

BLACK HILLS GENERATION, INC.

Dated as of July ~~10~~, 2001

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Contract #
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SERVICES AGREEMENT

This Services Agreement ("Agreement") dated the 20th day of July, 2001, is entered into by and between Black Hills Generation, Inc., whose post office address is P.O. Box 1400, Rapid City, South Dakota 57709, ("Owner"), and Black Hills Power, Inc., whose post office address is P. O. Box 1400, Rapid City, South Dakota 57709 ("Contractor").

It is agreed by and between Owner and Contractor as follows:

PART 1. SERVICES AND PARTIES

SECTION 1.1. Recitals. Contractor owns and operates, among other plants, a nominal 80 MW coal-fired power plant known as the Neil Simpson 2 Station ("NS2") and a 40 MW combustion gas turbine ("CT 1"), both located at what is known as the Neil Simpson Complex approximately seven miles east of Gillette, Wyoming. Owner (i) is acting as construction agent for Wygen Funding, Limited Partnership ("Wygen Funding") and is constructing certain improvements pursuant to a certain Agreement for Lease dated as of the date hereof, between Owner and Wygen Funding, which improvements will consist of a coal-fired steam electric generating facility having an expected output of approximately 90 megawatts, known as Wygen No. 1 (the "Plant"); and (ii) upon completion of construction, will lease and operate the Plant pursuant to a Lease Agreement, dated as of the date hereof, between Owner and Wygen Funding. This Agreement is to provide for routine day-to-day maintenance, operational, and emergency services as well as the provision of water, compressed air, auxiliary power, and the use of certain facilities by Contractor to Owner for the operation of the Plant.

SECTION 1.2. Operational Services. Contractor shall have the day-to-day responsibility for the mechanical operation of the Plant, and in connection therewith Contractor shall provide personnel and technical services for such operation including any obligations of Owner under that certain Agreement for Interconnection Service dated as of the date hereof between the parties hereto (except to the extent that such may include Excluded Services as defined below) as well as the operation and supervision of the mechanics of daily dispatch of the Plant's output ("Operational Services").

SECTION 1.3. Maintenance Services. Contractor shall have day-to-day responsibility for the maintenance of the Plant, and in connection therewith shall provide personnel, materials, supplies, technical services, servicing and replacement of nonmajor equipment, and maintenance of the Plant's transmission interconnection ("Maintenance Services"). The Operational Services and the Maintenance Services may hereafter be referred to collectively as the "Services."

SECTION 1.4. Excluded Services. Notwithstanding Sections 1.2 and 1.3 above, in no event shall either the Operational Services or the Mechanical Services be deemed to provide for or authorize Contractor to have any authority or responsibility for: (i) making major modifications to the Plant; (ii) billing and collection of revenues from the Plant; (iii) scheduling electrical output from the Plant; (iv) procuring fuel supply for the Plant; (v) scheduling interruptions and deliveries of electricity from the Plant; (vi) administration of the provisions of all principal agreements relating to the Plant; and (vii) pursuing warranty claims relating to the Plant (hereinafter, collectively, the "Excluded Services"). Owner retains sole and full responsibility for the Excluded Services.

SECTION 1.5. Provision of Utilities. In addition to the Services, Contractor shall provide to Owner the necessary service water, service air, instrument air, deionized water, maintenance and standby power, and lime, as required for the proper operation and maintenance of the Plant the "Utilities".

SECTION 1.6. Use of Facilities. In addition to the Services and the Utilities, Contractor shall provide to Owner the access to and use of the NS2 control room and control room equipment, electricity, telecommunications equipment, potable water, sewer, offices, heating, ventilation and air conditioning, parking lots, electrical equipment, computers (including both hardware and software), computer networks and interconnections, turbine room crane, turbine oil spill prevention containment tank, and turbine oil maintenance tank, and access to and use of such other spaces, areas, systems, supplies, materials and equipment as may be necessary for the proper control, operation and maintenance of the Plant; provided, it is intended that the foregoing shall constitute not only access to the foregoing described equipment, areas and services but also the provision of, and the expectation of the receipt of, the foregoing described equipment, areas and services. In addition, Grantor agrees that Owner may discharge wastewater from the Plant on an emergency basis as needed when the wastewater is not used or needed for Plant operations through and to Contractor's NS2 wastewater discharge facilities. Contractor shall be responsible for obtaining and/or modifying any permits or other governmental requirements necessary for Contractor to accept and dispose of the wastewater discharged. All of the foregoing shall be hereafter referred to as "Use of Facilities". Contractor hereby grants to Owner a license assignable pursuant to Section 1.7 below and, coextensive with the Term of this Agreement, upon, in, over, and across NS2 and the adjacent and surrounding property making up the Neil Simpson Complex as may be necessary for Owner's Use of Facilities.

