

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT  
PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) July 12, 2015

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**BLACK HILLS CORPORATION**

(Exact name of registrant as specified in its charter)

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**South Dakota**

(State or other jurisdiction of incorporation)

**001-31303**

(Commission File Number)

**46-0458824**

(IRS Employer Identification No.)

**625 Ninth Street, PO Box 1400  
Rapid City, South Dakota**  
(Address of principal executive offices)

**57709-1400**  
(Zip Code)

**605.721.1700**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

## Item 1.01 Entry into a Material Definitive Agreement

### Purchase Agreement

On July 12, 2015, we entered into a definitive agreement to acquire SourceGas Holdings LLC (“SourceGas”) from investment funds managed by Alinda Capital Partners and GE Unit (NYSE:GE) GE Energy Financial Services. The acquisition will be effected pursuant to a purchase and sale agreement among Alinda Gas Delaware LLC, Alinda Infrastructure Fund I, L.P. and Aircraft Services Corporation (“ASC”), as Sellers, and Black Hills Utility Holdings, Inc., (“BHUH”) as Buyer (the “Purchase Agreement”), an Option Agreement by and among ASC, SourceGas and BHUH (the “Option Agreement”), and a Guaranty by Black Hills Corporation in favor of the Sellers (the “Guaranty”), referred to as the “Transaction”. Total consideration for the Transaction is \$1.89 billion, including reimbursement of an estimated \$200 million in capital expenditures through closing and the assumption of approximately \$720 million of debt projected at closing. The consideration will be subject to a customary post-closing adjustment for cash, capital expenditures, indebtedness and working capital. Following completion of the Transaction, SourceGas will be a wholly-owned subsidiary of BHUH. SourceGas primarily operates four regulated natural gas utilities serving approximately 425,000 customers in Arkansas, Colorado, Nebraska and Wyoming and a 512-mile regulated intrastate natural gas transmission pipeline in Colorado.

At the closing, BHUH will acquire 99.5% of the outstanding equity interests of SourceGas under the terms of the Purchase Agreement. Further, at the closing, BHUH will receive an option to acquire the remaining 0.5% interest in SourceGas from ASC under the terms of the Option Agreement. Black Hills Corporation has guaranteed the obligations of BHUH under the terms of the Guaranty.

The agreements contain various provisions customary for transactions of this size and type, including representations, warranties and covenants with respect to the Arkansas, Colorado, Nebraska and Wyoming utility businesses that are subject to usual limitations. Completion of the sale transactions is subject to various conditions, including: (i) approval of the Arkansas Public Service Commission, Colorado Public Utilities Commission, Nebraska Public Service Commission and Wyoming Public Service Commission; (ii) the expiration or early termination of any waiting period under the Hart-Scott-Rodino Antitrust Act of 1976, as amended; and (iii) the absence of a material adverse effect on the utility businesses being sold.

The Purchase Agreement contains certain termination rights for all parties, including, among others, the right to terminate if the transaction is not completed by July 12, 2016 (subject to extension to October 12, 2016, under certain circumstances related to fulfillment of regulatory closing conditions).

The foregoing descriptions of the Transaction do not purport to be complete and are qualified in their entirety by reference to the Purchase Agreement, Option Agreement and Guaranty, copies of which are filed as exhibits to this Form 8-K and incorporated herein by reference. Each agreement contains representations and warranties of the parties made to (and solely for the benefit of) the other parties, and the assertions embodied in those representations and warranties are qualified by confidential information in schedules that the parties have exchanged with each other. Accordingly, investors and security holders should not rely on the representations and warranties as characterizations of the actual state of facts, because they were made as of the date of each agreement and are modified in important part by the disclosure schedules.

## Financing Commitment

On July 12, 2015, we entered into a commitment letter (the “Commitment Letter”) with Credit Suisse Securities (USA) LLC and Credit Suisse AG, and its affiliates (collectively “Credit Suisse”). Pursuant to the Commitment Letter, Credit Suisse has committed to provide a 1-year senior unsecured bridge term loan credit facility (the “Bridge Term Facility”) in an aggregate principal amount of \$1.17 billion to fund the Transaction. The commitment is subject to various conditions, including, (i) the absence of a material adverse effect having occurred with respect to SourceGas Holdings LLC and its subsidiaries, (ii) the execution of satisfactory definitive documentation and (iii) other customary closing conditions. Any permanent debt and equity financing obtained by Black Hills Corporation will reduce the amount of the commitment under the Commitment Letter, subject to certain exceptions.

A copy of the Commitment Letter is filed as Exhibit 10.1 to this report and is incorporated herein by reference. The foregoing description of the Commitment Letter and the transaction contemplated thereby does not purport to be complete and is qualified in its entirety by reference to the Commitment Letter.

## Item 7.01 Regulation FD Disclosure

On July 12, 2015, we issued a press release announcing we had entered into the Transaction described above under Item 1.01. A copy of the press release is attached as Exhibit 99.1 to this Form 8-K. This press release is being “furnished” and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

## Item 9.01 Financial Statements and Exhibits

### (d) Exhibits

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|------|--|
| 2.1  | Purchase and Sale Agreement by and among Alinda Gas Delaware LLC, Alinda Infrastructure Fund I, L.P. and Aircraft Services Corporation, as Sellers, and Black Hills Utility Holdings, Inc., as Buyer dated as of July 12, 2015 (excluding certain exhibits and schedules, which the Registrant agrees to furnish supplementally to the Securities and Exchange Commission upon request). |
| 2.2  | Option Agreement by and among Aircraft Services Corporation, as ASC, SourceGas Holdings LLC, as the Company and Black Hills Utility Holdings, Inc., as Buyer.  |
| 2.3  | Guaranty of Black Hills Corporation in favor of Alinda Gas Delaware LLC, Alinda Infrastructure Fund I, L.P. and Aircraft Services Corporation, dated as of July 12, 2015.  |
| 10.1 | Commitment Letter by and among Black Hills Corporation and Credit Suisse Securities (USA) LLC and Credit Suisse AG dated as of July 12, 2015.  |
| 99.1 | Press Release dated July 12, 2015.   |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

