (a "Material Adverse Change"), except for the Disclosed Matters; provided, however, that neither (i) any ratings downgrade applicable to the Indebtedness of the Borrower or any of its Subsidiaries by Moody's or S&P nor (ii) the Borrower's or any of its Subsidiaries' inability to place commercial paper in the capital markets, shall, in and of themselves, be deemed events constituting a Material Adverse Change.

5.6. Taxes. The Borrower and its Subsidiaries (and to the best knowledge of the Borrower with respect to entities acquired pursuant to the IP Acquisition and taxable periods ending on or before January 1, 2003 for CILCORP and its subsidiaries) have filed all United States federal tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Subsidiaries, except in respect of such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with Agreement Accounting Principles and as to which no Lien exists (except as permitted by Section 6.13.1). The Internal Revenue Service has completed audits of the United States federal income tax returns filed by Union Electric for all periods through the calendar taxable year ending December 31, 1997 and by CIPSCO, Inc. for all periods through the calendar taxable year ending December 31, 1997. The Internal Revenue Service has not completed audits of the United States federal income tax returns filed by the Borrower and its Subsidiaries for subsequent periods. No claims have been, or are being, asserted with respect to such taxes that could reasonably be expected to result in a Material Adverse Effect and no liens have been filed with respect to such taxes. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.7. Litigation and Contingent Obligations. Other than the Disclosed Matters, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower or any of its Subsidiaries which could, if determined adversely to the Borrower or its Subsidiaries, reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Loans. Other than any liability incident to any litigation, arbitration or proceeding

which could not reasonably be expected to have a Material Adverse Effect, the Borrower has no material contingent obligations not provided for or disclosed in the financial statements referred to in Section 5.4.

5.8. Subsidiaries. Schedule 1 contains an accurate list of all Subsidiaries of the Borrower as of the date of this Agreement, setting forth their respective jurisdictions of organization and the percentage of their respective capital stock or other ownership interests owned by the Borrower or other Subsidiaries. All of the issued and outstanding shares of capital stock or other ownership interests of such Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable.

5.9. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other ERISA Events that have occurred or are reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

5.10. Accuracy of Information. The information, exhibits or reports furnished by the Borrower to the Agent or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents as of the date furnished do not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

5.11. Regulation U. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate of buying or carrying margin stock (as defined in Regulation U), and after applying the proceeds of each Advance, margin stock (as defined in Regulation U) constitutes less than 25% of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge, or any other restriction hereunder.

5.12. Material Agreements. Neither the Borrower nor any Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate restriction which could reasonably be expected to have a Material Adverse Effect as described in clauses (ii) and/or (iii) of the definition thereof. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any agreement or instrument to which it is a party, which default could reasonably be expected to have a Material Adverse Effect or
(ii) any agreement or instrument evidencing or governing Indebtedness, which default could be reasonably expected to have a Material Adverse Effect.

5.13. Compliance With Laws. Except for the Disclosed Matters, the Borrower and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property which non-compliance therewith could reasonably be expected to result in a Material Adverse Effect.

5.14. Ownership of Properties. On the date of this Agreement, the Borrower and its Subsidiaries have good title (except for minor defects in title that do not interfere with their ability to conduct their business as currently conducted or to utilize such properties for the intended purposes), free of all Liens other than those permitted by Section 6.13, to all of the assets material to the Borrower's business reflected in the Borrower's most recent consolidated financial statements provided to the Agent, as owned by the Borrower and its Subsidiaries.

5.15. Plan Assets; Prohibited Transactions. The Borrower is not an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. ss. 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and assuming the accuracy of the representations and warranties made in Section 9.12 and in any assignment made pursuant to Section 12.3.3, neither the execution of this Agreement nor the making of Loans hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

5.16. Environmental Matters. In the ordinary course of its business, the officers of the Borrower consider the effect of Environmental Laws on the business of the Borrower and its Subsidiaries, in the course of which they identify and evaluate potential risks and liabilities accruing to the Borrower due to Environmental Laws. On the basis of this consideration, the Borrower has concluded that, other than the Disclosed Matters, Environmental Laws cannot reasonably be expected to have a Material Adverse Effect. Except for the Disclosed Matters, and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any Subsidiary has received any notice to the effect that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment.

5.17. Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.18. Public Utility Holding Company Act; Securities and Exchange Commission Authorization. The Borrower is a "holding company" as such term is defined in the Public Utility Holding Company Act of 1935, as amended (together with all rules, regulations and orders promulgated or otherwise issued in connection therewith, the "1935 Act"). The Securities and Exchange Commission, in accordance with the 1935 Act, has issued an order authorizing (a) the incurrence by the Borrower of short-term Indebtedness in an aggregate principal amount not to exceed at any time $1,500,000,000 and (b) the issuance and sale by the Borrower of capital stock, preferred stock, certain other specified securities and long-term Indebtedness in an aggregate principal amount not to exceed at any time $2,500,000,000, subject to, among other things, the condition that all such Indebtedness be issued on or before June 30, 2007 and, in the case of short-term Indebtedness, mature not later than 364 days thereafter. An additional authorization from the Securities and Exchange Commission will be necessary in order for the Borrower, after June 30, 2007, to obtain any Advances under this Agreement (assuming the Facility Termination Date has not already occurred prior to such date) or to incur or issue Indebtedness, including, without limitation, Loans extended under this Agreement.

5.19. Insurance. The Borrower maintains, and has caused each Subsidiary to maintain, with financially sound and reputable insurance companies insurance on all their Property in such amounts, subject to such deductibles and self-insurance retentions and covering such properties and risks as is consistent with sound business practice.

5.20. No Default or Unmatured Default. No Default or Unmatured Default has occurred and is continuing.

ARTICLE VI

COVENANTS

During the term of this Agreement, unless the Required Lenders shall otherwise consent in writing:

6.1. Financial Reporting. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to the Agent, and the Agent shall promptly deliver to each of the Lenders (it being agreed that the obligation of the Borrower to furnish the financial statements referred to in paragraphs 6.1.1 and 6.1.2 below may be satisfied by the delivery of annual and quarterly reports from Borrower to the Securities and Exchange Commission on Forms 10-K and 10-Q containing such statements):

6.1.1 Within 65 days after the close of each fiscal year, Borrower's audited financial statements prepared in accordance with Agreement Accounting Principles on a consolidated basis for itself and its Subsidiaries, including balance sheets as of the end of such period, statements of income and statements of cash flows, accompanied by (a) an audit report, unqualified as to scope, of a nationally recognized firm of independent public accountants; (b) any management letter prepared by said accountants, and (c) a certificate of said accountants that, in the course of their examination necessary for their certification of the foregoing, they have obtained no knowledge of any Default, or if, in the opinion of such accountants, any Default shall exist, stating the nature and status thereof.

6.1.2 Within 45 days after the close of the first three quarterly periods of each of its fiscal years, for itself and its Subsidiaries, Borrower's consolidated unaudited balance sheets as at the close of each such period and consolidated statements of income and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified as to fairness of presentation, compliance with Agreement Accounting Principles and consistency by its chief financial officer, controller or treasurer.

6.1.3 Together with the financial statements required under Sections 6.1.1 and 6.1.2, a compliance certificate in substantially the form of Exhibit B signed by its chief financial officer, controller or treasurer showing the calculations necessary to determine compliance with this Agreement and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof.

6.1.4 As soon as possible and in any event within 10 days after the Borrower knows that any ERISA Event has occurred that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower, its Subsidiaries or any Commonly Controlled Entity in an aggregate amount exceeding $25,000,000, a statement, signed by the chief financial officer, controller or treasurer of the Borrower, describing said ERISA Event and the action which the Borrower proposes to take with respect thereto.

6.1.5 As soon as possible and in any event within 10 days after receipt by the Borrower, a copy of (a) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the release by the Borrower, any of its Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Borrower or any of its Subsidiaries, which, in either case, could reasonably be expected to have a Material Adverse Effect.

6.1.6 Promptly upon becoming aware thereof, notice of any upgrading or downgrading of the rating of the Borrower's commercial paper, the Borrower's senior unsecured debt or the First Mortgage Bonds by Moody's or S&P.

6.1.7 Such other information (including non-financial information) as the Agent or any Lender may from time to time reasonably request.

6.2. Use of Proceeds and Letters of Credit. The Borrower will, and will cause each Subsidiary to, use the proceeds of the Advances to repay any and all amounts outstanding under the Existing Credit Agreements and for general corporate purposes, including without limitation, for working capital, commercial paper liquidity support with respect to commercial paper issued by the Borrower or its Subsidiaries, to fund loans under and pursuant to the Money Pool Agreements, and to pay fees and expenses incurred in connection with this Agreement. The Borrower shall use the proceeds of Advances in compliance with all applicable legal and regulatory requirements and any such use shall not result in a violation of any such requirements, including, without limitation, Regulation U and Regulation X, the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder. The Borrower shall use the Letters of Credit for general corporate purposes.

6.3. Notice of Default. Within five (5) Business Days after an Authorized Officer becomes aware thereof, the Borrower will, and will cause each Subsidiary to, give notice in writing to the Lenders of the occurrence of any Default or Unmatured Default and, unless otherwise reported to the Securities and Exchange Commission in the Borrower's filings under the Securities Exchange Act of 1934, of any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect.

6.4. Conduct of Business. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted or in a manner or fields of enterprise reasonably related

thereto and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted. Notwithstanding the foregoing, the Borrower is not prohibited from the dissolution of any Inactive Subsidiary or from the sale of any Subsidiary or assets pursuant to governmental or regulatory order or pursuant to Section 6.11.

6.5. Taxes. The Borrower will, and will cause each Subsidiary to, timely file complete and correct United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with Agreement Accounting Principles.

6.6. Insurance. The Borrower will, and will cause each Subsidiary to, maintain with financially sound and reputable insurance companies insurance on all their Property in such amounts, subject to such deductibles and self-insurance retentions, and covering such risks as is consistent with sound business practice, and the Borrower will furnish to any Lender upon request full information as to the insurance carried.

6.7. Compliance with Laws; Securities and Exchange Commission Authorization. (a) The Borrower will, and will cause each Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) From time to time prior to the expiration of the approval of the Securities and Exchange Commission described in Section 5.18 with respect to the Borrower's Indebtedness, so long as this Agreement remains in effect or the Obligations incurred by the Borrower under or in connection herewith remain outstanding, the Borrower will obtain an extension of such approval and the Borrower shall provide a notice to the Agent of the receipt of such extension, which notice shall include the expiration date of the most recent approval and the total amount of Indebtedness of the Borrower authorized therein. The Borrower further agrees not to request any Advance or permit any Loan to remain outstanding hereunder in violation of the above mentioned Securities and Exchange Commission approval or any conditions thereof, as in effect from time to time.

6.8. Maintenance of Properties. Subject to Section 6.11, the Borrower will, and will cause each Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property used in the operation of its business in good repair, working order and condition (ordinary wear and tear excepted), and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times.

6.9. Inspection; Keeping of Books and Records. The Borrower will, and will cause each Subsidiary to, permit the Agent and the Lenders, by their respective representatives and

agents, to inspect any of the Property, books and financial records of the Borrower and each Subsidiary, to examine and make copies of the books of accounts and other financial records of the Borrower and each Subsidiary, and to discuss the affairs, finances and accounts of the Borrower and each Subsidiary with, and to be advised as to the same by, their respective officers at such reasonable times and intervals as the Agent or any Lender may designate. The Borrower shall keep and maintain, and cause each of its Subsidiaries to keep and maintain, in all material respects, proper books of record and account in which entries in conformity with Agreement Accounting Principles shall be made of all dealings and transactions in relation to their respective businesses and activities. If a Default has occurred and is continuing, the Borrower, upon the Agent's request, shall turn over copies of any such records to the Agent or its representatives.

6.10. Merger. The Borrower will not, nor will it permit any Subsidiary to, merge or consolidate with or into any other Person, except (i) any Subsidiary may merge or consolidate with the Borrower if the Borrower is the corporation surviving such merger, (ii) any Subsidiary may merge or consolidate with any other Subsidiary, provided that the Borrower's aggregate direct and indirect ownership interest in the survivor thereof shall not be less than the greater of the Borrower's direct and indirect ownership interest in such Subsidiaries prior to such merger, and (iii) the Borrower or any Subsidiary may merge or consolidate with any other Person if (a) such Person was organized under the laws of the United States of America or one of its States and (b) the Borrower or such Subsidiary is the corporation surviving such merger; provided that, in each case, after giving effect thereto, no Default will be in existence.

6.11. Sale of Assets. The Borrower will not, nor will it permit any Subsidiary to, lease, sell or otherwise dispose of its Property to any other Person, except:

6.11.1 Sales of electricity, natural gas, emissions credits and other commodities in the ordinary course of business.

6.11.2 A disposition of assets by a Subsidiary to the Borrower or another Subsidiary or by the Borrower to a Subsidiary.

6.11.3 A disposition of obsolete property, property no longer used in the business of the Borrower or its Subsidiaries or other assets in the ordinary course of business of the Borrower or any Subsidiary.

6.11.4 The transfer pursuant to a requirement or law or any regulatory authority having jurisdiction, of functional and/or operational control of (but not of title to) transmission facilities of the Borrower or its Subsidiaries to an Independent System Operator, Regional Transmission Organization or to some other entity which has responsibility for operating and planning a regional transmission system.

6.11.5 Pursuant to transactions in connection with the Peno Creek Project.

6.11.6 Leases, sales or other dispositions of its Property that, together with all other Property of the Borrower and its Subsidiaries previously leased, sold or disposed of (other than dispositions otherwise permitted by this Section 6.11) since the Closing Date, do not constitute Property which represents more than thirty-five percent (35%) of the

Consolidated Tangible Assets of the Borrower as would be shown in the consolidated financial statements of the Borrower and its Subsidiaries as at the end of the fiscal year ending immediately prior to the date of such lease, sale or other disposition.

6.12. Indebtedness of Project Finance Subsidiaries, Investments in Project Finance Subsidiaries; Acquisitions. Neither the Borrower nor any Subsidiary shall be directly or indirectly, primarily or secondarily, liable for any Indebtedness or any other form of liability, whether direct, contingent or otherwise, of a Project Finance Subsidiary nor shall the Borrower or any Subsidiary provide any guarantee of the Indebtedness, liabilities or other obligations of a Project Finance Subsidiary. The Borrower will not, nor will it permit any Subsidiary to, make or suffer to exist Investments in Project Finance Subsidiaries in excess of $100,000,000 in the aggregate at any time. The Borrower will not, nor will it permit any Subsidiary to, consummate any Acquisition other than an Acquisition (a) which is consummated on a non-hostile basis approved by a majority of the board of directors or other governing body of the Person being acquired; and (b) which involves the purchase of a business line similar, related, complementary or incidental to that of the Borrower and its Subsidiaries as of the Closing Date unless the purchase price therefor is less than or equal to (i) $10,000,000 with respect thereto or (ii) $50,000,000 when taken together with all other Acquisitions consummated during the term of this Agreement which do not otherwise satisfy the conditions described above in this clause (b), and, as of the date of such Acquisition and after giving effect thereto, no Default or Unmatured Default shall exist.

6.13. Liens. The Borrower will not, nor will it permit any Subsidiary (other than a Project Finance Subsidiary) to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or any of its Subsidiaries, except:

6.13.1 Liens, if any, securing (a) the Loans and other Obligations hereunder and (b) the "Loans" and other "Obligations" under (and as defined in) the Five-Year Credit Agreement.

6.13.2 Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books.

6.13.3 Liens imposed by law, such as landlords', wage earners', carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 60 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books.

6.13.4 Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation.

6.13.5 Liens existing on the date hereof and described in Schedule 2.

6.13.6 Deposits securing liability to insurance carriers under insurance or self-insurance arrangements.

6.13.7 Deposits or accounts to secure the performance of bids, trade contracts or obligations (other than for borrowed money), vendor and service provider arrangements, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business.

6.13.8 Easements, reservations, rights-of-way, restrictions, survey exceptions and other similar encumbrances as to real property of the Borrower and its Subsidiaries which customarily exist on properties of corporations engaged in similar activities and similarly situated and which do not materially interfere with the conduct of the business of the Borrower or such Subsidiary conducted at the property subject thereto.

6.13.9 Liens arising out of judgments or awards not exceeding $50,000,000 in the aggregate with respect to which appeals are being diligently pursued, and, pending the determination of such appeals, such judgments or awards having been effectively stayed.

6.13.10 Liens created pursuant to the Existing Indentures securing the First Mortgage Bonds; provided that the Liens of such Existing Indentures shall extend only to the property of Union Electric and CIPS (including, to the extent applicable, after acquired property) that is or would be covered by the Liens of the Existing Indentures as in effect on the date hereof covered by such Liens.

6.13.11 Liens incurred in connection with the Peno Creek Project.

6.13.12 Liens existing on any capital assets of any Subsidiary of the Borrower at the time such Subsidiary becomes a Subsidiary and not created in contemplation of such event.

6.13.13 Liens on any capital assets securing Indebtedness incurred or assumed for the purpose of financing or refinancing all or any part of the cost of acquiring or constructing such asset; provided that such Lien attaches to such asset concurrently with or within eighteen (18) months after the acquisition or completion or construction thereof.

6.13.14 Liens existing on any capital assets of any Subsidiary of the Borrower at the time such Subsidiary is merged or consolidated with or into the Borrower or any Subsidiary and not created in contemplation of such event.

6.13.15 Liens existing on any assets prior to the acquisition thereof by the Borrower or any Subsidiary and not created in contemplation thereof; provided that such Liens do not encumber any other property or assets.

6.13.16 Liens (a) on the capital stock of CILCO and on the assets of CILCO and any other Subsidiary of CILCORP existing on the date hereof and/or (b) created pursuant

to the Existing CILCO Indenture securing First Mortgage Bonds; provided that the Liens of such Existing CILCO Indenture shall extend only to the property (including, to the extent applicable, after acquired property) that is covered by the Liens of the Existing CILCO Indenture as in effect on the date hereof.

6.13.17 Undetermined Liens and charges incidental to construction.

6.13.18 Liens on Property or assets of a Subsidiary in favor of the Borrower or a Subsidiary that is directly or indirectly wholly owned by the Borrower.

6.13.19 Subject and pursuant to the IP Acquisition, Liens (a) on the assets of IP and any subsidiary of IP existing as of the IP Acquisition and/or (b) created pursuant to the Existing IP Indenture securing First Mortgage Bonds; provided that the Liens of such Existing IP Indenture shall extend only to the property (including, to the extent applicable, after acquired property) that is covered by the Liens of the Existing IP Indenture as in effect on the date of the IP Acquisition.

6.13.20 Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of Section 6.13.10 through 6.13.19; provided that (a) such Indebtedness is not secured by any additional assets, and (b) the amount of such Indebtedness secured by any such Lien is not increased.

6.13.21 From and after the IP Acquisition, any Liens existing on any assets of IP or any of its subsidiaries or related trusts related to the Illinois Power Special Purpose Trust Transitional Funding Trust Notes, Series 1998-1.

6.14. Affiliates. The Borrower will not, and will not permit any Subsidiary to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate (other than the Borrower and its Subsidiaries) except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and, except to the extent that the terms and consideration of any such transaction are mandated, limited or otherwise subject to conditions imposed by any regulatory or government body, upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than the Borrower or such Subsidiary would obtain in a comparable arm's-length transaction.

6.15. Financial Contracts. The Borrower will not, nor will it permit any Subsidiary, to, enter into or remain liable upon any Rate Management Transactions except for those entered into in the ordinary course of business for bona fide hedging purposes and not for speculative purposes.

6.16. Subsidiary Covenants. The Borrower will not, and will not permit any Subsidiary other than a Project Finance Subsidiary to, create or otherwise cause to become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary other than a Project Finance Subsidiary (i) to pay dividends or make any other distribution on its common stock, (ii) to pay any Indebtedness or other obligation owed to the Borrower or any other Subsidiary, or (iii) to make loans or advances or other Investments in the Borrower or any other Subsidiary, in each case, other than (a) restrictions and conditions imposed by law or by this

Agreement or the Five-Year Credit Agreement, (b) restrictions and conditions existing on the date hereof or, to the best knowledge of the Borrower, as of and resulting from the IP Acquisition, in each case as identified on Schedule 3 (without giving effect to any amendment or modification expanding the scope of any such restriction or condition), (c) restrictions on dividends on the capital stock of Union Electric entered into in connection with future issuances of subordinated capital income securities, to the extent the same are not more restrictive than those benefiting the holders of Union Electric's existing 7.69% Subordinated Capital Income Securities, (d) restrictions and conditions in agreements or arrangements entered into by (1) Electric Energy, Inc. regarding the payment of dividends or the making of other distributions with respect to shares of its capital stock or (2) Gateway Energy WGK Project, L.L.C., in each case, without giving effect to any amendment or modification expanding the scope of any such restriction or condition, and (e) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder.

6.17. Leverage Ratio. The Borrower will not permit the ratio of (i) Consolidated Indebtedness to (ii) Consolidated Total Capitalization of any of the Borrower, CIPS, Union Electric, CILCO or, from and after the date that is six (6) months after the IP Acquisition, IP to be greater than 0.60 to 1.00 at any time.

ARTICLE VII

DEFAULTS

The occurrence of any one or more of the following events shall constitute a Default:

7.1. Any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries to the Lenders, the Issuing Banks or the Agent under or in connection with this Agreement, any Credit Extension, or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be false in any material respect on the date as of which made or deemed made.

7.2. Nonpayment of (i) principal of any Loan when due, or (ii) interest upon any Loan or any Facility Fee or other Obligations under any of the Loan Documents within five (5) Business Days after such interest, fee or other Obligation becomes due.

7.3. The breach by the Borrower of any of the terms or provisions of
Section 6.2, 6.3, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16 or 6.17.

7.4. The breach by the Borrower (other than a breach which constitutes a Default under another Section of this Article VII) of any of the terms or provisions of this Agreement which is not remedied within fifteen (15) days after the earlier to occur of (i) written notice from the Agent or any Lender to the Borrower or (ii) an Authorized Officer otherwise becoming aware of any such breach.

7.5. Failure of the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) to pay when due any Material Indebtedness; or the default by the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) in the performance (beyond the

applicable grace period with respect thereto, if any) of any term, provision or condition contained in any Material Indebtedness Agreement, or any other event shall occur or condition exist (except for, from and after the date of the IP Acquisition, a "Triggering Event" under IP's 11 1/2% Mortgage Bonds due 2010 which does not also cause an event of default thereunder), the effect of which default, event or condition is to cause, or to permit the holder(s) of such Material Indebtedness or the lender(s) under any Material Indebtedness Agreement to cause, such Material Indebtedness to become due prior to its stated maturity or any commitment to lend under any Material Indebtedness Agreement to be terminated prior to its stated expiration date; or any Material Indebtedness of the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof (except, from and after the date of the IP Acquisition, in the case of or related to a "Triggering Event" under IP's 11 1/2% Mortgage Bonds due 2010 which does not also cause an event of default thereunder); or the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) shall not pay, or admit in writing its inability to pay, its debts generally as they become due; provided that no Default shall occur under this Section 7.5 as a result of (i) any notice of voluntary prepayment delivered by the Borrower or any Subsidiary with respect to any Indebtedness, or (ii) any voluntary sale of assets by the Borrower or any Subsidiary permitted hereunder as a result of which any Indebtedness secured by such assets is required to be prepaid.

7.6. The Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate or partnership action to authorize or effect any of the foregoing actions set forth in this Section 7.6, (vi) fail to contest in good faith any appointment or proceeding described in Section 7.7, or (vii) become unable, admit in writing its inability or fail generally to pay its debts as they become due.

7.7. Without the application, approval or consent of the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries), a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Subsidiaries or any Substantial Portion of its Property, or a proceeding described in Section 7.6(iv) shall be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days.

7.8. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower and its Subsidiaries (other than Project Finance Subsidiaries) which, when taken together with all other Property of the Borrower and its Subsidiaries so condemned, seized, appropriated, or taken

custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

7.9. The Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) shall fail within 45 days to pay, bond or otherwise discharge one or more (i) judgments or orders for the payment of money in excess of $25,000,000 (or the equivalent thereof in currencies other than Dollars) in the aggregate (net of any amount covered by insurance), or (ii) nonmonetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgment(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith.

7.10. An ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect.

7.11. Nonpayment by the Borrower or any Subsidiary (other than Project Finance Subsidiary) of any Rate Management Obligation, in a notional amount of $25,000,000 or more, when due or the breach by the Borrower or any Subsidiary (other than Project Finance Subsidiary) of any term, provision or condition contained in any Rate Management Transaction or any transaction of the type described in the definition of "Rate Management Transactions," whether or not any Lender or Affiliate of a Lender is a party thereto.

7.12. Any Change in Control shall occur.

7.13. The Borrower or any of its Subsidiaries shall (i) be the subject of any proceeding or investigation pertaining to the release by the Borrower, any of its Subsidiaries or any other Person of any toxic or hazardous waste or substance into the environment, or (ii) violate any Environmental Law, which, in the case of an event described in clause (i) or clause (ii), has resulted in liability to the Borrower or any of its Subsidiaries in an amount equal to $50,000,000 or more, which liability is not paid, bonded or otherwise discharged within 45 days or which is not stayed on appeal and being appropriately contested in good faith.

7.14. Any Loan Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Loan Document.

ARTICLE VIII

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

8.1. Acceleration. If any Default described in Section 7.6 or 7.7 occurs with respect to the Borrower, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Agent, any Issuing Bank or any Lender. If any other Default occurs, the Required Lenders (or the Agent with the consent of the Required Lenders) may terminate or suspend the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become

immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives.

If, after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder as a result of any Default (other than any Default as described in Section 7.6 or 7.7 with respect to the Borrower) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

8.2. Amendments. Subject to the provisions of this Section 8.2, the Required Lenders (or the Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or thereunder or waiving any Default hereunder or thereunder; provided, however, that no such supplemental agreement shall, without the consent of all of the Lenders (or, in the case of Section 8.2.2, all affected Lenders):

8.2.1 Extend the final maturity of any Revolving Loan or LC Disbursement or postpone any payment of principal of any Revolving Loan or LC Disbursement or forgive all or any portion of the principal amount thereof, or reduce the rate or extend the time of payment of interest or fees thereon (other than a waiver of the application of the default rate of interest pursuant to Section 2.14 hereof).

8.2.2 Extend the final maturity of any Competitive Loan or postpone any regularly scheduled payment of principal of any Competitive Loan or forgive all or any portion of the principal amount thereof, or reduce the rate or extend the time of payment of interest or fees thereon (other than a waiver of the application of the default rate of interest pursuant to
Section 2.14 hereof).

8.2.3 Waive any condition set forth in Section 4.2, reduce the percentage specified in the definition of Required Lenders or any other percentage of Lenders specified to be the Pro Rata Share in this Agreement to act on specified matters or amend the definition of "Pro Rata Share".

8.2.4 Extend the Facility Termination Date, or reduce the amount or extend the payment date for, the mandatory payments required under Section 2.2, or increase the amount of the Commitment of any Lender hereunder, or permit the Borrower to assign its rights or obligations under this Agreement or change Section 2.15 or 2.8.4 in a manner that would alter the pro rata sharing of payments or reduction of commitments required thereby.

8.2.5 Amend this Section 8.2.

No amendment of any provision of this Agreement relating to the Agent, any Issuing Bank or the Swingline Lender shall be effective without the written consent of the Agent, such Issuing Bank or the Swingline Lender, as the case may be. The Agent may waive payment of the fee required under Section 12.3.3 without obtaining the consent of any other party to this Agreement.

Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Agent if (i) by the terms of such agreement any remaining Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Advance made by it and all other amounts owing to it or accrued for its account under this Agreement.

8.3. Preservation of Rights. No delay or omission of the Lenders, the Agent or the Issuing Banks to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Credit Extension notwithstanding the existence of a Default or Unmatured Default or the inability of the Borrower to satisfy the conditions precedent to such Credit Extension shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by, or by the Agent with the consent of, the requisite number of Lenders required pursuant to Section 8.2, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Agent, the Issuing Banks and the Lenders until all of the Obligations have been paid in full.

ARTICLE IX

GENERAL PROVISIONS

9.1. Survival of Representations. All representations and warranties of the Borrower contained in this Agreement shall survive the making of the Credit Extensions herein contemplated.

9.2. Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.3. Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.4. Entire Agreement. The Loan Documents embody the entire agreement and understanding among the Borrower, the Agent and the Lenders and supersede all prior agreements and understandings among the Borrower, the Agent, the Issuing Banks and the Lenders relating to the subject matter thereof other than those contained in the fee letter described in Section 10.13 which shall survive and remain in full force and effect during the term of this Agreement.

9.5. Several Obligations; Benefits of this Agreement. The respective obligations of the Lenders and the Issuing Banks hereunder are several and not joint and no Lender or Issuing

Bank shall be the partner or agent of any other (except to the extent to which the Agent is authorized to act as such). The failure of any Lender or any Issuing Bank to perform any of its obligations hereunder shall not relieve any other Lender or any Issuing Bank from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns, provided, however, that the parties hereto expressly agree that each Arranger shall enjoy the benefits of the provisions of Sections 9.6, 9.10 and 10.11 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same extent as if it were a party to this Agreement.

