

**AGREEMENT**  
**for SALE OF PROPERTY and**  
**TRANSFER OF SERVICE TERRITORY**  
**between the CITY OF BROOKINGS and**  
**SIOUX VALLEY-SOUTHWESTERN ELECTRIC COOPERATIVE, INC.**  
**A09.1**  
**(City of Brookings Resolutions 49-08, 55-08 and 59-08)**

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THIS AGREEMENT made and entered into this 14 day of January, ~~2009~~ <sup>2013</sup> 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, thereafter the parties have identified an adjacent area within the service territory of the Cooperative that would be best served by the Utility serving the annexed area, and

WHEREAS, the City has proposed to purchase the facilities and assume service to all consumers in the newly annexed areas (Brookings Resolution No. 49-08, 55-08 and 59-08) pursuant to letter proposals dated January 7<sup>th</sup> 2009, and the area adjacent to the annexed area, and the Cooperative is willing to relinquish all service rights 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 north 940 feet of the west 2,340 feet of the SE  $\frac{1}{4}$  of Section 1-T109N-R50W, all in the County of Brookings, State of South Dakota. (Brookings Resolution No. 59-08)

Also, outlot A in the NE  $\frac{1}{4}$  of the NW  $\frac{1}{4}$  of Section 3-T109N-R50W, all in the County of Brookings, State of South Dakota (Brookings Resolution No. 55-08).

Also, the west 390 feet of the east 1,040 feet of the Se  $\frac{1}{4}$  of the NW  $\frac{1}{4}$  of Section 1-T109N-R50W, all in the County of Brookings, State of South Dakota (Brookings Resolution No. 49-08).

in accordance with the map attached hereto as "Exhibit A".

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 the City agrees to pay for the costs of reintegrating the Cooperative's system (if any), all in accordance with the schedule attached hereto as "Exhibit B".

III.

The purchase price for facilities being sold to the City shall be \$5,405.41, 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 amount each month equal to the sum of twenty-five (25%) percent of the gross revenues received from power sales to all existing or future customers of electric power within the assumed service territory. Said monthly payments shall continue for a period of eighty-four (84) months, commencing on the date that the City takes over said facilities. Gross revenues for the purpose of this paragraph shall be determined by applying the Cooperative's electrical rates in effect as of the date that the City takes over said territory.

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. Rogan  
President

ATTEST:

Roslyn DeHunt  
Secretary

CITY OF BROOKINGS UTILITIES BOARD

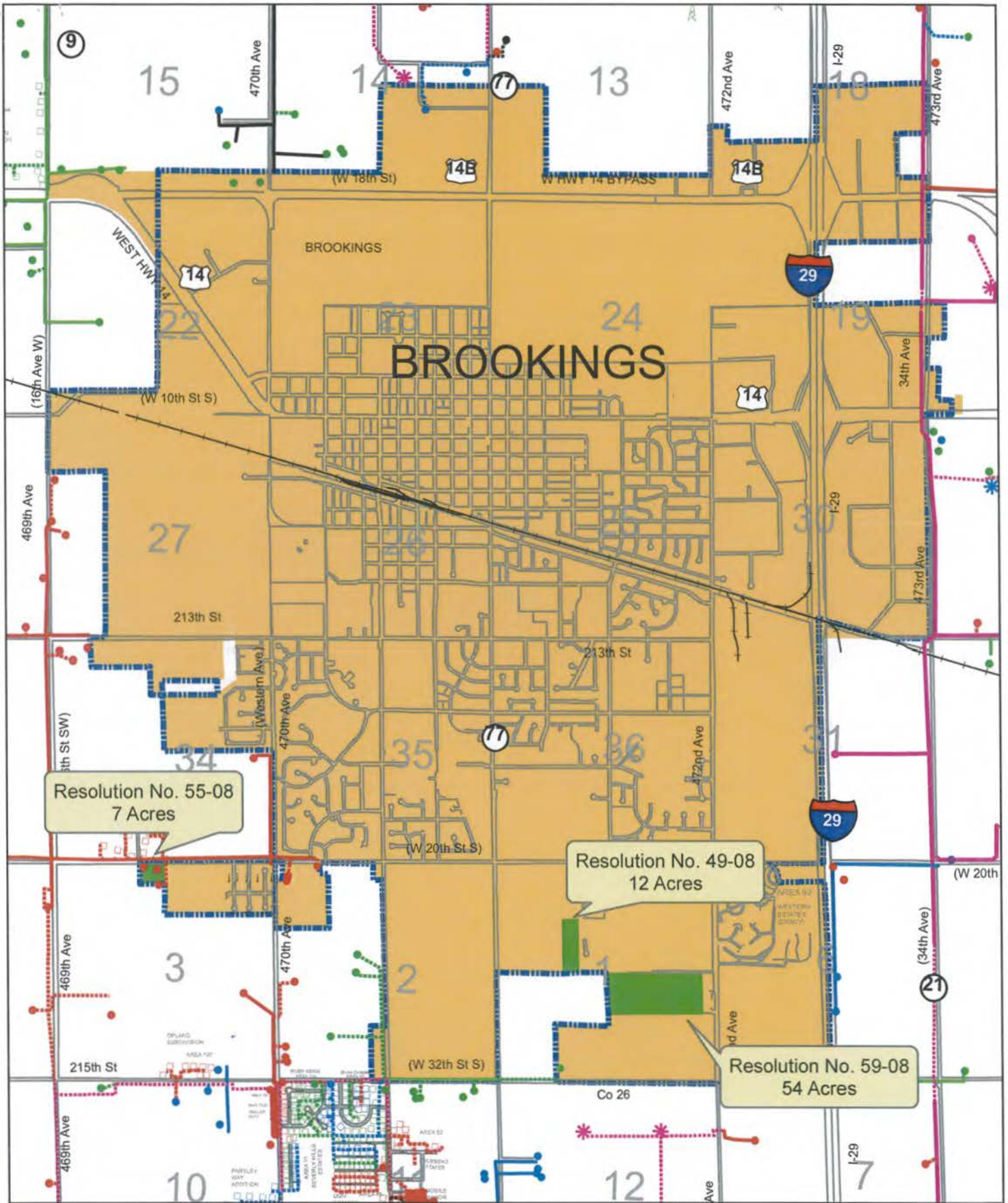
(SEAL)

