

**ELECTRIC COOPERATIVE REVENUE AGREEMENT BETWEEN THE CITY OF
RAPID CITY AND WEST RIVER ELECTRIC ASSOCIATION AND BLACK HILLS
ELECTRIC COOPERATIVE**

THIS AGREEMENT is made this _____ day of _____, 2015, by and between the City of Rapid City (the "City") and West River Electric Association ("West River") and Black Hills Electric Cooperative ("Black Hills").

WHEREAS, pursuant to SDCL 49-34A-45, West River and Black Hills are required to obtain the City's agreement to reduce the gross revenue receipts tax from the statutory amount of Two Percent (2%);

WHEREAS, the City does not own a Municipal Electrical System;

WHEREAS, Black Hills serves less than a majority of customers in the City;

WHEREAS, West River serves less than a majority of customers in the City;

WHEREAS, the City, in considering the overall equities of this situation, is willing to accept less than the statutory amount of Two Percent (2%) of the gross revenue receipts of Black Hills and West River upon the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the mutual covenants herein, the receipt and sufficiency of which are hereby acknowledged, the parties, wishing to be bound, hereby agree as follows:

1. Black Hills and West River shall each pay to the City the Gross Receipts collected by the Cooperatives to the City as payment under SDCL 49-34A-45 as follows:

- Year 2016 - One Percent (1.0%)
- Years 2017 - 2020 - Three Quarters of One Percent (.75%)

2. This Agreement shall be effective for the Calendar Years 2016 through 2020 and shall be renewable thereafter by written agreement of the parties prior to the deadline established by SDCL 49-34A-45.

3. Each party shall have the option to terminate this Agreement prior to its expiration as follows: West River and Black Hills may each terminate their rights and obligations under this Agreement as of the end of a calendar year. Such termination shall be made by giving notice to the City on or before February 1 following the end of such calendar year. Termination by either West River or Black Hills shall not affect the rights and obligations of the other electric cooperative in this Agreement. The City may terminate this Agreement as of the end of a calendar year by giving notice to both West River and Black Hills on or before February 1 following the end of such calendar year.

4. This Agreement contains the entire agreement and understanding of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements, negotiations, and understandings, whether written or oral, relating to the subject matter hereof.

5. This Agreement shall inure to the benefit of, and be binding upon, the respective parties hereto, and their successors and assigns. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns. Nothing herein shall give or be construed to give any person or entity, other than the parties hereto, their respective successors, and permitted assigns, any legal or equitable rights hereunder.

6. This Agreement shall be effective as of the date first set forth above.

7. This Agreement may be executed in counterparts; each such counterpart shall be deemed an original and when taken together with other signed counterparts, shall constitute one Agreement.

8. This Agreement shall be interpreted in accordance with the laws of the State of South Dakota. Any dispute relating to or arising out of this Agreement, or the breach of the terms thereof, whether sounding in contract, tort or otherwise, shall be decided solely and exclusively by the Pennington County Circuit Court located in Rapid City, South Dakota.

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

CITY OF RAPID CITY

By: _____
Steve Allender, Mayor

ATTEST:

Finance Officer

(SEAL)

BLACK HILLS ELECTRIC COOPERATIVE

By: _____

Its: _____

WEST RIVER ELECTRIC ASSOCIATION

By: _____

Its: _____