SECTION 1.7. Assignment. Neither party shall sell, assign, or transfer the Agreement or any part thereof or interest therein or any proceeds therefrom, without the prior written consent of the other party and any such sale, assignment, or transfer without such consent of the other party Owner shall be null and void; provided, that Contractor

may subcontract portions of the Services to be provided hereunder but Contractor shall remain fully liable for the performance thereof.

Notwithstanding the foregoing, Owner shall have the right, without Contractor's prior consent, to assign, mortgage, hypothecate, pledge or otherwise encumber all or any portion of Owner's interest in this Agreement to a Financing Party as collateral security for the financing of the Plant or any refinancing thereof, and such Financing Party shall have the right to assign, mortgage, hypothecate, pledge or otherwise encumber all or any portion of its right, title and interest in and to this Agreement to any lender or lenders to it (or agent acting on behalf of such lender or lenders). Contractor hereby consents to the further assignment by the Financing Party to any lender or lenders to it (or agent acting on behalf of such lender or lenders) and agrees to cooperate with such parties upon such assignment. As used herein, the term "Financing Party" shall mean Wygen Funding, any other lessor of all or any portion of the Plant in a lease financing transaction, for the purpose of the acquisition, construction and operation of the Plant, any lender or lenders to Wygen Funding or any other lessor of all or any portion of the Plant (or an agent acting on behalf of such lender or lenders) and the successors and assigns of such person or persons.

In the event of such assignment to a Financing Party as set forth above, Contractor agrees (i) that no amendment or modification of, or cancellation or surrender of, or waiver by or consent of Contractor in respect of, any of the provisions of this Agreement shall be effective unless such Financing Party shall join in such amendment, modification, cancellation, surrender, waiver or consent or shall have given its prior written consent thereto; (ii) that such Financing Party shall have the sole right to exercise all rights, privileges and remedies which by the terms of this Agreement or by applicable law are permitted or provided to be exercised by Owner after the occurrence and continuance of a default under the Financing Documents; (iii) that such Financing Party shall have a right to assign all right, title and interest of Owner under this Agreement to any person or persons acquiring the Plant in the event of a default in the obligations owed to it, or if the assignee under the paragraph set forth above is a purchaser, owner or lessor of all or any portion of the Plant in a lease financing transaction, in the event of the expiration or termination of the lease; (iv) that in the event an assignee under the paragraph set forth above is a purchaser, owner or lessor of all or any portion of the Plant in a lease financing transaction, then, in the event of the expiration or termination of the lease and the assumption by such assignee of all obligations of Owner hereunder, Owner shall be relieved of all further obligations under this Agreement; provided, that such assignee may then assign all right, title and interest under this Agreement to a person or persons acquiring the Plant who assumes all obligations of such assignee hereunder; and (v) to cooperate with Owner in connection with obtaining the financing of the Plant and any refinancing thereof, including by delivering such acknowledgments and consents as may be reasonably requested in connection therewith.

SECTION 1.8. Nonexclusive and Nonspecific. This Agreement shall be nonexclusive and nonspecific. Owner shall have the right to retain the services of other contractors for the same or similar services and likewise Contractor may perform services for others.

PART 2. ASSURANCES

SECTION 2.1. Contractor's Liability Insurance. Contractor shall purchase and maintain such insurance as will protect Contractor from claims under worker's compensation acts and other employee benefit acts, from claims for damages because of bodily injury, including death, and from claims for damages to property which may arise out of or result from the performance by Contractor of the Services under this Agreement, whether such operations be by itself or by anyone directly or indirectly employed by any of them. This insurance shall be written for not less than \$1,000,000 aggregate, limit of liability, and shall include both public liability and property damage liability insurance coverage covering all operations under the Agreement and automobile liability insurance on all self-propelled vehicles used in connection with the Agreement whether owned, non-owned, or hired. Such insurance as herein required shall contain contractual liability coverages to the extent and end that all provisions and covenants of this Agreement relating to protection and indemnification shall be included in such insurance coverages.