9.6. Expenses; Indemnification. (i) The Borrower shall reimburse the Agent and each Arranger for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' and paralegals' fees and time charges of attorneys for the Agent, which attorneys may be employees of the Agent and expenses of and fees for other advisors and professionals engaged by the Agent or such Arranger) paid or incurred by the Agent or such Arranger in connection with the investigation, preparation, negotiation, documentation, execution, delivery, syndication, distribution (including, without limitation, via the internet), review, amendment, modification and administration of the Loan Documents. The Borrower also agrees to reimburse the Agent, each Arranger, the Issuing Banks and the Lenders for any costs, internal charges and out-of-pocket expenses (including attorneys' and paralegals' fees and time charges and expenses of attorneys and paralegals for the Agent, such Arranger, the Issuing Banks and the Lenders, which attorneys and paralegals may be employees of the Agent, such Arranger, the Issuing Banks or the Lenders) paid or incurred by the Agent, such Arranger, any Issuing Bank or any Lender in connection with the collection and enforcement of the Loan Documents.

(ii) The Borrower hereby further agrees to indemnify the Agent, each Arranger, each Issuing Bank, each Lender, their respective affiliates, and each of their directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not the Agent, any Arranger, any Issuing Bank, any Lender or any affiliate is a party thereto, and all attorneys' and paralegals' fees, time charges and expenses of attorneys and paralegals of the party seeking indemnification, which attorneys and paralegals may or may not be employees of such party seeking indemnification) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Loan hereunder except to the extent that they have resulted, as determined in a final non-appealable judgment by a court of competent jurisdiction, from the gross negligence or willful misconduct of the party seeking indemnification. The obligations of the Borrower under this Section 9.6 shall survive the termination of this Agreement.

(iii)To the extent that the Borrower fails to pay any amount required to be paid by it to the Agent, the Arrangers, any Issuing Bank or the Swingline Lender under paragraph (i) or (ii) of this Section, each Lender severally agrees to pay to the Agent, the Arrangers, such Issuing Bank or the Swingline Lender, as the case may

be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent, the Arrangers or the Swingline Lender in its capacity as such.

9.7. Numbers of Documents. All statements, notices, closing documents, and requests hereunder shall be furnished to the Agent with sufficient counterparts so that the Agent may furnish one to each of the Lenders, to the extent that the Agent deems necessary.

9.8. Accounting. Except as provided to the contrary herein, all accounting terms used in the calculation of any financial covenant or test shall be interpreted and all accounting determinations hereunder in the calculation of any financial covenant or test shall be made in accordance with Agreement Accounting Principles. If any changes in generally accepted accounting principles are hereafter required or permitted and are adopted by the Borrower or any of its Subsidiaries with the agreement of its independent certified public accountants and such changes result in a change in the method of calculation of any of the financial covenants, tests, restrictions or standards herein or in the related definitions or terms used therein ("Accounting Changes"), the parties hereto agree, at the Borrower's request, to enter into negotiations, in good faith, in order to amend such provisions in a credit neutral manner so as to reflect equitably such changes with the desired result that the criteria for evaluating the Borrower's and its Subsidiaries' financial condition shall be the same after such changes as if such changes had not been made; provided, however, until such provisions are amended in a manner reasonably satisfactory to the Agent and the Required Lenders, no Accounting Change shall be given effect in such calculations. In the event such amendment is entered into, all references in this Agreement to Agreement Accounting Principles shall mean generally accepted accounting principles as of the date of such amendment. Notwithstanding the foregoing, all financial statements to be delivered by the Borrower pursuant to Section 6.1 shall be prepared in accordance with generally accepted accounting principles in effect at such time.

9.9. Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.10. Nonliability. The relationship between the Borrower on the one hand and the Lenders and the Agent on the other hand shall be solely that of borrower and lender. Neither the Agent, any Arranger, any Issuing Bank nor any Lender shall have any fiduciary responsibilities to the Borrower. Neither the Agent, any Arranger, any Issuing Bank nor any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations. The Borrower agrees that neither the Agent, any Arranger, any Issuing Bank nor any Lender shall have liability to the Borrower (whether sounding in tort, contract or otherwise) for losses suffered by the Borrower in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of

competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought. Neither the Borrower, the Agent, any Arranger, any Issuing Bank nor any Lender shall have any liability with respect to, and each of the Agent, each Arranger, each Issuing Bank, each Lender and the Borrower hereby waives, releases and agrees not to sue for, any special, indirect, consequential or punitive damages suffered by it in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

9.11. Confidentiality. Each Lender and each Issuing Bank agrees to hold any confidential information which it may receive from the Borrower pursuant to this Agreement in confidence, except for disclosure (i) to its Affiliates and to other Lenders or Issuing Banks and their respective Affiliates, for use solely in connection with the transactions contemplated hereby, (ii) to legal counsel, accountants, and other professional advisors to such Lender or Issuing Bank or to a Transferee, in each case which have been informed as to the confidential nature of such information, for use solely in connection with the transactions contemplated hereby, (iii) to regulatory officials having jurisdiction over it, (iv) to any Person as required by law, regulation, or legal process, (v) to any Person in connection with any legal proceeding to which such Lender or Issuing Bank is a party, (vi) to such Lender's or Issuing Bank's direct or indirect contractual counterparties in swap agreements or to legal counsel, accountants and other professional advisors to such counterparties, in each case which have been informed as to the confidential nature of such information, (vii) permitted by Section 12.4 and (viii) to rating agencies if requested or required by such agencies in connection with a rating relating to the Advances hereunder.

9.12. Lenders Not Utilizing Plan Assets. Each Lender and Designated Lender represents and warrants that none of the consideration used by such Lender or Designated Lender to make its Loans constitutes for any purpose of ERISA or Section 4975 of the Code assets of any "plan" as defined in Section 3(3) of ERISA or Section 4975 of the Code and the rights and interests of such Lender or Designated Lender in and under the Loan Documents shall not constitute such "plan assets" under ERISA.

9.13. Nonreliance. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for herein.

9.14. Disclosure. The Borrower and each Lender and each Issuing Bank hereby acknowledge and agree that each Lender, each Issuing Bank and their Affiliates from time to time may hold investments in, make other loans to or have other relationships with the Borrower and its Affiliates.

9.15. USA Patriot Act. Each Lender and each Issuing Bank hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with its requirements.

ARTICLE X

THE AGENT

10.1. Appointment; Nature of Relationship. JPMCB is hereby appointed by each of the Lenders and each of the Issuing Banks as its contractual representative (herein referred to as the "Agent") hereunder and under each other Loan Document, and each of the Lenders and the each of the Issuing Banks irrevocably authorizes the Agent to act as the contractual representative of such Lender and such Issuing Bank with the rights and duties expressly set forth herein and in the other Loan Documents. The Agent agrees to act as such contractual representative upon the express conditions contained in this Article
X. Notwithstanding the use of the defined term "Agent," it is expressly understood and agreed that the Agent shall not have any fiduciary responsibilities to any Lender or any Issuing Bank by reason of this Agreement or any other Loan Document and that the Agent is merely acting as the contractual representative of the Lenders and the Issuing Banks with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' and the Issuing Banks' contractual representative, the Agent (i) does not hereby assume any fiduciary duties to any of the Lenders or the Issuing Banks, (ii) is a "representative" of the Lenders and the Issuing Banks within the meaning of the term "secured party" as defined in the New York Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders and the Issuing Banks hereby agrees to assert no claim against the Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby waives.

10.2. Powers. The Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Agent shall have no implied duties or fiduciary duties to the Lenders or the Issuing Banks, or any obligation to the Lenders or the Issuing Banks to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Agent.

10.3. General Immunity. Neither the Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Lenders or any Lender or any Issuing Bank for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final, non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

10.4. No Responsibility for Loans, Recitals, etc. Neither the Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (a) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (b) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including, without limitation, any agreement by an obligor to furnish information directly to each Lender and each Issuing Bank; (c) the satisfaction of any condition specified in Article IV, except receipt of items required to be delivered solely to the Agent; (d) the existence or possible existence of any

Default or Unmatured Default; (e) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith; (f) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (g) the financial condition of the Borrower or any guarantor of any of the Obligations or of any of the Borrower's or any such guarantor's respective Subsidiaries. The Agent shall have no duty to disclose to the Lenders or the Issuing Banks information that is not required to be furnished by the Borrower to the Agent at such time, but is voluntarily furnished by the Borrower to the Agent (either in its capacity as Agent or in its individual capacity).

10.5. Action on Instructions of Lenders. The Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders (or all of the Lenders in the event that and to the extent that this Agreement expressly requires such), and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that the Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Required Lenders (or all of the Lenders in the event that and to the extent that this Agreement expressly requires such). The Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction in writing by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

10.6. Employment of Agents and Counsel. The Agent may execute any of its duties as Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders or the Issuing Banks, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Agent and the Lenders and the Issuing Banks and all matters pertaining to the Agent's duties hereunder and under any other Loan Document.

10.7. Reliance on Documents; Counsel. The Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Agent, which counsel may be employees of the Agent.

10.8. Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Agent ratably in proportion to the their Pro Rata Shares of the Aggregate Commitment (or, if the Aggregate Commitment has been terminated, of the Aggregate Outstanding Credit Exposure) (determined as of the date of any such request by the Agent) (i) for any amounts not reimbursed by the Borrower for which the Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) to the extent not paid by the Borrower, for any other expenses incurred by the Agent on behalf of the Lenders or the Issuing Banks, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including, without limitation, for any expenses incurred by the Agent in connection

with any dispute between the Agent and any Lender or between two or more of the Lenders or Issuing Banks) and (iii) to the extent not paid by the Borrower, for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including, without limitation, for any such amounts incurred by or asserted against the Agent in connection with any dispute between the Agent and any Lender or between two or more of the Lenders or Issuing Banks), or the enforcement of any of the terms of the Loan Documents or of any such other documents, provided that (i) no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Agent, (ii) any indemnification required pursuant to Section 3.5(vii) shall, notwithstanding the provisions of this Section 10.8, be paid by the relevant Lender in accordance with the provisions thereof and (iii) the Agent shall reimburse the Lenders for any amounts the Lenders have paid to the extent such amounts are subsequently recovered from the Borrower. The obligations of the Lenders under this Section 10.8 shall survive payment of the Obligations, termination and expiration of the Letters of Credit and termination of this Agreement.

10.9. Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Unmatured Default hereunder unless the Agent has received written notice from a Lender or the Borrower referring to this Agreement describing such Default or Unmatured Default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall give prompt notice thereof to the Lenders and the Issuing Banks.

10.10. Rights as a Lender. In the event the Agent is a Lender or an Issuing Bank, the Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Commitment and its Credit Extensions as any Lender or any Issuing Bank and may exercise the same as though it were not the Agent, and the term "Lender" or "Lenders" or "Issuing Bank" shall, at any time when the Agent is a Lender or an Issuing Bank, unless the context otherwise indicates, include the Agent in its individual capacity. The Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person. The Agent, in its individual capacity, is not obligated to remain a Lender.

10.11. Independent Credit Decision. Each Lender and each Issuing Bank acknowledges that it has, independently and without reliance upon the Agent, any Arranger or any other Lender or any other Issuing Bank and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Agent, any Arranger or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

10.12. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders, the Issuing Banks and the Borrower, such resignation to be effective upon the appointment of a successor Agent or, if no successor Agent has been appointed, forty-five days after the retiring Agent gives notice of its intention to resign. The Agent may be removed at any time with or without cause by written notice received by the Agent from the Required Lenders, such removal to be effective on the date specified by the Required Lenders. Upon any such resignation or removal, the Required Lenders, with the consent of the Borrower (which consent shall not be unreasonably withheld or delayed; provided that such consent shall not be required in the event and continuation of a Default), shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders or consented to by the Borrower within thirty days after the resigning Agent's giving notice of its intention to resign, then the resigning Agent may appoint, on behalf of the Borrower and the Lenders, a successor Agent. Notwithstanding the previous sentence, the Agent may at any time without the consent of the Borrower or any Lender or any Issuing Bank, appoint any of its Affiliates which is a commercial bank as a successor Agent hereunder. If the Agent has resigned or been removed and no successor Agent has been appointed, the Lenders may perform all the duties of the Agent hereunder and the Borrower shall make all payments in respect of the Obligations to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Agent shall be deemed to be appointed hereunder until such successor Agent has accepted the appointment. Any such successor Agent shall be a commercial bank having capital and retained earnings of at least $100,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Agent. Upon the effectiveness of the resignation or removal of the Agent, the resigning or removed Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation or removal of an Agent, the provisions of this Article X shall continue in effect for the benefit of such Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Agent hereunder and under the other Loan Documents. In the event that there is a successor to the Agent by merger, or the Agent assigns its duties and obligations to an Affiliate pursuant to this Section 10.12, then the term "Prime Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Agent.

10.13. Agent and Arranger Fees. The Borrower agrees to pay to the Agent and each Arranger, for their respective accounts, the fees agreed to by the Borrower, the Agent and the Arrangers pursuant to the letter agreements dated June 17, 2004, or as otherwise agreed from time to time.

10.14. Delegation to Affiliates. The Borrower, the Lenders and the Issuing Banks agree that the Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Agent is entitled under Articles IX and X.

10.15. Syndication Agent and Documentation Agents. The Lender identified in this Agreement as the "Syndication Agent" and the Lenders identified in this Agreement as the

"Documentation Agents" shall have no right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, such Lenders shall not have or be deemed to have a fiduciary relationship with any other Lender. Each Lender hereby makes the same acknowledgements with respect to such Lenders as it makes with respect to the Agent in Section 10.11.

ARTICLE XI

SETOFF; RATABLE PAYMENTS

11.1. Setoff. In addition to, and without limitation of, any rights of the Lenders under applicable law, if the Borrower becomes insolvent, however evidenced, or any Default occurs, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender (including the Swingline Lender) or any Affiliate of any Lender or any Issuing Bank to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to such Lender or such Issuing Bank, whether or not the Obligations, or any part thereof, shall then be due.

11.2. Ratable Payments. If any Lender, whether by setoff or otherwise, has payment made to it upon its Revolving Credit Exposure (other than payments received pursuant to Section 3.1, 3.2, 3.4 or 3.5) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a participation in the Aggregate Revolving Credit Exposure held by the other Lenders so that after such purchase each Lender will hold its Pro Rata Share of the Aggregate Revolving Credit Exposure. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to their respective Pro Rata Shares of the Aggregate Revolving Credit Exposure. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

ARTICLE XII

BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1. Successors and Assigns; Designated Lenders.

12.1.1 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower, the Agent, the Issuing Banks and the Lenders and their respective successors and assigns permitted hereby, except that (i) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the prior written consent of the Agent, each Lender and each Issuing Bank, (ii) any assignment by any Lender must be made in compliance with Section 12.3, and (iii) any transfer by Participants must be made in compliance with Section 12.2. Any attempted assignment or transfer by any party not made in compliance with this Section 12.1 shall be null and void, unless such attempted

assignment or transfer is treated as a participation in accordance with
Section 12.3.2. The parties to this Agreement acknowledge that clause (ii) of this Section 12.1 relates only to absolute assignments and this Section 12.1 does not prohibit assignments creating security interests, including, without limitation, (x) any pledge or assignment by any Lender of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank, (y) in the case of a Lender which is a Fund, any pledge or assignment of all or any portion of its rights under this Agreement and any Note to its trustee in support of its obligations to its trustee or (z) any pledge or assignment by any Lender of all or any portion of its rights under this Agreement and any Note to direct or indirect contractual counterparties in swap agreements relating to the Loans; provided, however, that no such pledge or assignment creating a security interest shall release the transferor Lender from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section
12.3. The Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with Section 12.3; provided, however, that the Agent may in its discretion (but shall not be required to) follow instructions from the Person which made any Loan or which holds any Note to direct payments relating to such Loan or Note to another Person. Any assignee of the rights to any Loan or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such Loan.

12.1.2 Designated Lenders.

(i) Subject to the terms and conditions set forth in this Section 12.1.2, any Lender may from time to time elect to designate an Eligible Designee to provide all or any part of the Loans to be made by such Lender pursuant to this Agreement; provided that the designation of an Eligible Designee by any Lender for purposes of this Section 12.1.2 shall be subject to the approval of the Agent (which consent shall not be unreasonably withheld or delayed). Upon the execution by the parties to each such designation of an agreement in the form of Exhibit F hereto (a "Designation Agreement") and the acceptance thereof by the Agent, the Eligible Designee shall become a Designated Lender for purposes of this Agreement. The Designating Lender shall thereafter have the right to permit the Designated Lender to provide all or a portion of the Loans to be made by the Designating Lender pursuant to the terms of this Agreement and the making of the Loans or portion thereof shall satisfy the obligations of the Designating Lender to the same extent, and as if, such Loan was made by the Designating Lender. As to any Loan made by it, each Designated Lender shall have all the rights a Lender making such Loan would have under this Agreement and otherwise; provided, (x) that all voting rights under this Agreement shall be exercised solely by the Designating Lender, (y) each Designating Lender shall remain solely responsible to the other parties hereto for its obligations under this Agreement, including the obligations of a Lender in respect of Loans made by its Designated Lender and (z) no Designated Lender shall be entitled to reimbursement under Article III hereof for

any amount which would exceed the amount that would have been payable by the Borrower to the Lender from which the Designated Lender obtained any interests hereunder. No additional Notes shall be required with respect to Loans provided by a Designated Lender; provided, however, to the extent any Designated Lender shall advance funds, the Designating Lender shall be deemed to hold the Notes in its possession as an agent for such Designated Lender to the extent of the Loan funded by such Designated Lender. Such Designating Lender shall act as administrative agent for its Designated Lender and give and receive notices and communications hereunder. Any payments for the account of any Designated Lender shall be paid to its Designating Lender as administrative agent for such Designated Lender and neither the Borrower nor the Agent shall be responsible for any Designating Lender's application of such payments. In addition, any Designated Lender may (1) with notice to, but without the consent of the Borrower or the Agent, assign all or portions of its interests in any Loans to its Designating Lender or to any financial institution consented to by the Agent providing liquidity and/or credit facilities to or for the account of such Designated Lender and (2) subject to advising any such Person that such information is to be treated as confidential in accordance with Section 9.11, disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any guarantee, surety or credit or liquidity enhancement to such Designated Lender.

(ii) Each party to this Agreement hereby agrees that it shall not institute against, or join any other Person in instituting against, any Designated Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any federal or state bankruptcy or similar law for one year and a day after the payment in full of all outstanding senior indebtedness of any Designated Lender; provided that the Designating Lender for each Designated Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage and expense arising out of its inability to institute any such proceeding against such Designated Lender. This Section 12.1.2 shall survive the termination of this Agreement.

12.2. Participations.

12.2.1 Permitted Participants; Effect. Any Lender may at any time sell to one or more banks or other entities ("Participants") participating interests in any Outstanding Credit Exposure of such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Outstanding Credit Exposure and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Agent shall

continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

12.2.2 Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Credit Extension or Commitment in which such Participant has an interest which would require consent of all of the Lenders pursuant to the terms of Section 8.2.

12.2.3 Benefit of Certain Provisions. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in Section 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, provided that each Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 11.2 as if each Participant were a Lender. The Borrower further agrees that each Participant shall be entitled to the benefits of Sections 3.1, 3.2, 3.4 and 3.5 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.3, provided that (i) a Participant shall not be entitled to receive any greater payment under Section 3.1, 3.2 or 3.5 than the Lender who sold the participating interest to such Participant would have received had it retained such interest for its own account, unless the sale of such interest to such Participant is made with the prior written consent of the Borrower, and (ii) any Participant not incorporated under the laws of the United States of America or any State thereof agrees to comply with the provisions of Section 3.5 to the same extent as if it were a Lender.

12.3. Assignments.

12.3.1 Permitted Assignments. Any Lender may at any time assign to one or more banks or other entities ("Purchasers") all or any part of its rights and obligations under the Loan Documents. Such assignment shall be evidenced by an agreement substantially in the form of Exhibit C or in such other form as may be agreed to by the parties thereto (each such agreement, an "Assignment Agreement"). Each such assignment with respect to a Purchaser which is not a Lender or an Affiliate of a Lender or an Approved Fund shall either be in an amount equal to the entire applicable Commitment and Outstanding Credit Exposure of the assigning Lender or (unless each of the Borrower and the Agent otherwise consents) be in an aggregate amount not less than $5,000,000. The amount of the assignment shall be based on the Commitment or, if the Commitments have been terminated, the Outstanding Credit Exposure subject to the assignment, determined as of the date of such assignment or as of the "Trade Date," if the "Trade Date" is specified in the Assignment Agreement. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, except that this sentence shall not apply to rights in respect of outstanding Competitive Loans.

12.3.2 Consents. The consent of the Borrower shall be required prior to an assignment becoming effective unless the Purchaser is a Lender, an Affiliate of a Lender or an Approved Fund, provided that the consent of the Borrower shall not be required if (i) a Default has occurred and is continuing or (ii) such assignment is in connection with the physical settlement of any Lender's obligations to direct or indirect contractual counterparties in swap agreements relating to the Loans; provided, that the assignment without the Borrower's consent pursuant to clause (ii) shall not increase the Borrower's liability under Section 3.5. The consent of the Agent, each Issuing Bank and the Swingline Lender shall be required prior to an assignment becoming effective. Any consent required under this
Section 12.3.2 shall not be unreasonably withheld or delayed.

12.3.3 Effect; Effective Date. Upon (i) delivery to the Agent of an Assignment Agreement, together with any consents required by Sections 12.3.1 and 12.3.2, and (ii) payment of a $3,500 fee to the Agent for processing such assignment (unless such fee is waived by the Agent or unless such assignment is made to such assigning Lender's Affiliate), such assignment shall become effective on the effective date specified in such assignment. The Assignment Agreement shall contain a representation and warranty by the Purchaser to the effect that none of the funds, money, assets or other consideration used to make the purchase and assumption of the Commitment and Outstanding Credit Exposure under the applicable Assignment Agreement constitutes "plan assets" as defined under ERISA and that the rights, benefits and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights, benefits and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party thereto, and the transferor Lender shall be released with respect to the Commitment and Outstanding Credit Exposure, if any, assigned to such Purchaser without any further consent or action by the Borrower, the Lenders or the Agent. In the case of an assignment covering all of the assigning Lender's rights, benefits and obligations under this Agreement, such Lender shall cease to be a Lender hereunder but shall continue to be entitled to the benefits of, and subject to, those provisions of this Agreement and the other Loan Documents which survive payment of the Obligations and termination of the Loan Documents. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.3 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.2. Upon the consummation of any assignment to a Purchaser pursuant to this Section 12.3.3, the transferor Lender, the Agent and the Borrower shall, if the transferor Lender or the Purchaser desires that its Loans be evidenced by Notes, make appropriate arrangements so that, upon cancellation and surrender to the Borrower of the Notes (if any) held by the transferor Lender, new Notes or, as appropriate, replacement Notes are issued to such transferor Lender, if applicable, and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments (or, if such Commitments have been terminated, their respective Outstanding Credit Exposure), as adjusted pursuant to such assignment.

12.3.4 Register. The Agent, acting solely for this purpose as an agent of the Borrower (and the Borrower hereby designates the Agent to act in such capacity), shall maintain at one of its offices in New York, New York a copy of each Assignment and Assumption delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of and interest on the Loans owing to, each Lender pursuant to the terms hereof from time to time and whether such Lender is an original Lender or assignee of another Lender pursuant to an assignment under this Section 13.3. The entries in the Register shall be conclusive, absent manifest error and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

12.4. Dissemination of Information. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries; provided that each Transferee and prospective Transferee agrees to be bound by Section 9.11 of this Agreement.

12.5. Tax Certifications. If any interest in any Loan Document is transferred to any Transferee which is not incorporated under the laws of the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.5(iv).

ARTICLE XIII

NOTICES

13.1. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to it at Ameren Corporation, 1901 Chouteau Avenue, St. Louis, MO 63103, Attention of Jerre E. Birdsong, Vice President and Treasurer (Telecopy No. (314) 554-3066);

(ii) if to the Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, 1111 Fannin, 10th Floor, Houston, TX 77002, Attention: Sylvia Gutierrez (Telecopy No. (713) 427-6307), with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York, NY 10017, Attention of Michael J.

DeForge (Telecopy No. (212) 270-3098);

(iii)if to any other Lender or Issuing Bank, to it at its address(or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Agent and the applicable Lender. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

13.2. Change of Address. The Borrower, the Agent, any Issuing Bank and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XIV

COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower, the Agent, the Issuing Banks and the Lenders and each party has notified the Agent by facsimile transmission or telephone that it has taken such action.

ARTICLE XV

CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

15.1 CHOICE OF LAW. THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, NEW YORK.

15.2 CONSENT TO JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A

COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE AGENT OR ANY LENDER OR ANY AFFILIATE OF THE AGENT OR ANY LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK, NEW YORK.

15.3 WAIVER OF JURY TRIAL. THE BORROWER, THE AGENT, EACH ISSUING BANK AND EACH LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

ARTICLE XVI

TERMINATION OF EXISTING CREDIT AGREEMENTS; WAIVER OF CERTAIN PROVISIONS UNDER THE EXISTING CREDIT AGREEMENTS

The Borrower, the Lenders, Bank One, N.A., as administrative agent under the Existing Three-Year Credit Agreement, and the Agent agree that upon (i) the execution and delivery of this Agreement and the Five-Year Credit Agreement by each of the parties hereto and (ii) satisfaction (or waiver by the Agent and the Lenders) of the conditions precedent set forth in Section 4.1, the "Commitments" under and as defined in each of the Existing Credit Agreements shall be reduced to zero and terminated permanently as of the Closing Date. All facility fees and related fees payable pursuant to the Existing Credit Agreements shall be due and payable on the effective date of the termination of each such agreement, which date shall be the Closing Date, and the Existing Credit Agreements shall terminate as of the Closing Date (except for those provisions that survive the termination thereof). As of the Closing Date, the Agent and each of the Lenders hereunder party to the Existing Credit Agreements, upon the satisfaction of the conditions precedent set forth in Section 4.1, hereby waive the Borrower's compliance with any notice requirements set forth in each of the Existing Credit Agreements with respect to (a) the prepayment of all of the "Obligations" outstanding under (and as defined in) each of the Existing Credit Agreements and
(b) the termination of the "Commitments" under (and as defined in) each of the Existing Credit Agreements.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Borrower, the Lenders and the Agent have executed this Agreement as of the date first above written.

AMEREN CORPORATION,

by

/s/ Warner L. Baxter
--
Name: Warner L. Baxter
Title: Executive Vice President
and Chief Financial Officer

JPMORGAN CHASE BANK, as Agent, as a Lender and as an Issuing Bank,

by

/s/ Michael J. DeForge
--
Name: Michael J. DeForge
Title: Vice President

BARCLAYS BANK PLC, as Syndication Agent and as a Lender,

by

/s/ Sydney G. Dennis
--
Name: Sydney G. Dennis
Title: Director

BANK OF AMERICA, N.A.,

by

/s/ Michelle A. Schoenfeld
--
Name: Michelle A. Schoenfeld
Title: Principal

SIGNATURE PAGE TO
AMEREN CORPORATION THREE-YEAR REVOLVING CREDIT AGREEMENT

BNP PARIBAS,

by

/s/ Timothy F. Vincent

Name: Timothy F. Vincent
Title: Director

by

/s/ Andrew S. Platt

Name: Andrew S. Platt
Title: Director

CITIBANK, N.A.,

by

/s/ Dhaya Ranganathan

Name: Dhaya Ranganathan
Title: Director

COMMERCE BANK NATIONAL ASSOCIATION,

by

/s/ Mary Ann Lemonds

Name: Mary Ann Lemonds
Title: Vice President

FIFTH THIRD BANK (SOUTHERN INDIANA),

by

/s/ Robert M. Sander

Name: Robert M. Sander
Title: Vice President

FIRST BANK,

by

/s/ Keith M. Schmelder

Name: Keith M. Schmelder
Title: Senior Vice President

MELLON BANK, N.A.,

by

/s/ Roger E. Howard

Name: Roger E. Howard
Title: Vice President

NATIONAL CITY BANK OF THE MIDWEST,

by

/s/ Richard M. Sems

Name: Richard M. Sems
Title: Senior Vice President

THE BANK OF NEW YORK,

by

/s/ Nathan S. Howard

Name: Nathan S. Howard
Title: Vice President

THE BANK OF TOKYO- MITSUBISHI, LTD.,
CHICAGO BRANCH,

by

/s/ Shinichiro Munechika

Name: Shinichiro Munechika
Title: Deputy General Manager

THE NORTHERN TRUST COMPANY,

by

/s/ Kathleen D. Schurr

Name: Kathleen D. Schurr
Title: Vice President

SIGNATURE PAGE TO
AMEREN CORPORATION THREE-YEAR REVOLVING CREDIT AGREEMENT

U.S. BANK NATIONAL ASSOCIATION,

by

/s/ John Holland

Name: John Holland
Title: Sr. Vice President

UMB BANK, NATIONAL ASSOCIATION,

by

/s/ Cecil G. Wood

Name: Cecil G. Wood
Title: Sr. Vice President

WACHOVIA BANK, N.A.,
by

/s/ Yann Pirio

Name: Yann Pirio
Title: Vice President

WILLIAM STREET COMMITMENT CORP,

by

/s/ Jennifer M. Hill

Name: Jennifer M. Hill
Title: Chief Financial Officer

SIGNATURE PAGE TO
AMEREN CORPORATION THREE-YEAR REVOLVING CREDIT AGREEMENT

Exhibit 10.2

FIVE-YEAR REVOLVING CREDIT AGREEMENT

DATED AS OF JULY 14, 2004

among

AMEREN CORPORATION,

THE LENDERS FROM TIME TO TIME PARTIES HERETO

and

JPMORGAN CHASE BANK,
as Administrative Agent

and

BARCLAYS BANK PLC,
as Syndication Agent

THE BANK OF NEW YORK,
THE BANK OF TOKYO MITSUBISHI, LTD. and
WACHOVIA BANK, NATIONAL ASSOCIATION,
as Co-Documentation Agents

J.P. MORGAN SECURITIES INC.
and

BARCLAYS CAPITAL,
AS JOINT ARRANGERS AND BOOKRUNNERS

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FIVE-YEAR REVOLVING CREDIT AGREEMENT

This Five-Year Revolving Credit Agreement, dated as of July 14, 2004, is entered into by and among Ameren Corporation, a Missouri corporation, the Lenders and JPMorgan Chase Bank as Administrative Agent. The parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1. Certain Defined Terms. As used in this Agreement:

"Accounting Changes" is defined in Section 9.8 hereof.