BLACK HILLS CORPORATION

By: /s/ Richard W. Kinzley

Richard W. Kinzley

Senior Vice President

and Chief Financial Officer

Date: July 14, 2015

## Exhibit Index

### Exhibit #

- 2.1 Purchase and Sale Agreement by and among Alinda Gas Delaware LLC, Alinda Infrastructure Fund I, L.P. and Aircraft Services Corporation, as Sellers, and Black Hills Utility Holdings, Inc., as Buyer dated as of July 12, 2015 (excluding certain exhibits and schedules, which the Registrant agrees to furnish supplementally to the Securities and Exchange Commission upon request).
- 2.2 Option Agreement by and among Aircraft Services Corporation, as ASC, SourceGas Holdings LLC, as the Company and Black Hills Utility Holdings, Inc., as Buyer.
- 2.3 Guaranty of Black Hills Corporation in favor of Alinda Gas Delaware LLC, Alinda Infrastructure Fund I, L.P. and Aircraft Services Corporation, dated as of July 12, 2015.
- 10.1 Commitment Letter by and among Black Hills Corporation and Credit Suisse Securities (USA) LLC and Credit Suisse AG dated as of July 12, 2015.
- 99.1 Press Release dated July 12, 2015.

**PURCHASE AND SALE AGREEMENT**

among

ALINDA GAS DELAWARE LLC,  
ALINDA INFRASTRUCTURE FUND I, L.P.

and

AIRCRAFT SERVICES CORPORATION

as Sellers,

and

BLACK HILLS UTILITY HOLDINGS, INC.

as Buyer

dated as of July 12, 2015

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## PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement dated as of July 12, 2015 (this “**Agreement**”) is made and entered into by and among Alinda Gas Delaware LLC, a Delaware limited liability company (“**Alinda Gas Delaware**”), Alinda Infrastructure Fund I, L.P., a Delaware limited partnership (“**Alinda Fund**” and together with Alinda Gas Delaware, “**Alinda Sellers**” and each an “**Alinda Seller**”), and Aircraft Services Corporation, a Nevada corporation (“**ASC**” and together with Alinda Sellers, collectively “**Sellers**” and each a “**Seller**”), and Black Hills Utility Holdings, Inc., a South Dakota corporation (“**Buyer**”).

### RECITALS

WHEREAS, Alinda Fund owns all of the issued and outstanding shares of capital stock (“**Alinda Holding I Stock**”) of Alinda Gas I, Inc., a Delaware corporation (“**Alinda Holding I**”);

WHEREAS, Alinda Holding I owns 18.5 of the Class B Units (“**Alinda Gas Company Interests**”) in SourceGas Holdings LLC, a Delaware limited liability company (the “**Company**”);

WHEREAS, Alinda Gas Delaware owns all of the issued and outstanding shares of capital stock (“**Alinda Holding II Stock**” and, together with the Alinda Holding I Stock, the “**Alinda Holding Stock**”) of Alinda Gas II, Inc., a Delaware corporation (“**Alinda Holding II**” and, together with Alinda Holding I, the “**Alinda Holders**”);

WHEREAS, Alinda Holding II owns all of the equity interests in Alinda Investments LLC, a Delaware limited liability company (“**Alinda Investments**”);

WHEREAS, Alinda Investments owns 31.5 of the Class B Units (“**Alinda Investment Company Interests**”) in the Company;

WHEREAS, ASC is the owner of 50 of the Class A Units (the “**ASC Interests**”) in the Company;

WHEREAS, subject to the terms and conditions of this Agreement, Sellers desire to sell, and Buyer desires to purchase, (i) the Alinda Holding Stock and (ii) 49.5 Class A Units in the Company (the “**Purchased ASC Interests**” and collectively with the Alinda Holding Stock, the “**Acquired Interests**”), in exchange for payment of the consideration specified in this Agreement; and

WHEREAS, ASC and Buyer desire to enter into an option agreement in the form attached hereto as Exhibit A (the “**Option Agreement**”) at Closing, whereby ASC shall have the option to sell to Buyer, and Buyer shall have the option to purchase from ASC, one half (0.5) Class A Unit in the Company, subject to and in accordance with the terms of the Option Agreement.

### STATEMENT OF AGREEMENT

Now, therefore, in consideration of the premises and the mutual representations, warranties, covenants and agreements in this Agreement, and for other good and valuable consideration, the receipt and sufficiency

of which are hereby acknowledged, the Parties agree as follows:

## ARTICLE 1 DEFINITIONS AND CONSTRUCTION

1.1 **Definitions.** As used in this Agreement, the following capitalized terms have the meanings set forth below:

“**1933 Act**” has the meaning given to it in Section 6.7.

“**Accounting Principles**” means, with respect to the calculation of any amount hereunder, that such amount was calculated in accordance with GAAP, applied in a manner consistent with the principles, practices, assumptions, policies and methodologies used by the Project Companies in the preparation of the financial statements described in Section 5.8.

“**Acquired Company**” means each of the Alinda Holders, Alinda Investments, and the Project Companies and “**Acquired Companies**” means the Alinda Holders, Alinda Investments, and the Project Companies, collectively.

“**Acquired Interests**” has the meaning given to it in the recitals to this Agreement.

“**Actual CapEx Amount**” means the aggregate amount of all capital expenditures that are either (a) incurred and paid by the Project Companies from March 31, 2015 through the Closing Date or (b) incurred by the Project Companies from March 31, 2015 through the Closing Date and reflected as a Current Liability in the calculation of Net Working Capital of the Project Companies.