SECTION 2.2. Indemnification. Contractor shall indemnify and hold Owner, its directors, officers, partners, managers, employees and agents harmless from and against any and all damages incurred by such indemnified parties (i) as a consequence of any breach of this Agreement by Contractor; and (ii) injury to or death of any person, or damage to the property of Owner or any third party, to the extent proximately caused by Contractor.

Owner shall indemnify and hold Contractor, its directors, officers, partners, managers, employees and agents harmless from and against any and all damages incurred by such indemnified parties (i) as a consequence of any breach of this Agreement by Owner; and (ii) injury to or death of any person, or damage to the property of Contractor or any third party, to the extent proximately caused by Owner.

PART 3. PAYMENT

SECTION 3.1. Contract Sum. As payment for the Operational Services, the Maintenance Services, the Utilities, and the Use of Facilities, Owner shall pay Contractor at the rates and times set forth on Exhibit A attached hereto ("Contract Sum") for the initial calendar year (or portion thereof) during the Term, adjusted, however, in the

manner set forth in the penultimate paragraph of this section to the commencement of the Term of this Agreement.

Notwithstanding anything contained herein, however, in no event shall any portion of the Contract Sum be based upon revenues or net income derived from the Plant.

Subsequent to the initial calendar year (or portion thereof) of the Term, the rates for the Utilities and Use of Facilities portion of the Contract Sum may be redetermined on an annual basis during the Term with adjustments to be made based upon material increases in Contractor's actual costs incurred in providing the Use of Facilities, and the Utilities, as well as actual consumption of the Utilities. The readjusted Contract Sum shall be effective for the next following calendar year. Contractor shall give Owner not less than 60 days' notice of any such adjustment in the Contract Sum.

Owner agrees to pay Contractor within 30 days after Owner's receipt of an invoice.

SECTION 3.2. Taxes. In addition to all rates and charges payable under this Agreement, Owner shall be liable for and shall pay to Contractor upon Owner's receipt of an invoice for any amounts paid or incurred by Contractor relating to taxes based upon the Contract Sum under this Agreement, or the Services, Utilities, or Use of Facilities rendered hereunder, regardless of how designated or levied, or whether so incurred or paid during or after the termination of this Agreement, including, but not limited to, state and local sales, use, privilege or excise taxes, but excluding taxes based on Contractor's net income.

Contractor shall be solely responsible for the payment of all employee taxes, including unemployment insurance, social security taxes, withholding taxes and/or any other similar taxes, charges, or royalties related to this Agreement.

PART 4. PERFORMANCE

SECTION 4.1. Term.

SECTION 4.1.1. Term. The Term of this Agreement shall commence on the date that the first of the Services, Utilities or Use of Facilities is requested by Owner by written notice to be provided to Owner by Contractor ("Commencement Date"), and unless otherwise terminated hereunder, shall end on the 30th day of June, 2038.

SECTION 4.2. Changes In Services. Owner, without invalidating the Agreement, may at any time by giving Contractor notice, order changes in the Services within the general scope of the Agreement consisting of additions, deletions or other revisions, the Contract Sum being adjusted accordingly; provided, that nothing contained herein shall be deemed to provide for provision of the Excluded Services by Contractor. All such changes in the Services shall be authorized by change order and shall be performed under the applicable conditions of the Agreement. The change order shall set forth the amounts, if any, the Contract Sum is to be increased or decreased as a result of such change order. In the absence of a change order signed by Owner, Contractor shall not be entitled to any increase in the Contract Sum with respect to any such additional services performed or materials, equipment or apparatus furnished.

Owner and Contractor shall each designate a representative authorized to execute change orders on their behalf.

SECTION 4.3. Termination of Agreement by Owner without Fault of Contractor. Owner may, at any time, for any reason, terminate this Agreement or any part thereof after 30 days' notice in writing, designating that portion to be terminated. In case of termination, Owner will promptly make settlement for those Services performed by Contractor up to the effective date of the termination as provided in Section 3, including those Services which are necessarily incurred by Contractor after termination to bring Contractor's work to an orderly conclusion. In no event shall Contractor be entitled to any payment for an anticipated fee or profit on unperformed Services in the event of termination in whole or in part.