"Acquisition" means any transaction, or any series of related transactions, consummated on or after the Closing Date, by which the Borrower or any of its Subsidiaries (i) acquires any going business or all or substantially all of the assets of any firm, corporation or limited liability company, or division thereof, whether through purchase of assets, merger or otherwise or (ii) directly or indirectly acquires (in one transaction or as the most recent transaction in a series of transactions) at least a majority (in number of votes) of the securities of a corporation which have ordinary voting power for the election of directors (other than securities having such power only by reason of the happening of a contingency) or a majority (by percentage of voting power) of the outstanding ownership interests of a partnership or limited liability company of any Person.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Agent.

"Advance" means (a) Revolving Loans (i) made by some or all of the Lenders on the same Borrowing Date or (ii) converted or continued by the Lenders on the same date of conversion or continuation, consisting, in either case, of the aggregate amount of the several Revolving Loans of the same Type and, in the case of Eurodollar Loans, for the same Interest Period, (b) a Competitive Loan or group of Competitive Loans of the same type made on the same date and as to which a single Interest Period is in effect or (c) a Swingline Loan.

"Affiliate" of any Person means any other Person directly or indirectly controlling, controlled by or under common control with such Person. A Person shall be deemed to control another Person if the controlling Person is the "beneficial owner" (as defined in Rule 13d-3 under the Securities Exchange Act of 1934) of 10% or more of any class of voting securities (or other ownership interests) of the controlled Person or possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of the controlled Person, whether through ownership of voting securities, by contract or otherwise.

"Agent" means JPMCB, not in its individual capacity as a Lender, but in its capacity as contractual representative of the Lenders pursuant to Article X, and any successor Agent appointed pursuant to Article X.

"Aggregate Commitment" means the aggregate of the Commitments of all the Lenders, as reduced from time to time pursuant to the terms hereof. The initial Aggregate Commitment is Three Hundred Fifty Million and 00/100 Dollars ($350,000,000).

"Aggregate Outstanding Credit Exposure" means, at any time, the aggregate of the Outstanding Credit Exposures of all the Lenders.

"Aggregate Revolving Credit Exposure" means, at any time, the aggregate of the Revolving Credit Exposures of all the Lenders.

"Agreement" means this Five-Year Revolving Credit Agreement, as it may be amended, restated, supplemented or otherwise modified and as in effect from time to time.

"Agreement Accounting Principles" means generally accepted accounting principles as in effect in the United States from time to time, applied in a manner consistent with that used in preparing the financial statements of the Borrower referred to in Section 5.4; provided, however, that except as provided in Section 9.8, with respect to the calculation of financial ratio set forth in Sections 6.17 (and the defined terms used in such Sections), "Agreement Accounting Principles" means generally accepted accounting principles as in effect in the United States as of the Closing Date, applied in a manner consistent with that used in preparing the financial statements of the Borrower referred to in Section 5.4 hereof.

"Alternate Base Rate" means, for any day, a fluctuating rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of (a) the Federal Funds Effective Rate for such day and (b) one-half of one percent (0.5%) per annum.

"Applicable Fee Rate" means, with respect to the Facility Fee and the LC Participation Fee at any time, the percentage rate per annum which is applicable at such time with respect to each such fee as set forth in the Pricing Schedule.

"Applicable Margin" means, with respect to Advances of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type, as set forth in the Pricing Schedule.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Arrangers" means J.P. Morgan Securities Inc. and Barclays Capital and their respective successors, in their respective capacities as Joint Arrangers and Bookrunners.

"Article" means an article of this Agreement unless another document is specifically referenced.

"Assignment Agreement" is defined in Section 12.3.1.

"Authorized Officer" means any of the chief executive officer, president, chief operating officer, chief financial officer, treasurer or vice president of the Borrower, acting singly.

"Available Aggregate Commitment" means, at any time, the Aggregate Commitment then in effect minus the Aggregate Outstanding Credit Exposure at such time.

"Barclays Bank" means Barclays Bank PLC, in its individual capacity, and its successors.

"Borrower" means Ameren Corporation, a Missouri corporation, and its permitted successors and assigns.

"Borrowing Date" means a date on which an Advance is made hereunder.

"Borrowing Notice" is defined in Section 2.11.

"Business Day" means (i) with respect to any borrowing, payment or rate selection of Eurodollar Advances, a day (other than a Saturday or Sunday) on which banks generally are open in New York, New York for the conduct of substantially all of their commercial lending activities, interbank wire transfers can be made on the Fedwire system and dealings in Dollars are carried on in the London interbank market and (ii) for all other purposes, a day (other than a Saturday or Sunday) on which banks generally are open in New York, New York for the conduct of substantially all of their commercial lending activities and interbank wire transfers can be made on the Fedwire system.

"Capitalized Lease" of a Person means any lease of Property by such Person as lessee which would be capitalized on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Capitalized Lease Obligations" of a Person means the amount of the obligations of such Person under Capitalized Leases which would be shown as a liability on a balance sheet of such Person prepared in accordance with Agreement Accounting Principles.

"Change in Control" means (i) the acquisition by any Person, or two or more Persons acting in concert, of beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of twenty percent (20%) or more of the aggregate ordinary voting power represented by the issued and outstanding capital stock of the Borrower;
(ii) the Borrower shall cease to own, directly or indirectly and free and clear of all Liens or other encumbrances (except for such Liens or other encumbrances permitted by Section 6.13), 100% of the outstanding shares of the ordinary voting power represented by the issued and outstanding common stock of each of CIPS, Ameren Energy Generating Company, AmerenEnergy Resources Generating Company, Union Electric and CILCO, and, from and after the date of the IP Acquisition, IP, in each case on a fully diluted basis; or (iii) occupation of a majority of the seats (other than vacant seats) on the board of directors of the Borrower by Persons who were neither (i) nominated by the board of directors of the Borrower or a committee or subcommittee thereof to which such power was delegated nor (ii) appointed by directors so nominated; provided that any individual who is so nominated in connection with a merger, consolidation, acquisition or similar transaction shall be included in such majority unless such individual was a member of the Borrower's board of directors prior thereto.

"CILCO" means Central Illinois Light Company d/b/a AmerenCILCO, an Illinois corporation.

"CILCORP" means CILCORP Inc., an Illinois corporation, the parent company of CILCO.

"CIPS" means Central Illinois Public Service Company d/b/a AmerenCIPS, an Illinois corporation.

"Closing Date" means July 14, 2004.

"Code" means the Internal Revenue Code of 1986, as amended, reformed or otherwise modified from time to time, and any rule or regulation issued thereunder.

"Combined Commitment" means the sum of (i) the Aggregate Commitment hereunder plus (ii) so long as the "Commitments" under the Three-Year Credit Agreement shall remain in effect or there shall be any "Outstanding Credit Exposure" thereunder, the "Aggregate Commitment" under and as defined in the Three-Year Credit Agreement.

"Combined LC Exposure" means, for any date, the sum of (i) the LC Exposure hereunder plus (ii) so long as the "Commitments" under the Three-Year Credit Agreement shall remain in effect or there shall be any "Outstanding Credit Exposure" thereunder, the "LC Exposure" as of such date under (and as defined in) the Three-Year Credit Agreement.

"Combined Swingline Exposure" means, for any date, the sum of (i) the Swingline Exposure hereunder plus (ii) so long as the "Commitments" under the Three-Year Credit Agreement shall remain in effect or there shall be any "Outstanding Credit Exposure" thereunder, the "Swingline Exposure" as of such date under (and as defined in) the Three-Year Credit Agreement.

"Combined Utilized Amount" means, for any date, the sum of (i) the Aggregate Outstanding Credit Exposure hereunder plus (ii) so long as the "Commitments" under the Three-Year Credit Agreement shall remain in effect or there shall be any "Outstanding Credit Exposure" thereunder, the "Aggregate Outstanding Credit Exposure" as of such date under (and as defined in) the Three-Year Credit Agreement.

"Commitment" means, for each Lender, the amount set forth on the Commitment Schedule or in an Assignment Agreement executed pursuant to Section 12.3 opposite such Lender's name, as it may be modified as a result of any assignment that has become effective pursuant to Section 12.3.2 or as otherwise modified from time to time pursuant to the terms hereof.

"Commitment Schedule" means the Schedule identifying each Lender's Commitment as of the Closing Date attached hereto and identified as such.

"Commonly Controlled Entity" means any trade or business, whether or not incorporated, which is under common control with the Borrower or any Subsidiary within the meaning of Section 4001 of ERISA or that, together with the Borrower or any Subsidiary, is treated as a single employer under Section 414(b) or (c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

"Competitive Bid" means an offer by a Lender to make a Competitive Loan in accordance with Section 2.4.

"Competitive Bid Rate" means, with respect to any Competitive Bid, the Margin or the Fixed Rate, as applicable, offered by the Lender making such Competitive Bid.

"Competitive Bid Request" means a request by the Borrower for Competitive Bids in accordance with Section 2.4.

"Competitive Loan" means a Loan made pursuant to Section 2.4.

"Consolidated Indebtedness" of a Person means at any time the Indebtedness of such Person and its Subsidiaries calculated on a consolidated basis as of such time.

"Consolidated Net Worth" of a Person means at any time the consolidated stockholders' equity and preferred stock of such Person and its Subsidiaries calculated on a consolidated basis in accordance with Agreement Accounting Principles.

"Consolidated Tangible Assets" means the total amount of all assets of the Borrower and its consolidated Subsidiaries determined in accordance with Agreement Accounting Principles, minus, to the extent included in the total amount of the Borrower's and its consolidated Subsidiaries' total assets, the net book value of all (i) goodwill, including, without limitation, the excess cost over book value of any asset, (ii) organization or experimental expenses,
(iii) unamortized debt discount and expense, (iv) patents, trademarks, tradenames and copyrights, (v) treasury stock, (vi) franchises, licenses and permits, and (vii) other assets which are deemed intangible assets under Agreement Accounting Principles.

"Consolidated Total Capitalization" means at any time the sum of Consolidated Indebtedness and Consolidated Net Worth, each calculated at such time.

"Contingent Obligation" of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

"Conversion/Continuation Notice" is defined in Section 2.12.

"Credit Extension" means the making of an Advance or the issuance of a Letter of Credit hereunder.

"Credit Extension Date" means the Borrowing Date for an Advance or the date of issuance of a Letter of Credit.

"Default" means an event described in Article VII.

"Designated Lender" means, with respect to each Designating Lender, each Eligible Designee designated by such Designating Lender pursuant to Section 12.1.2.

"Designating Lender" means, with respect to each Designated Lender, the Lender that designated such Designated Lender pursuant to Section 12.1.2.

"Designation Agreement" is defined in Section 12.1.2.

"Disclosed Matters" means the events, actions, suits and proceedings and the environmental matters disclosed in the Exchange Act Documents.

"Documentation Agents" means The Bank of New York, The Bank of Tokyo Mitsubishi, Ltd. and Wachovia Bank, National Association.

"Dollar" and "$" means the lawful currency of the United States of America.

"Eligible Designee" means a special purpose corporation, partnership, trust, limited partnership or limited liability company that is administered by the respective Designating Lender or an Affiliate of such Designating Lender and
(i) is organized under the laws of the United States of America or any state thereof, (ii) is engaged primarily in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business and (iii) issues (or the parent of which issues) commercial paper rated at least A-1 or the equivalent thereof by S&P or P-1 or the equivalent thereof by Moody's.

"Environmental Laws" means any and all federal, state, local and foreign statutes, laws, judicial decisions, regulations, ordinances, rules, judgments, orders, decrees, plans, injunctions, permits, concessions, grants, franchises, licenses, agreements and other governmental restrictions relating to (i) the protection of the environment, (ii) the effect of the environment on human health, (iii) emissions, discharges or releases of pollutants, contaminants, hazardous substances or wastes into surface water, ground water or land, or (iv) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, hazardous substances or wastes or the clean-up or other remediation thereof.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

"ERISA Event" means (a) any Reportable Event; (b) the existence with respect to any Plan of an "accumulated funding deficiency" (as defined in
Section 412 of the Code or Section 302 of ERISA) whether or not waived; (c) the filing pursuant to Section 412(d) of the Code or Section 303 (d) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) the incurrence by the Borrower or any Commonly Controlled Entity of any liability under Title IV of ERISA with respect to the termination of any Plan; (e) the receipt by the Borrower or any Commonly Controlled Entity from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or to appoint a trustee to administer any Plan; (f) the incurrence by the Borrower or any Commonly Controlled Entity of any liability with respect to the withdrawal or partial withdrawal from any Plan or Multiemployer Plan; or (g) the receipt by the Borrower or any Commonly Controlled Entity of any notice, or the receipt by any Multiemployer Plan from the Borrower or any Commonly

Controlled Entity of any notice, concerning the imposition of "withdrawal liability" (as defined in Part I of Subtitle E of Title IV of ERISA) or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA.

"Eurodollar Advance" means an Advance which, except as otherwise provided in Section 2.14, bears interest at the applicable Eurodollar Rate.

"Eurodollar Base Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the applicable British Bankers' Association LIBOR rate for deposits in Dollars as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period, provided that, if no such British Bankers' Association LIBOR rate is available to the Agent, the applicable Eurodollar Base Rate for the relevant Interest Period shall instead be the rate determined by the Agent to be the rate at which JPMCB or one of its affiliate banks offers to place deposits in Dollars with first-class banks in the London interbank market at approximately 11:00 a.m. (London time) two (2) Business Days prior to the first day of such Interest Period, in the approximate amount of JPMCB's relevant Eurodollar Loan and having a maturity equal to such Interest Period.

"Eurodollar Loan" means a Loan which, except as otherwise provided in
Section 2.14, bears interest at the applicable Eurodollar Rate.

"Eurodollar Rate" means, with respect to a Eurodollar Advance for the relevant Interest Period, the sum of (i) the quotient of (a) the Eurodollar Base Rate applicable to such Interest Period, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus
(ii) (A) in the case of a Eurodollar Advance consisting of Revolving Loans, the then Applicable Margin, changing as and when the Applicable Margin changes and (B) in the case of a Eurodollar Advance consisting of a Competitive Loan or Loans, the Margin applicable to such Loan or Loans.

"Eurodollar Rate Advance" means an Advance consisting of Competitive Loans bearing interest at the Eurodollar Rate.

"Exchange Act Documents" means (a) the Annual Report of each of the Borrower, CIPS, Union Electric, Ameren Energy Generating Company, IP (subject to the IP Acquisition), CILCORP and CILCO to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2003, (b) the Quarterly Reports of each of the Borrower, CIPS, Union Electric, Ameren Energy Generating Company, IP (subject to the IP Acquisition), CILCORP and CILCO to the Securities and Exchange Commission on Form 10-Q for the fiscal quarter ended March 31, 2004, and (c) all Current Reports of each of the Borrower, CIPS, Union Electric, Ameren Energy Generating Company, IP (subject to the IP Acquisition), CILCORP and CILCO to the Securities and Exchange Commission on Form 8-K from January 1, 2004 to the Closing Date.

"Excluded Taxes" means, in the case of each Lender or applicable Lending Installation and the Agent, taxes imposed on its overall net income, and franchise taxes imposed on it, by (i) the jurisdiction under the laws of which such Lender or the Agent is incorporated or organized or

any political combination or subdivision or taxing authority thereof or (ii) the jurisdiction in which the Agent's or such Lender's principal executive office or such Lender's applicable Lending Installation is located.

"Exhibit" refers to an exhibit to this Agreement, unless another document is specifically referenced.

"Existing 364-Day Credit Agreement" means the 364-Day Revolving Credit Agreement dated as of July 17, 2003, among the Borrower, the lenders from time to time party thereto and JPMCB, as administrative agent.

"Existing CILCO Indenture" means the Indenture of Mortgage and Deed of Trust dated as of April 1, 1933, as heretofore or from time to time hereafter supplemented and amended, between CILCO and Deutsche Bank Trust Company Americas f/k/a Bankers Trust Company, as Trustee.

"Existing Credit Agreements" means the Existing 364-Day Credit Agreement and the Existing Thee-Year Credit Agreement.

"Existing Indentures" means (i) the Indenture of Mortgage and Deed of Trust dated as of June 15, 1937, as heretofore or from time to time hereafter supplemented and amended, between Union Electric and The Bank of New York, as Trustee, and (ii) the Indenture of Mortgage or Deed of Trust dated as of October 1, 1941, as heretofore or from time to time hereafter supplemented and amended, between CIPS and U.S. Bank Trust National Association and Patrick J. Crowley, as Trustees.

"Existing IP Indenture" means the General Mortgage Indenture and Deed of Trust dated as of November 1, 1992, as heretofore or from time to time supplemented and amended between IP and BNY Midwest Trust Company as successor to Harris Trust and Savings Bank, as Trustee.

"Existing Three-Year Credit Agreement" means the 3-Year Revolving Credit Agreement dated as of July 19, 2002, as amended, among the Borrower, the lenders from time to time party thereto and Bank One, N.A., as administrative agent.

"Facility Fee" is defined in Section 2.8.1.

"Facility Termination Date" means the earlier of (a) July 14, 2009, and (b) the date of termination in whole of the Aggregate Commitment pursuant to Section 2.8 hereof or the Commitments pursuant to Section 8.1 hereof.

"Federal Funds Effective Rate" means, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 11:00 a.m. (New York time) on such day on such transactions received by the Agent from three Federal Funds brokers of recognized standing selected by the Agent in its sole discretion.

"First Mortgage Bonds" means bonds or other indebtedness issued by Union Electric, CIPS or CILCO, as applicable, pursuant to the Existing Indentures or the Existing CILCO Indenture and, from and after the IP Acquisition, bonds or other indebtedness issued by IP pursuant to the Existing IP Indenture.

"Fixed Rate" means, with respect to any Competitive Loan (other than a Eurodollar Loan), the fixed rate of interest per annum specified by the Lender making such Competitive Loan in its related Competitive Bid.

"Fixed Rate Advance" means an Advance consisting of Competitive Loans bearing interest at a Fixed Rate.

"Fixed Rate Loan" means a Competitive Loan bearing interest at a Fixed Rate.

"Floating Rate" means, for any day, a rate per annum equal to the sum of
(i) the Alternate Base Rate for such day, changing when and as the Alternate Base Rate changes plus (ii) the then Applicable Margin, changing as and when the Applicable Margin changes.

"Floating Rate Advance" means an Advance which, except as otherwise provided in Section 2.14, bears interest at the Floating Rate.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Inactive Subsidiary" means any Subsidiary of the Borrower that (a) does not conduct any business operations, (b) has assets with a total book value not in excess of $1,000,000 and (c) does not have any Indebtedness outstanding.

"Indebtedness" of a Person means, at any time, without duplication, such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of Property or services (other than current accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from Property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, bonds, debentures, acceptances, or other instruments, (v) obligations to purchase securities or other Property arising out of or in connection with the sale of the same or substantially similar securities or Property, (vi) Capitalized Lease Obligations (except for Capitalized Lease Obligations entered into by Union Electric in connection with the Peno Creek Project), (vii) Contingent Obligations of such Person, (viii) reimbursement obligations under letters of credit, bankers acceptances, surety bonds and similar instruments issued upon the application of such Person or upon which such Person is an account party or for which such Person is in any way liable,
(ix) Off-Balance Sheet Liabilities, (x) obligations under Sale and Leaseback Transactions, (xi) Net Mark-to-Market Exposure under Rate Management Transactions and (xii) any other obligation for borrowed money which in accordance with Agreement Accounting Principles would be shown as a liability on the consolidated balance sheet of such Person.

"Interest Period" means (a) with respect to a Eurodollar Advance, a period of one, two, three or six months, commencing on the date of such Advance and ending on but excluding the day which corresponds numerically to such date one, two, three or six months thereafter and (b) with respect to any Fixed Rate Advance, the period (which shall not be less than 7 days or more than 360 days) commencing on the date of such Advance and ending on the date specified in the applicable Competitive Bid Request; provided, however, that (i) in the case of Eurodollar Advances, if there is no such numerically corresponding day in such next, second, third or sixth succeeding month, such Interest Period shall end on the last Business Day of such next, second, third or sixth succeeding month and
(ii) if an Interest Period would otherwise end on a day which is not a Business Day, such Interest Period shall end on the next succeeding Business Day, provided, however, that if said next succeeding Business Day falls in a new calendar month, such Interest Period shall end on the immediately preceding Business Day. For purposes hereof, the date of an Advance initially shall be the date on which such Advance is made and, in the case of an Advance comprising Revolving Loans, thereafter shall be the effective date of the most recent conversion or continuation of such Loans.

"Investment" of a Person means any loan, advance (other than commission, travel and similar advances to officers and employees made in the ordinary course of business), extension of credit (other than accounts receivable arising in the ordinary course of business on terms customary in the trade) or contribution of capital by such Person; stocks, bonds, mutual funds, partnership interests, notes, debentures or other securities owned by such Person; any deposit accounts and certificate of deposit owned by such Person; and structured notes, derivative financial instruments and other similar instruments or contracts owned by such Person.

"IP" means Illinois Power Company, an Illinois corporation.

"IP Acquisition" means the acquisition by the Borrower of all of the common stock of IP, 662,924 shares of preferred stock, $50 par value per share, of IP, and 12,400 shares of common stock, $100 par value per share, of Electric Energy, Inc., on the terms and conditions set forth in that certain Stock Purchase Agreement dated as of February 2, 2004, as amended, by and among the Borrower, as purchaser, Illinova Corporation, as seller, Illinova Generating Company, and Dynegy Inc.

"Issuing Bank" means, at any time, JPMorgan Chase Bank and each other person that shall have become an Issuing Bank hereunder as provided in Section 2.6(j), each in its capacity as an issuer of Letters of Credit hereunder. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Issuing Bank Agreement" shall have the meaning assigned to such term in
Section 2.6(j).

"JPMCB" means JPMorgan Chase Bank.

"LC Commitment" shall mean, as to each Issuing Bank, the commitment of such Issuing Bank to issue Letters of Credit pursuant to Section 2.6. The initial amount of each Issuing

Bank's LC Commitment is set forth on the LC Commitment Schedule, or in the case of any additional Issuing Bank, as provided in Section 2.6 (j).

"LC Disbursement" means a payment made by an Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Lender at any time shall be its Pro Rata Share of the total LC Exposure at such time.

"LC Participation Fee" is defined in Section 2.8.2.

"Lenders" means the lending institutions listed on the signature pages of this Agreement and their respective successors and assigns. Unless the context requires otherwise, the term "Lenders" includes the Swingline Lender.

"Lending Installation" means, with respect to a Lender or the Agent, the office, branch, subsidiary or affiliate of such Lender or the Agent listed on the signature pages hereof or on the administrative information sheets provided to the Agent in connection herewith or on a Schedule or otherwise selected by such Lender or the Agent pursuant to Section 2.20.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement.

"Lien" means any lien (statutory or other), mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance or preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, the interest of a vendor or lessor under any conditional sale, Capitalized Lease or other title retention agreement, and, in the case of stock, stockholders agreements, voting trust agreements and all similar arrangements).

"Loans" means the loans made by the Lenders to the Borrower pursuant to this Agreement.

"Loan Documents" means this Agreement and all other documents, instruments, notes (including any Notes issued pursuant to Section 2.16 (if requested)) and agreements executed in connection herewith or therewith or contemplated hereby or thereby, as the same may be amended, restated or otherwise modified and in effect from time to time.

"Margin" means, with respect to any Competitive Loan bearing interest at a rate based on the Eurodollar Base Rate, the marginal rate of interest, if any, to be added to or subtracted from the Eurodollar Base Rate to determine the rate of interest applicable to such Loan, as specified by the Lender making such Loan in its related Competitive Bid.

"Material Adverse Effect" means a material adverse effect on (i) the business, Property, condition (financial or otherwise), operations or results of operations or prospects of the Borrower, or the Borrower and its Subsidiaries taken as a whole, (ii) the ability of the Borrower

to perform its obligations under the Loan Documents, or (iii) the validity or enforceability of any of the Loan Documents or the rights or remedies of the Agent or the Lenders thereunder.

"Material Indebtedness" means (i) any Indebtedness outstanding under the Three-Year Credit Agreement and (ii) any other Indebtedness in an outstanding principal amount of $50,000,000 or more in the aggregate (or the equivalent thereof in any currency other than Dollars).

"Material Indebtedness Agreement" means any agreement under which any Material Indebtedness was created or is governed or which provides for the incurrence of Indebtedness in an amount which would constitute Material Indebtedness (whether or not an amount of Indebtedness constituting Material Indebtedness is outstanding thereunder).

"Money Pool Agreements" means, collectively, (i) that certain Ameren Corporation System Utility Money Pool Agreement, dated as of March 25, 1999, by and among the Borrower, Ameren Services Company, Union Electric, CIPS, CILCO, and AmerenEnergy Resources Generating Company, as amended from time to time (including, without limitation, the addition of any of their Affiliates as parties thereto), and (ii) that certain Ameren Corporation System Non-Regulated Subsidiary Money Pool Agreement, dated as of February 27, 2003, by and among the Borrower, Ameren Services Company and Subsidiaries of the Borrower excluding Union Electric, CIPS and CILCO, as amended from time to time (including, without limitation, the addition of any of their Affiliates, other than Union Electric, CIPS and CILCO, and, from and after the date of the IP Acquisition, IP, as parties thereto).

"Moody's" means Moody's Investors Service, Inc.

"Multiemployer Plan" means a multiemployer plan, as defined in Section 4001(a)(3) of ERISA.

"Net Mark-to-Market Exposure" of a Person means, as of any date of determination, the excess (if any) of all unrealized losses over all unrealized profits of such Person arising from Rate Management Transactions. "Unrealized losses" means the fair market value of the cost to such Person of replacing such Rate Management Transaction as of the date of determination (assuming the Rate Management Transaction were to be terminated as of that date), and "unrealized profits" means the fair market value of the gain to such Person of replacing such Rate Management Transaction as of the date of determination (assuming such Rate Management Transaction were to be terminated as of that date).

"Non-U.S. Lender" is defined in Section 3.5(iv).

"Note" is defined in Section 2.16.

"Obligations" means all Loans, reimbursement obligations in respect of LC Disbursements, advances, debts, liabilities, obligations, covenants and duties owing by the Borrower to the Agent, any Issuing Bank, any Lender, the Arrangers, any affiliate of the Agent, any Issuing Bank, any Lender or the Arrangers, or any indemnitee under the provisions of Section 9.6 or any other provisions of the Loan Documents, in each case of any kind or nature, present or future, arising under this Agreement or any other Loan Document, whether or not

evidenced by any note, guaranty or other instrument, whether or not for the payment of money, whether arising by reason of an extension of credit, loan, foreign exchange risk, guaranty, indemnification, or in any other manner, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, now existing or hereafter arising and however acquired. The term includes, without limitation, all interest, charges, expenses, fees, attorneys' fees and disbursements, paralegals' fees (in each case whether or not allowed), and any other sum chargeable to the Borrower or any of its Subsidiaries under this Agreement or any other Loan Document.

"Off-Balance Sheet Liability" of a Person means the principal component of
(i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability under any Sale and Leaseback Transaction which is not a Capitalized Lease, (iii) any liability under any so-called "synthetic lease" or "tax ownership operating lease" transaction entered into by such Person, or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the consolidated balance sheets of such Person, but excluding from this clause (iv) Operating Leases.