“**Affiliate**” means any Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether through ownership of voting securities or ownership interests, by contract or otherwise, and specifically with respect to a corporation, partnership or limited liability company, means direct or indirect ownership of at least 50% of the voting securities in such corporation or of the voting interest in such partnership or limited liability company. For the avoidance of doubt, the Project Companies are, prior to Closing, Affiliates of Sellers and, after Closing, shall cease to be Affiliates of Sellers and shall become Affiliates of Buyer.

“**Agreement**” has the meaning given to it in the introduction to this Agreement.

“**Alinda Acquired Company**” means each of Alinda Investments and the Alinda Holders and “**Alinda Acquired Companies**” means Alinda Investments and the Alinda Holders, collectively.

“**Alinda Fund**” has the meaning given to it in the introduction to this Agreement.

**“Alinda Gas Company Interests”** has the meaning given to it in the recitals to this Agreement.

**“Alinda Gas Delaware”** has the meaning given to it in the introduction to this Agreement.

**“Alinda Holders”** has the meaning given to it in the recitals to this Agreement.

**“Alinda Holding I”** has the meaning given to it in the recitals to this Agreement.

**“Alinda Holding II”** has the meaning given to it in the recitals to this Agreement.

**“Alinda Holding I Stock”** has the meaning given to it in the recitals to this Agreement.

**“Alinda Holding II Stock”** has the meaning given to it in the recitals to this Agreement.

**“Alinda Holding Stock”** has the meaning given to it in the recitals to this Agreement.

**“Alinda Investment Company Interests”** has the meaning given to it in the recitals to the Agreement.

**“Alinda Investments”** has the meaning given to it in the recitals to this Agreement.

**“Alinda Sellers”** or **“Alinda Seller”** has the meaning given to it in in the introduction to this Agreement.

**“Alinda Sellers Approvals”** has the meaning given to it in Section 3.3(b).

**“Alinda Sellers Base Purchase Price”** has the meaning given to it in Section 2.2(a).

**“Alinda Sellers Closing Payment”** has the meaning given to it in Section 2.6(a).

**“Alinda Sellers Equity Purchase Price”** has the meaning given to it in Section 2.2.

**“Alinda Sellers Share”** means 0.5.

**“Anti-Corruption Laws”** means all laws, rules and regulations of the United States, the United Nations, the United Kingdom, the European Union or any other Governmental Authority from time to time concerning or relating to bribery, money laundering, or corruption, including the UK Bribery Act and the FCPA.

**“ASC”** has the meaning given to it in the introduction to this Agreement.

**“ASC Base Purchase Price”** has the meaning given to it in Section 2.3(a).

**“ASC Closing Payment”** has the meaning given to it in Section 2.6(b).

**“ASC Equity Purchase Price”** has the meaning given to it in Section 2.3.

“**ASC Interests**” has the meaning given to it in the recitals to this Agreement.

“**ASC Seller Approvals**” has the meaning given to it in Section 4.3(b).

“**ASC Share**” means 0.495.

“**Assets**” of any Person means all assets and properties of every kind, nature, character and description (whether real, personal or mixed, whether tangible or intangible and wherever situated), including the goodwill related thereto, operated, owned or leased by such Person.

“**Assumed Liabilities**” means all liabilities and obligations (whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due) known and unknown arising out of or attributable to the pre- and post- Closing ownership of the Acquired Interests, including those under or arising out of the Company LLC Agreement or attributable to the ownership or operation of the Acquired Companies, but excluding (i) any federal or state income Tax liabilities associated with the ownership of the Acquired Interests prior to Closing and (ii) any liabilities or obligations associated exclusively with the Retained ASC Interest.

“**Base Purchase Price**” means the Alinda Sellers Base Purchase Price plus the ASC Base Purchase Price.

“**Benefit Plan**” means (a) any “employee benefit plan,” as such term is defined in Section 3(3) of ERISA, (b) any plan that would be an “employee benefit plan” if it was subject to ERISA, such as foreign plans and plans for directors, (c) any equity bonus, equity ownership, equity option, equity purchase, equity appreciation rights, phantom equity, or other equity plan (whether qualified or nonqualified), (d) each bonus, deferred compensation or incentive compensation or fringe benefit plan, and (e) any personal, vacation, holiday and sick or other leave policy.

“**Business Day**” means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

“**Buyer**” has the meaning given to it in the introduction to this Agreement.

“**Buyer Approvals**” has the meaning given to it in Section 6.3(c).

“**Buyer Plan**” has the meaning given to it in Section 7.16.

“**Buyer’s Determination**” has the meaning given to it in Section 2.7(a).

“**CapEx Estimate**” has the meaning given in Section 2.6(a)(iii).

“**Charter Documents**” means with respect to any Person, the articles or certificate of incorporation, formation or organization and by-laws, the limited partnership agreement, the partnership agreement or the limited liability company agreement, or such other organizational documents of such Person, including those that are required to be registered or kept in the place of incorporation, organization or formation of such Person and which establish the legal personality of such Person. For the avoidance of doubt, the Company LLC Agreement is a Charter Document of the Company.

“**Claim**” means any demand, claim, action, investigation, Proceeding (whether at law or in equity) or arbitration.

“**Claiming Party**” has the meaning given to it in Section 11.7(a).

“**Class A Units**” has the meaning given to it in the Company LLC Agreement.

“**Class B Units**” has the meaning given to it in the Company LLC Agreement.

“**Closing**” means the consummation of the sale by Sellers, and the purchase by Buyer, of the Acquired Interests, as provided for in Section 2.4.

“**Closing Date**” means the date on which Closing occurs.

“**Closing Indebtedness**” means the Indebtedness of the Project Companies as of Closing, but excluding all Indebtedness among the Project Companies.

“**Code**” means the Internal Revenue Code of 1986, as amended.