SECTION 4.4. Termination with Cause. In the event of either Party's breach or abandonment of this Agreement, the other Party may then upon 60 days written notice, terminate this Agreement, without waiving any other remedies available at law or in equity. Upon termination for such cause, in addition to all other remedies available to Owner at law or in equity arising out of Contractor's breach of this Agreement, Owner may retain any funds otherwise due Contractor under this Agreement to the extent that such sums are required to compensate Owner, in whole or in part, for any loss or damage caused by Contractor's breach or abandonment to which Owner is entitled under the terms of this Agreement and by law and equity applicable thereto.

SECTION 4.5. Compliance with Law. Contractor shall give all notices and comply with all laws, ordinances, rules, regulations and orders of any public authority bearing on the performance of the Services or the provision of the Utilities or Use of Facilities, except as may be required for the Excluded Services.

SECTION 4.6. Ownership of Work Product. All data, plans, specifications, reports, estimates, summaries, designs, drawings, tracings, studies, and other material

prepared or caused to be prepared by Contractor in connection with this Agreement shall become the exclusive property of Owner; provided, that Contractor shall have the right to use such data, plans, specifications, reports, estimates, summaries, designs, drawings, tracings, studies and other material in order to perform its obligations under this Agreement but only during the term thereof. Upon final acceptance or termination of this Agreement, Owner shall be entitled to and Contractor shall turn over to Owner all such data, plans, specifications, reports, estimates, summaries, designs, drawings, tracings, studies and other material.

SECTION 4.7. Owner's Right to Carry Out Services. In addition to the remedies above, if Contractor defaults or neglects to carry out the Services in accordance with the Agreement and fails within 15 days after written notice is given by Owner to Contractor to commence or continue with correction of such defaults or neglect with diligence and promptness, Owner may make good any such deficiencies arising out of said defaults or neglect. In such case, Owner shall have the right to deduct from the Contract Sum the cost of correcting such deficiencies. If the Contract Sum is not sufficient to cover such deficiencies, Contractor shall pay the difference to Owner.

SECTION 4.8. Delay in Performance. Contractor shall not be in default of or responsible for any delays or failures in performance pursuant to this Agreement resulting from force majeure causes beyond the reasonable control of Contractor, including, but not limited to, Acts of God, or the elements, fire, strikes, labor disputes, act or order of any governmental body having jurisdiction, and delays in the delivery of materials and disruption of shipping, which wholly or partially prevent performance under this Agreement (each a Force Majeure Event). If, because of a Force Majeure Event, Contractor is unable to perform its obligations under this Agreement, and if Contractor promptly gives Owner written notice of such Force Majeure Event, then the obligations of Contractor under this Agreement shall be suspended to the extent made necessary by and during the continuance of such Force Majeure Event; provided, further, that Contractor shall take all commercially reasonable efforts to eliminate or mitigate the conditions giving rise to such Force Majeure Event; and, provided further still, that if Contractor is unable to perform because of a Force Majeure Event, Owner shall have the right to perform, by itself, or through any other contractor or agent, the obligations of Contractor hereunder.

PART 5. WARRANTY, REMEDIES, AND LIMITATIONS OF LIABILITY

SECTION 5.1. Warranty and Remedies. Contractor warrants that it will use its best efforts to perform the Services in a good, orderly and workmanlike manner, but it does not warrant that Owner's desired result will be achieved. The Utilities and the Use of Facilities are provided "AS IS" and "WITH ALL FAULTS." THERE ARE NO OTHER WARRANTIES OF ANY KIND, WHETHER EXPRESS OR IMPLIED, WITH

RESPECT TO THIS AGREEMENT, THE SERVICES TO BE PERFORMED BY CONTRACTOR UNDER IT, THE UTILITIES OR THE USE OF FACILITIES, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

SECTION 5.2. Limitation of Liability. IN NO EVENT, WILL CONTRACTOR BE LIABLE FOR INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS, LOSS OF DATA, LOSS OF GOOD WILL, USE OF MONEY, USE OF PRODUCTS, INTERRUPTION IN USE OR AVAILABILITY OF DATA, STOPPAGE OF OTHER WORK, OR IMPAIRMENT OF OTHER ASSETS OR ANY CLAIM OR DEMAND AGAINST THE OWNER BY ANY OTHER PARTY DUE TO ANY CAUSE WHATSOEVER, EVEN IF CONTRACTOR HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