"Operating Lease" of a Person means any lease of Property (other than a Capitalized Lease) by such Person as lessee which has an original term (including any required renewals and any renewals effective at the option of the lessor) of one year or more.

"Other Taxes" is defined in Section 3.5(ii).

"Outstanding Credit Exposure" means, as to any Lender at any time, the aggregate principal amount of its (i) Revolving Loans, (ii) Competitive Loans,
(iii) LC Exposure and (iv) Swingline Exposure outstanding at such time.

"Participants" is defined in Section 12.2.1.

"Payment Date" means the last day of each March, June, September and December and the Facility Termination Date.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

"Peno Creek Project" means the Chapter 100 financing transaction and agreements related thereto entered into between Union Electric and the City of Bowling Green, Missouri (the "City") pursuant to which (i) Union Electric conveys to and leases from the City certain land and improvements including four combustion turbine generating units, and (ii) the City shall issue indebtedness (which shall be purchased by Union Electric) to finance the acquisition of such Property.

"Person" means any natural person, corporation, firm, joint venture, partnership, limited liability company, association, enterprise, trust or other entity or organization, or any government or political subdivision or any agency, department or instrumentality thereof.

"Plan" means at a particular time, any employee benefit plan (other than a Multiemployer Plan) which is covered by ERISA or Section 412 of the Code and in respect of which the Borrower or a Commonly Controlled Entity is (or, if such plan were terminated at such time, would under Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Pricing Schedule" means the Schedule identifying the Applicable Margin and Applicable Fee Rate attached hereto and identified as such.

"Prime Rate" means a rate per annum equal to the prime rate of interest announced from time to time by JPMCB (which is not necessarily the lowest rate charged to any customer), changing when and as said prime rate changes.

"Project Finance Subsidiary" means any Subsidiary created for the purpose of obtaining non-recourse financing for any operating asset that is the sole and direct obligor of Indebtedness incurred in connection with such financing. A Subsidiary shall be deemed to be a Project Finance Subsidiary only from and after the date on which such Subsidiary is expressly designated as a Project Finance Subsidiary to the Agent by written notice executed by an Authorized Officer.

"Property" of a Person means any and all property, whether real, personal, tangible, intangible, or mixed, of such Person, or other assets owned, leased or operated by such Person.

"Pro Rata Share" means, with respect to a Lender, a portion equal to a fraction the numerator of which is such Lender's Commitment at such time (in each case, as adjusted from time to time in accordance with the provisions of this Agreement) and the denominator of which is the Aggregate Commitment at such time, or, if the Aggregate Commitment has been terminated, a fraction the numerator of which is such Lender's Outstanding Credit Exposure at such time and the denominator of which is the Aggregate Outstanding Credit Exposure at such time.

"Purchasers" is defined in Section 12.3.1.

"Rate Management Obligations" of a Person means any and all unsatisfied or undischarged obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

"Rate Management Transaction" means any transaction whether linked to one or more interest rates, foreign currencies, or equity prices, (including an agreement with respect thereto) now existing or hereafter entered by the Borrower or a Subsidiary (other than a Project Finance Subsidiary) which is a rate swap, basis swap, forward rate transaction, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar

transaction (including any option with respect to any of these transactions) or any combination thereof.

"Regulation D" means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto or other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

"Regulation U" means Regulation U of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by banks, non-banks and non-broker lenders for the purpose of purchasing or carrying margin stocks applicable to member banks of the Federal Reserve System.

"Regulation X" means Regulation X of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor or other regulation or official interpretation of said Board of Governors relating to the extension of credit by foreign lenders for the purpose of purchasing or carrying margin stock (as defined therein).

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA or the regulations issued under Section 4043 of ERISA, other than those events as to which the thirty day notice period is waived under Sections .21, .22, .23, .26, .27 or .28 of PBGC Reg. ss. 4043.

"Required Lenders" means Lenders in the aggregate having greater than fifty percent (50%) of the Aggregate Commitment; provided that for purposes of declaring the Loans to be due and payable pursuant to Article VIII and for all purposes after the Loans have become due and payable pursuant to Article VIII and the Aggregate Commitment has been terminated, "Required Lenders" shall mean Lenders in the aggregate holding greater than fifty percent (50%) of the Aggregate Outstanding Credit Exposure.

"Reserve Requirement" means, with respect to an Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on "Eurocurrency liabilities" (as defined in Regulation D).

"Revolving Advance" an Advance comprised of Revolving Loans.

"Revolving Credit Exposure" means, with respect to any Lender at any time, the sum of the outstanding principal amount of such Lender's Revolving Loans, such Lender's LC Exposure and such Lender's Swingline Exposure at such time.

"Revolving Eurodollar Advance" means a Revolving Advance comprising a Loan or Loans that bear interest at the Eurodollar Rate.

"Revolving Floating Rate Advance" means a Revolving Advance comprising a Loan or Loans that bear interest at a Floating Rate.

"Revolving Loan" means, with respect to a Lender, such Lender's loan made pursuant to its commitment to lend set forth in Section 2.1 (and any conversion or continuation thereof).

"S&P" means Standard and Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

"Sale and Leaseback Transaction" means any sale or other transfer of Property by any Person with the intent to lease such Property as lessee.

"Schedule" refers to a specific schedule to this Agreement, unless another document is specifically referenced.

"Section" means a numbered section of this Agreement, unless another document is specifically referenced.

"Subsidiary" of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or
(ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Borrower.

"Substantial Portion" means, with respect to the Property of the Borrower and its Subsidiaries, Property which represents more than 10% of the consolidated assets of the Borrower and its Subsidiaries or property which is responsible for more than 10% of the consolidated net sales or of the consolidated net income of the Borrower and its Subsidiaries, in each case, as would be shown in the consolidated financial statements of the Borrower and its Subsidiaries as at the end of the four fiscal quarter period ending with the fiscal quarter immediately prior to the fiscal quarter in which such determination is made (or if financial statements have not been delivered hereunder for that fiscal quarter which ends the four fiscal quarter period, then the financial statements delivered hereunder for the quarter ending immediately prior to that quarter).

"Swingline Exposure" means, at any time, the aggregate principal amount of all Swingline Loans outstanding at such time. The Swingline Exposure of any Lender at any time shall be its Pro Rata Share of the total Swingline Exposure at such time; provided that if the Aggregate Commitment has been terminated such Pro Rata Share shall be determined based on the Commitments most recently in effect, but giving effect to any subsequent assignments.

"Swingline Lender" means JPMorgan Chase Bank, in its capacity as lender of Swingline Loans hereunder.

"Swingline Loan" means a Loan made pursuant to Section 2.5.

"Syndication Agent" means Barclays Bank.

"Taxes" means any and all present or future taxes, duties, levies, imposts, deductions, charges or withholdings, and any and all liabilities with respect to the foregoing, but excluding Excluded Taxes.

"Three-Year Credit Agreement" means the Three-Year Revolving Credit Agreement dated as of the date hereof by and among the Borrower, the lenders party thereto and JPMCB, as administrative agent, as the same may be amended, restated, supplemented or otherwise modified and as in effect from time to time.

"Transferee" is defined in Section 12.4.

"Type" means, with respect to any Advance, its nature as a Fixed Rate Advance, Floating Rate Advance or Eurodollar Advance.

"Union Electric" means Union Electric Company d/b/a AmerenUE, a Missouri corporation.

"Unmatured Default" means an event which but for the lapse of time or the giving of notice, or both, would constitute a Default.

"USA Patriot Act" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001.

1.2. Plural Forms. The foregoing definitions shall be equally applicable to both the singular and plural forms of the defined terms.

ARTICLE II

THE CREDITS

2.1. Commitment. From and including the Closing Date and prior to the Facility Termination Date, upon the satisfaction of the conditions precedent set forth in Section 4.1 and 4.2, as applicable, each Lender severally and not jointly agrees, on the terms and conditions set forth in this Agreement, to make Revolving Loans to the Borrower from time to time in an amount not to exceed in the aggregate at any one time outstanding of its Pro Rata Share of the Available Aggregate Commitment; provided that at no time shall the Aggregate Outstanding Credit Exposure hereunder exceed the Aggregate Commitment. Subject to the terms of this Agreement, the Borrower may borrow, repay and reborrow Revolving Loans at any time prior to the Facility Termination Date. The commitment of each Lender to lend hereunder shall automatically expire on the Facility Termination Date.

2.2. Required Payments; Termination. The Borrower hereby unconditionally promises to pay (i) to the Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan on the Facility Termination Date, (ii) to the Agent for the account of each Lender the then unpaid principal amount of each Competitive Loan on the last day of the Interest Period applicable to such Loan, which shall not be later than the Facility Termination Date and (iii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan on the earlier of the Facility Termination Date and the fifth Business Day after such Swingline Loan is made; provided that on each date that a Revolving Loan or Competitive Loan is made, the Borrower shall repay all Swingline Loans then outstanding. Notwithstanding the termination of the Commitments under this Agreement on the Facility Termination Date, until all of the Obligations (other than contingent indemnity obligations) shall have been fully paid and satisfied

and all financing arrangements among the Borrower and the Lenders hereunder and under the other Loan Documents shall have been terminated, all of the rights and remedies under this Agreement and the other Loan Documents shall survive.

2.3. Loans. Each Advance hereunder shall consist of (a) Revolving Loans made by the Lenders ratably in accordance with their Pro Rata Shares of the Aggregate Commitment, (b) Competitive Loans or (c) Swingline Loans.

2.4. Competitive Bid Procedure. (a) Subject to the terms and conditions set forth herein, from time to time during the period commencing on the Closing Date and ending on the date immediately prior to the Facility Termination Date the Borrower may request Competitive Bids and may (but shall not have any obligation to) accept Competitive Bids and borrow Competitive Loans; provided that the Aggregate Outstanding Credit Exposure at any time shall not exceed the Aggregate Commitment.

To request Competitive Bids, the Borrower shall notify the Agent of such request by telephone, in the case of a Eurodollar Advance, not later than 11:00
a.m., New York time, four Business Days before the date of the proposed Advance and, in the case of a Fixed Rate Advance, not later than 10:00 a.m., New York time, one Business Day before the date of the proposed Advance; provided that the Borrower may submit up to (but not more than) two Competitive Bid Requests on the same day, but a Competitive Bid Request shall not be made within five Business Days after the date of any previous Competitive Bid Request, unless any and all such previous Competitive Bid Requests shall have been withdrawn or all Competitive Bids received in response thereto rejected. Each such telephonic Competitive Bid Request shall be confirmed promptly by hand delivery or telecopy to the Agent of a written Competitive Bid Request in a form approved by the Agent and signed by the Borrower. Each such telephonic and written Competitive Bid Request shall specify the following information:

(ii) the aggregate amount of the requested Advance;

(iii)the date of such Advance, which shall be a Business Day;

(iv) whether such Advance is to be a Eurodollar Rate Advance or a Fixed Rate Advance; and

(v) the Interest Period to be applicable to such Advance, which shall be a period contemplated by the definition of the term "Interest Period".

Promptly following receipt of a Competitive Bid Request in accordance with this Section, the Agent shall notify the Lenders of the details thereof by telecopy, inviting the Lenders to submit Competitive Bids.

(b) Each Lender may (but shall not have any obligation to) make one or more Competitive Bids to the Borrower in response to a Competitive Bid Request. Each Competitive Bid by a Lender must be in a form approved by the Agent and must be received by the Agent by telecopy, in the case of a Eurodollar Rate Advance, not later than 10:30 a.m., New York time, three Business Days before the proposed date of such Advance, and in the case of a Fixed Rate Advance, not later than 10:30 a.m., New York time, on the proposed date of such Advance.

Competitive Bids that do not conform substantially to the form approved by the Agent may be rejected by the Agent, and the Agent shall notify the applicable Lender as promptly as practicable. Each Competitive Bid shall specify (i) the principal amount (which shall be a minimum of $5,000,000 and an integral multiple of $1,000,000 and which may equal the entire principal amount of the Advance requested by the Borrower) of the Competitive Loan or Loans that the Lender is willing to make, (ii) the Competitive Bid Rate or Rates at which the Lender is prepared to make such Loan or Loans (expressed as a percentage rate per annum in the form of a decimal to no more than four decimal places) and (iii) the Interest Period applicable to each such Loan and the last day thereof.

(c) The Agent shall promptly notify the Borrower by telecopy of the Competitive Bid Rate and the principal amount specified in each Competitive Bid and the identity of the Lender that shall have made such Competitive Bid.

(d) Subject only to the provisions of this paragraph, the Borrower may accept or reject any Competitive Bid. The Borrower shall notify the Agent by telephone, confirmed by telecopy in a form approved by the Agent, whether and to what extent it has decided to accept or reject each Competitive Bid, in the case of a Eurodollar Rate Advance, not later than 10:30 a.m., New York time, three Business Days before the date of the proposed Advance, and in the case of a Fixed Rate Advance, not later than 10:30 a.m., New York time, on the proposed date of the Advance; provided that (i) the failure of the Borrower to give such notice shall be deemed to be a rejection of each Competitive Bid, (ii) the Borrower shall not accept a Competitive Bid made at a particular Competitive Bid Rate if the Borrower rejects a Competitive Bid made at a lower Competitive Bid Rate, (iii) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the aggregate amount of the requested Advance specified in the related Competitive Bid Request, (iv) to the extent necessary to comply with clause (iii) above, the Borrower may accept Competitive Bids at the same Competitive Bid Rate in part, which acceptance, in the case of multiple Competitive Bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such Competitive Bid, and (v) except pursuant to clause (iv) above, no Competitive Bid shall be accepted for a Competitive Loan unless such Competitive Loan is in a minimum principal amount of $5,000,000 and an integral multiple of $1,000,000; provided further that if a Competitive Loan must be in an amount less than $5,000,000 because of the provisions of clause (iv) above, such Competitive Loan may be for a minimum of $1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple Competitive Bids at a particular Competitive Bid Rate pursuant to clause (iv) the amounts shall be rounded to integral multiples of $1,000,000 in a manner determined by the Borrower. A notice given by the Borrower pursuant to this paragraph shall be irrevocable.

(e) The Agent shall promptly notify each bidding Lender by telecopy whether or not its Competitive Bid has been accepted (and, if so, the amount and Competitive Bid Rate so accepted), and each successful bidder will thereupon become bound, subject to the terms and conditions hereof, to make the Competitive Loan in respect of which its Competitive Bid has been accepted.

(f) If the Agent shall elect to submit a Competitive Bid in its capacity as a Lender, it shall submit such Competitive Bid directly to the Borrower at least one quarter of an

hour earlier than the time by which the other Lenders are required to submit their Competitive Bids to the Agent pursuant to paragraph (b) of this Section.

2.5. Swingline Loans. (a) Subject to the terms and conditions set forth herein, the Swingline Lender agrees to make Swingline Loans to the Borrower from time to time during the period commencing on the Closing Date and ending on the date immediately prior to the Facility Termination Date, in an aggregate principal amount at any time outstanding that will not result in (i) the Combined Swingline Exposure exceeding $30,000,000 or (ii) the Aggregate Outstanding Credit Exposure exceeding the Aggregate Commitment; provided that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) Each Swingline Loan shall bear interest at (i) the rate per annum applicable to Floating Rate Advances or (ii) any other rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) which shall be quoted by the Swingline Lender on the date such Loan is made and accepted by the Borrower as provided in this Section 2.5; provided, that commencing on any date on which the Swingline Lender requires the Lenders to acquire participations in a Swingline Loan pursuant to Section 2.5(d), such Loan shall bear interest at the rate per annum applicable to Floating Rate Advances.

(c) To request a Swingline Loan, the Borrower shall notify the Swingline Lender of such request by telephone (confirmed by telecopy), not later than 12:00 noon, New York time, on the day of a proposed Swingline Loan. Each such notice shall be irrevocable and shall specify the requested date (which shall be a Business Day) and amount of the requested Swingline Loan and the Interest Period to be applicable thereto. If so requested by the Borrower, the Swingline Lender will quote an interest rate that, if accepted by the Borrower, will be applicable to the requested Swingline Loan, and the Borrower will promptly notify the Swingline Lender in the event it accepts such rate. The Swingline Lender will promptly advise the Agent of any such notice received from the Borrower. The Swingline Lender shall make each Swingline Loan available to the Borrower by means of a credit to the general deposit account of the Borrower with the Swingline Lender by 3:00 p.m., New York time, on the requested date of such Swingline Loan.

(d) The Swingline Lender may by written notice given to the Agent not later than 10:00 a.m., New York time, on any Business Day require the Lenders to acquire participations on such Business Day in all or a portion of the Swingline Loans outstanding. Such notice shall specify the aggregate amount of Swingline Loans in which Lenders will participate. Promptly upon receipt of such notice, the Agent will give notice thereof to each Lender, specifying in such notice such Lender's Pro Rata Share of such Swingline Loan or Loans. Each Lender hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Agent, for the account of the Swingline Lender, such Lender's Pro Rata Share of such Swingline Loan or Loans. Each Lender acknowledges and agrees that its obligation to acquire participations in Swingline Loans pursuant to this paragraph is absolute and unconditional and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Lender shall

comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner as provided in Section 2.11 with respect to Loans made by such Lender (and Section 2.11 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Agent shall promptly pay to the Swingline Lender the amounts so received by it from the Lenders. The Agent shall notify the Borrower of any participation in any Swingline Loan acquired pursuant to this paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Agent and not to the Swingline Lender. Any amounts received by the Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan after receipt by the Swingline Lender of the proceeds of a sale of participation therein shall be promptly remitted to the Agent; any such amounts received by the Agent shall be promptly remitted by the Agent to the Lenders that shall have made their payments pursuant to this paragraph and to the Swingline Lender, as their interests may appear. The purchase of participation in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

2.6. Letters of Credit.

(a) General. Subject to the terms and conditions set forth herein, the Borrower may request the issuance of Letters of Credit for its own account, in a form reasonably acceptable to the Agent and the applicable Issuing Bank, from and including the Closing Date and prior to the Facility Termination Date. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, an Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the applicable Issuing Bank) to the applicable Issuing Bank and the Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the applicable Issuing Bank, the Borrower also shall submit a letter of credit application on such Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the Combined LC Exposure shall not exceed $75,000,000 and (ii) the Aggregate Outstanding Credit Exposure shall not exceed the Aggregate Commitment. If the Required Lenders notify the Issuing Banks that a Default exists and instruct the Issuing Banks to suspend the issuance, amendment, renewal or extension of Letters of Credit, no Issuing Bank shall issue, amend, renew or extend any Letter of Credit without the consent of the Required Lenders until such notice is withdrawn by the Required

Lenders (and each Lender that shall have delivered such notice agrees promptly to withdraw it at such time as no Default exists).

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Facility Termination Date.

(d) Participations. By the issuance of a Letter of Credit (or an amendment to a Letter of Credit increasing the amount thereof) and without any further action on the part of the applicable Issuing Bank or the Lenders, such Issuing Bank hereby grants to each Lender, and each Lender hereby acquires from such Issuing Bank, a participation in such Letter of Credit equal to such Lender's Pro Rata Share of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Lender hereby absolutely and unconditionally agrees to pay to the Agent, for the account of such Issuing Bank, such Lender's Pro Rata Share of each LC Disbursement made by such Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded to the Borrower for any reason. Each Lender acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If an Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Agent an amount equal to such LC Disbursement not later than 12:00 noon, New York City time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on (i) the Business Day that the Borrower receives such notice, if such notice is received prior to 10:00 a.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that, if such LC Disbursement is not less than $1,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.1 or 2.5 that such payment be financed with a Floating Rate Advance or Swingline Loan in an equivalent amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting Floating Rate Advance or Swingline Loan. If the Borrower fails to make such payment when due, the Agent shall notify each Lender of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Lender's Pro Rata Share thereof. Promptly following receipt of such notice, each Lender shall pay to the Agent its Pro Rata Share of the payment then due from the Borrower, in the same manner as provided in Section 2.11 with respect to Loans made by such Lender (and Section 2.11 shall apply, mutatis mutandis, to the payment obligations of the Lenders), and the Agent shall promptly pay to such Issuing Bank the amounts so received by it from the Lenders. Promptly

following receipt by the Agent of any payment from the Borrower pursuant to this paragraph, the Agent shall distribute such payment to such Issuing Bank or, to the extent that Lenders have made payments pursuant to this paragraph to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear. Any payment made by a Lender pursuant to this paragraph to reimburse an Issuing Bank for any LC Disbursement (other than the funding of a Floating Rate Advance or a Swingline Loan as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by an Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. None of the Agent, the Lenders or the Issuing Banks, or any of their respective affiliates, directors, officers or employees, shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the applicable Issuing Bank; provided that the foregoing shall not be construed to excuse an Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by such Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or wilful misconduct on the part of an Issuing Bank (as finally determined by a court of competent jurisdiction), an Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof and subject to any non-waivable provisions of the laws and/or other rules to which a Letter of Credit is subject, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, an Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The applicable Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. Such Issuing Bank shall promptly notify the Agent and the

Borrower by telephone (confirmed by telecopy) of such demand for payment and whether such Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse such Issuing Bank and the Lenders with respect to any such LC Disbursement.

(h) Interim Interest. If an Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to Floating Rate Advances; provided that, if the Borrower fails to reimburse such LC Disbursement when due pursuant to paragraph (e) of this Section, then Section 2.14 shall apply. Interest accrued pursuant to this paragraph shall be for the account of such Issuing Bank, except that interest accrued on and after the date of payment by any Lender pursuant to paragraph (e) of this Section to reimburse such Issuing Bank shall be for the account of such Lender to the extent of such payment.

(i) Cash Collateralization. If any Default shall occur and be continuing, on the Business Day that the Borrower receives notice from the Agent or the Required Lenders (or, if the maturity of the Loans has been accelerated, Lenders with LC Exposures representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with the Agent, in the name of the Agent and for the benefit of the Lenders, an amount in cash equal to the LC Exposure as of such date plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately, and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Default with respect to the Borrower described in Sections 7.6 or 7.7. Such deposit shall be held by the Agent as collateral for the payment and performance of the obligations of the Borrower under this Agreement. The Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Agent and at the Borrower's risk and expense, such deposits shall not bear interest. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Agent to reimburse each Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Lenders with LC Exposures representing greater than 50% of the total LC Exposure), be applied to satisfy other obligations of the Borrower under this Agreement. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of a Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Defaults have been cured or waived.

(j) Designation of Additional Issuing Banks. From time to time, the Borrower may by notice to the Agent and the Lenders designate as additional Issuing Banks one or more Lenders that agree to serve in such capacity as provided below. The acceptance by a Lender of any appointment as an Issuing Bank hereunder shall be evidenced by an agreement (an "Issuing

Bank Agreement"), which shall be in a form satisfactory to the Borrower and the Agent, shall set forth the LC Commitment of such Lender and shall be executed by such Lender, the Borrower and the Agent and, from and after the effective date of such agreement, (i) such Lender shall have all the rights and obligations of an Issuing Bank under this Agreement and the other Loan Documents and (ii) references herein and in the other Loan Documents to the term "Issuing Bank" shall be deemed to include such Lender in its capacity as an Issuing Bank.

2.7. Types of Advances. Revolving Advances may be Floating Rate Advances or Eurodollar Advances, or a combination thereof, selected by the Borrower in accordance with Sections 2.10 and 2.11. Swingline Loans will be Floating Rate Advances. Competitive Loans may be Eurodollar Rate Advances or Fixed Rate Advances, or a combination thereof, selected by the Borrower in accordance with Section 2.4.

2.8. Facility Fee; Letter of Credit Fees; Reductions in Aggregate Commitment.

2.8.1 Facility Fee. The Borrower agrees to pay to the Agent for the account of each Lender a facility fee (the "Facility Fee") at a per annum rate equal to the Applicable Fee Rate on such Lender's Commitment (whether used or unused) from and including the Closing Date to and including the Facility Termination Date, payable quarterly in arrears on each Payment Date hereafter and on the Facility Termination Date, provided that, if any Lender continues to have Revolving Credit Exposure outstanding hereunder after the termination of its Commitment (including, without limitation, during any period when Loans or Letters of Credit may be outstanding but new Loans or Letters of Credit may not be borrowed or issued hereunder), then the Facility Fee shall continue to accrue on the aggregate principal amount of the Revolving Credit Exposure of such Lender until such Lender ceases to have any Revolving Credit Exposure.

2.8.2 Letter of Credit Fees. The Borrower agrees to pay (i) to the Agent for the account of each Lender a participation fee with respect to its participations in Letters of Credit (the "LC Participation Fee"), which shall accrue at the Applicable Fee Rate on the average daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date on which such Lender's Commitment terminates and the date on which such Lender ceases to have any LC Exposure, and (ii) to each Issuing Bank a fronting fee, which shall accrue at the rate or rates per annum separately agreed upon between the Borrower and such Issuing Bank on the average daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to but excluding the later of the date of termination of the Commitments and the date on which there ceases to be any LC Exposure, as well as each Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. LC Participation Fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Closing Date; provided that all such fees shall be payable on the Facility Termination Date and any such fees accruing after the date on which the Commitments

terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph shall be payable promptly upon receipt of an invoice therefor.

2.8.3 Reductions in Aggregate Commitment. The Borrower may permanently reduce the Aggregate Commitment in whole, or in part, ratably among the Lenders in integral multiples of $5,000,000, upon at least ten (10) Business Days' written notice to the Agent, which notice shall specify the amount of any such reduction, provided, however, that the amount of the Aggregate Commitment may not be reduced below the Aggregate Outstanding Credit Exposure. All accrued facility fees shall be payable on the effective date of any termination of the obligations of the Lenders to make Credit Extensions hereunder and on the final date upon which all Revolving Loans are repaid.

2.9. Minimum Amount of Each Advance. Each Eurodollar Advance shall be in the minimum amount of $5,000,000 (and in multiples of $1,000,000 if in excess thereof), and each Floating Rate Advance shall be in the minimum amount of $5,000,000 (and in multiples of $1,000,000 if in excess thereof), provided, however, that any Floating Rate Advance may be in the amount of the Available Aggregate Commitment.

2.10. Optional Principal Payments. The Borrower may from time to time pay, without penalty or premium, all outstanding Floating Rate Advances, or any portion of the outstanding Floating Rate Advances, in a minimum aggregate amount of $5,000,000 or any integral multiple of $1,000,000 in excess thereof, upon one
(1) Business Day's prior notice to the Agent. The Borrower may from time to time pay, subject to the payment of any funding indemnification amounts required by
Section 3.4 but without penalty or premium, all outstanding Eurodollar Advances, or, in a minimum aggregate amount of $5,000,000 or any integral multiple of $1,000,000 in excess thereof, any portion of the outstanding Eurodollar Advances upon three (3) Business Days' prior notice to the Agent; provided that no Competitive Loan may be prepaid without the consent of the applicable Lender.

2.11. Method of Selecting Types and Interest Periods for New Revolving Advances. The Borrower shall select the Type of Revolving Advance and, in the case of each Revolving Eurodollar Advance, the Interest Period applicable thereto from time to time; provided that there shall be no more than five (5) Interest Periods in effect with respect to all of the Revolving Loans at any time, unless such limit has been waived by the Agent in its sole discretion. The Borrower shall give the Agent irrevocable notice (a "Borrowing Notice") not later than 11:00 a.m. (New York time) on the Borrowing Date of each Revolving Floating Rate Advance and three Business Days before the Borrowing Date for each Revolving Eurodollar Advance, specifying:

(i) the Borrowing Date, which shall be a Business Day, of such Advance,

(ii) the aggregate amount of such Advance,

(iii)the Type of Advance selected, and

(iv) in the case of each Eurodollar Advance, the Interest Period applicable thereto.

The Agent shall provide written notice of each request for borrowing under this
Section 2.11 by 11:00 a.m. (New York time) (or, if later, within one hour after receipt of the applicable

Borrowing Notice from the Borrower) on each Borrowing Date for each Floating Rate Advance or on the third Business Day prior to each Borrowing Date for each Eurodollar Advance, as applicable. Not later than 1:00 p.m. (New York time) on each Borrowing Date, each Lender shall make available its Revolving Loan or Revolving Loans in Federal or other funds immediately available in New York to the Agent at its address specified pursuant to Article XIII. The Agent will promptly make the funds so received from the Lenders available to the Borrower at the Agent's aforesaid address.