“**Commitment Letter**” means that certain commitment letter, dated as of July [\_\_\_], 2015, among Credit Suisse Securities (USA) LLC, Credit Suisse AG and Black Hills Corporation.

“**Company**” has the meaning given to it in the recitals to this Agreement.

“**Company Consents**” has the meaning given to it in Section 5.2(a).

“**Company Leased Real Property**” has the meaning given to it in Section 5.11(b).

“**Company LLC Agreement**” means that certain Amended and Restated Limited Liability Company Agreement of the Company, dated as of March 30, 2007.

“**Company Owned Real Property**” has the meaning given to it in Section 5.11(a).

“**Company Real Property Lease**” has the meaning given to it in Section 5.11(b).

“**Confidentiality Agreement**” means that certain Confidentiality Agreement among Alinda Capital Partners LLC, GE Energy Financial Services, Inc. and Black Hills Corporation, dated as of April 24, 2015.

“**Continuing Employee**” has the meaning given to it in Section 7.16.

“**Contract**” means any legally binding written contract, lease, license, evidence of Indebtedness, mortgage, indenture, purchase order, binding bid, letter of credit, security agreement or other written and legally binding arrangement.



“**Current Assets**” means the current assets of the Project Companies, including cash, cash equivalents, cash collateral posted as credit support by any Project Company and cash deposited by any Project Company in any reserve account, plus any amounts relating to the purchase of extended liability coverage described in Section 7.6, in each case, as determined in accordance with the Accounting Principles; provided, however, that, for the purpose of determining Current Assets any deferred Tax assets shall be excluded from the definition of Current Assets.

“**Current Liabilities**” means the current liabilities of the Project Companies, as determined in accordance with the Accounting Principles; provided, however, that, for the purpose of determining Current Liabilities, (a) any current portion of Indebtedness shall be excluded from the definition of Current Liabilities, (b) any deferred Tax liabilities shall be excluded from the definition of Current Liabilities, (c) any liabilities relating to purchase of extended liability coverage described in Section 7.6 shall be excluded from the definition of Current Liabilities, (d) current liabilities that are offset by non-current regulatory assets or insurance receivables in the financial statements described in Section 5.8 shall be excluded from the definition of Current Liabilities and (e) any liabilities relating to the Retention and Severance Letters shall be excluded from the definition of Current Liabilities.

“**De Minimis Threshold**” has the meaning given to it in Section 11.2(b).

“**Deductible Amount**” has the meaning given to it in Section 11.2(c).

“**Direct Claim**” has the meaning given to it in Section 11.8.

“**Easements**” has the meaning given to it in Section 5.11(d).

“**Environmental Claim**” means any claim, loss, cost, expense, liability, fine, penalty or damage arising out of or related to any violation of Environmental Law.

“**Environmental Law**” means the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. § 6901 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 through 2629; the Oil Pollution Act, 33 U.S.C. § 2701 et seq.; the Emergency Planning and Community Right-to-Know Act, 42 U.S.C. § 11001 et seq.; the Safe Drinking Water Act, 42 U.S.C. §§ 300f through 300j; and all similar Laws of any Governmental Authority having jurisdiction over the Assets in question addressing pollution, occupational health and safety, or protection of the environment, each as amended on or prior to the Closing Date.

“**Equitable Principles**” has the meaning given to it in Section 3.2.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended.

“**ERISA Affiliate**” means any entity, trade or business that is a member of a group described in Section 414(b), (c), (m) or (o) of the Code or Section 4001(b)(1) of ERISA that includes the Project Companies, or that is a member of the same “controlled group” as the Project Companies pursuant to Section 4001(a)(14) of ERISA.

“**Escrow Agreement**” has the meaning given to it in Section 7.10.

“**Financing**” has the meaning given to it in Section 7.17.

“**Financing Sources**” means the entities that have committed to provide or arrange or otherwise entered into agreements in connection with the Financing or other financings in connection with the transactions contemplated hereby, and the parties to any joinder agreements, indentures or credit agreements entered into pursuant thereto or relating thereto, together with their respective Affiliates, and their respective Affiliates’ officers, directors, employees, agents and representatives and their respective successors and assigns.

“**Financing Sources Action**” has the meaning given to it in Section 12.12.

“**FCPA**” means the United States Foreign Corrupt Practices Act of 1977.

“**Fundamental Representations**” means those representations and warranties set forth in Article III, Article IV, Section 5.1 and Section 5.3.

“**GAAP**” means generally accepted accounting principles in the United States as in effect as of the date of this Agreement.

“**Governmental Authority**” means any court, tribunal, arbitrator, authority, agency, or official instrumentality of any Federal, state, county, city, municipal, district, tribal or other political subdivision or similar governing entity.

“**Guaranty**” has the meaning given to it in Section 12.16.

“**Hazardous Material**” means and includes each substance regulated as a solid waste, hazardous waste, hazardous substance, hazardous material, pollutant, contaminant or toxic substance under any Environmental Law and any petroleum or petroleum products that have been Released into the environment in concentrations or locations for which remedial action is required under any applicable Environmental Law.

“**HSR Act**” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

“**Indebtedness**” of any Person means all obligations of such Person (a) for borrowed money, (b) evidenced by notes, bonds, debentures or similar instruments, (c) under capital leases, or (d) in the nature of guarantees of the obligations described in clauses (a) through (c) above of any other Person other than any Project Company.

“**Indebtedness Estimate**” has the meaning given to it in Section 2.6(a)(iv).

“**Initial Ownership Date**” means March 30, 2007.

“**Intellectual Property**” means the following intellectual property rights, both statutory and under common law, if applicable: (a) copyrights, registrations and applications for registration thereof, (b)

trademarks, service marks, trade names, slogans, domain names, logos, trade dress, and registrations and applications for registrations thereof, (c) patents, as well as any reissued and reexamined patents and extensions corresponding to the patents, and any patent applications, as well as any related continuation, continuation in part and divisional applications and patents issuing therefrom and (d) trade secrets and confidential information, including ideas, designs, concepts, compilations of information, methods, techniques, procedures, processes and other know-how, whether or not patentable.

