

AGREEMENT
for SALE OF PROPERTY and
TRANSFER OF SERVICE TERRITORY
between the CITY OF BROOKINGS and
SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

A12.1

(City of Brookings Resolutions 73-10, 40-11 and 116-11)

THIS AGREEMENT made and entered into this 13th day of August, 2012 by and between SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC., hereinafter referred to as the "Cooperative" and the MUNICIPAL UTILITY BOARD for the CITY OF BROOKINGS, SOUTH DAKOTA, hereinafter referred to as the "City", WITNESSETH:

WHEREAS, the Cooperative and the City entered into a Territorial Agreement dated January 19, 1976, pursuant to the provisions of Chapter 49-34A, SDCL, which Agreement was approved and ratified by the Public Utilities Commission for the State of South Dakota, and

WHEREAS, thereafter the City did annex certain territories to the City, which territories were service territory of the Cooperative, and

WHEREAS, the City has proposed to purchase the facilities and assume service to all consumers in the newly annexed areas pursuant to letter proposals dated July 27, 2010, March 22, 2011 and October 11, 2011, and the Cooperative is willing to sell said facilities in accordance therewith, now therefore,

FOR AND IN CONSIDERATION of the mutual promises, conditions and terms contained herein, the parties do hereby covenant, contract and agree as follows, to-wit:

I.

The Cooperative hereby relinquishes all service rights to the City in the following described territory, to-wit:

The NE ¼ of Section T-119N-R49W excluding lots H-4, H-5 and the platted areas thereof, and the north 1,580 feet of the East ½ of the NW ¼ of Section 2-T109N-R50W and the abutting rights of way of 20th Street South and Main Avenue South, but excluding Lot C, Christie Addition and Outlots A, 1A, B and 1B of the NW ¼ of Section 2-T109N-R50W and Lots C and D, Christie Addition in the NW ¼ of Section 2-T109N-R50W and the Outlot C in the NW ¼ of the NW ¼ of Section 2-T109N-R50W all in the County of Brookings, State of South Dakota.

in accordance with the maps attached hereto as "Exhibit A1".

II.

The Cooperative hereby agrees to sell and the City hereby agrees to purchase the electric lines, poles, appurtenances and facilities located within and/or near the above described property and to pay for the costs of reintegrating the Cooperative's system, all in accordance with the schedule attached hereto as "Exhibit B".

The purchase price for facilities being sold to the City shall be \$9,524.92, as itemized and set forth in said Exhibit B attached. Said purchase price shall be paid by the City within 30 days of the Date of Possession.

IV.

As and for additional consideration for the purchase of the Cooperative's facilities and the right to serve existing and all future customers within the above described territory assumed by the City, the City furthermore agrees to pay as compensation for service rights, an annual amount equal to the sum of twenty-five percent of the gross revenues received from power sales to consumers of electric power within the annexed area. The obligation of the annexing municipality to compensate the utility for service rights shall continue for eleven years from the date of the offer to purchase by the annexing municipality. During the eleven-year period, compensation for service rights to any one customer location within the annexed area shall be paid by the annexing municipality for a period of seven years or until the expiration of the eleven-year period, whichever is less. Gross revenues received shall be determined by applying the rate in effect by the municipality at the time of purchase.

V.

The City agrees to apply to the South Dakota Public Utilities Commission of the State of South Dakota for the transfer and assignment of the Cooperative's certified service territory to the City.

VI.

It is understood and agreed that the Date of Possession of said facilities shall be _____. The parties agree to work together to effect a smooth transition causing the least inconvenience to electric patrons located within the City.

VII.

The Cooperative agrees to refund to its customers, as of, or prior to the Date of Possession, any refundable deposits and there shall be no assumption by the City of such refundable deposits. From and after the Date of Possession, the Cooperative agrees to indemnify, and save harmless the City against any and all claims based upon transactions occurring prior to the Date of Possession with respect to refundable deposits.

VIII.

At the time of transfer of individual consumers, the consumer meters shall be jointly read by representatives of the City and the Cooperative. This reading shall be used to determine the final bill to be issued by the Cooperative and the initial reading for use by the City. The Cooperative shall be entitled to all revenues derived from sales prior to said meter reading, and shall be responsible for collection of those revenues, except: any receivables still outstanding 60 days following the transfer date shall be purchased by the City, and further collection shall be the responsibility of the City. The Cooperative shall make diligent effort to collect its revenues within the 60 day period.

IX.