2.12. Conversion and Continuation of Outstanding Revolving Advances; No Conversion or Continuation of Revolving Eurodollar Advances After Default. Revolving Floating Rate Advances shall continue as Floating Rate Advances unless and until such Revolving Floating Rate Advances are converted into Revolving Eurodollar Advances pursuant to this Section 2.12 or are repaid in accordance with Section 2.10. Each Revolving Eurodollar Advance shall continue as a Eurodollar Advance until the end of the then applicable Interest Period therefor, at which time such Revolving Eurodollar Advance shall be automatically converted into a Revolving Floating Rate Advance unless (x) such Revolving Eurodollar Advance is or was repaid in accordance with Section 2.10 or (y) the Borrower shall have given the Agent a Conversion/Continuation Notice (as defined below) requesting that, at the end of such Interest Period, such Revolving Eurodollar Advance continue as a Revolving Eurodollar Advance for the same or another Interest Period. Subject to the terms of Section 2.9, the Borrower may elect from time to time to convert all or any part of a Revolving Advance of any Type into any other Type or Types of Advances; provided that any conversion of any Revolving Eurodollar Advance shall be made on, and only on, the last day of the Interest Period applicable thereto. Notwithstanding anything to the contrary contained in this Section 2.12, during the continuance of a Default or an Unmatured Default, the Agent may (or shall at the direction of the Required Lenders), by notice to the Borrower, declare that no Revolving Advance may be made, converted or continued as a Eurodollar Advance. The Borrower shall give the Agent irrevocable notice (a "Conversion/Continuation Notice") of each conversion of a Revolving Advance or continuation of a Revolving Eurodollar Advance not later than 11:00 a.m. (New York time) at least one (1) Business Day, in the case of a conversion into a Revolving Floating Rate Advance, or three (3) Business Days, in the case of a conversion into or continuation of a Revolving Eurodollar Advance, prior to the date of the requested conversion or continuation, specifying:

(i) the requested date, which shall be a Business Day, of such conversion or continuation,

(ii) the aggregate amount and Type of the Advance which is to be converted or continued, and

(iii)the amount of such Advance which is to be converted into or continued as a Eurodollar Advance and the duration of the Interest Period applicable thereto.

This Section shall not apply to Competitive Loans or Swingline Loans, which may not be converted or continued.

2.13. Changes in Interest Rate, etc. Each Floating Rate Advance shall bear interest on the outstanding principal amount thereof, for each day from and including the date such Advance

is made or is automatically converted from a Eurodollar Advance into a Floating Rate Advance pursuant to Section 2.12, to but excluding the date it is paid or is converted into a Eurodollar Advance pursuant to Section 2.12 hereof, at a rate per annum equal to the Floating Rate for such day. Changes in the rate of interest on that portion of any Advance maintained as a Floating Rate Advance will take effect simultaneously with each change in the Alternate Base Rate. Each Eurodollar Advance shall bear interest on the outstanding principal amount thereof from and including the first day of the Interest Period applicable thereto to (but not including) the last day of such Interest Period at the Eurodollar Rate determined by the Agent as applicable to such Eurodollar Advance based upon the Borrower's selections under Sections 2.10 and 2.11 and otherwise in accordance with the terms hereof. No Interest Period may end after the Facility Termination Date. Each Fixed Rate Advance shall bear interest at the Fixed Rate applicable thereto.

2.14. Rates Applicable After Default. During the continuance of a Default (including the Borrower's failure to pay any Loan when due, whether upon stated maturity, acceleration or otherwise) the Required Lenders may, at their option, by notice to the Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding any provision of Section 8.2 requiring unanimous consent of the Lenders to changes in interest rates), declare that (i) each Eurodollar Advance shall bear interest for the remainder of the applicable Interest Period at the rate otherwise applicable to such Interest Period plus 2% per annum and (ii) each Floating Rate Advance shall bear interest at a rate per annum equal to the Floating Rate in effect from time to time plus 2% per annum, provided that, during the continuance of a Default under Section 7.6 or 7.7, the interest rates set forth in clauses (i) and (ii) above shall be applicable to all Advances, fees and other Obligations hereunder without any election or action on the part of the Agent or any Lender.

2.15. Funding of Loans; Method of Payment. All payments of the Obligations hereunder shall be made, without setoff, deduction, or counterclaim, in immediately available funds to the Agent at the Agent's address specified pursuant to Article XIII, or at any other Lending Installation of the Agent specified in writing by the Agent to the Borrower, by 12:00 noon (New York time) on the date when due and shall be applied ratably by the Agent among the Lenders. Each payment delivered to the Agent for the account of any Lender shall be delivered promptly by the Agent to such Lender in the same type of funds that the Agent received at its address specified pursuant to Article XIII or at any Lending Installation specified in a notice received by the Agent from such Lender. The Agent is hereby authorized to charge the account of the Borrower maintained with JPMCB for each payment of principal, interest and fees as it becomes due hereunder.

2.16. Noteless Agreement; Evidence of Indebtedness. (i) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(ii) The Agent shall also maintain accounts in which it will record (a) the date and the amount of each Loan made hereunder, the Type thereof and the Interest Period (in the case of an Eurodollar Advance) with respect thereto, (b) the amount of any

principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder, (c) the effective date and amount of each Assignment Agreement delivered to and accepted by it and the parties thereto pursuant to Section 12.3, (d) the amount of any sum received by the Agent hereunder from the Borrower and each Lender's share thereof, and (e) all other appropriate debits and credits as provided in this Agreement, including, without limitation, all fees, charges, expenses and interest.

(iii)The entries maintained in the accounts maintained pursuant to paragraphs (i) and (ii) above shall be prima facie evidence absent manifest error of the existence and amounts of the Obligations therein recorded; provided, however, that the failure of the Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(iv) Any Lender may request that its Loans be evidenced by a promissory note in substantially the form of Exhibit E (a "Note"). In such event, the Borrower shall prepare, execute and deliver to such Lender such Note payable to the order of such Lender. Thereafter, the Loans evidenced by such Note and interest thereon shall at all times (prior to any assignment pursuant to Section 12.3) be represented by one or more Notes payable to the order of the payee named therein, except to the extent that any such Lender subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in paragraphs (i) and (ii) above.

2.17. Telephonic Notices. The Borrower hereby authorizes the Lenders and the Agent to extend, convert or continue Advances, effect selections of Types of Advances and to transfer funds based on telephonic notices made by any person or persons the Agent or any Lender in good faith believes to be acting on behalf of the Borrower, it being understood that the foregoing authorization is specifically intended to allow Borrowing Notices and Conversion/Continuation Notices to be given telephonically. The Borrower agrees to deliver promptly to the Agent a written confirmation, signed by an Authorized Officer, if such confirmation is requested by the Agent or any Lender, of each telephonic notice. If the written confirmation differs in any material respect from the action taken by the Agent and the Lenders, the records of the Agent and the Lenders shall govern absent manifest error.

2.18. Interest Payment Dates; Interest and Fee Basis. Interest accrued on each Floating Rate Advance shall be payable in arrears on each Payment Date, commencing with the first such date to occur after the Closing Date, on any date on which the Floating Rate Advance is prepaid, whether due to acceleration or otherwise, and at maturity. Interest accrued on that portion of the outstanding principal amount of any Floating Rate Advance converted into a Eurodollar Advance on a day other than a Payment Date shall be payable on the date of conversion. Interest accrued on each Eurodollar Advance shall be payable on the last day of its applicable Interest Period, on any date on which the Eurodollar Advance is prepaid, whether by acceleration or otherwise, and at maturity. Interest accrued on each Eurodollar Advance having an Interest Period longer than three months shall also be payable on the last day of each three-month interval during such Interest Period. Interest accrued on each Fixed Rate Loan shall be payable on the last day of the

Interest Period applicable to the Advance of which such Loan is a part and, in the case of a Fixed Rate Advance with an Interest Period of more than 90 days' duration (unless otherwise specified in the applicable Competitive Bid Request), each day prior to the last day of such Interest Period that occurs at intervals of 90 days' duration after the first day of such Interest Period, and any other dates that are specified in the applicable Competitive Bid Request as dates for payment of interest with respect to such Advance. Interest accrued on each Swingline Loan shall be payable on the day that such Loan is required to be repaid. Interest accrued on any Advance that is not paid when due shall be payable on demand and on the date of payment in full. Interest on Eurodollar Advances, Fixed Rate Loans and fees hereunder shall be calculated for actual days elapsed on the basis of a 360-day year. Interest on Floating Rate Advances shall be calculated for actual days elapsed on the basis of a 365/366-day year. Interest shall be payable for the day an Advance is made but not for the day of any payment on the amount paid if payment is received prior to 12:00 noon (New York time) at the place of payment. If any payment of principal of or interest on an Advance, any fees or any other amounts payable to the Agent or any Lender hereunder shall become due on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day and, in the case of principal payment, such extension of time shall be included in computing interest, fees and commissions in connection with such payment.

2.19. Notification of Advances, Interest Rates, Prepayments and Commitment Reductions; Availability of Loans. Promptly after receipt thereof, the Agent will notify each Lender in writing of the contents of each Aggregate Commitment reduction notice, Borrowing Notice, Conversion/Continuation Notice, and repayment notice received by it hereunder. The Agent will notify the Borrower and each Lender of the interest rate applicable to each Revolving Eurodollar Advance promptly upon determination of such interest rate and will give the Borrower and each Lender prompt notice of each change in the Alternate Base Rate.

2.20. Lending Installations. Each Lender may book its Loans at any Lending Installation selected by such Lender and may change its Lending Installation from time to time. All terms of this Agreement shall apply to any such Lending Installation and the Loans and any Notes issued hereunder shall be deemed held by each Lender for the benefit of any such Lending Installation. Each Lender may, by written notice to the Agent and the Borrower in accordance with Article XIII, designate replacement or additional Lending Installations through which Loans will be made by it and for whose account Loan payments are to be made.

2.21. Non-Receipt of Funds by the Agent. Unless the Borrower or a Lender, as the case may be, notifies the Agent prior to the date on which it is scheduled to make payment to the Agent of (i) in the case of a Lender, the proceeds of a Loan or (ii) in the case of the Borrower, a payment of principal, interest or fees to the Agent for the account of the Lenders, that it does not intend to make such payment, the Agent may assume that such payment has been made. The Agent may, but shall not be obligated to, make the amount of such payment available to the intended recipient in reliance upon such assumption. If such Lender or the Borrower, as the case may be, has not in fact made such payment to the Agent, the recipient of such payment shall, on demand by the Agent, repay to the Agent the amount so made available together with interest thereon in respect of each day during the period commencing on the date such amount was so made available by the Agent until the date the Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the Federal Funds Effective Rate for such day

for the first three days and, thereafter, the interest rate applicable to the relevant Loan or (y) in the case of payment by the Borrower, the interest rate applicable to the relevant Loan.

2.22. Replacement of Lender. If the Borrower is required pursuant to
Section 3.1, 3.2 or 3.5 to make any additional payment to any Lender or if any Lender's obligation to make or continue, or to convert Floating Rate Advances into, Eurodollar Advances shall be suspended pursuant to Section 3.3 (any Lender so affected an "Affected Lender"), the Borrower may elect, if such amounts continue to be charged or such suspension is still effective, to terminate or replace the Commitment of such Affected Lender, provided that no Default or Unmatured Default shall have occurred and be continuing at the time of such termination or replacement, and provided further that, concurrently with such termination or replacement, (i) if the Affected Lender is being replaced, another bank or other entity which is reasonably satisfactory to the Borrower and the Agent shall agree, as of such date, to purchase for cash the Outstanding Credit Exposure of the Affected Lender pursuant to an Assignment Agreement substantially in the form of Exhibit C and to become a Lender for all purposes under this Agreement and to assume all obligations of the Affected Lender to be terminated as of such date and to comply with the requirements of Section 12.3 applicable to assignments, and (ii) the Borrower shall pay to such Affected Lender in immediately available funds on the day of such replacement (A) all interest, fees and other amounts then accrued but unpaid to such Affected Lender by the Borrower hereunder to and including the date of termination, including without limitation payments due to such Affected Lender under Sections 3.1, 3.2 and 3.5, and (B) an amount, if any, equal to the payment which would have been due to such Lender on the day of such replacement under Section 3.4 had the Loans of such Affected Lender been prepaid on such date rather than sold to the replacement Lender, in each case to the extent not paid by the purchasing lender and (iii) if the Affected Lender is being terminated, the Borrower shall pay to such Affected Lender all Obligations due to such Affected Lender (including the amounts described in the immediately preceding clauses (i) and (ii) plus the outstanding principal balance of such Affected Lender's Advances and the amount of such Lender's funded participations in unreimbursed LC Disbursements). Notwithstanding the foregoing, the Borrower may not terminate the Commitment of an Affected Lender if, after giving effect to such termination, the Aggregate Outstanding Credit Exposure would exceed the Aggregate Commitment.

ARTICLE III

YIELD PROTECTION; TAXES

3.1. Yield Protection. If, on or after the Closing Date, the adoption of any law or any governmental or quasi-governmental rule, regulation, policy, guideline or directive (whether or not having the force of law), or any change in any such law, rule, regulation, policy, guideline or directive or in the interpretation or administration thereof by any governmental or quasi-governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender or applicable Lending Installation with any request or directive (whether or not having the force of law) of any such authority, central bank or comparable agency:

3.1.1 subjects any Lender or any applicable Lending Installation to any Taxes, or changes the basis of taxation of payments (other than with respect to Excluded Taxes) to any Lender in respect of its Eurodollar Loans, or

3.1.2 imposes or increases or deems applicable any reserve, assessment, insurance charge, special deposit or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any applicable Lending Installation (other than reserves and assessments taken into account in determining the interest rate applicable to Eurodollar Advances), or

3.1.3 imposes any other condition the result of which is to increase the cost to any Lender or any applicable Lending Installation of making, funding or maintaining its Commitment, Eurodollar Loans or Fixed Rate Loans or reduces any amount receivable by any Lender or any applicable Lending Installation in connection with its Commitment, Eurodollar Loans or Fixed Rate Loans, or requires any Lender or any applicable Lending Installation to make any payment calculated by reference to the amount of Commitment, Eurodollar Loans or Fixed Rate Loans held or interest received by it, by an amount deemed material by such Lender,

and the result of any of the foregoing is to increase the cost to such Lender or applicable Lending Installation of making or maintaining its Commitment, Eurodollar Loans or Fixed Rate Loans or to reduce the return received by such Lender or applicable Lending Installation in connection with such Commitment, Eurodollar Loans or Fixed Rate Loans, then, within 15 days of demand, accompanied by the written statement required by Section 3.6, by such Lender, the Borrower shall pay such Lender such additional amount or amounts as will compensate such Lender for such increased cost or reduction in amount received.

3.2. Changes in Capital Adequacy Regulations. If a Lender determines the amount of capital required or expected to be maintained by such Lender, any Lending Installation of such Lender or any corporation controlling such Lender is increased as a result of a Change, then, within 15 days of demand, accompanied by the written statement required by Section 3.6, by such Lender, the Borrower shall pay such Lender the amount necessary to compensate for any shortfall in the rate of return on the portion of such increased capital which such Lender determines is attributable to this Agreement, its Outstanding Credit Exposure or its Commitment hereunder (after taking into account such Lender's policies as to capital adequacy). "Change" means (i) any change after the Closing Date in the Risk-Based Capital Guidelines or (ii) any adoption of, or change in, or change in the interpretation or administration of any other law, governmental or quasi-governmental rule, regulation, policy, guideline, interpretation, or directive (whether or not having the force of law) after the Closing Date which affects the amount of capital required or expected to be maintained by any Lender or any Lending Installation or any corporation controlling any Lender. "Risk-Based Capital Guidelines" means (i) the risk-based capital guidelines in effect in the United States on the Closing Date, including transition rules, and (ii) the corresponding capital regulations promulgated by regulatory authorities outside the United States implementing the July 1988 report of the Basle Committee on Banking Regulation and Supervisory Practices Entitled "International Convergence of Capital Measurements and Capital Standards," including transition rules, and any amendments to such regulations adopted prior to the Closing Date.

3.3. Availability of Types of Advances. If (x) any Lender determines that maintenance of its Eurodollar Loans at a suitable Lending Installation would violate any applicable law, rule, regulation, or directive, whether or not having the force of law, or (y) the Required Lenders determine that (i) deposits of a type and maturity appropriate to match fund Eurodollar Advances are not available or (ii) the interest rate applicable to Eurodollar Advances does not accurately reflect the cost of making or maintaining Eurodollar Advances, or
(iii) no reasonable basis exists for determining the Eurodollar Base Rate, then the Agent shall suspend the availability of Eurodollar Advances and require any affected Eurodollar Advances to be repaid or converted to Floating Rate Advances on the respective last days of the then current Interest Periods with respect to such Loans or within such earlier period as required by law, subject to the payment of any funding indemnification amounts required by Section 3.4.

3.4. Funding Indemnification. If any payment of a Eurodollar Advance or a Fixed Rate Loan occurs on a date which is not the last day of the applicable Interest Period, whether because of acceleration, prepayment or otherwise, or a Eurodollar Advance is not made or continued, a Fixed Rate Loan is not made or a Floating Rate Advance is not converted into a Eurodollar Advance, on the date specified by the Borrower for any reason other than default by the Lenders, or a Eurodollar Advance or Fixed Rate Loan is not prepaid on the date specified by the Borrower for any reason, the Borrower will indemnify each Lender for any loss or cost incurred by it resulting therefrom, including, without limitation, any loss or cost in liquidating or employing deposits acquired to fund or maintain such Eurodollar Advance or Fixed Rate Loan.

3.5. Taxes. (i) All payments by the Borrower to or for the account of any Lender or the Agent hereunder or under any Note shall be made free and clear of and without deduction for any and all Taxes. If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender or the Agent, (a) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 3.5) such Lender or the Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (b) the Borrower shall make such deductions, (c) the Borrower shall pay the full amount deducted to the relevant authority in accordance with applicable law and (d) the Borrower shall furnish to the Agent the original copy of a receipt evidencing payment thereof or, if a receipt cannot be obtained with reasonable efforts, such other evidence of payment as is reasonably acceptable to the Agent, in each case within 30 days after such payment is made.

(ii) In addition, the Borrower shall pay any present or future stamp or documentary taxes and any other excise or property taxes, charges or similar levies which arise from any payment made hereunder or under any Note or from the execution or delivery of, or otherwise with respect to, this Agreement or any Note ("Other Taxes").

(iii)The Borrower shall indemnify the Agent and each Lender for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed on amounts payable under this Section 3.5) paid by the Agent or such Lender as a result of its Commitment, any Credit Extensions made by it hereunder, or otherwise in connection with its participation in this Agreement and any liability (including penalties, interest and expenses) arising therefrom or with

respect thereto. Payments due under this indemnification shall be made within 30 days of the date the Agent or such Lender makes demand therefor pursuant to Section 3.6.

(iv) Each Lender that is not incorporated under the laws of the United States of America or a state thereof (each a "Non-U.S. Lender") agrees that it will, not more than ten Business Days after the date on which it becomes a party to this Agreement (but in any event before a payment is due to it hereunder), (i) deliver to each of the Borrower and the Agent two duly completed copies of United States Internal Revenue Service Form W-8BEN or W-8ECI, certifying in either case that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, or (ii) in the case of a Non-U.S. Lender that is fiscally transparent, deliver to the Agent a United States Internal Revenue Form W-8IMY together with the applicable accompanying forms, W-8 or W-9, as the case may be, and certify that it is entitled to an exemption from United States withholding tax. Each Non-U.S. Lender further undertakes to deliver to each of the Borrower and the Agent
(x) renewals or additional copies of such form (or any successor form) on or before the date that such form expires or becomes obsolete, and
(y) after the occurrence of any event requiring a change in the most recent forms so delivered by it, such additional forms or amendments thereto as may be reasonably requested by the Borrower or the Agent. All forms or amendments described in the preceding sentence shall certify that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless an event (including without limitation any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such form or amendment with respect to it and such Lender advises the Borrower and the Agent that it is not capable of receiving payments without any deduction or withholding of United States federal income tax.

(v) For any period during which a Non-U.S. Lender has failed to provide the Borrower with an appropriate form pursuant to clause (iv) above (unless such failure is due to a change in treaty, law or regulation, or any change in the interpretation or administration thereof by any governmental authority, occurring subsequent to the date on which such Non-U.S. Lender became a party to this Agreement), such Non-U.S. Lender shall not be entitled to indemnification under this Section 3.5 with respect to Taxes imposed by the United States; provided that, should a Non-U.S. Lender which is otherwise exempt from or subject to a reduced rate of withholding tax become subject to Taxes because of its failure to deliver a form required under clause (iv) above, the Borrower shall take such steps as such Non-U.S. Lender shall reasonably request to assist such Non-U.S. Lender to recover such Taxes.

(vi) Any Lender that is entitled to an exemption from or reduction of withholding tax with respect to payments under this Agreement or any Note pursuant to the law of

any relevant jurisdiction or any treaty shall deliver to the Borrower (with a copy to the Agent), at the time or times prescribed by applicable law, such properly completed and executed documentation prescribed by applicable law as will permit such payments to be made without withholding or at a reduced rate.

(vii) If the U.S. Internal Revenue Service or any other governmental authority of the United States or any other country or any political subdivision thereof asserts a claim that the Agent did not properly withhold tax from amounts paid to or for the account of any Lender (because the appropriate form was not delivered or properly completed, because such Lender failed to notify the Agent of a change in circumstances which rendered its exemption from withholding ineffective, or for any other reason), such Lender shall indemnify the Agent fully for all amounts paid, directly or indirectly, by the Agent as tax, withholding therefor, or otherwise, including penalties and interest, and including taxes imposed by any jurisdiction on amounts payable to the Agent under this subsection, together with all reasonable costs and expenses related thereto (including attorneys' fees and time charges of attorneys for the Agent, which attorneys may be employees of the Agent). The obligations of the Lenders under this
Section 3.5(vii) shall survive the payment of the Obligations and termination of this Agreement.

3.6. Lender Statements; Survival of Indemnity. Each Lender shall deliver a written statement of such Lender to the Borrower (with a copy to the Agent) as to the amount due, if any, under Section 3.1, 3.2, 3.4 or 3.5. Such written statement shall set forth in reasonable detail the calculations upon which such Lender determined such amount and shall be final, conclusive and binding on the Borrower in the absence of manifest error, and upon reasonable request of the Borrower, such Lender shall promptly provide supporting documentation describing and/or evidence of the applicable event giving rise to such amount to the extent not inconsistent with such Lender's policies or applicable law. Determination of amounts payable under such Sections in connection with a Eurodollar Loan shall be calculated as though each Lender funded its Eurodollar Loan through the purchase of a deposit of the type, currency and maturity corresponding to the deposit used as a reference in determining the Eurodollar Rate applicable to such Loan, whether in fact that is the case or not. Unless otherwise provided herein, the amount specified in the written statement of any Lender shall be payable on demand after receipt by the Borrower of such written statement. The obligations of the Borrower under Sections 3.1, 3.2, 3.4 and 3.5 shall survive payment of the Obligations and termination of this Agreement.

3.7. Alternative Lending Installation. To the extent reasonably possible, each Lender shall designate an alternate Lending Installation with respect to its Eurodollar Loans to reduce any liability of the Borrower to such Lender under Sections 3.1, 3.2 and 3.5 or to avoid the unavailability of Eurodollar Advances under Section 3.3, so long as such designation is not, in the judgment of such Lender, disadvantageous to such Lender. A Lender's designation of an alternative Lending Installation shall not affect the Borrower's rights under
Section 2.22 to replace a Lender.

ARTICLE IV

CONDITIONS PRECEDENT

4.1. Initial Credit Extension. The Lenders and the Issuing Banks shall not be required to make the initial Credit Extension hereunder unless the following conditions precedent have been satisfied and the Borrower has furnished to the Agent with sufficient copies for the Lenders and the Issuing Banks:

4.1.1 Copies of the articles or certificate of incorporation of the Borrower, together with all amendments thereto, and a certificate of good standing, each certified by the appropriate governmental officer in its jurisdiction of incorporation.

4.1.2 Copies, certified by the Secretary or Assistant Secretary of the Borrower, of its by-laws and of its Board of Directors' resolutions and of resolutions or actions of any other body authorizing the execution of the Loan Documents to which the Borrower is a party.

4.1.3 An incumbency certificate, executed by the Secretary or Assistant Secretary of the Borrower, which shall identify by name and title and bear the signatures of the Authorized Officers and any other officers of the Borrower authorized to sign the Loan Documents to which the Borrower is a party, upon which certificate the Agent and the Lenders shall be entitled to rely until informed of any change in writing by the Borrower.

4.1.4 A certificate, signed by the Chairman, Chief Executive Officer, President, Executive Vice President, Chief Financial Officer, any Senior Vice President, any Vice President or the Treasurer of the Borrower, stating that on the initial Credit Extension Date (a) no Default or Unmatured Default has occurred and is continuing, (b) all of the representations and warranties in Article V shall be true and correct in all material respects as of such date and (c) no material adverse change in the business, financial condition or operations of the Borrower and its Subsidiaries, taken as a whole, has occurred since December 31, 2003 except for the Disclosed Matters.

4.1.5 A written opinion of the Borrower's counsel, in form and substance satisfactory to the Agent and addressed to the Lenders, in substantially the form of Exhibit A.

4.1.6 Any Notes requested by a Lender pursuant to Section 2.16 payable to the order of each such requesting Lender.

4.1.7 Written money transfer instructions, in substantially the form of Exhibit D, addressed to the Agent and signed by an Authorized Officer, together with such other related money transfer authorizations as the Agent may have reasonably requested.

4.1.8 The Agent shall have determined that (i) there is an absence of any material adverse change or disruption in primary or secondary loan syndication markets, financial markets or in capital markets generally that would likely impair syndication of the Loans hereunder, and (ii) the Borrower has fully cooperated with the Agent's syndication

efforts, including, without limitation, by providing the Agent with information regarding the Borrower's operations and prospects and such other information as the Agent deems necessary to successfully syndicate the Loans hereunder.

4.1.9 Evidence satisfactory to the Agent that the Existing Credit Agreements shall have been or shall simultaneously with the effectiveness of this Agreement on the Closing Date be terminated (except for those provisions that expressly survive the termination thereof) and all loans outstanding, if any, and other amounts owed to the lenders or agents thereunder shall have been, or shall simultaneously with the effectiveness of this Agreement, paid in full.

4.1.10 Evidence satisfactory to the Agent that the Three-Year Credit Agreement shall have been duly executed by all parties thereto.

4.1.11 All documentation and other information that any Lender shall reasonably have requested in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the USA Patriot Act.

4.1.12 Such other documents as any Lender or its counsel may have reasonably requested.

4.2. Each Credit Extension. The Lenders and the Issuing Banks shall not be required to make any Credit Extension unless on the applicable Credit Extension Date:

4.2.1 There exists no Default or Unmatured Default.

4.2.2 The representations and warranties contained in Article V are true and correct as of such Credit Extension Date except to the extent any such representation or warranty is stated to relate solely to an earlier date, in which case such representation or warranty shall have been true and correct on and as of such earlier date.

4.2.3 All legal matters incident to the making of such Advance shall be satisfactory to the Lenders and their counsel.

4.2.4 In the case of any Credit Extension which would (i) be made after June 30, 2007, (ii) cause the aggregate principal amount of short-term Indebtedness of the Borrower to exceed $1,500,000,000, or (iii) cause the aggregate principal amount of issuances and sales by the Borrower of capital stock, preferred stock, the other securities specified in the SEC order referred to in Section 5.18 and long-term Indebtedness to exceed $2,500,000,000, such Credit Extension shall have been duly authorized by an order of the Securities and Exchange Commission and the Agent shall have received a true and complete copy of such order authorizing such Credit Extension.

Each Borrowing Notice or request for the issuance of a Letter of Credit with respect to each such Credit Extension shall constitute a representation and warranty by the Borrower that the conditions contained in Sections 4.2.1, 4.2.2, 4.2.3 and 4.2.4 have been satisfied. Any

Lender or Issuing Bank may require a duly completed compliance certificate in substantially the form of Exhibit B as a condition to making a Credit Extension.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to each Lender, each Issuing Bank and the Agent as of each of (i) the Closing Date, (ii) the date of the initial Credit Extension hereunder (if different from the Closing Date) and (iii) each date as required by Section 4.2:

5.1. Existence and Standing. Each of the Borrower and its Subsidiaries is a corporation, partnership (in the case of Subsidiaries only) or limited liability company duly and properly incorporated or organized, as the case may be, validly existing and (to the extent such concept applies to such entity) in good standing under the laws of its jurisdiction of incorporation or organization and has all requisite authority to conduct its business in each jurisdiction in which its business is conducted.

5.2. Authorization and Validity. The Borrower has the power and authority and legal right to execute and deliver the Loan Documents and to perform its obligations thereunder. The execution and delivery by the Borrower of the Loan Documents and the performance of its obligations thereunder have been duly authorized by proper proceedings, and the Loan Documents to which the Borrower is a party constitute legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their terms, except as enforceability may be limited by (i) bankruptcy, insolvency, fraudulent conveyances, reorganization or similar laws relating to or affecting the enforcement of creditors' rights generally; (ii) general equitable principles (whether considered in a proceeding in equity or at law) and (iii) requirements of reasonableness, good faith and fair dealing.