**“Interim Period”** has the meaning given to it in Section 7.1.

**“Knowledge”** when used in a particular representation or warranty in this Agreement with respect to Sellers, means the actual knowledge (as opposed to any constructive or imputed knowledge) of the individuals listed on Schedule 1.1-K, without inquiry.

**“Laws”** means all laws, statutes, rules, regulations, ordinances, and other pronouncements having the effect of law of any Governmental Authority.

**“Lien”** means any mortgage, pledge, security interest, lien or other similar encumbrance.

**“Loss”** means any and all judgments, liabilities, amounts paid in settlement, damages, fines, penalties, deficiencies, losses and expenses (including interest, court costs, reasonable fees of attorneys, accountants and other experts or other reasonable expenses of litigation or other Proceedings or of any claim, default or assessment), but only to the extent the foregoing (a) are not reasonably expected to be covered, directly or indirectly, by (i) rate base recovery or (ii) a payment from a third party or by insurance or otherwise recoverable from third parties, (b) are net of any associated benefits arising in connection with any of the foregoing, including any associated Tax benefits and (c) are not included in Net Working Capital. For all purposes of this Agreement, the term **“Losses”** shall not include any Non-Reimbursable Damages.

**“Material Adverse Effect”** means any occurrence, condition, change, development, event or effect that materially adversely affects the business, properties, financial condition or results of operations on the Project Companies, taken as a whole; provided, however, in no event shall any of the following, either alone or in combination with any other occurrence, condition, change, development, event or effect, constitute a Material Adverse Effect: any occurrence, condition, change, development, event or effect directly or indirectly resulting from (a) any change in economic conditions generally, including any change in markets for, or prices of, natural gas, electric power or capacity, or other commodities or supplies; (b) any change in general regulatory, social or political conditions, including any acts of war, sabotage or terrorist activities; (c) any change affecting any of the natural gas transportation, distribution, storage or sales industries, generally, or the target markets or systems of the Project Companies in particular; (d) any change in the financial, banking, credit, securities or capital markets (including any suspension of trading in, or limitation on prices for, securities on any stock exchange or any changes in interest rates) or any change in the general national or regional economic or financial conditions; (e) any continuation of an adverse trend or condition; (f) any proposed or actual change in any Laws (including Environmental Laws) or GAAP; (g) any effects of weather (including any impact on customer use patterns), geological or meteorological events or other natural disaster; (h) strikes, work stoppages or other labor disturbances; (i) any change caused by the pending sale of the Acquired Interests to Buyer, including changes due to the credit rating of Buyer or its Affiliates; (j) any actions to be taken pursuant to or in accordance with this Agreement, or taken at the request of or with the consent of Buyer; (k) the announcement or pendency of the transactions contemplated hereby, including the impact thereof on the relationships, contractual or otherwise, of the Project Companies with employees, labor unions, customers, suppliers or partners, and including any lawsuit, action or other Proceeding with respect to the transactions contemplated hereby; (l) any failure by any Project Company to meet internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating

metrics for any period (provided that the exception in this clause (l) shall not prevent or otherwise affect a determination that any event, change, effect, development, occurrence or condition underlying such failure has resulted in, or contributed to, a Material Adverse Effect), and (m) any matter disclosed in the Schedules.

“**Material Contracts**” has the meaning given to it in Section 5.10(a).

“**Multiemployer Plan**” means a plan described in Section 4001(a)(3) of ERISA.

“**Net Working Capital**” means, with respect to the Project Companies, as of Closing (without giving effect to the purchase and sale contemplated hereby), the Current Assets minus the Current Liabilities, as determined in accordance with the accounting policies, practices, procedures, methods, categorizations and techniques as were used in the preparation of Schedule 1.1-A (sample calculation of Net Working Capital), and in accordance with the Accounting Principles.

“**New Plan**” has the meaning given to it in Section 7.16.

“**Non-Company Affiliate**” means any Affiliate of any Seller, except for the Acquired Companies.

“**Non-Reimbursable Damages**” has the meaning given to it in Section 11.6(b).

“**NWC Estimate**” has the meaning given to it in Section 2.6(a)(i).

“**OFAC**” means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

“**Option Agreement**” has the meaning given to it in the recitals to this Agreement.

“**Outside Date**” has the meaning given to it in Section 10.1(d).

“**Party**” or “**Parties**” means each of Buyer and Sellers.

“**Permits**” means all licenses, permits, certificates of authority, authorizations, approvals, registrations, franchises and similar consents granted by a Governmental Authority.

“**Permitted Lien**” means (a) any Lien for Taxes, impositions, assessments, fees, rents or other governmental charges levied or assessed or imposed (i) not yet due or delinquent or (ii) being contested in good faith by appropriate Proceedings, (b) any statutory or other Lien arising in the ordinary course of business by operation of Law with respect to a liability that is not yet due or delinquent or which is being contested in good faith by or on behalf of any Project Company, (c) all matters, both general and specific,

that are disclosed (whether or not subsequently deleted or endorsed over) on any survey or in any title policies insuring a Property or any commitments therefor that have been made available to Buyer or obtained by or on behalf of Buyer, (d) purchase money Liens arising in the ordinary course of business, (e) any other imperfection or irregularity of title and other Liens that would not reasonably be expected to materially interfere with or impair the use of the property burdened thereby, (f) zoning, planning, regulatory and other similar limitations and restrictions, all rights of any Governmental Authority to regulate the Property, and all matters of record, (g) the terms and conditions of the Permits of the Project Companies or the Contracts listed on Schedule 5.10(a), (h) pledges and deposits made in the ordinary course of business in compliance with workers' compensation, unemployment insurance and other social security Laws, (i) any Lien to be released on or prior to Closing, (j) Liens reflected in the financial statements described in Section 5.8 and (k) the matters identified on Schedule 1.1-PL.