The Cooperative's cash retirement of consumers' retained capital credits shall be consistent with Cooperative policy.

X.

The Cooperative shall assign to the City all right-of-way easements of record pertaining to the facilities to be purchased by the City through this Agreement. The City shall prepare the assignment documents.

XI.

IN WITNESS WHEREOF the parties have hereunto set their hand and seal the day and date first above written.

SIoux VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.

(SEAL)

By Mark E. Fogel
President

ATTEST:

Lonnie DeMont
Secretary

CITY OF BROOKINGS UTILITIES BOARD

(SEAL)

By Steve P. Myers
Chairman

ATTEST:

DAK
Secretary

EXHIBIT B

Lots C & D, Christie Addition in the NW 1/4 of Section 2-T109N-R50W and Outlot C in the NW 1/4 of the NW 1/4 of Section 2-T109N-R50W all in the County of Brookings, State of South Dakota

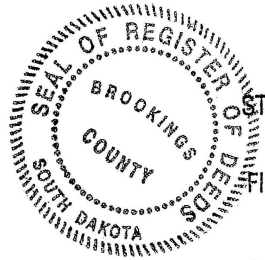
6/22/12

Description	Year	Quantity	Construction Cost	Depreciation (3% per year down to min.10% salvage value)	Net Cost
ACSR-4	1971	960	\$595.20	\$535.68	\$59.52
ACSR-4	1953	1080	\$669.60	\$602.64	\$66.96
PCJF-1/0	2004	275	\$948.75	\$227.70	\$721.05
PCJF-1/0	1999	260	\$897.00	\$349.83	\$547.17
TRUG 4/0	1999	265	\$951.35	\$371.03	\$580.32
TRUG 4/0	1975	50	\$179.50	\$161.55	\$17.95
A5-3	1999	1	\$116.27	\$45.35	\$70.92
B1	1971	2	\$405.96	\$365.36	\$40.60
B7	1997	1	\$399.38	\$179.72	\$219.66
B7	1999	1	\$399.38	\$155.76	\$243.62
DUCT-2	2004	170	\$589.90	\$141.58	\$448.32
E1-3	1997	1	\$127.25	\$57.26	\$69.99
E3-10	1997	2	\$60.98	\$27.44	\$33.54
E5-1	1997	1	\$235.30	\$105.89	\$129.42
F1-3	1997	1	\$185.16	\$83.32	\$101.84
M2-1	1975	1	\$79.38	\$71.44	\$7.94
M5-6M	2004	1	\$130.93	\$31.42	\$99.51
M5-9	2000	1	\$148.67	\$53.52	\$95.15
M8-2-200	1987	1	\$923.52	\$692.64	\$230.88
PD-25	1975	1	\$883.33	\$795.00	\$88.33
UG6	1975	1	\$147.46	\$132.71	\$14.75
UG7-25	1999	1	\$1,030.79	\$402.01	\$628.78
UJ2-6	1999	3	\$108.51	\$42.32	\$66.19
UM1-2	1999	1	\$97.02	\$37.84	\$59.18
UM1-2	1975	1	\$97.02	\$87.32	\$9.70
UM2-1AB	1980	1	\$563.77	\$507.39	\$56.38
UM2M1AB	1997	1	\$591.50	\$266.18	\$325.33
UM3-1-1/0	2004	1	\$109.69	\$26.33	\$83.36
UM3-1-1/0	1999	1	\$109.69	\$42.78	\$66.91
UM5	1999	1	\$176.94	\$69.01	\$107.93

UM6-2-1/0	2004	1	\$114.26	\$27.42	\$86.84
UM6-6	1975	1	\$71.39	\$64.25	\$7.14
UM6-34	1999	1	\$144.31	\$56.28	\$88.03
UM8	1999	2	\$340.86	\$132.94	\$207.92
UM8	1975	1	\$170.43	\$153.39	\$17.04
UM12	1980	1	\$29.55	\$26.60	\$2.96
UR5-2	2004	170	\$2,308.60	\$554.06	\$1,754.54
UR6-2	1999	60	\$814.80	\$317.77	\$497.03
30-7	1953	1	\$247.26	\$222.53	\$24.73
35-5	1980	1	\$415.78	\$374.20	\$41.58
35-6	1997	1	\$265.89	\$119.65	\$146.24
35-6	1971	1	\$265.89	\$239.30	\$26.59
35-7	1953	2	\$505.72	\$455.15	\$50.57
1PH-SC	2010	4	\$300.56	\$18.03	\$282.53
Engineering Prep. Hrs.	2012	10	\$1,000.00	\$0.00	\$1,000.00
Total Material Sold			\$18,954.50	\$9,429.58	\$9,524.92