5.3. No Conflict; Government Consent. Neither the execution and delivery by the Borrower of the Loan Documents, nor the consummation of the transactions therein contemplated, nor compliance with the provisions thereof will violate
(i) any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on the Borrower or any of its Subsidiaries or (ii) the Borrower's or any Subsidiary's articles or certificate of incorporation, partnership agreement, certificate of partnership, articles or certificate of organization, by-laws, or operating agreement or other management agreement, as the case may be, or (iii) the provisions of any indenture, instrument or agreement to which the Borrower or any of its Subsidiaries is a party or is subject, or by which it, or its Property, is bound, or conflict with, or constitute a default under, or result in, or require, the creation or imposition of any Lien in, of or on the Property of the Borrower or a Subsidiary pursuant to the terms of, any such indenture, instrument or agreement. No order, consent, adjudication, approval, license, authorization, or validation of, or filing, recording or registration with, or exemption by, or other action in respect of any governmental or public body or authority, or any subdivision thereof, which has not been obtained by the Borrower or any of its Subsidiaries, is required to be obtained by the Borrower or any of its Subsidiaries in connection with the execution and delivery of the Loan Documents, the borrowings under this Agreement, the payment and performance by the Borrower of the

Obligations or the legality, validity, binding effect or enforceability of any of the Loan Documents.

5.4. Financial Statements. The December 31, 2003 consolidated financial statements of the Borrower and its Subsidiaries included in the Borrower's Form 10-K for the fiscal year ended December 31, 2003 and the March 31, 2004 consolidated financial statements of the Borrower and its Subsidiaries included in the Borrower's Form 10-Q for the quarterly period ended March 31, 2004 heretofore delivered to the Agent and the Lenders, in each case, were prepared in accordance with generally accepted accounting principles in effect on the date such statements were prepared (except for the absence of footnotes and subject to year end audit adjustments) and fairly present the consolidated financial condition and operations of the Borrower and its Subsidiaries at such date and the consolidated results of their operations for the period then ended.

5.5. Material Adverse Change. Since December 31, 2003, there has been no change in the business, Property, condition (financial or otherwise) or results of operations of the Borrower and its Subsidiaries which could reasonably be expected to have a Material Adverse Effect (a "Material Adverse Change"), except for the Disclosed Matters; provided, however, that neither (i) any ratings downgrade applicable to the Indebtedness of the Borrower or any of its Subsidiaries by Moody's or S&P nor (ii) the Borrower's or any of its Subsidiaries' inability to place commercial paper in the capital markets, shall, in and of themselves, be deemed events constituting a Material Adverse Change.

5.6. Taxes. The Borrower and its Subsidiaries (and to the best knowledge of the Borrower with respect to entities acquired pursuant to the IP Acquisition and taxable periods ending on or before January 1, 2003 for CILCORP and its subsidiaries) have filed all United States federal tax returns and all other tax returns which are required to be filed and have paid all taxes due pursuant to said returns or pursuant to any assessment received by the Borrower or any of its Subsidiaries, except in respect of such taxes, if any, as are being contested in good faith and as to which adequate reserves have been provided in accordance with Agreement Accounting Principles and as to which no Lien exists (except as permitted by Section 6.13.1). The Internal Revenue Service has completed audits of the United States federal income tax returns filed by Union Electric for all periods through the calendar taxable year ending December 31, 1997 and by CIPSCO, Inc. for all periods through the calendar taxable year ending December 31, 1997. The Internal Revenue Service has not completed audits of the United States federal income tax returns filed by the Borrower and its Subsidiaries for subsequent periods. No claims have been, or are being, asserted with respect to such taxes that could reasonably be expected to result in a Material Adverse Effect and no liens have been filed with respect to such taxes. The charges, accruals and reserves on the books of the Borrower and its Subsidiaries in respect of any taxes or other governmental charges are adequate.

5.7. Litigation and Contingent Obligations. Other than the Disclosed Matters, there is no litigation, arbitration, governmental investigation, proceeding or inquiry pending or, to the knowledge of any of their officers, threatened against or affecting the Borrower or any of its Subsidiaries which could, if determined adversely to the Borrower or its Subsidiaries, reasonably be expected to have a Material Adverse Effect or which seeks to prevent, enjoin or delay the making of any Loans. Other than any liability incident to any litigation, arbitration or proceeding

which could not reasonably be expected to have a Material Adverse Effect, the Borrower has no material contingent obligations not provided for or disclosed in the financial statements referred to in Section 5.4.

5.8. Subsidiaries. Schedule 1 contains an accurate list of all Subsidiaries of the Borrower as of the date of this Agreement, setting forth their respective jurisdictions of organization and the percentage of their respective capital stock or other ownership interests owned by the Borrower or other Subsidiaries. All of the issued and outstanding shares of capital stock or other ownership interests of such Subsidiaries have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable.

5.9. ERISA. No ERISA Event has occurred or is reasonably expected to occur that, when taken together with all other ERISA Events that have occurred or are reasonably expected to occur, could reasonably be expected to result in a Material Adverse Effect.

5.10. Accuracy of Information. The information, exhibits or reports furnished by the Borrower to the Agent or to any Lender in connection with the negotiation of, or compliance with, the Loan Documents as of the date furnished do not contain any material misstatement of fact or omit to state a material fact or any fact necessary to make the statements contained therein not misleading.

5.11. Regulation U. Neither the Borrower nor any of its Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose, whether immediate, incidental or ultimate of buying or carrying margin stock (as defined in Regulation U), and after applying the proceeds of each Advance, margin stock (as defined in Regulation U) constitutes less than 25% of the value of those assets of the Borrower and its Subsidiaries which are subject to any limitation on sale, pledge, or any other restriction hereunder.

5.12. Material Agreements. Neither the Borrower nor any Subsidiary is a party to any agreement or instrument or subject to any charter or other corporate restriction which could reasonably be expected to have a Material Adverse Effect as described in clauses (ii) and/or (iii) of the definition thereof. Neither the Borrower nor any Subsidiary is in default in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in (i) any agreement or instrument to which it is a party, which default could reasonably be expected to have a Material Adverse Effect or
(ii) any agreement or instrument evidencing or governing Indebtedness, which default could be reasonably expected to have a Material Adverse Effect.

5.13. Compliance With Laws. Except for the Disclosed Matters, the Borrower and its Subsidiaries have complied with all applicable statutes, rules, regulations, orders and restrictions of any domestic or foreign government or any instrumentality or agency thereof having jurisdiction over the conduct of their respective businesses or the ownership of their respective Property which non-compliance therewith could reasonably be expected to result in a Material Adverse Effect.

5.14. Ownership of Properties. On the date of this Agreement, the Borrower and its Subsidiaries have good title (except for minor defects in title that do not interfere with their ability to conduct their business as currently conducted or to utilize such properties for the intended purposes), free of all Liens other than those permitted by Section 6.13, to all of the assets material to the Borrower's business reflected in the Borrower's most recent consolidated financial statements provided to the Agent, as owned by the Borrower and its Subsidiaries.

5.15. Plan Assets; Prohibited Transactions. The Borrower is not an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. ss. 2510.3-101 of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code), and assuming the accuracy of the representations and warranties made in Section 9.12 and in any assignment made pursuant to Section 12.3.3, neither the execution of this Agreement nor the making of Loans hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code.

5.16. Environmental Matters. In the ordinary course of its business, the officers of the Borrower consider the effect of Environmental Laws on the business of the Borrower and its Subsidiaries, in the course of which they identify and evaluate potential risks and liabilities accruing to the Borrower due to Environmental Laws. On the basis of this consideration, the Borrower has concluded that, other than the Disclosed Matters, Environmental Laws cannot reasonably be expected to have a Material Adverse Effect. Except for the Disclosed Matters, and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, neither the Borrower nor any Subsidiary has received any notice to the effect that its operations are not in material compliance with any of the requirements of applicable Environmental Laws or are the subject of any federal or state investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment.

5.17. Investment Company Act. Neither the Borrower nor any Subsidiary is an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

5.18. Public Utility Holding Company Act; Securities and Exchange Commission Authorization. The Borrower is a "holding company" as such term is defined in the Public Utility Holding Company Act of 1935, as amended (together with all rules, regulations and orders promulgated or otherwise issued in connection therewith, the "1935 Act"). The Securities and Exchange Commission, in accordance with the 1935 Act, has issued an order authorizing (a) the incurrence by the Borrower of short-term Indebtedness in an aggregate principal amount not to exceed at any time $1,500,000,000 and (b) the issuance and sale by the Borrower of capital stock, preferred stock, certain other specified securities and long-term Indebtedness in an aggregate principal amount not to exceed at any time $2,500,000,000, subject to, among other things, the condition that all such Indebtedness be issued on or before June 30, 2007 and, in the case of short-term Indebtedness, mature not later than 364 days thereafter. An additional authorization from the Securities and Exchange Commission will be necessary in order for the Borrower, after June 30, 2007, to obtain any Advances under this Agreement (assuming the Facility Termination Date has not already occurred prior to such date) or to incur or issue Indebtedness, including, without limitation, Loans extended under this Agreement.

5.19. Insurance. The Borrower maintains, and has caused each Subsidiary to maintain, with financially sound and reputable insurance companies insurance on all their Property in such amounts, subject to such deductibles and self-insurance retentions and covering such properties and risks as is consistent with sound business practice.

5.20. No Default or Unmatured Default. No Default or Unmatured Default has occurred and is continuing.

ARTICLE VI

COVENANTS

During the term of this Agreement, unless the Required Lenders shall otherwise consent in writing:

6.1. Financial Reporting. The Borrower will maintain, for itself and each Subsidiary, a system of accounting established and administered in accordance with generally accepted accounting principles, and furnish to the Agent, and the Agent shall promptly deliver to each of the Lenders (it being agreed that the obligation of the Borrower to furnish the financial statements referred to in paragraphs 6.1.1 and 6.1.2 below may be satisfied by the delivery of annual and quarterly reports from Borrower to the Securities and Exchange Commission on Forms 10-K and 10-Q containing such statements):

6.1.1 Within 65 days after the close of each fiscal year, Borrower's audited financial statements prepared in accordance with Agreement Accounting Principles on a consolidated basis for itself and its Subsidiaries, including balance sheets as of the end of such period, statements of income and statements of cash flows, accompanied by (a) an audit report, unqualified as to scope, of a nationally recognized firm of independent public accountants; (b) any management letter prepared by said accountants, and (c) a certificate of said accountants that, in the course of their examination necessary for their certification of the foregoing, they have obtained no knowledge of any Default, or if, in the opinion of such accountants, any Default shall exist, stating the nature and status thereof.

6.1.2 Within 45 days after the close of the first three quarterly periods of each of its fiscal years, for itself and its Subsidiaries, Borrower's consolidated unaudited balance sheets as at the close of each such period and consolidated statements of income and a statement of cash flows for the period from the beginning of such fiscal year to the end of such quarter, all certified as to fairness of presentation, compliance with Agreement Accounting Principles and consistency by its chief financial officer, controller or treasurer.

6.1.3 Together with the financial statements required under Sections 6.1.1 and 6.1.2, a compliance certificate in substantially the form of Exhibit B signed by its chief financial officer, controller or treasurer showing the calculations necessary to determine compliance with this Agreement and stating that no Default or Unmatured Default exists, or if any Default or Unmatured Default exists, stating the nature and status thereof.

6.1.4 As soon as possible and in any event within 10 days after the Borrower knows that any ERISA Event has occurred that, alone or together with any other ERISA Events that have occurred, could reasonably be expected to result in liability of the Borrower, its Subsidiaries or any Commonly Controlled Entity in an aggregate amount exceeding $25,000,000, a statement, signed by the chief financial officer, controller or treasurer of the Borrower, describing said ERISA Event and the action which the Borrower proposes to take with respect thereto.

6.1.5 As soon as possible and in any event within 10 days after receipt by the Borrower, a copy of (a) any notice or claim to the effect that the Borrower or any of its Subsidiaries is or may be liable to any Person as a result of the release by the Borrower, any of its Subsidiaries, or any other Person of any toxic or hazardous waste or substance into the environment, and (b) any notice alleging any violation of any federal, state or local environmental, health or safety law or regulation by the Borrower or any of its Subsidiaries, which, in either case, could reasonably be expected to have a Material Adverse Effect.

6.1.6 Promptly upon becoming aware thereof, notice of any upgrading or downgrading of the rating of the Borrower's commercial paper, the Borrower's senior unsecured debt or the First Mortgage Bonds by Moody's or S&P.

6.1.7 Such other information (including non-financial information) as the Agent or any Lender may from time to time reasonably request.

6.2. Use of Proceeds and Letters of Credit. The Borrower will, and will cause each Subsidiary to, use the proceeds of the Advances to repay any and all amounts outstanding under the Existing Credit Agreements and for general corporate purposes, including without limitation, for working capital, commercial paper liquidity support with respect to commercial paper issued by the Borrower or its Subsidiaries, to fund loans under and pursuant to the Money Pool Agreements, and to pay fees and expenses incurred in connection with this Agreement. The Borrower shall use the proceeds of Advances in compliance with all applicable legal and regulatory requirements and any such use shall not result in a violation of any such requirements, including, without limitation, Regulation U and Regulation X, the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and the regulations promulgated thereunder. The Borrower shall use the Letters of Credit for general corporate purposes.

6.3. Notice of Default. Within five (5) Business Days after an Authorized Officer becomes aware thereof, the Borrower will, and will cause each Subsidiary to, give notice in writing to the Lenders of the occurrence of any Default or Unmatured Default and, unless otherwise reported to the Securities and Exchange Commission in the Borrower's filings under the Securities Exchange Act of 1934, of any other development, financial or otherwise, which could reasonably be expected to have a Material Adverse Effect.

6.4. Conduct of Business. The Borrower will, and will cause each Subsidiary to, carry on and conduct its business in substantially the same manner and in substantially the same fields of enterprise as it is presently conducted or in a manner or fields of enterprise reasonably related

thereto and do all things necessary to remain duly incorporated or organized, validly existing and (to the extent such concept applies to such entity) in good standing as a domestic corporation, partnership or limited liability company in its jurisdiction of incorporation or organization, as the case may be, and maintain all requisite authority to conduct its business in each jurisdiction in which its business is conducted. Notwithstanding the foregoing, the Borrower is not prohibited from the dissolution of any Inactive Subsidiary or from the sale of any Subsidiary or assets pursuant to governmental or regulatory order or pursuant to Section 6.11.

6.5. Taxes. The Borrower will, and will cause each Subsidiary to, timely file complete and correct United States federal and applicable foreign, state and local tax returns required by law and pay when due all taxes, assessments and governmental charges and levies upon it or its income, profits or Property, except those which are being contested in good faith by appropriate proceedings and with respect to which adequate reserves have been set aside in accordance with Agreement Accounting Principles.

6.6. Insurance. The Borrower will, and will cause each Subsidiary to, maintain with financially sound and reputable insurance companies insurance on all their Property in such amounts, subject to such deductibles and self-insurance retentions, and covering such risks as is consistent with sound business practice, and the Borrower will furnish to any Lender upon request full information as to the insurance carried.

6.7. Compliance with Laws; Securities and Exchange Commission Authorization. (a) The Borrower will, and will cause each Subsidiary to, comply with all laws, rules, regulations, orders, writs, judgments, injunctions, decrees or awards to which it may be subject including, without limitation, all Environmental Laws, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

(b) From time to time prior to the expiration of the approval of the Securities and Exchange Commission described in Section 5.18 with respect to the Borrower's Indebtedness, so long as this Agreement remains in effect or the Obligations incurred by the Borrower under or in connection herewith remain outstanding, the Borrower will obtain an extension of such approval and the Borrower shall provide a notice to the Agent of the receipt of such extension, which notice shall include the expiration date of the most recent approval and the total amount of Indebtedness of the Borrower authorized therein. The Borrower further agrees not to request any Advance or permit any Loan to remain outstanding hereunder in violation of the above mentioned Securities and Exchange Commission approval or any conditions thereof, as in effect from time to time.

6.8. Maintenance of Properties. Subject to Section 6.11, the Borrower will, and will cause each Subsidiary to, do all things necessary to maintain, preserve, protect and keep its Property used in the operation of its business in good repair, working order and condition (ordinary wear and tear excepted), and make all necessary and proper repairs, renewals and replacements so that its business carried on in connection therewith may be properly conducted at all times.

6.9. Inspection; Keeping of Books and Records. The Borrower will, and will cause each Subsidiary to, permit the Agent and the Lenders, by their respective representatives and

agents, to inspect any of the Property, books and financial records of the Borrower and each Subsidiary, to examine and make copies of the books of accounts and other financial records of the Borrower and each Subsidiary, and to discuss the affairs, finances and accounts of the Borrower and each Subsidiary with, and to be advised as to the same by, their respective officers at such reasonable times and intervals as the Agent or any Lender may designate. The Borrower shall keep and maintain, and cause each of its Subsidiaries to keep and maintain, in all material respects, proper books of record and account in which entries in conformity with Agreement Accounting Principles shall be made of all dealings and transactions in relation to their respective businesses and activities. If a Default has occurred and is continuing, the Borrower, upon the Agent's request, shall turn over copies of any such records to the Agent or its representatives.

6.10. Merger. The Borrower will not, nor will it permit any Subsidiary to, merge or consolidate with or into any other Person, except (i) any Subsidiary may merge or consolidate with the Borrower if the Borrower is the corporation surviving such merger, (ii) any Subsidiary may merge or consolidate with any other Subsidiary, provided that the Borrower's aggregate direct and indirect ownership interest in the survivor thereof shall not be less than the greater of the Borrower's direct and indirect ownership interest in such Subsidiaries prior to such merger, and (iii) the Borrower or any Subsidiary may merge or consolidate with any other Person if (a) such Person was organized under the laws of the United States of America or one of its States and (b) the Borrower or such Subsidiary is the corporation surviving such merger; provided that, in each case, after giving effect thereto, no Default will be in existence.

6.11. Sale of Assets. The Borrower will not, nor will it permit any Subsidiary to, lease, sell or otherwise dispose of its Property to any other Person, except:

6.11.1 Sales of electricity, natural gas, emissions credits and other commodities in the ordinary course of business.

6.11.2 A disposition of assets by a Subsidiary to the Borrower or another Subsidiary or by the Borrower to a Subsidiary.

6.11.3 A disposition of obsolete property, property no longer used in the business of the Borrower or its Subsidiaries or other assets in the ordinary course of business of the Borrower or any Subsidiary.

6.11.4 The transfer pursuant to a requirement or law or any regulatory authority having jurisdiction, of functional and/or operational control of (but not of title to) transmission facilities of the Borrower or its Subsidiaries to an Independent System Operator, Regional Transmission Organization or to some other entity which has responsibility for operating and planning a regional transmission system.

6.11.5 Pursuant to transactions in connection with the Peno Creek Project.

6.11.6 Leases, sales or other dispositions of its Property that, together with all other Property of the Borrower and its Subsidiaries previously leased, sold or disposed of (other than dispositions otherwise permitted by this Section 6.11) since the Closing Date, do not constitute Property which represents more than thirty-five percent (35%) of the

Consolidated Tangible Assets of the Borrower as would be shown in the consolidated financial statements of the Borrower and its Subsidiaries as at the end of the fiscal year ending immediately prior to the date of such lease, sale or other disposition.

6.12. Indebtedness of Project Finance Subsidiaries, Investments in Project Finance Subsidiaries; Acquisitions. Neither the Borrower nor any Subsidiary shall be directly or indirectly, primarily or secondarily, liable for any Indebtedness or any other form of liability, whether direct, contingent or otherwise, of a Project Finance Subsidiary nor shall the Borrower or any Subsidiary provide any guarantee of the Indebtedness, liabilities or other obligations of a Project Finance Subsidiary. The Borrower will not, nor will it permit any Subsidiary to, make or suffer to exist Investments in Project Finance Subsidiaries in excess of $100,000,000 in the aggregate at any time. The Borrower will not, nor will it permit any Subsidiary to, consummate any Acquisition other than an Acquisition (a) which is consummated on a non-hostile basis approved by a majority of the board of directors or other governing body of the Person being acquired; and (b) which involves the purchase of a business line similar, related, complementary or incidental to that of the Borrower and its Subsidiaries as of the Closing Date unless the purchase price therefor is less than or equal to (i) $10,000,000 with respect thereto or (ii) $50,000,000 when taken together with all other Acquisitions consummated during the term of this Agreement which do not otherwise satisfy the conditions described above in this clause (b), and, as of the date of such Acquisition and after giving effect thereto, no Default or Unmatured Default shall exist.

6.13. Liens. The Borrower will not, nor will it permit any Subsidiary (other than a Project Finance Subsidiary) to, create, incur, or suffer to exist any Lien in, of or on the Property of the Borrower or any of its Subsidiaries, except:

6.13.1 Liens, if any, securing (a) the Loans and other Obligations hereunder and (b) the "Loans" and other "Obligations" under (and as defined in) the Three-Year Credit Agreement.

6.13.2 Liens for taxes, assessments or governmental charges or levies on its Property if the same shall not at the time be delinquent or thereafter can be paid without penalty, or are being contested in good faith and by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books.

6.13.3 Liens imposed by law, such as landlords', wage earners', carriers', warehousemen's and mechanics' liens and other similar liens arising in the ordinary course of business which secure payment of obligations not more than 60 days past due or which are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with Agreement Accounting Principles shall have been set aside on its books.

6.13.4 Liens arising out of pledges or deposits under worker's compensation laws, unemployment insurance, old age pensions, or other social security or retirement benefits, or similar legislation.

6.13.5 Liens existing on the date hereof and described in Schedule 2.

6.13.6 Deposits securing liability to insurance carriers under insurance or self-insurance arrangements.

6.13.7 Deposits or accounts to secure the performance of bids, trade contracts or obligations (other than for borrowed money), vendor and service provider arrangements, leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business.

6.13.8 Easements, reservations, rights-of-way, restrictions, survey exceptions and other similar encumbrances as to real property of the Borrower and its Subsidiaries which customarily exist on properties of corporations engaged in similar activities and similarly situated and which do not materially interfere with the conduct of the business of the Borrower or such Subsidiary conducted at the property subject thereto.

6.13.9 Liens arising out of judgments or awards not exceeding $50,000,000 in the aggregate with respect to which appeals are being diligently pursued, and, pending the determination of such appeals, such judgments or awards having been effectively stayed.

6.13.10 Liens created pursuant to the Existing Indentures securing the First Mortgage Bonds; provided that the Liens of such Existing Indentures shall extend only to the property of Union Electric and CIPS (including, to the extent applicable, after acquired property) that is or would be covered by the Liens of the Existing Indentures as in effect on the date hereof covered by such Liens.

6.13.11 Liens incurred in connection with the Peno Creek Project.

6.13.12 Liens existing on any capital assets of any Subsidiary of the Borrower at the time such Subsidiary becomes a Subsidiary and not created in contemplation of such event.

6.13.13 Liens on any capital assets securing Indebtedness incurred or assumed for the purpose of financing or refinancing all or any part of the cost of acquiring or constructing such asset; provided that such Lien attaches to such asset concurrently with or within eighteen (18) months after the acquisition or completion or construction thereof.

6.13.14 Liens existing on any capital assets of any Subsidiary of the Borrower at the time such Subsidiary is merged or consolidated with or into the Borrower or any Subsidiary and not created in contemplation of such event.

6.13.15 Liens existing on any assets prior to the acquisition thereof by the Borrower or any Subsidiary and not created in contemplation thereof; provided that such Liens do not encumber any other property or assets.

6.13.16 Liens (a) on the capital stock of CILCO and on the assets of CILCO and any other Subsidiary of CILCORP existing on the date hereof and/or (b) created pursuant

to the Existing CILCO Indenture securing First Mortgage Bonds; provided that the Liens of such Existing CILCO Indenture shall extend only to the property (including, to the extent applicable, after acquired property) that is covered by the Liens of the Existing CILCO Indenture as in effect on the date hereof.

6.13.17 Undetermined Liens and charges incidental to construction.

6.13.18 Liens on Property or assets of a Subsidiary in favor of the Borrower or a Subsidiary that is directly or indirectly wholly owned by the Borrower.

6.13.19 Subject and pursuant to the IP Acquisition, Liens (a) on the assets of IP and any subsidiary of IP existing as of the IP Acquisition and/or (b) created pursuant to the Existing IP Indenture securing First Mortgage Bonds; provided that the Liens of such Existing IP Indenture shall extend only to the property (including, to the extent applicable, after acquired property) that is covered by the Liens of the Existing IP Indenture as in effect on the date of the IP Acquisition.

6.13.20 Liens arising out of the refinancing, extension, renewal or refunding of any Indebtedness secured by any Lien permitted by any of Section 6.13.10 through 6.13.19; provided that (a) such Indebtedness is not secured by any additional assets, and (b) the amount of such Indebtedness secured by any such Lien is not increased.

6.13.21 From and after the IP Acquisition, any Liens existing on any assets of IP or any of its subsidiaries or related trusts related to the Illinois Power Special Purpose Trust Transitional Funding Trust Notes, Series 1998-1.

6.14. Affiliates. The Borrower will not, and will not permit any Subsidiary to, enter into any transaction (including, without limitation, the purchase or sale of any Property or service) with, or make any payment or transfer to, any Affiliate (other than the Borrower and its Subsidiaries) except in the ordinary course of business and pursuant to the reasonable requirements of the Borrower's or such Subsidiary's business and, except to the extent that the terms and consideration of any such transaction are mandated, limited or otherwise subject to conditions imposed by any regulatory or government body, upon fair and reasonable terms no less favorable to the Borrower or such Subsidiary than the Borrower or such Subsidiary would obtain in a comparable arm's-length transaction.

6.15. Financial Contracts. The Borrower will not, nor will it permit any Subsidiary, to, enter into or remain liable upon any Rate Management Transactions except for those entered into in the ordinary course of business for bona fide hedging purposes and not for speculative purposes.

6.16. Subsidiary Covenants. The Borrower will not, and will not permit any Subsidiary other than a Project Finance Subsidiary to, create or otherwise cause to become effective any consensual encumbrance or restriction of any kind on the ability of any Subsidiary other than a Project Finance Subsidiary (i) to pay dividends or make any other distribution on its common stock, (ii) to pay any Indebtedness or other obligation owed to the Borrower or any other Subsidiary, or (iii) to make loans or advances or other Investments in the Borrower or any other Subsidiary, in each case, other than (a) restrictions and conditions imposed by law or by this

Agreement or the Three-Year Credit Agreement, (b) restrictions and conditions existing on the date hereof or, to the best knowledge of the Borrower, as of and resulting from the IP Acquisition, in each case as identified on Schedule 3 (without giving effect to any amendment or modification expanding the scope of any such restriction or condition), (c) restrictions on dividends on the capital stock of Union Electric entered into in connection with future issuances of subordinated capital income securities, to the extent the same are not more restrictive than those benefiting the holders of Union Electric's existing 7.69% Subordinated Capital Income Securities, (d) restrictions and conditions in agreements or arrangements entered into by (1) Electric Energy, Inc. regarding the payment of dividends or the making of other distributions with respect to shares of its capital stock or (2) Gateway Energy WGK Project, L.L.C., in each case, without giving effect to any amendment or modification expanding the scope of any such restriction or condition, and (e) customary restrictions and conditions contained in agreements relating to the sale of a Subsidiary pending such sale, provided that such restrictions and conditions apply only to the Subsidiary that is to be sold and such sale is permitted hereunder.

6.17. Leverage Ratio. The Borrower will not permit the ratio of (i) Consolidated Indebtedness to (ii) Consolidated Total Capitalization of any of the Borrower, CIPS, Union Electric, CILCO or, from and after the date that is six (6) months after the IP Acquisition, IP to be greater than 0.60 to 1.00 at any time.

ARTICLE VII

DEFAULTS

The occurrence of any one or more of the following events shall constitute a Default:

7.1. Any representation or warranty made or deemed made by or on behalf of the Borrower or any of its Subsidiaries to the Lenders, the Issuing Banks or the Agent under or in connection with this Agreement, any Credit Extension, or any certificate or information delivered in connection with this Agreement or any other Loan Document shall be false in any material respect on the date as of which made or deemed made.

7.2. Nonpayment of (i) principal of any Loan when due, or (ii) interest upon any Loan or any Facility Fee or other Obligations under any of the Loan Documents within five (5) Business Days after such interest, fee or other Obligation becomes due.

7.3. The breach by the Borrower of any of the terms or provisions of
Section 6.2, 6.3, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16 or 6.17.

7.4. The breach by the Borrower (other than a breach which constitutes a Default under another Section of this Article VII) of any of the terms or provisions of this Agreement which is not remedied within fifteen (15) days after the earlier to occur of (i) written notice from the Agent or any Lender to the Borrower or (ii) an Authorized Officer otherwise becoming aware of any such breach.

7.5. Failure of the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) to pay when due any Material Indebtedness; or the default by the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) in the performance (beyond the

applicable grace period with respect thereto, if any) of any term, provision or condition contained in any Material Indebtedness Agreement, or any other event shall occur or condition exist (except for, from and after the date of the IP Acquisition, a "Triggering Event" under IP's 11 1/2% Mortgage Bonds due 2010 which does not also cause an event of default thereunder), the effect of which default, event or condition is to cause, or to permit the holder(s) of such Material Indebtedness or the lender(s) under any Material Indebtedness Agreement to cause, such Material Indebtedness to become due prior to its stated maturity or any commitment to lend under any Material Indebtedness Agreement to be terminated prior to its stated expiration date; or any Material Indebtedness of the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) shall be declared to be due and payable or required to be prepaid or repurchased (other than by a regularly scheduled payment) prior to the stated maturity thereof (except, from and after the date of the IP Acquisition, in the case of or related to a "Triggering Event" under IP's 11 1/2% Mortgage Bonds due 2010 which does not also cause an event of default thereunder); or the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) shall not pay, or admit in writing its inability to pay, its debts generally as they become due; provided that no Default shall occur under this Section 7.5 as a result of (i) any notice of voluntary prepayment delivered by the Borrower or any Subsidiary with respect to any Indebtedness, or (ii) any voluntary sale of assets by the Borrower or any Subsidiary permitted hereunder as a result of which any Indebtedness secured by such assets is required to be prepaid.