By Steve Myers  
Chairman

ATTEST:

[Signature]  
Secretary





**BROOKINGS TERRITORY  
2008 ANNEXATIONS**

The information displayed on this map represents current data from a working file which is updated continuously. Information is believed reliable, but its accuracy cannot be guaranteed.

MAP DATE: JANUARY 14, 2009



- 2008 Annexations
- Brookings Territory
- City Limits

Map # **6-2**  
 City **Brookings**  
 County **Brookings**  
 State **South Dakota**

**EXHIBIT B**

Outlot A in the NE 1/4 of the NW 1/4 of Section 3-T109N-R50W

1/21/09 DESCRIPTION	QTY.	CONST. COST	DEPRECIATION	NET COST
Material to be sold				
TRUG 4/0	286	1029.60	0.00	1029.60
Plowing	90	166.50	0.00	166.50
Boring	120	960.00	0.00	960.00
2" Duct	120	241.20	0.00	241.20
Backhoe		55.00	0.00	55.00
UM6-6	1	64.75	0.00	64.75
UM6-12	1	32.63	0.00	32.63
UM5-3	1	182.28	0.00	182.28
Ped-201D	1	769.53	0.00	769.53
40-5	1	381.95	343.76	38.20
30-6	1	273.62	246.26	27.36
G65	1	187.83	169.05	18.78
E1-2	2	184.92	166.43	18.49
F1-2	2	334.84	301.36	33.48
E3-10	2	55.18	49.66	5.52
TROH #2	215	234.35	210.92	23.44
J10	2	26.78	24.10	2.68
J5	1	14.90	13.41	1.49
M2-11	1	70.67	63.60	7.07
ML115	1	394.08	354.67	39.41
100 A 1PH. SOCKET	1	59.00	53.10	5.90
30 AMP 1 PH. METER	2	158.00	21.33	136.67
1 ph. turtle	2	135.66	18.31	117.35
10 KVA OH Transformer	1	825.00	618.75	206.25
175 W Security Light	1	91.11	79.27	11.84
Transportation		1200.00	540.00	660.00
Engineering		<u>1000.00</u>	<u>450.00</u>	<u>550.00</u>
Total Material Sold		\$9,129.38	\$3,723.97	\$5,405.41

Location	Consumer	Annual Usage	Annual Revenue
6-3-3-2-1-2	David Nelson	4,262	\$628.38
6-3-3-2-1	Gorman R. Nelson	<u>10,079</u>	<u>1,123.16</u>
Total		14,341	\$1,751.54

## **2008 Brookings Annexations**

### **Affected Customers:**

006-3-003-02-1  
Gorman R Nelson  
1005 W 20<sup>TH</sup> ST S  
Brookings, SD 5706  
605-6933738

006-3-003-02-1-2  
David Nelson  
1005 W 20<sup>TH</sup> ST S  
Brookings, SD 57006  
605-6903221