**"Person"** means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, other business organization, trust, union, association or Governmental Authority.

**"Pre-Closing Date Straddle Period"** has the meaning given to it in Section 7.7(c).

**"Proceeding"** means any complaint, lawsuit, action, suit, claim (including claim of a violation of Law), administrative enforcement, judgment, order or other proceeding at Law or in equity or order or ruling, in each case by or before any Governmental Authority or arbitral tribunal.

**"Project Company"** means each of the Company and Subsidiaries and **"Project Companies"** means the Company and Subsidiaries, collectively.

**"Project Company Assets"** means all of the Assets of the Project Companies.

**"Project Company Benefit Plans"** has the meaning given to it in Section 5.16(a).

**"Project Company Employee"** means an employee of a Project Company.

**"Property"** means the real property owned or leased by the Project Companies.

**"Purchased ASC Interests"** has the meaning given to it in the recitals to this Agreement.

**"Purchased ASC Interests Assignment Agreement"** means the ASC Interests Assignment Agreement by and between ASC and Buyer, dated as of the Closing Date, and in substantially the form attached hereto as Exhibit B, pursuant to which ASC assigns and transfers to Buyer, and Buyer accepts, the Purchased ASC Interests.

**"Purchase Price"** means the Alinda Sellers Equity Purchase Price plus the ASC Equity Purchase Price.

**"Purchase Price Allocation Schedule"** has the meaning given to it in Section 2.8(a).

“**Records**” means the Project Companies’ books, records and files, including all Contracts and any and all title, Tax, financial, technical, engineering, environmental and safety records and information.

“**Regulatory Entity**” has the meaning given to it in Section 5.17.

“**Regulatory Permits**” has the meaning given to it in Section 5.17.

“**Regulatory Proceeding**” has the meaning given to it in Section 5.17.

“**Release**” means any depositing, spilling, leaking, pumping, pouring, placing, emitting, discarding, abandoning, emptying, discharging, migrating, injecting, escaping, leaching, dumping, or disposing.

“**Released Parties**” has the meaning given to it in Section 11.3.

“**Representatives**” means, as to any Person, its officers, directors, employees, managers, members, partners, shareholders, owners, counsel, accountants, financial advisers and consultants.

“**Required Regulatory Approvals**” means (i) the approval of the Arkansas Public Service Commission of the consummation of the transactions contemplated hereby; (ii) the approval by the Colorado Public Utilities Commission of the transactions contemplated hereby; (iii) the approval of the Nebraska Public Service Commission of the transactions contemplated hereby; and (iv) the approval of the Wyoming Public Service Commission of the transactions contemplated hereby.

“**Responding Party**” has the meaning given to it in Section 11.7(a).

“**Retained ASC Interest**” means one half (0.5) Class A Unit in the Company which, as of Closing, will be retained by ASC.

“**Retention and Severance Letters**” means letters issued by SourceGas LLC to certain Project Company Employees listed on Schedule 1.1-R on or around May 4, 2015 providing such employees certain benefits upon Closing and if their employment is terminated within twelve months of Closing.

“**Sanctioned Entity**” means (a) an agency of the government of, (b) an organization directly or indirectly owned or controlled by, or (c) an individual that acts on behalf of, a country or territory that is subject to, or the target of, Sanctions, including without limitation, a sanctions program identified on the list maintained by OFAC and available at <http://www.treas.gov/offices/enforcement/ofac/programs>, or as otherwise published from time to time, to the extent that such program administered by OFAC is applicable to any such agency, organization or person.

“**Sanctioned Person**” means a person named on the list of Specially Designated Nationals or Blocked Persons maintained by OFAC available at <http://www.treas.gov/offices/enforcement/ofac/sdn/index.html>, or as otherwise published from time to time or any other Sanctions-related list maintained by an applicable Governmental Authority.

“**Sanctions**” means any sanctions imposed, administered or enforced from time to time by any applicable Governmental Authority, including those administered by OFAC, the U.S. Department of State, Her Majesty’s Treasury, the United Nations, the European Union, or any agency or subdivision of any of the foregoing, including any regulations, rules, and executive orders issued in connection therewith.

“**Schedules**” means the schedules attached to this Agreement.

“**Section 721**” has the meaning given to it in Section 7.1(e)(v).

“**Sellers**” and “**Seller**” have the meaning given to them in the introduction to this Agreement.

“**Sellers Appointees**” means all current and former officers, managers, directors and similar persons of any Acquired Company that are or were employees of General Electric Company or Alinda Capital Partners LLC or any of their respective Affiliates, excluding employees of the Project Companies.

“**Sellers Approvals**” means the Alinda Sellers Approvals and the ASC Seller Approvals.

“**Sellers’ Marks**” has the meaning given to it in Section 7.12.

“**SourceGas LLC**” means SourceGas LLC, a Delaware limited liability company.

“**Straddle Period**” has the meaning given to it in Section 7.7(c).

“**Subsidiary**” means each of, and “**Subsidiaries**” means, collectively, SourceGas LLC, SourceGas Inc., a Delaware corporation, SourceGas International, Inc., a Delaware corporation, SourceGas Arkansas Inc., an Arkansas corporation, SourceGas Gas Supply Services Inc., a Colorado corporation, SourceGas Energy Services Company, a Colorado corporation, SourceGas Distribution LLC, a Delaware limited liability company, Rocky Mountain Natural Gas LLC, a Colorado limited liability company, and SourceGas Storage LLC, a Colorado limited liability company.