7.6. The Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) shall (i) have an order for relief entered with respect to it under the Federal bankruptcy laws as now or hereafter in effect, (ii) make an assignment for the benefit of creditors, (iii) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any Substantial Portion of its Property, (iv) institute any proceeding seeking an order for relief under the Federal bankruptcy laws as now or hereafter in effect or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (v) take any corporate or partnership action to authorize or effect any of the foregoing actions set forth in this Section 7.6, (vi) fail to contest in good faith any appointment or proceeding described in Section 7.7, or (vii) become unable, admit in writing its inability or fail generally to pay its debts as they become due.

7.7. Without the application, approval or consent of the Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries), a receiver, trustee, examiner, liquidator or similar official shall be appointed for the Borrower or any of its Subsidiaries or any Substantial Portion of its Property, or a proceeding described in Section 7.6(iv) shall be instituted against the Borrower or any of its Subsidiaries and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 consecutive days.

7.8. Any court, government or governmental agency shall condemn, seize or otherwise appropriate, or take custody or control of, all or any portion of the Property of the Borrower and its Subsidiaries (other than Project Finance Subsidiaries) which, when taken together with all other Property of the Borrower and its Subsidiaries so condemned, seized, appropriated, or taken

custody or control of, during the twelve-month period ending with the month in which any such action occurs, constitutes a Substantial Portion.

7.9. The Borrower or any of its Subsidiaries (other than Project Finance Subsidiaries) shall fail within 45 days to pay, bond or otherwise discharge one or more (i) judgments or orders for the payment of money in excess of $25,000,000 (or the equivalent thereof in currencies other than Dollars) in the aggregate (net of any amount covered by insurance), or (ii) nonmonetary judgments or orders which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, which judgment(s), in any such case, is/are not stayed on appeal or otherwise being appropriately contested in good faith.

7.10. An ERISA Event shall have occurred that, in the opinion of the Required Lenders, when taken together with all other ERISA Events that have occurred, could reasonably be expected to result in a Material Adverse Effect.

7.11. Nonpayment by the Borrower or any Subsidiary (other than Project Finance Subsidiary) of any Rate Management Obligation, in a notional amount of $25,000,000 or more, when due or the breach by the Borrower or any Subsidiary (other than Project Finance Subsidiary) of any term, provision or condition contained in any Rate Management Transaction or any transaction of the type described in the definition of "Rate Management Transactions," whether or not any Lender or Affiliate of a Lender is a party thereto.

7.12. Any Change in Control shall occur.

7.13. The Borrower or any of its Subsidiaries shall (i) be the subject of any proceeding or investigation pertaining to the release by the Borrower, any of its Subsidiaries or any other Person of any toxic or hazardous waste or substance into the environment, or (ii) violate any Environmental Law, which, in the case of an event described in clause (i) or clause (ii), has resulted in liability to the Borrower or any of its Subsidiaries in an amount equal to $50,000,000 or more, which liability is not paid, bonded or otherwise discharged within 45 days or which is not stayed on appeal and being appropriately contested in good faith.

7.14. Any Loan Document shall fail to remain in full force or effect or any action shall be taken to discontinue or to assert the invalidity or unenforceability of any Loan Document.

ARTICLE VIII

ACCELERATION, WAIVERS, AMENDMENTS AND REMEDIES

8.1. Acceleration. If any Default described in Section 7.6 or 7.7 occurs with respect to the Borrower, the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder shall automatically terminate and the Obligations shall immediately become due and payable without any election or action on the part of the Agent, any Issuing Bank or any Lender. If any other Default occurs, the Required Lenders (or the Agent with the consent of the Required Lenders) may terminate or suspend the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder, or declare the Obligations to be due and payable, or both, whereupon the Obligations shall become

immediately due and payable, without presentment, demand, protest or notice of any kind, all of which the Borrower hereby expressly waives.

If, after acceleration of the maturity of the Obligations or termination of the obligations of the Lenders to make Loans and of the Issuing Banks to issue Letters of Credit hereunder as a result of any Default (other than any Default as described in Section 7.6 or 7.7 with respect to the Borrower) and before any judgment or decree for the payment of the Obligations due shall have been obtained or entered, the Required Lenders (in their sole discretion) shall so direct, the Agent shall, by notice to the Borrower, rescind and annul such acceleration and/or termination.

8.2. Amendments. Subject to the provisions of this Section 8.2, the Required Lenders (or the Agent with the consent in writing of the Required Lenders) and the Borrower may enter into agreements supplemental hereto for the purpose of adding or modifying any provisions to the Loan Documents or changing in any manner the rights of the Lenders or the Borrower hereunder or thereunder or waiving any Default hereunder or thereunder; provided, however, that no such supplemental agreement shall, without the consent of all of the Lenders (or, in the case of Section 8.2.2, all affected Lenders):

8.2.1 Extend the final maturity of any Revolving Loan or LC Disbursement or postpone any payment of principal of any Revolving Loan or LC Disbursement or forgive all or any portion of the principal amount thereof, or reduce the rate or extend the time of payment of interest or fees thereon (other than a waiver of the application of the default rate of interest pursuant to Section 2.14 hereof).

8.2.2 Extend the final maturity of any Competitive Loan or postpone any regularly scheduled payment of principal of any Competitive Loan or forgive all or any portion of the principal amount thereof, or reduce the rate or extend the time of payment of interest or fees thereon (other than a waiver of the application of the default rate of interest pursuant to
Section 2.14 hereof).

8.2.3 Waive any condition set forth in Section 4.2, reduce the percentage specified in the definition of Required Lenders or any other percentage of Lenders specified to be the Pro Rata Share in this Agreement to act on specified matters or amend the definition of "Pro Rata Share".

8.2.4 Extend the Facility Termination Date, or reduce the amount or extend the payment date for, the mandatory payments required under Section 2.2, or increase the amount of the Commitment of any Lender hereunder, or permit the Borrower to assign its rights or obligations under this Agreement or change Section 2.15 or 2.8.4 in a manner that would alter the pro rata sharing of payments or reduction of commitments required thereby.

8.2.5 Amend this Section 8.2.

No amendment of any provision of this Agreement relating to the Agent, any Issuing Bank or the Swingline Lender shall be effective without the written consent of the Agent, such Issuing Bank or the Swingline Lender, as the case may be. The Agent may waive payment of the fee required under Section 12.3.3 without obtaining the consent of any other party to this Agreement.

Notwithstanding the foregoing, any provision of this Agreement may be amended by an agreement in writing entered into by the Borrower, the Required Lenders and the Agent if (i) by the terms of such agreement any remaining Commitment of each Lender not consenting to the amendment provided for therein shall terminate upon the effectiveness of such amendment and (ii) at the time such amendment becomes effective, each Lender not consenting thereto receives payment in full of the principal of and interest accrued on each Advance made by it and all other amounts owing to it or accrued for its account under this Agreement.

8.3. Preservation of Rights. No delay or omission of the Lenders, the Agent or the Issuing Banks to exercise any right under the Loan Documents shall impair such right or be construed to be a waiver of any Default or an acquiescence therein, and the making of a Credit Extension notwithstanding the existence of a Default or Unmatured Default or the inability of the Borrower to satisfy the conditions precedent to such Credit Extension shall not constitute any waiver or acquiescence. Any single or partial exercise of any such right shall not preclude other or further exercise thereof or the exercise of any other right, and no waiver, amendment or other variation of the terms, conditions or provisions of the Loan Documents whatsoever shall be valid unless in writing signed by, or by the Agent with the consent of, the requisite number of Lenders required pursuant to Section 8.2, and then only to the extent in such writing specifically set forth. All remedies contained in the Loan Documents or by law afforded shall be cumulative and all shall be available to the Agent, the Issuing Banks and the Lenders until all of the Obligations have been paid in full.

ARTICLE IX

GENERAL PROVISIONS

9.1. Survival of Representations. All representations and warranties of the Borrower contained in this Agreement shall survive the making of the Credit Extensions herein contemplated.

9.2. Governmental Regulation. Anything contained in this Agreement to the contrary notwithstanding, no Lender shall be obligated to extend credit to the Borrower in violation of any limitation or prohibition provided by any applicable statute or regulation.

9.3. Headings. Section headings in the Loan Documents are for convenience of reference only, and shall not govern the interpretation of any of the provisions of the Loan Documents.

9.4. Entire Agreement. The Loan Documents embody the entire agreement and understanding among the Borrower, the Agent and the Lenders and supersede all prior agreements and understandings among the Borrower, the Agent, the Issuing Banks and the Lenders relating to the subject matter thereof other than those contained in the fee letter described in Section 10.13 which shall survive and remain in full force and effect during the term of this Agreement.

9.5. Several Obligations; Benefits of this Agreement. The respective obligations of the Lenders and the Issuing Banks hereunder are several and not joint and no Lender or Issuing

Bank shall be the partner or agent of any other (except to the extent to which the Agent is authorized to act as such). The failure of any Lender or any Issuing Bank to perform any of its obligations hereunder shall not relieve any other Lender or any Issuing Bank from any of its obligations hereunder. This Agreement shall not be construed so as to confer any right or benefit upon any Person other than the parties to this Agreement and their respective successors and assigns, provided, however, that the parties hereto expressly agree that each Arranger shall enjoy the benefits of the provisions of Sections 9.6, 9.10 and 10.11 to the extent specifically set forth therein and shall have the right to enforce such provisions on its own behalf and in its own name to the same extent as if it were a party to this Agreement.

9.6. Expenses; Indemnification. (i) The Borrower shall reimburse the Agent and each Arranger for any reasonable costs, internal charges and out-of-pocket expenses (including reasonable attorneys' and paralegals' fees and time charges of attorneys for the Agent, which attorneys may be employees of the Agent and expenses of and fees for other advisors and professionals engaged by the Agent or such Arranger) paid or incurred by the Agent or such Arranger in connection with the investigation, preparation, negotiation, documentation, execution, delivery, syndication, distribution (including, without limitation, via the internet), review, amendment, modification and administration of the Loan Documents. The Borrower also agrees to reimburse the Agent, each Arranger, the Issuing Banks and the Lenders for any costs, internal charges and out-of-pocket expenses (including attorneys' and paralegals' fees and time charges and expenses of attorneys and paralegals for the Agent, such Arranger, the Issuing Banks and the Lenders, which attorneys and paralegals may be employees of the Agent, such Arranger, the Issuing Banks or the Lenders) paid or incurred by the Agent, such Arranger, any Issuing Bank or any Lender in connection with the collection and enforcement of the Loan Documents.

(ii) The Borrower hereby further agrees to indemnify the Agent, each Arranger, each Issuing Bank, each Lender, their respective affiliates, and each of their directors, officers and employees against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor whether or not the Agent, any Arranger, any Issuing Bank, any Lender or any affiliate is a party thereto, and all attorneys' and paralegals' fees, time charges and expenses of attorneys and paralegals of the party seeking indemnification, which attorneys and paralegals may or may not be employees of such party seeking indemnification) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any Loan hereunder except to the extent that they have resulted, as determined in a final non-appealable judgment by a court of competent jurisdiction, from the gross negligence or willful misconduct of the party seeking indemnification. The obligations of the Borrower under this Section 9.6 shall survive the termination of this Agreement.

(iii) To the extent that the Borrower fails to pay any amount required to be paid by it to the Agent, the Arrangers, any Issuing Bank or the Swingline Lender under paragraph (i) or (ii) of this Section, each Lender severally agrees to pay to the Agent, the Arrangers, such Issuing Bank or the Swingline Lender, as the case may

be, such Lender's Pro Rata Share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought) of such unpaid amount; provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent, the Arrangers or the Swingline Lender in its capacity as such.

9.7. Numbers of Documents. All statements, notices, closing documents, and requests hereunder shall be furnished to the Agent with sufficient counterparts so that the Agent may furnish one to each of the Lenders, to the extent that the Agent deems necessary.

9.8. Accounting. Except as provided to the contrary herein, all accounting terms used in the calculation of any financial covenant or test shall be interpreted and all accounting determinations hereunder in the calculation of any financial covenant or test shall be made in accordance with Agreement Accounting Principles. If any changes in generally accepted accounting principles are hereafter required or permitted and are adopted by the Borrower or any of its Subsidiaries with the agreement of its independent certified public accountants and such changes result in a change in the method of calculation of any of the financial covenants, tests, restrictions or standards herein or in the related definitions or terms used therein ("Accounting Changes"), the parties hereto agree, at the Borrower's request, to enter into negotiations, in good faith, in order to amend such provisions in a credit neutral manner so as to reflect equitably such changes with the desired result that the criteria for evaluating the Borrower's and its Subsidiaries' financial condition shall be the same after such changes as if such changes had not been made; provided, however, until such provisions are amended in a manner reasonably satisfactory to the Agent and the Required Lenders, no Accounting Change shall be given effect in such calculations. In the event such amendment is entered into, all references in this Agreement to Agreement Accounting Principles shall mean generally accepted accounting principles as of the date of such amendment. Notwithstanding the foregoing, all financial statements to be delivered by the Borrower pursuant to Section 6.1 shall be prepared in accordance with generally accepted accounting principles in effect at such time.

9.9. Severability of Provisions. Any provision in any Loan Document that is held to be inoperative, unenforceable, or invalid in any jurisdiction shall, as to that jurisdiction, be inoperative, unenforceable, or invalid without affecting the remaining provisions in that jurisdiction or the operation, enforceability, or validity of that provision in any other jurisdiction, and to this end the provisions of all Loan Documents are declared to be severable.

9.10. Nonliability. The relationship between the Borrower on the one hand and the Lenders and the Agent on the other hand shall be solely that of borrower and lender. Neither the Agent, any Arranger, any Issuing Bank nor any Lender shall have any fiduciary responsibilities to the Borrower. Neither the Agent, any Arranger, any Issuing Bank nor any Lender undertakes any responsibility to the Borrower to review or inform the Borrower of any matter in connection with any phase of the Borrower's business or operations. The Borrower agrees that neither the Agent, any Arranger, any Issuing Bank nor any Lender shall have liability to the Borrower (whether sounding in tort, contract or otherwise) for losses suffered by the Borrower in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by the Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of

competent jurisdiction that such losses resulted from the gross negligence or willful misconduct of the party from which recovery is sought. Neither the Borrower, the Agent, any Arranger, any Issuing Bank nor any Lender shall have any liability with respect to, and each of the Agent, each Arranger, each Issuing Bank, each Lender and the Borrower hereby waives, releases and agrees not to sue for, any special, indirect, consequential or punitive damages suffered by it in connection with, arising out of, or in any way related to the Loan Documents or the transactions contemplated thereby.

9.11. Confidentiality. Each Lender and each Issuing Bank agrees to hold any confidential information which it may receive from the Borrower pursuant to this Agreement in confidence, except for disclosure (i) to its Affiliates and to other Lenders or Issuing Banks and their respective Affiliates, for use solely in connection with the transactions contemplated hereby, (ii) to legal counsel, accountants, and other professional advisors to such Lender or Issuing Bank or to a Transferee, in each case which have been informed as to the confidential nature of such information, for use solely in connection with the transactions contemplated hereby, (iii) to regulatory officials having jurisdiction over it, (iv) to any Person as required by law, regulation, or legal process, (v) to any Person in connection with any legal proceeding to which such Lender or Issuing Bank is a party, (vi) to such Lender's or Issuing Bank's direct or indirect contractual counterparties in swap agreements or to legal counsel, accountants and other professional advisors to such counterparties, in each case which have been informed as to the confidential nature of such information, (vii) permitted by Section 12.4 and (viii) to rating agencies if requested or required by such agencies in connection with a rating relating to the Advances hereunder.

9.12. Lenders Not Utilizing Plan Assets. Each Lender and Designated Lender represents and warrants that none of the consideration used by such Lender or Designated Lender to make its Loans constitutes for any purpose of ERISA or Section 4975 of the Code assets of any "plan" as defined in Section 3(3) of ERISA or Section 4975 of the Code and the rights and interests of such Lender or Designated Lender in and under the Loan Documents shall not constitute such "plan assets" under ERISA.

9.13. Nonreliance. Each Lender hereby represents that it is not relying on or looking to any margin stock (as defined in Regulation U) as collateral in the extension or maintenance of the credit provided for herein.

9.14. Disclosure. The Borrower and each Lender and each Issuing Bank hereby acknowledge and agree that each Lender, each Issuing Bank and their Affiliates from time to time may hold investments in, make other loans to or have other relationships with the Borrower and its Affiliates.

9.15. USA Patriot Act. Each Lender and each Issuing Bank hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with its requirements.

ARTICLE X

THE AGENT

10.1. Appointment; Nature of Relationship. JPMCB is hereby appointed by each of the Lenders and each of the Issuing Banks as its contractual representative (herein referred to as the "Agent") hereunder and under each other Loan Document, and each of the Lenders and the each of the Issuing Banks irrevocably authorizes the Agent to act as the contractual representative of such Lender and such Issuing Bank with the rights and duties expressly set forth herein and in the other Loan Documents. The Agent agrees to act as such contractual representative upon the express conditions contained in this Article
X. Notwithstanding the use of the defined term "Agent," it is expressly understood and agreed that the Agent shall not have any fiduciary responsibilities to any Lender or any Issuing Bank by reason of this Agreement or any other Loan Document and that the Agent is merely acting as the contractual representative of the Lenders and the Issuing Banks with only those duties as are expressly set forth in this Agreement and the other Loan Documents. In its capacity as the Lenders' and the Issuing Banks' contractual representative, the Agent (i) does not hereby assume any fiduciary duties to any of the Lenders or the Issuing Banks, (ii) is a "representative" of the Lenders and the Issuing Banks within the meaning of the term "secured party" as defined in the New York Uniform Commercial Code and (iii) is acting as an independent contractor, the rights and duties of which are limited to those expressly set forth in this Agreement and the other Loan Documents. Each of the Lenders and the Issuing Banks hereby agrees to assert no claim against the Agent on any agency theory or any other theory of liability for breach of fiduciary duty, all of which claims each Lender hereby waives.

10.2. Powers. The Agent shall have and may exercise such powers under the Loan Documents as are specifically delegated to the Agent by the terms of each thereof, together with such powers as are reasonably incidental thereto. The Agent shall have no implied duties or fiduciary duties to the Lenders or the Issuing Banks, or any obligation to the Lenders or the Issuing Banks to take any action thereunder except any action specifically provided by the Loan Documents to be taken by the Agent.

10.3. General Immunity. Neither the Agent nor any of its directors, officers, agents or employees shall be liable to the Borrower, the Lenders or any Lender or any Issuing Bank for any action taken or omitted to be taken by it or them hereunder or under any other Loan Document or in connection herewith or therewith except to the extent such action or inaction is determined in a final, non-appealable judgment by a court of competent jurisdiction to have arisen from the gross negligence or willful misconduct of such Person.

10.4. No Responsibility for Loans, Recitals, etc. Neither the Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into, or verify (a) any statement, warranty or representation made in connection with any Loan Document or any borrowing hereunder; (b) the performance or observance of any of the covenants or agreements of any obligor under any Loan Document, including, without limitation, any agreement by an obligor to furnish information directly to each Lender and each Issuing Bank; (c) the satisfaction of any condition specified in Article IV, except receipt of items required to be delivered solely to the Agent; (d) the existence or possible existence of any

Default or Unmatured Default; (e) the validity, enforceability, effectiveness, sufficiency or genuineness of any Loan Document or any other instrument or writing furnished in connection therewith; (f) the value, sufficiency, creation, perfection or priority of any Lien in any collateral security; or (g) the financial condition of the Borrower or any guarantor of any of the Obligations or of any of the Borrower's or any such guarantor's respective Subsidiaries. The Agent shall have no duty to disclose to the Lenders or the Issuing Banks information that is not required to be furnished by the Borrower to the Agent at such time, but is voluntarily furnished by the Borrower to the Agent (either in its capacity as Agent or in its individual capacity).

10.5. Action on Instructions of Lenders. The Agent shall in all cases be fully protected in acting, or in refraining from acting, hereunder and under any other Loan Document in accordance with written instructions signed by the Required Lenders (or all of the Lenders in the event that and to the extent that this Agreement expressly requires such), and such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Lenders. The Lenders hereby acknowledge that the Agent shall be under no duty to take any discretionary action permitted to be taken by it pursuant to the provisions of this Agreement or any other Loan Document unless it shall be requested in writing to do so by the Required Lenders (or all of the Lenders in the event that and to the extent that this Agreement expressly requires such). The Agent shall be fully justified in failing or refusing to take any action hereunder and under any other Loan Document unless it shall first be indemnified to its satisfaction in writing by the Lenders pro rata against any and all liability, cost and expense that it may incur by reason of taking or continuing to take any such action.

10.6. Employment of Agents and Counsel. The Agent may execute any of its duties as Agent hereunder and under any other Loan Document by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders or the Issuing Banks, except as to money or securities received by it or its authorized agents, for the default or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care. The Agent shall be entitled to advice of counsel concerning the contractual arrangement between the Agent and the Lenders and the Issuing Banks and all matters pertaining to the Agent's duties hereunder and under any other Loan Document.

10.7. Reliance on Documents; Counsel. The Agent shall be entitled to rely upon any Note, notice, consent, certificate, affidavit, letter, telegram, statement, paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons, and, in respect to legal matters, upon the opinion of counsel selected by the Agent, which counsel may be employees of the Agent.

10.8. Agent's Reimbursement and Indemnification. The Lenders agree to reimburse and indemnify the Agent ratably in proportion to the their Pro Rata Shares of the Aggregate Commitment (or, if the Aggregate Commitment has been terminated, of the Aggregate Outstanding Credit Exposure) (determined as of the date of any such request by the Agent) (i) for any amounts not reimbursed by the Borrower for which the Agent is entitled to reimbursement by the Borrower under the Loan Documents, (ii) to the extent not paid by the Borrower, for any other expenses incurred by the Agent on behalf of the Lenders or the Issuing Banks, in connection with the preparation, execution, delivery, administration and enforcement of the Loan Documents (including, without limitation, for any expenses incurred by the Agent in connection

with any dispute between the Agent and any Lender or between two or more of the Lenders or Issuing Banks) and (iii) to the extent not paid by the Borrower, for any liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Agent in any way relating to or arising out of the Loan Documents or any other document delivered in connection therewith or the transactions contemplated thereby (including, without limitation, for any such amounts incurred by or asserted against the Agent in connection with any dispute between the Agent and any Lender or between two or more of the Lenders or Issuing Banks), or the enforcement of any of the terms of the Loan Documents or of any such other documents, provided that (i) no Lender shall be liable for any of the foregoing to the extent any of the foregoing is found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Agent, (ii) any indemnification required pursuant to Section 3.5(vii) shall, notwithstanding the provisions of this Section 10.8, be paid by the relevant Lender in accordance with the provisions thereof and (iii) the Agent shall reimburse the Lenders for any amounts the Lenders have paid to the extent such amounts are subsequently recovered from the Borrower. The obligations of the Lenders under this Section 10.8 shall survive payment of the Obligations, termination and expiration of the Letters of Credit and termination of this Agreement.

10.9. Notice of Default. The Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Unmatured Default hereunder unless the Agent has received written notice from a Lender or the Borrower referring to this Agreement describing such Default or Unmatured Default and stating that such notice is a "notice of default". In the event that the Agent receives such a notice, the Agent shall give prompt notice thereof to the Lenders and the Issuing Banks.

10.10. Rights as a Lender. In the event the Agent is a Lender or an Issuing Bank, the Agent shall have the same rights and powers hereunder and under any other Loan Document with respect to its Commitment and its Credit Extensions as any Lender or any Issuing Bank and may exercise the same as though it were not the Agent, and the term "Lender" or "Lenders" or "Issuing Bank" shall, at any time when the Agent is a Lender or an Issuing Bank, unless the context otherwise indicates, include the Agent in its individual capacity. The Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of trust, debt, equity or other transaction, in addition to those contemplated by this Agreement or any other Loan Document, with the Borrower or any of its Subsidiaries in which the Borrower or such Subsidiary is not restricted hereby from engaging with any other Person. The Agent, in its individual capacity, is not obligated to remain a Lender.

10.11. Independent Credit Decision. Each Lender and each Issuing Bank acknowledges that it has, independently and without reliance upon the Agent, any Arranger or any other Lender or any other Issuing Bank and based on the financial statements prepared by the Borrower and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement and the other Loan Documents. Each Lender and each Issuing Bank also acknowledges that it will, independently and without reliance upon the Agent, any Arranger or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement and the other Loan Documents.

10.12. Successor Agent. The Agent may resign at any time by giving written notice thereof to the Lenders, the Issuing Banks and the Borrower, such resignation to be effective upon the appointment of a successor Agent or, if no successor Agent has been appointed, forty-five days after the retiring Agent gives notice of its intention to resign. The Agent may be removed at any time with or without cause by written notice received by the Agent from the Required Lenders, such removal to be effective on the date specified by the Required Lenders. Upon any such resignation or removal, the Required Lenders, with the consent of the Borrower (which consent shall not be unreasonably withheld or delayed; provided that such consent shall not be required in the event and continuation of a Default), shall have the right to appoint, on behalf of the Borrower and the Lenders, a successor Agent. If no successor Agent shall have been so appointed by the Required Lenders or consented to by the Borrower within thirty days after the resigning Agent's giving notice of its intention to resign, then the resigning Agent may appoint, on behalf of the Borrower and the Lenders, a successor Agent. Notwithstanding the previous sentence, the Agent may at any time without the consent of the Borrower or any Lender or any Issuing Bank, appoint any of its Affiliates which is a commercial bank as a successor Agent hereunder. If the Agent has resigned or been removed and no successor Agent has been appointed, the Lenders may perform all the duties of the Agent hereunder and the Borrower shall make all payments in respect of the Obligations to the applicable Lender and for all other purposes shall deal directly with the Lenders. No successor Agent shall be deemed to be appointed hereunder until such successor Agent has accepted the appointment. Any such successor Agent shall be a commercial bank having capital and retained earnings of at least $100,000,000. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the resigning or removed Agent. Upon the effectiveness of the resignation or removal of the Agent, the resigning or removed Agent shall be discharged from its duties and obligations hereunder and under the Loan Documents. After the effectiveness of the resignation or removal of an Agent, the provisions of this Article X shall continue in effect for the benefit of such Agent in respect of any actions taken or omitted to be taken by it while it was acting as the Agent hereunder and under the other Loan Documents. In the event that there is a successor to the Agent by merger, or the Agent assigns its duties and obligations to an Affiliate pursuant to this Section 10.12, then the term "Prime Rate" as used in this Agreement shall mean the prime rate, base rate or other analogous rate of the new Agent.

10.13. Agent and Arranger Fees. The Borrower agrees to pay to the Agent and each Arranger, for their respective accounts, the fees agreed to by the Borrower, the Agent and the Arrangers pursuant to the letter agreements dated June 17, 2004, or as otherwise agreed from time to time.

10.14. Delegation to Affiliates. The Borrower, the Lenders and the Issuing Banks agree that the Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which performs duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Agent is entitled under Articles IX and X.

10.15. Syndication Agent and Documentation Agents. The Lender identified in this Agreement as the "Syndication Agent" and the Lenders identified in this Agreement as the

"Documentation Agents" shall have no right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, such Lenders shall not have or be deemed to have a fiduciary relationship with any other Lender. Each Lender hereby makes the same acknowledgements with respect to such Lenders as it makes with respect to the Agent in Section 10.11.

ARTICLE XI

SETOFF; RATABLE PAYMENTS

11.1. Setoff. In addition to, and without limitation of, any rights of the Lenders under applicable law, if the Borrower becomes insolvent, however evidenced, or any Default occurs, any and all deposits (including all account balances, whether provisional or final and whether or not collected or available) and any other Indebtedness at any time held or owing by any Lender (including the Swingline Lender) or any Affiliate of any Lender or any Issuing Bank to or for the credit or account of the Borrower may be offset and applied toward the payment of the Obligations owing to such Lender or such Issuing Bank, whether or not the Obligations, or any part thereof, shall then be due.

11.2. Ratable Payments. If any Lender, whether by setoff or otherwise, has payment made to it upon its Revolving Credit Exposure (other than payments received pursuant to Section 3.1, 3.2, 3.4 or 3.5) in a greater proportion than that received by any other Lender, such Lender agrees, promptly upon demand, to purchase a participation in the Aggregate Revolving Credit Exposure held by the other Lenders so that after such purchase each Lender will hold its Pro Rata Share of the Aggregate Revolving Credit Exposure. If any Lender, whether in connection with setoff or amounts which might be subject to setoff or otherwise, receives collateral or other protection for its Obligations or such amounts which may be subject to setoff, such Lender agrees, promptly upon demand, to take such action necessary such that all Lenders share in the benefits of such collateral ratably in proportion to their respective Pro Rata Shares of the Aggregate Revolving Credit Exposure. In case any such payment is disturbed by legal process, or otherwise, appropriate further adjustments shall be made.