Prepared by:

City Clerk's Office
311 3rd Ave. / PO Box 270
Brookings, SD 57006
605-692-6281



STATE OF SOUTH DAKOTA, COUNTY OF BROOKINGS

FILED THIS MAR 28 2011

AT 12:45 O'CLOCK P.M. BOOK 181 PAGE 225
Beverly Chapman
REGISTER OF DEEDS

Resolution No. 40-11

A Resolution to Annex the north 1,580 feet of the E $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 2-T109N-R50W and the abutting rights-of-way of 20th Street South and Main Avenue South but excluding Lot C, Christie Addition and Outlots A, IA, B, and IB.

Whereas, The City of Brookings is authorized pursuant to South Dakota Codified Law 9-4-1 to annex contiguous territory upon receipt of a written petition, describing said territory sought to be annexed, signed by not less than three-fourths (3/4) of the legal voters and by the owner or owners of not less than three-fourths (3/4) of the value of said territory, and

Whereas, The City of Brookings desires to annex the following described property, to wit:

The north 1,580 feet of the east $\frac{1}{2}$ of the NW $\frac{1}{4}$ of Section 2-T109N-R50W and the abutting rights-of-way of 20th Street South and Main Avenue South, but excluding Lot C, Christie Addition and Outlots A, IA, B, and IB of the NW $\frac{1}{4}$ of Section 2-T109N-R50W , and

Whereas, the aforesaid land is contiguous to the present boundaries of the City of Brookings, and

Whereas, the City of Brookings has received a Petition for Annexation of Territory signed by the owners of greater than three-fourths (3/4) of the value of the aforesaid property and by not less than three-fourths (3/4) of the legal voters residing in said territory, now therefore

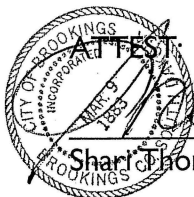
Be It Resolved by the City of Brookings, South Dakota, that the property described above is hereby annexed to the City of Brookings.

Dated this 22nd day of March, 2011.