PART 6. SAFETY

SECTION 6.1. Safe Work Practices Near Energized Facilities. It is recognized and hereby acknowledged by Contractor that the Services, the Utilities, and Use of Facilities involve the potential for exposure of Contractor's personnel to energized electrical lines, equipment or circuits. Contractor hereby represents that all employees who will perform the Services, or provide the Utilities, or Use of Facilities shall have been trained in the inherent hazards of electricity and means of avoiding exposure to such hazards pursuant to regulations promulgated under the Occupational Safety and Health Act of 1980, as amended ("OSHA"). Contractor shall be responsible for and hereby agrees to maintain a qualified person at the Services site and to strictly comply with all safety-related work requirements under OSHA (See, 29 C.F.R. § 1910.331, et seq.).

SECTION 6.2. Hazardous Substances. If the Services or the provision of Utilities involve the use of substances controlled or classified as hazardous, extremely hazardous, or toxic under federal or state environmental laws ("Hazardous Substances"), Contractor shall, prior to commencing the Services or provision of Utilities, provide Owner's representative with material safety data sheets on all solvents, soaps, acids, chemicals and/or other Hazardous Substances to be used in the Services. In addition, Contractor shall provide Owner's representative with a list of the maximum quantities of such substances which will be used in the Services and proof of proper reporting under Title III of the Superfund Amendments and Reauthorization Act of 1986. Contractor represents that all personnel used in the Services and provision of Utilities shall be properly trained and experienced in the use, handling and cleanup of the Hazardous Substances used.

SECTION 6.3. Labeling. All Hazardous Substances brought onto Owner's premises shall be plainly and properly labeled.

SECTION 6.4. Accidents. Contractor shall immediately notify Owner's representative in the event of any accident or incident involving personal injury or property damage of any kind or a spill, leak or other intended or unintended release of any chemical, petroleum product or other Hazardous Substances occurring either on Owner's premises or during the course of performing the Services.

SECTION 6.5. Protection against Accidents and Damages. Contractor shall take all safety precautions and furnish and install all guards and other safety devices necessary for the prevention of accidents and injury to persons or property, and shall comply with all applicable safety laws, ordinances and regulations. Specific reference is made to the Occupational Safety and Health Act of 1980, as amended.

PART 7. EQUAL OPPORTUNITY AND AFFIRMATIVE ACTION

SECTION 7.1. Equal Opportunity. Contractor shall be bound by and shall comply in the performance of this Agreement with all provisions of Executive Order 11246 issued by the President of the United States on September 24, 1965, as amended and with all of the rules, regulations and relevant orders of the Secretary of Labor. Paragraphs 1 through 7 inclusive of the Equal Opportunity Clause set forth in § 202 of Executive Order 11246 and at 41 C.F.R. § 60-1.4 shall be and are hereby incorporated by this reference as provisions of this Agreement.

SECTION 7.2. Nonsegregated Facilities. Contractor certifies pursuant to 41 C.F.R. § 60-1.8 that it does not and will not maintain or provide for its employees any segregated facilities at any of its locations, and that it does not and will not permit its employees to perform their services at any location under its control where segregated facilities are maintained. Contractor understands and agrees that a breach of this certification is a violation of the Equal Opportunity Clause, above.

SECTION 7.3. Employment of Veterans. Contractor certifies that it shall comply with the Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era Clause, Executive Order 11701, as set forth in 41 C.F.R. § 60-250.3 and with all rules, regulations and relevant orders of the Secretary of Labor issued pursuant to the Vietnam Era Veterans Readjustment Assistance Act of 1974. Paragraphs (a) through (m) inclusive of the Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era Clause shall be and are hereby incorporated by this reference as provisions of this Agreement.

SECTION 7.4. Affirmative Action for Handicapped Workers. Contractor certifies that it shall comply with the Affirmative Action for Handicapped Workers Clause, Executive Order 11758, as set forth in 41 C.F.R. § 60-741.3, the Americans with Disabilities Act, and with all rules, regulations and relevant orders of the Secretary of Labor pursuant to the Rehabilitation Act of 1973. Paragraphs (1) through (f) inclusive of the Affirmative Action for Handicapped Workers Clause shall be and are hereby incorporated by this reference as provisions of this Agreement.