“**Tax**” or “**Taxes**” means any federal, state, local or foreign income, gross receipts, ad valorem, sales, use, employment, social security, disability, occupation, property, severance, value added, goods and services, documentary, stamp duty, transfer, conveyance, capital stock, excise, withholding or other taxes imposed by or on behalf of any Taxing Authority, including any interest, penalty or addition thereto.

“**Tax Return**” means any declaration, report, statement, form, return or other document or information filed with or required to be supplied to a Taxing Authority in connection with Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Taxing Authority**” means, with respect to any Tax, the Governmental Authority that imposes such Tax, and the agency (if any) charged with collection or administration of such Tax for such Governmental Authority.

“**Term Loan**” has the meaning given to it in Section 7.4(i).

“**Transfer Taxes**” means all transfer, sales, use, goods and services, value added, documentary, stamp duty, transfer, conveyance, registration, and other similar Taxes, duties, fees or charges.

“**UK Bribery Act**” means the United Kingdom Bribery Act 2010.

## 1.2 **Rules of Construction.**

(a) All article, section, subsection, schedules and exhibit references used in this Agreement are to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified. The exhibits and schedules attached to this Agreement constitute a part of this Agreement and are incorporated herein for all purposes.

(b) If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). Unless the context of this Agreement clearly requires otherwise, words importing the masculine gender shall include the feminine and neutral genders and vice versa. The words “includes” or “including” shall mean “including without limitation,” the words “hereof,” “hereby,” “herein,” “hereunder” and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular section or article in which such words appear and any reference to a Law shall include any rules and regulations promulgated thereunder, and any reference to any Law in this Agreement shall only be a reference to such Law as of the date of this Agreement. Currency amounts referenced herein are in U.S. Dollars. Terms defined in the singular have the corresponding meanings in the plural, and vice versa.

(c) Time is of the essence in this Agreement. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day.

(d) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP.

(e) Each Party acknowledges that it and its attorneys have been given an equal opportunity to negotiate the terms and conditions of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party or any similar rule operating against the drafter of an agreement shall not be applicable to the construction or interpretation of this Agreement.



(f) Unless otherwise indicated, with respect to Sellers or the Project Companies, the terms “ordinary course of business” or “ordinary course” shall be deemed to refer to the ordinary conduct of business in a manner consistent with the past practices and customs of the Project Companies.

## ARTICLE II PURCHASE AND SALE AND CLOSING

2.1 **Purchase and Sale.** On the terms and subject to the conditions set forth in this Agreement, (i) Buyer agrees to purchase from the Alinda Sellers, and the Alinda Sellers agree to convey to Buyer, the Alinda Holding Stock and (ii) Buyer agrees to purchase from ASC, and ASC agrees to convey to Buyer, the Purchased ASC Interests.

2.2 **Alinda Sellers Equity Purchase Price.** The purchase price for the purchase and sale of the Alinda Holding Stock described in Section 2.1 is equal to the sum of (the “**Alinda Sellers Equity Purchase Price**”):

(a) \$824,830,000 (the “Alinda Sellers Base Purchase Price”);

(b) plus, where the Net Working Capital is positive, the product of (i) the amount equal to the Net Working Capital and (ii) the Alinda Sellers Share;

(c) minus, where the Net Working Capital is negative, the product of (i) the amount equal to the absolute value of the Net Working Capital and (ii) the Alinda Sellers Share;

(d) plus, the product of (i) the amount equal to the Actual CapEx Amount and (ii) the Alinda Sellers Share; and

(e) minus, the product of (i) the Closing Indebtedness and (ii) the Alinda Sellers Share.

with all such amounts identified in the immediately preceding clauses (a) through (e) paid free and clear of, and without any withholding or deduction for or on account of, any Tax.

2.3 **ASC Equity Purchase Price.** The purchase price for the purchase and sale of the Purchased ASC Interests described in Section 2.1 is equal to the sum of (the “**ASC Equity Purchase Price**”):

(a) \$866,820,000 (the “**ASC Base Purchase Price**”);

(b) plus, where the Net Working Capital is positive, the product of (i) the amount equal to the Net Working Capital and (ii) the ASC Share;

(c) minus, where the Net Working Capital is negative, the product of (i) the amount equal to the absolute value of the Net Working Capital and (ii) the ASC Share;

(d) plus, the product of (i) the amount equal to the Actual CapEx Amount and (ii) the ASC Share; and

(e) minus, the product of (i) the Closing Indebtedness and (ii) the ASC Share.

with all such amounts identified in the immediately preceding clauses (a) through (e) paid free and clear of, and without any withholding or deduction for or on account of, any Tax.

2.4 **Closing.** Closing shall take place at the offices of Bracewell & Giuliani, 1251 Avenue of the Americas, 49<sup>th</sup> Floor, New York, New York 10020 at 10:00 A.M. local time, on the third Business Day after the conditions to Closing set forth in Articles VIII and IX (other than conditions which by their nature are to be satisfied at Closing, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived, or on such other date and at such other time and place as Buyer and Sellers mutually agree in writing. All actions listed in Section 2.5 or 2.6 that occur on the Closing Date shall be deemed to occur simultaneously at Closing.

2.5 **Closing Deliveries by Sellers to Buyer.** At Closing, ASC or the Alinda Sellers, as applicable, shall deliver, or shall cause to be delivered, to Buyer the following:

(a) a counterpart of the Purchased ASC Interests Assignment Agreement executed by ASC;

(b) certificates representing the Alinda Holding Stock, duly endorsed in blank or accompanied by stock powers duly endorsed in blank in proper form for transfer;

(c) a certification of non-foreign status in the form prescribed by Treasury Regulation Section 1.1445-2(b) with respect to each Seller;

(d) a counterpart of the Escrow Agreement executed by each Seller;

(e) a counterpart of the Option Agreement executed by ASC; and

(f) such other certificates, instruments, and documents required by this Agreement or as may be reasonably requested by Buyer prior to the Closing Date to carry out the intent and purposes of this Agreement.