CITY OF BROOKINGS

Tim Reed

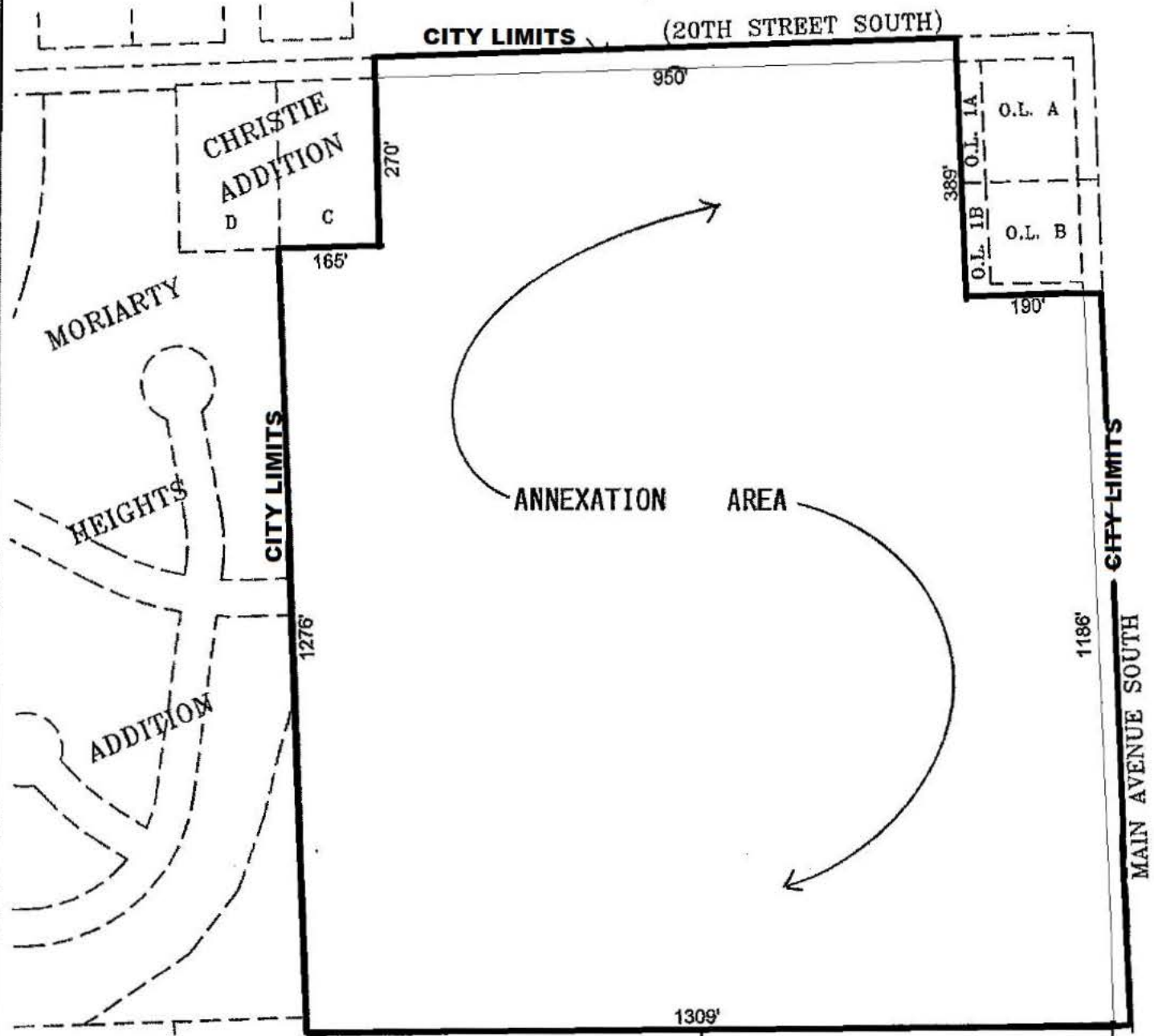
Tim Reed, Mayor



Shari Thornes

Shari Thornes, City Clerk

EXHIBIT A



Scale: 1" = 250'

Prepared by:

City Clerk's Office
311 3rd Ave./PO Box 270
Brookings, SD 57006
(605) 692-6281

Resolution No. 116-11
Resolution of Annexation

Whereas, the governing body of the City of Brookings has, pursuant to SDCL 9-4-4.1, conducted a study to determine the need to identify the resources necessary to extend the municipal boundaries to include Lots C and D, Christie Addition in the NW $\frac{1}{4}$ of Section 2-T109N-R50W and Outlot C in the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 2-T109N-R50W all in the County of Brookings, State of South Dakota, and

Whereas, the governing body thereafter adopted a Resolution of Intent to Extend Boundaries and conducted a public hearing thereon as required by law, and

Whereas, the study contained the following, to wit:

1. That the description of the property to be annexed is Lots C and D, Christie Addition in the NW $\frac{1}{4}$ of Section 2-T109N-R50W and Outlot C in the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 2-T109N-R50W all in the County of Brookings, State of South Dakota
2. That ample and suitable resources exist to accommodate the orderly development of the contiguous territory
3. That municipal utilities such as water, sewer, electricity, telephone, and garbage collection are existing or readily available and a major street network is already in place and dedicated for public use and that there is a definite timetable upon which other municipal services such as police protection and garbage collection will be extended into the contiguous territory
4. That the approximate cost of extending services to residents of the contiguous territory will be \$0.00 for telephone and electricity; \$16.50 per month for garbage collection; \$40.00/foot for main sanitary sewer lines; \$1500.00 for a sanitary sewer service line; \$15.00/foot for a water service line; \$80.00/foot/per side for street improvement; \$176.00/acre for annual drainage fees for single-family residential uses and \$67.00/acre for annual drainage fees for a vacant lot.

5. That the estimated difference in the tax assessment rate is an increase of \$1.75/1,000 of valuation
6. That exclusions and irregularities in boundary lines are not the result of arbitrariness
7. That there is a reasonable present need to annex the contiguous territory because the majority of the land is already developed and is receiving certain municipal services.
8. That the city has experienced a recent growth rate of 19% between the 2000 and 2010 Census and will continue to develop beyond its present boundaries, and

Whereas, it is determined to be necessary and in the best interests of the City of Brookings to annex the hereinbefore described property, now therefore,

Be It Resolved by the governing body of the City of Brookings that the following described property be, and the same is hereby annexed, to the City of Brookings, to wit:

Lots C and D, Christie Addition in the NW ¼ of Section 2-T109N-R50W and Outlot C in the NW ¼ of the NW ¼ of Section 2-T109N-R50W all in the County of Brookings, State of South Dakota

Be it Further Resolved that the boundaries of the City of Brookings shall be adjusted accordingly.