ARTICLE XII

BENEFIT OF AGREEMENT; ASSIGNMENTS; PARTICIPATIONS

12.1. Successors and Assigns; Designated Lenders.

12.1.1 Successors and Assigns. The terms and provisions of the Loan Documents shall be binding upon and inure to the benefit of the Borrower, the Agent, the Issuing Banks and the Lenders and their respective successors and assigns permitted hereby, except that (i) the Borrower shall not have the right to assign its rights or obligations under the Loan Documents without the prior written consent of the Agent, each Lender and each Issuing Bank, (ii) any assignment by any Lender must be made in compliance with Section 12.3, and (iii) any transfer by Participants must be made in compliance with Section 12.2. Any attempted assignment or transfer by any party not made in compliance with this Section 12.1 shall be null and void, unless such attempted

assignment or transfer is treated as a participation in accordance with
Section 12.3.2. The parties to this Agreement acknowledge that clause (ii) of this Section 12.1 relates only to absolute assignments and this Section 12.1 does not prohibit assignments creating security interests, including, without limitation, (x) any pledge or assignment by any Lender of all or any portion of its rights under this Agreement and any Note to a Federal Reserve Bank, (y) in the case of a Lender which is a Fund, any pledge or assignment of all or any portion of its rights under this Agreement and any Note to its trustee in support of its obligations to its trustee or (z) any pledge or assignment by any Lender of all or any portion of its rights under this Agreement and any Note to direct or indirect contractual counterparties in swap agreements relating to the Loans; provided, however, that no such pledge or assignment creating a security interest shall release the transferor Lender from its obligations hereunder unless and until the parties thereto have complied with the provisions of Section
12.3. The Agent may treat the Person which made any Loan or which holds any Note as the owner thereof for all purposes hereof unless and until such Person complies with Section 12.3; provided, however, that the Agent may in its discretion (but shall not be required to) follow instructions from the Person which made any Loan or which holds any Note to direct payments relating to such Loan or Note to another Person. Any assignee of the rights to any Loan or any Note agrees by acceptance of such assignment to be bound by all the terms and provisions of the Loan Documents. Any request, authority or consent of any Person, who at the time of making such request or giving such authority or consent is the owner of the rights to any Loan (whether or not a Note has been issued in evidence thereof), shall be conclusive and binding on any subsequent holder or assignee of the rights to such Loan.

12.1.2 Designated Lenders.

(i) Subject to the terms and conditions set forth in this Section 12.1.2, any Lender may from time to time elect to designate an Eligible Designee to provide all or any part of the Loans to be made by such Lender pursuant to this Agreement; provided that the designation of an Eligible Designee by any Lender for purposes of this Section 12.1.2 shall be subject to the approval of the Agent (which consent shall not be unreasonably withheld or delayed). Upon the execution by the parties to each such designation of an agreement in the form of Exhibit F hereto (a "Designation Agreement") and the acceptance thereof by the Agent, the Eligible Designee shall become a Designated Lender for purposes of this Agreement. The Designating Lender shall thereafter have the right to permit the Designated Lender to provide all or a portion of the Loans to be made by the Designating Lender pursuant to the terms of this Agreement and the making of the Loans or portion thereof shall satisfy the obligations of the Designating Lender to the same extent, and as if, such Loan was made by the Designating Lender. As to any Loan made by it, each Designated Lender shall have all the rights a Lender making such Loan would have under this Agreement and otherwise; provided, (x) that all voting rights under this Agreement shall be exercised solely by the Designating Lender, (y) each Designating Lender shall remain solely responsible to the other parties hereto for its obligations under this Agreement, including the obligations of a Lender in respect of Loans made by its Designated Lender and (z) no Designated Lender shall be entitled to reimbursement under Article III hereof

for any amount which would exceed the amount that would have been payable by the Borrower to the Lender from which the Designated Lender obtained any interests hereunder. No additional Notes shall be required with respect to Loans provided by a Designated Lender; provided, however, to the extent any Designated Lender shall advance funds, the Designating Lender shall be deemed to hold the Notes in its possession as an agent for such Designated Lender to the extent of the Loan funded by such Designated Lender. Such Designating Lender shall act as administrative agent for its Designated Lender and give and receive notices and communications hereunder. Any payments for the account of any Designated Lender shall be paid to its Designating Lender as administrative agent for such Designated Lender and neither the Borrower nor the Agent shall be responsible for any Designating Lender's application of such payments. In addition, any Designated Lender may (1) with notice to, but without the consent of the Borrower or the Agent, assign all or portions of its interests in any Loans to its Designating Lender or to any financial institution consented to by the Agent providing liquidity and/or credit facilities to or for the account of such Designated Lender and (2) subject to advising any such Person that such information is to be treated as confidential in accordance with Section 9.11, disclose on a confidential basis any non-public information relating to its Loans to any rating agency, commercial paper dealer or provider of any guarantee, surety or credit or liquidity enhancement to such Designated Lender.

(ii) Each party to this Agreement hereby agrees that it shall not institute against, or join any other Person in instituting against, any Designated Lender any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding or other proceedings under any federal or state bankruptcy or similar law for one year and a day after the payment in full of all outstanding senior indebtedness of any Designated Lender; provided that the Designating Lender for each Designated Lender hereby agrees to indemnify, save and hold harmless each other party hereto for any loss, cost, damage and expense arising out of its inability to institute any such proceeding against such Designated Lender. This Section 12.1.2 shall survive the termination of this Agreement.

12.2. Participations.

12.2.1 Permitted Participants; Effect. Any Lender may at any time sell to one or more banks or other entities ("Participants") participating interests in any Outstanding Credit Exposure of such Lender, any Note held by such Lender, any Commitment of such Lender or any other interest of such Lender under the Loan Documents. In the event of any such sale by a Lender of participating interests to a Participant, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the owner of its Outstanding Credit Exposure and the holder of any Note issued to it in evidence thereof for all purposes under the Loan Documents, all amounts payable by the Borrower under this Agreement shall be determined as if such Lender had not sold such participating interests, and the Borrower and the Agent shall

continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under the Loan Documents.

12.2.2 Voting Rights. Each Lender shall retain the sole right to approve, without the consent of any Participant, any amendment, modification or waiver of any provision of the Loan Documents other than any amendment, modification or waiver with respect to any Credit Extension or Commitment in which such Participant has an interest which would require consent of all of the Lenders pursuant to the terms of Section 8.2.

12.2.3 Benefit of Certain Provisions. The Borrower agrees that each Participant shall be deemed to have the right of setoff provided in Section 11.1 in respect of its participating interest in amounts owing under the Loan Documents to the same extent as if the amount of its participating interest were owing directly to it as a Lender under the Loan Documents, provided that each Lender shall retain the right of setoff provided in Section 11.1 with respect to the amount of participating interests sold to each Participant. The Lenders agree to share with each Participant, and each Participant, by exercising the right of setoff provided in Section 11.1, agrees to share with each Lender, any amount received pursuant to the exercise of its right of setoff, such amounts to be shared in accordance with Section 11.2 as if each Participant were a Lender. The Borrower further agrees that each Participant shall be entitled to the benefits of Sections 3.1, 3.2, 3.4 and 3.5 to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.3, provided that (i) a Participant shall not be entitled to receive any greater payment under Section 3.1, 3.2 or 3.5 than the Lender who sold the participating interest to such Participant would have received had it retained such interest for its own account, unless the sale of such interest to such Participant is made with the prior written consent of the Borrower, and (ii) any Participant not incorporated under the laws of the United States of America or any State thereof agrees to comply with the provisions of Section 3.5 to the same extent as if it were a Lender.

12.3. Assignments.

12.3.1 Permitted Assignments. Any Lender may at any time assign to one or more banks or other entities ("Purchasers") all or any part of its rights and obligations under the Loan Documents. Such assignment shall be evidenced by an agreement substantially in the form of Exhibit C or in such other form as may be agreed to by the parties thereto (each such agreement, an "Assignment Agreement"). Each such assignment with respect to a Purchaser which is not a Lender or an Affiliate of a Lender or an Approved Fund shall either be in an amount equal to the entire applicable Commitment and Outstanding Credit Exposure of the assigning Lender or (unless each of the Borrower and the Agent otherwise consents) be in an aggregate amount not less than $5,000,000. The amount of the assignment shall be based on the Commitment or, if the Commitments have been terminated, the Outstanding Credit Exposure subject to the assignment, determined as of the date of such assignment or as of the "Trade Date," if the "Trade Date" is specified in the Assignment Agreement. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement, except that this sentence shall not apply to rights in respect of outstanding Competitive Loans.

12.3.2 Consents. The consent of the Borrower shall be required prior to an assignment becoming effective unless the Purchaser is a Lender, an Affiliate of a Lender or an Approved Fund, provided that the consent of the Borrower shall not be required if (i) a Default has occurred and is continuing or (ii) such assignment is in connection with the physical settlement of any Lender's obligations to direct or indirect contractual counterparties in swap agreements relating to the Loans; provided, that the assignment without the Borrower's consent pursuant to clause (ii) shall not increase the Borrower's liability under Section 3.5. The consent of the Agent, each Issuing Bank and the Swingline Lender shall be required prior to an assignment becoming effective. Any consent required under this
Section 12.3.2 shall not be unreasonably withheld or delayed.

12.3.3 Effect; Effective Date. Upon (i) delivery to the Agent of an Assignment Agreement, together with any consents required by Sections 12.3.1 and 12.3.2, and (ii) payment of a $3,500 fee to the Agent for processing such assignment (unless such fee is waived by the Agent or unless such assignment is made to such assigning Lender's Affiliate), such assignment shall become effective on the effective date specified in such assignment. The Assignment Agreement shall contain a representation and warranty by the Purchaser to the effect that none of the funds, money, assets or other consideration used to make the purchase and assumption of the Commitment and Outstanding Credit Exposure under the applicable Assignment Agreement constitutes "plan assets" as defined under ERISA and that the rights, benefits and interests of the Purchaser in and under the Loan Documents will not be "plan assets" under ERISA. On and after the effective date of such assignment, such Purchaser shall for all purposes be a Lender party to this Agreement and any other Loan Document executed by or on behalf of the Lenders and shall have all the rights, benefits and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party thereto, and the transferor Lender shall be released with respect to the Commitment and Outstanding Credit Exposure, if any, assigned to such Purchaser without any further consent or action by the Borrower, the Lenders or the Agent. In the case of an assignment covering all of the assigning Lender's rights, benefits and obligations under this Agreement, such Lender shall cease to be a Lender hereunder but shall continue to be entitled to the benefits of, and subject to, those provisions of this Agreement and the other Loan Documents which survive payment of the Obligations and termination of the Loan Documents. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.3 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.2. Upon the consummation of any assignment to a Purchaser pursuant to this Section 12.3.3, the transferor Lender, the Agent and the Borrower shall, if the transferor Lender or the Purchaser desires that its Loans be evidenced by Notes, make appropriate arrangements so that, upon cancellation and surrender to the Borrower of the Notes (if any) held by the transferor Lender, new Notes or, as appropriate, replacement Notes are issued to such transferor Lender, if applicable, and new Notes or, as appropriate, replacement Notes, are issued to such Purchaser, in each case in principal amounts reflecting their respective Commitments (or, if such Commitments have been terminated, their respective Outstanding Credit Exposure), as adjusted pursuant to such assignment.

12.3.4 Register. The Agent, acting solely for this purpose as an agent of the Borrower (and the Borrower hereby designates the Agent to act in such capacity), shall maintain at one of its offices in New York, New York a copy of each Assignment and Assumption delivered to it and a register (the "Register") for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of and interest on the Loans owing to, each Lender pursuant to the terms hereof from time to time and whether such Lender is an original Lender or assignee of another Lender pursuant to an assignment under this Section 13.3. The entries in the Register shall be conclusive, absent manifest error and the Borrower, the Agent and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

12.4. Dissemination of Information. The Borrower authorizes each Lender to disclose to any Participant or Purchaser or any other Person acquiring an interest in the Loan Documents by operation of law (each a "Transferee") and any prospective Transferee any and all information in such Lender's possession concerning the creditworthiness of the Borrower and its Subsidiaries; provided that each Transferee and prospective Transferee agrees to be bound by Section 9.11 of this Agreement.

12.5. Tax Certifications. If any interest in any Loan Document is transferred to any Transferee which is not incorporated under the laws of the United States or any State thereof, the transferor Lender shall cause such Transferee, concurrently with the effectiveness of such transfer, to comply with the provisions of Section 3.5(iv).

ARTICLE XIII

NOTICES

13.1. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone (and subject to paragraph (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy, as follows:

(i) if to the Borrower, to it at Ameren Corporation, 1901 Chouteau Avenue, St. Louis, MO 63103, Attention of Jerre E. Birdsong, Vice President and Treasurer (Telecopy No. (314) 554-3066);

(ii) if to the Agent, to JPMorgan Chase Bank, Loan and Agency Services Group, 1111 Fannin, 10th Floor, Houston, TX 77002, Attention: Sylvia Gutierrez (Telecopy No. (713) 427-6307), with a copy to JPMorgan Chase Bank, 270 Park Avenue, New York, NY 10017, Attention of Michael J.

DeForge (Telecopy No. (212) 270-3098);

(iii) if to any other Lender or Issuing Bank, to it at its address (or telecopy number) set forth in its Administrative Questionnaire.

(b) Notices and other communications to the Lenders and the Issuing Banks hereunder may be delivered or furnished by electronic communications pursuant to procedures approved by the Agent; provided that the foregoing shall not apply to notices pursuant to Article II unless otherwise agreed by the Agent and the applicable Lender. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

(c) Any party hereto may change its address or telecopy number for notices and other communications hereunder by notice to the other parties hereto. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be deemed to have been given on the date of receipt.

13.2. Change of Address. The Borrower, the Agent, any Issuing Bank and any Lender may each change the address for service of notice upon it by a notice in writing to the other parties hereto.

ARTICLE XIV

COUNTERPARTS

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart. This Agreement shall be effective when it has been executed by the Borrower, the Agent, the Issuing Banks and the Lenders and each party has notified the Agent by facsimile transmission or telephone that it has taken such action.

ARTICLE XV

CHOICE OF LAW; CONSENT TO JURISDICTION; WAIVER OF JURY TRIAL

15.1 CHOICE OF LAW. THE LOAN DOCUMENTS (OTHER THAN THOSE CONTAINING A CONTRARY EXPRESS CHOICE OF LAW PROVISION) SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF NEW YORK, NEW YORK.

15.2 CONSENT TO JURISDICTION. THE BORROWER HEREBY IRREVOCABLY SUBMITS TO THE NON-EXCLUSIVE JURISDICTION OF ANY UNITED STATES FEDERAL OR NEW YORK STATE COURT SITTING IN NEW YORK, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENTS AND THE BORROWER HEREBY IRREVOCABLY AGREES THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN ANY SUCH COURT AND IRREVOCABLY WAIVES ANY OBJECTION IT MAY NOW OR HEREAFTER HAVE AS TO THE VENUE OF ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN SUCH A

COURT OR THAT SUCH COURT IS AN INCONVENIENT FORUM. NOTHING HEREIN SHALL LIMIT THE RIGHT OF THE AGENT OR ANY LENDER TO BRING PROCEEDINGS AGAINST THE BORROWER IN THE COURTS OF ANY OTHER JURISDICTION. ANY JUDICIAL PROCEEDING BY THE BORROWER AGAINST THE AGENT OR ANY LENDER OR ANY AFFILIATE OF THE AGENT OR ANY LENDER INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT SHALL BE BROUGHT ONLY IN A COURT IN NEW YORK, NEW YORK.

15.3 WAIVER OF JURY TRIAL. THE BORROWER, THE AGENT, EACH ISSUING BANK AND EACH LENDER HEREBY WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING, DIRECTLY OR INDIRECTLY, ANY MATTER (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) IN ANY WAY ARISING OUT OF, RELATED TO, OR CONNECTED WITH ANY LOAN DOCUMENT OR THE RELATIONSHIP ESTABLISHED THEREUNDER.

ARTICLE XVI

TERMINATION OF EXISTING CREDIT AGREEMENTS; WAIVER OF CERTAIN PROVISIONS UNDER THE EXISTING CREDIT AGREEMENTS

The Borrower, the Lenders, Bank One, N.A., as administrative agent under the Existing Three-Year Credit Agreement, and the Agent agree that upon (i) the execution and delivery of this Agreement and the Three-Year Credit Agreement by each of the parties hereto and (ii) satisfaction (or waiver by the Agent and the Lenders) of the conditions precedent set forth in Section 4.1, the "Commitments" under and as defined in each of the Existing Credit Agreements shall be reduced to zero and terminated permanently as of the Closing Date. All facility fees and related fees payable pursuant to the Existing Credit Agreements shall be due and payable on the effective date of the termination of each such agreement, which date shall be the Closing Date, and the Existing Credit Agreements shall terminate as of the Closing Date (except for those provisions that survive the termination thereof). As of the Closing Date, the Agent and each of the Lenders hereunder party to the Existing Credit Agreements, upon the satisfaction of the conditions precedent set forth in Section 4.1, hereby waive the Borrower's compliance with any notice requirements set forth in each of the Existing Credit Agreements with respect to (a) the prepayment of all of the "Obligations" outstanding under (and as defined in) each of the Existing Credit Agreements and
(b) the termination of the "Commitments" under (and as defined in) each of the Existing Credit Agreements.

[Signature Pages Follow]

IN WITNESS WHEREOF, the Borrower, the Lenders and the Agent have executed this Agreement as of the date first above written.

AMEREN CORPORATION,

by

/s/ Warner L. Baxter

Name: Warner L. Baxter
Title: Executive Vice President
and Chief Financial Officer

JPMORGAN CHASE BANK, as Agent, as a Lender and as an Issuing Bank,

by

/s/ Michael J. DeForge

Name: Michael J. DeForge
Title: Vice President

BARCLAYS BANK PLC, as Syndication Agent and as a Lender,

by

/s/ Sydney G. Dennis

Name: Sydney G. Dennis
Title: Director

BANK OF AMERICA, N.A.,

by

/s/ Michelle A. Schoenfeld

Name: Michelle A. Schoenfeld
Title: Principal

SIGNATURE PAGE TO
AMEREN CORPORATION FIVE-YEAR REVOLVING CREDIT AGREEMENT

BNP PARIBAS,

by

/s/ Timothy F. Vincent

Name: Timothy F. Vincent
Title: Director

by

/s/ Andrew S. Platt

Name: Andrew S. Platt
Title: Director

CITIBANK, N.A.,

by

/s/ Dhaya Ranganathan

Name: Dhaya Ranganathan
Title: Director

COMMERCE BANK NATIONAL ASSOCIATION,

by

/s/ Mary Ann Lemonds

Name: Mary Ann Lemonds
Title: Vice President

FIFTH THIRD BANK (SOUTHERN INDIANA),

by

/s/ Robert M. Sander

Name: Robert M. Sander
Title: Vice President

FIRST BANK,

by

/s/ Keith M. Schmelder

Name: Keith M. Schmelder
Title: Senior Vice President

MELLON BANK, N.A.,

by

/s/ Roger E. Howard

Name: Roger E. Howard
Title: Vice President

NATIONAL CITY BANK OF THE MIDWEST,

by

/s/ Richard M. Sems

Name: Richard M. Sems
Title: Senior Vice President

THE BANK OF NEW YORK,

by

/s/ Nathan S. Howard

Name: Nathan S. Howard
Title: Vice President

THE BANK OF TOKYO-MITSUBISHI, LTD., CHICAGO BRANCH,

by

/s/ Shinichiro Munechika

Name: Shinichiro Munechika
Title: Deputy General Manager

THE NORTHERN TRUST COMPANY,

by

/s/ Kathleen D. Schurr

Name: Kathleen D. Schurr
Title: Vice President

SIGNATURE PAGE TO
AMEREN CORPORATION FIVE-YEAR REVOLVING CREDIT AGREEMENT

U.S. BANK NATIONAL ASSOCIATION,

by

/s/ John Holland

Name: John Holland
Title: Sr. Vice President

UMB BANK, NATIONAL ASSOCIATION,

by

/s/ Cecil G. Wood

Name: Cecil G. Wood
Title: Sr. Vice President

WACHOVIA BANK, N.A.,

by

/s/ Yann Pirio

Name: Yann Pirio
Title: Vice President

WILLIAM STREET COMMITMENT CORP,

by

/s/ Jennifer M. Hill

Name: Jennifer M. Hill
Title: Chief Financial Officer

SIGNATURE PAGE TO
AMEREN CORPORATION FIVE-YEAR REVOLVING CREDIT AGREEMENT

Exhibit 10.3

July 12, 2004

David A. Whiteley
Senior Vice President
AmerenCILCO
1901 Chouteau Avenue
St. Louis, MO 63103

Re: Extension of AmerenCILCO-AERG Power Supply Agreement

[GRAPHIC OMITTED]

Dear Mr. Whiteley:

This will confirm that AmerenCILCO and AERG have agreed to extend the term of their Power Supply Agreement (PSA) through December 31, 2006.

We take this action pursuant to Section 2.2 of the PSA which allows for it to be extended beyond the Initial Term (December 31, 2004) by the mutual written agreement of the parties. As a result, the PSA shall be extended beyond the Initial Term through December 31, 2006.

Our signatures below confirm our agreement.

Yours very truly,

/s/ Thomas R. Voss
Thomas R. Voss
President
AmerenEnergy Resources Generating Company

Agreed:

/s/ David A. Whiteley

David A. Whiteley
Senior Vice President
AmerenCILCO

Exhibit 14.1

AMEREN CORPORATION

CODE OF ETHICS FOR PRINCIPAL EXECUTIVE AND SENIOR FINANCIAL OFFICERS

Ameren Corporation (the "Company") seeks to promote ethical conduct in its financial management and reporting. As a public company, it is essential that the Company's filings with the Securities and Exchange Commission are accurate, complete and understandable. Senior financial officers hold an important and elevated role in this process. This Code applies to (i) the Principal Executive Officer, the President, the Chief Financial Officer, the Principal Financial Officer, the Controller, the Principal Accounting Officer and the Treasurer of the Company, (ii) officers holding substantially equivalent positions at any of the Company's subsidiaries which are registered companies pursuant to the Securities Exchange Act of 1934 and (iii) any other persons that may be designated by the Nominating & Corporate Governance Committee of the Board of Directors (each, a "Senior Officer").

Each Senior Officer shall:

1. Act with honesty and integrity, avoiding actual or apparent conflicts of interest in personal and professional relationships.

2. Provide the Board of Directors with information that is accurate, complete, objective, relevant, timely and understandable.

3. Comply with laws, rules and regulations of federal, state and local governments and regulatory agencies.

4. Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing his or her independent judgment to be subordinated.

5. Respect the confidentiality of information acquired in the course of his or her work at the Company except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of his or her work will not be used for personal advantage.

6. Share knowledge and maintain skills important and relevant to the Company's needs.

7. Proactively promote ethical behavior within the Company.

8. Promote responsible use of and control over all Company assets and resources.

9. Disclose information required to be included in periodic reports filed with the Securities and Exchange Commission or required to be provided to any other governmental entity fully and fairly and in an understandable manner.

10. Comply with the Company's Corporate Compliance Policy.

11. Promptly report any possible violation of this Code of Ethics to the Company's Senior Vice President Governmental/Regulatory Policy, General Counsel and Secretary and a member of the Nominating & Corporate Governance Committee.

This Code of Ethics does not summarize the laws, rules and regulations applicable to the Senior Officers. Please consult the Company's Corporate Compliance Guidebook which the Company has prepared on specific laws, rules and regulations.

Violations of this Code of Ethics may subject a Senior Officer to disciplinary action, ranging from a reprimand to dismissal and possible criminal prosecution.

Each Senior Officer shall certify each year that such Officer has not violated this Code and is not aware of any violations of the Code that have not been reported to the Nominating & Corporate Governance Committee.

This Code may be amended, modified or waived by the Board of Directors and waivers may also be granted by the Nominating & Corporate Governance Committee, subject to the disclosure and other provisions of the Securities Exchange Act of 1934, and the rules thereunder and the applicable rules of the New York Stock Exchange.

Dated: June 11, 2004

Exhibit 31.1

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER OF AMEREN CORPORATION
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Gary L. Rainwater, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Ameren Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Gary L. Rainwater

Gary L. Rainwater
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL FINANCIAL OFFICER OF AMEREN CORPORATION
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Warner L. Baxter, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Ameren Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.3

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER OF UNION ELECTRIC COMPANY
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Gary L. Rainwater, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Union Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Gary L. Rainwater
--
Gary L. Rainwater
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.4

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL FINANCIAL OFFICER OF UNION ELECTRIC COMPANY
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Warner L. Baxter, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Union Electric Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.5

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER OF
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Gary L. Rainwater, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Central Illinois Public Service Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Gary L. Rainwater
--
Gary L. Rainwater
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.6

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL FINANCIAL OFFICER OF
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Warner L. Baxter, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Central Illinois Public Service Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.7

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER OF
AMEREN ENERGY GENERATING COMPANY
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Thomas R. Voss, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Ameren Energy Generating Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Thomas R. Voss

Thomas R. Voss
President
(Principal Executive Officer)

Exhibit 31.8

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL FINANCIAL OFFICER OF
AMEREN ENERGY GENERATING COMPANY
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Warner L. Baxter, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Ameren Energy Generating Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.9

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER OF CILCORP INC.
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Gary L. Rainwater, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of CILCORP Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Gary L. Rainwater

Gary L. Rainwater
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.10

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL FINANCIAL OFFICER OF CILCORP INC.
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Warner L. Baxter, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of CILCORP Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 31.11

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL EXECUTIVE OFFICER OF
CENTRAL ILLINOIS LIGHT COMPANY
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Gary L. Rainwater, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Central Illinois Light Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Gary L. Rainwater
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Gary L. Rainwater
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.12

RULE 13a-14(a)/15d-14(a) CERTIFICATION
OF PRINCIPAL FINANCIAL OFFICER OF
CENTRAL ILLINOIS LIGHT COMPANY
(required by Section 302 of the Sarbanes-Oxley Act of 2002)

I, Warner L. Baxter, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended June 30, 2004 of Central Illinois Light Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

SECTION 1350 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
OF AMEREN CORPORATION

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Ameren Corporation (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Gary L. Rainwater, chief executive officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Gary L. Rainwater

Gary L. Rainwater
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

SECTION 1350 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER OF
AMEREN CORPORATION

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Ameren Corporation (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Warner L. Baxter, chief financial officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.3

SECTION 1350 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER OF
UNION ELECTRIC COMPANY

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Union Electric Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Gary L. Rainwater, chief executive officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Gary L. Rainwater

Gary L. Rainwater
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.4

SECTION 1350 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER OF
UNION ELECTRIC COMPANY

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Union Electric Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Warner L. Baxter, chief financial officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.5

SECTION 1350 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER OF
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Central Illinois Public Service Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Gary L. Rainwater, chief executive officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Gary L. Rainwater
--
Gary L. Rainwater
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.6

SECTION 1350 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER OF
CENTRAL ILLINOIS PUBLIC SERVICE COMPANY

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Central Illinois Public Service Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Warner L. Baxter, chief financial officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.7

SECTION 1350 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER OF
AMEREN ENERGY GENERATING COMPANY

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Ameren Energy Generating Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Thomas R. Voss, chief executive officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Thomas R. Voss

Thomas R. Voss
President
(Principal Executive Officer)

Exhibit 32.8

SECTION 1350 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER OF
AMEREN ENERGY GENERATING COMPANY

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Ameren Energy Generating Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Warner L. Baxter, chief financial officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.9

SECTION 1350 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER OF CILCORP INC. (required by Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of CILCORP Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Gary L. Rainwater, chief executive officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Gary L. Rainwater

Gary L. Rainwater
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.10

SECTION 1350 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER OF CILCORP INC. (required by Section 906 of the Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of CILCORP Inc. (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Warner L. Baxter, chief financial officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.11

SECTION 1350 CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER OF
CENTRAL ILLINOIS LIGHT COMPANY

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Central Illinois Light Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Gary L. Rainwater, chief executive officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Gary L. Rainwater

Gary L. Rainwater
Chairman, President and
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.12

SECTION 1350 CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER OF
CENTRAL ILLINOIS LIGHT COMPANY

(required by Section 906 of the
Sarbanes-Oxley Act of 2002)

In connection with the report on Form 10-Q for the quarterly period ended June 30, 2004 of Central Illinois Light Company (the "Company") as filed with the Securities and Exchange Commission on the date hereof (the "Form 10-Q"), I, Warner L. Baxter, chief financial officer of the Company, certify, pursuant to 18 U.S.C. ss.1350, as adopted pursuant to ss.906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Form 10-Q fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 9, 2004

/s/ Warner L. Baxter

Warner L. Baxter
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)