SECTION 7.5. Utilization of Minority Business Enterprises. It is the policy of the government that minority business enterprises shall have the maximum practicable opportunity to participate in the performance of government contracts.

Contractor agrees to use its best efforts to carry out this policy in the award of its subcontracts to the fullest extent consistent with the efficient performance of this contract. As used in this contract, the term "minority business enterprise" means a business, at least 50 percent of which is owned by minority group members or, in case of publicly owned businesses, at least 51 percent of the stock of which was owned by minority group members. For the purposes of this definition, minority group members are Black Americans, Hispanic Americans, Asian Pacific Americans, Native Americans, and Asian American Indians. Contractors may rely on written representations by subcontractors regarding their status as minority business enterprises in lieu of an independent investigation.

PART 8. GENERAL PROVISIONS

SECTION 8.1. Easement and Site. Owner shall provide Contractor access to the site for the performance of the Services.

SECTION 8.2. Nonwaiver. The failure of Owner to insist upon or enforce, in any instance, strict performance by Contractor of any of the terms of this Agreement or to exercise any rights herein conferred shall not be construed as a waiver or relinquishment to any extent of its right to assert or rely upon such terms or rights on any future occasion.

SECTION 8.3. Time is of the Essence. All time limits stated in the Agreement are of the essence of the Agreement.

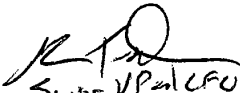
SECTION 8.4. Governing Law. This Agreement shall be interpreted under the laws of the State of Wyoming.

SECTION 8.5. Complete Agreement. This written Agreement and all of its provisions shall be considered the complete agreement of the parties relating to the

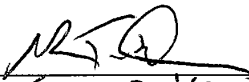
matters set forth therein, notwithstanding any oral representations or other writings to the contrary.

The parties have executed this Agreement on the date set forth in the first paragraph hereof.

BLACK HILLS GENERATION, INC.

By 
Its Senior VP at CFO
Date July 20, 2001

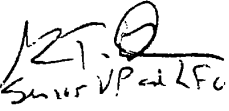
BLACK HILLS POWER, INC.

By 
Its Senior VP at CFO
Date July 20, 2001



The parties have executed this Agreement on the date set forth in the first paragraph hereof.

BLACK HILLS GENERATION, INC.

By 
Its Senior VP at LFO
Date _____

BLACK HILLS POWER, INC.


By 
Its Senior VP at CFO
Date _____

EXHIBIT A

RATES FOR SERVICES AND FACILITIES

All capitalized terms used herein shall have the same meaning as set forth in the Services Agreement Between Black Hills Generation, Inc. and Black Hills Power, Inc., Dated as of _____, 2001, to which this Exhibit A is attached.

1. Operational Services. Owner shall pay Contractor for Operational Services the direct costs plus employee benefit overheads incurred by Contractor in performing the Operational Services. Contractor shall invoice Owner on a monthly basis for the direct costs plus employee benefit overheads of the Operational Services.

2. Maintenance Services. Owner shall pay Contractor for Maintenance Services the actual costs incurred by Contractor in performing the Maintenance Services. Contractor shall invoice Owner on a monthly basis for the actual cost of the Maintenance Services.

3. Utilities. Contractor shall invoice Owner on an annual basis for the Utilities based on the following rates, subject, however, to readjustment as provided in Section 3.1.

Service Water	—	\$1.25 per 1,000 gallons
Service Air	—	\$1.51 per MCF
Instrument Air	—	\$1.73 per MCF
Deionized Water	—	\$10 per 1,000 gallons
Maintenance and Standby Power		
Demand Charge	—	\$12,000 per year
Energy Charge	—	\$38 per MWH
Lime	—	\$60 per ton

4. Use of Facilities Charge. The Use of Facilities Charge shall be \$4,000 per month. Contractor shall invoice Owner on a monthly basis for this amount, subject, however, to readjustment as provided in Section 3.1.

5. Higher of Market Price or Cost. Notwithstanding the foregoing, in the event that the market price for the Operational Services, the Maintenance Services, the Utilities, or the Use of Facilities exceeds the costs of the same as set forth above, then the Contractor shall invoice and the Owner shall pay the market price.