Passed and approved this 11th day of October, 2011.

CITY OF BROOKINGS



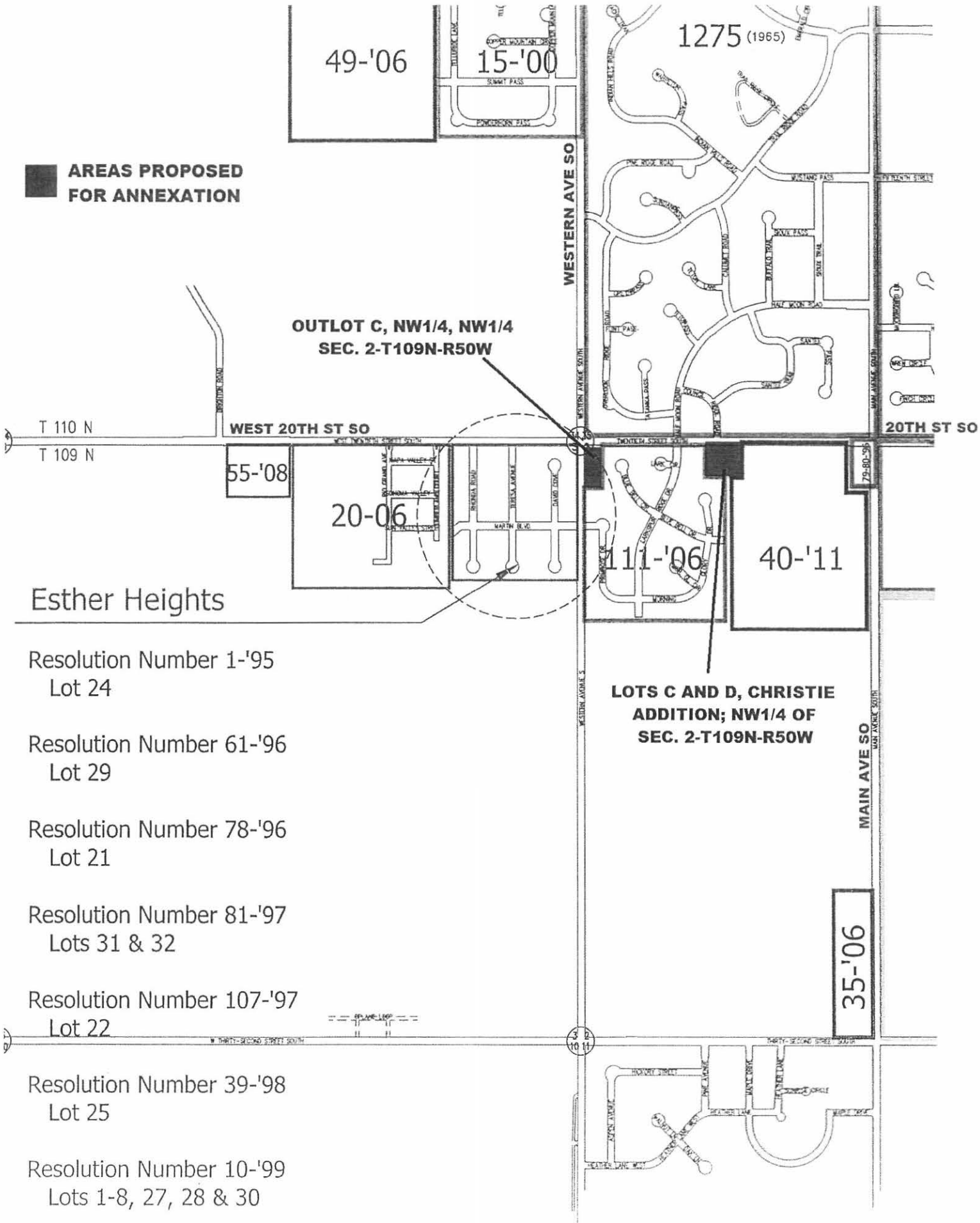
Tim Reed, Mayor



Shari Thornes, City Clerk

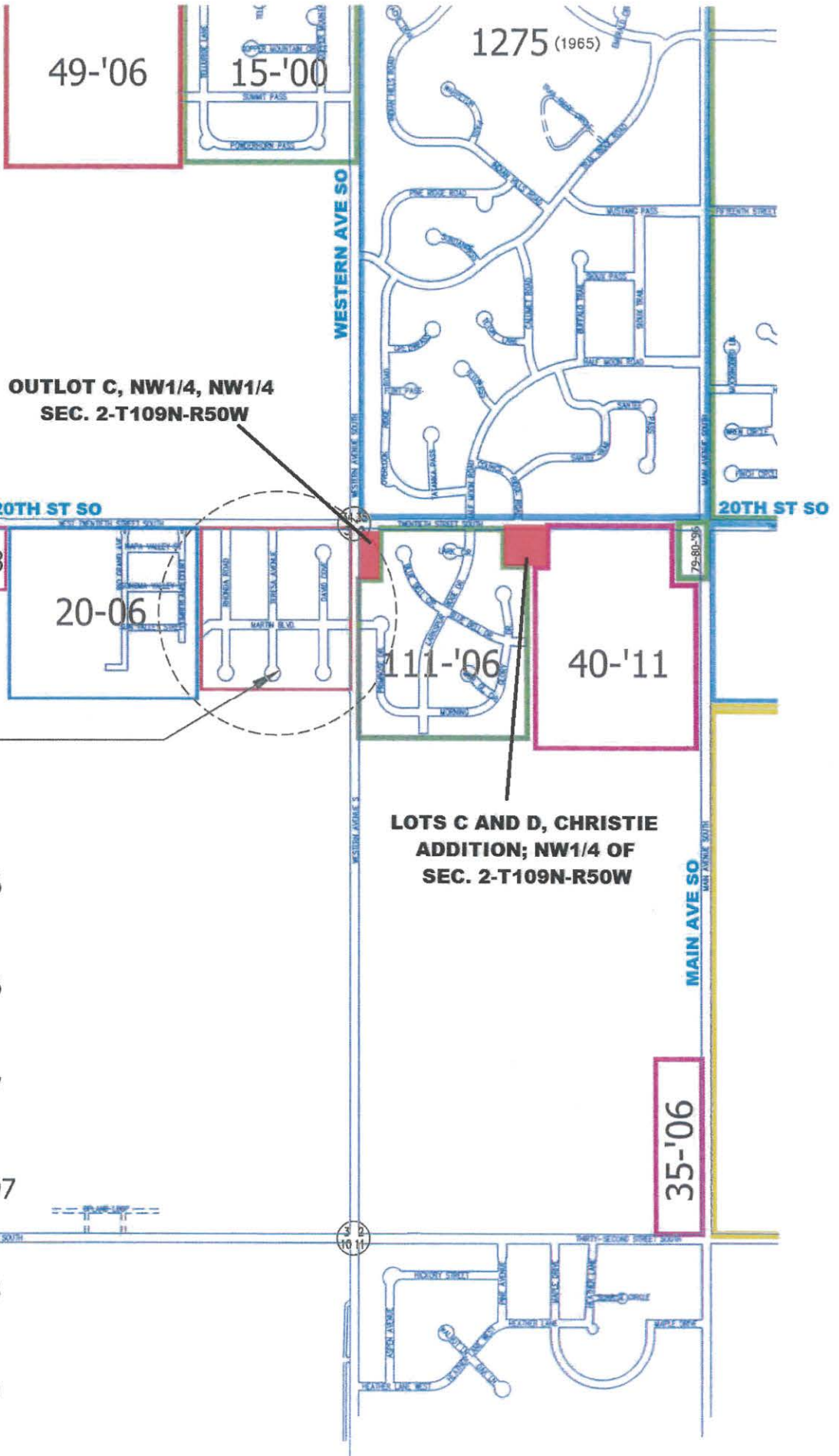
ANNEXATION MAP EXCERPT

AREAS PROPOSED FOR ANNEXATION



ANNEXATION MAP EXCERPT

AREAS PROPOSED FOR ANNEXATION



**OUTLOT C, NW1/4, NW1/4
SEC. 2-T109N-R50W**

**LOTS C AND D, CHRISTIE
ADDITION; NW1/4 OF
SEC. 2-T109N-R50W**

Esther Heights

- Resolution Number 1-'95
Lot 24
- Resolution Number 61-'96
Lot 29
- Resolution Number 78-'96
Lot 21
- Resolution Number 81-'97
Lots 31 & 32
- Resolution Number 107-'97
Lot 22
- Resolution Number 39-'98
Lot 25
- Resolution Number 10-'99
Lots 1-8, 27, 28 & 30