2.6 **Closing Deliveries by Buyer to Sellers.** At Closing, Buyer shall deliver to Sellers the following:

(a) a wire transfer of immediately available funds in an amount in the aggregate equal to the Alinda Sellers' Base Purchase Price (the Alinda Sellers Base Purchase Price, as adjusted pursuant to clauses (i) through (iv) of this Section 2.6(a), the "**Alinda Sellers Closing Payment**"), with the Alinda Sellers Closing Payment directed to the Alinda Sellers to such account as the Alinda Sellers shall have notified Buyer of at least two Business Days prior to the Closing Date:

(i) plus, where Sellers' good faith estimate of the Net Working Capital (the "**NWC Estimate**") is positive, the product of (1) the amount equal to the NWC Estimate and (2) the Alinda Sellers Share;

(ii) minus, where the NWC Estimate is negative, the product of (1) the amount equal to the absolute value of the NWC Estimate and (2) the Alinda Sellers Share;

(iii) plus, the product of (1) Sellers' good faith estimate of the Actual CapEx Amount ("**CapEx Estimate**") and (2) the Alinda Sellers Share; and

(iv) minus, the product of (1) Sellers' good faith estimate of the Closing Indebtedness ("**Indebtedness Estimate**") and (2) the Alinda Sellers Share;

(b) a wire transfer of immediately available funds in an amount in the aggregate equal to the ASC Base Purchase Price (the ASC Base Purchase Price, as adjusted pursuant to clauses (i) through (iv) of this Section 2.6(b), the "**ASC Closing Payment**"), with the ASC Closing Payment directed to ASC to such account as ASC shall have notified Buyer of at least two Business Days prior to the Closing Date:

(i) plus, where the NWC Estimate is positive, the product of (1) the amount equal to the NWC Estimate and (2) the ASC Share;

(ii) minus, where the NWC Estimate is negative, the product of (1) the amount equal to the absolute value of the NWC Estimate and (2) the ASC Share;

(iii) plus, the product of (1) the CapEx Estimate and (2) the ASC Share; and

(iv) minus, the product of (1) the Indebtedness Estimate and (2) the ASC Share;

(c) a counterpart of the Purchased ASC Interests Assignment Agreement executed by Buyer;

(d) a counterpart of the Escrow Agreement executed by SourceGas LLC;

(e) a counterpart of the Option Agreement executed by Buyer; and

(f) such other certificates, instruments, and documents required by this Agreement or as may be reasonably requested by Sellers prior to the Closing Date to carry out the intent and purposes of this Agreement.

## 2.7 **Purchase Price Adjustments.**

(a) Sellers and Buyer shall cooperate and shall (in the case of Sellers, prior to Closing and, in the case of Buyer, from and after Closing) exercise commercially reasonable efforts to provide each other access to the books, records and employees of the Project Companies as are reasonably requested in connection with the matters addressed in this Section 2.7. Not later than two Business Days prior to the expected Closing Date, Sellers shall in good faith determine the NWC Estimate, the Indebtedness Estimate, and the CapEx Estimate, and shall provide Buyer with written notice of

such determination, along with reasonable supporting information and calculations. The existence of any dispute with respect to the NWC Estimate, the Indebtedness Estimate, or the CapEx Estimate shall not delay or otherwise affect Closing. Within 45 days after the Closing Date, Buyer shall determine the Net Working Capital, Closing Indebtedness, and Actual CapEx Amount and shall provide Sellers with written notice of such determination, along with reasonable supporting information and calculations (“**Buyer’s Determination**”).

(b) If Sellers object to Buyer’s Determination, then they shall provide Buyer with written notice thereof within 30 days after Closing and shall include reasonable detail regarding such specific objections together with supporting documentation. If Buyer and Sellers fail to agree on such disputed items contained in Buyer’s Determination within 30 days from delivery by Sellers to Buyer of Sellers’ objection notice, then any Party may refer such dispute to PwC (or, if that firm declines to act as provided in this Section 2.7(b), another firm of independent public accountants, mutually acceptable to Buyer and Sellers), which such firm shall be directed by the Parties to make a final and binding determination as to all matters in dispute (and only such matters) on a timely basis (and in any event within 60 days after its engagement) and to promptly notify the Parties in writing of its resolution; provided that the Parties shall not permit such firm to assign a value to any particular item greater than the greatest value for such item claimed by any Party or less than the lowest value for such item claimed by any Party. Such accounting firm handling the dispute resolution shall not have the power to modify or amend any term or provision of this Agreement. Buyer, on the one hand, and Sellers, on the other, shall each bear and pay one-half of the fees and other costs charged by such accounting firm. If Sellers do not object to Buyer’s Determination within the time period and in the manner set forth in the first sentence of this Section 2.7(b) or if Sellers accept Buyer’s Determination, the Net Working Capital, Closing Indebtedness, and Actual CapEx Amount as set forth in Buyer’s Determination shall become final and binding upon the Parties for all purposes hereunder. If Sellers do object to Buyer’s Determination within the time period and in the manner set forth in the first sentence of this Section 2.7(b), then Buyer’s Determination shall become final and binding for all purposes hereunder except with respect to, and only to the extent of, those matters expressly objected to by Sellers in such objection; provided, that where any matter to which Sellers expressly object would, if decided in Sellers’ favor, warrant an adjustment to any other amount set forth in Buyer’s Determination, then notwithstanding the foregoing, such other amount shall become final and binding only after the matter to which Sellers expressly object has been resolved and all applicable adjustments necessarily stemming therefrom have been made.

(c) If the Net Working Capital (as agreed between Buyer and Sellers or as determined by the above-referenced accounting firm) is greater than the NWC Estimate provided by Sellers pursuant to Section 2.7(a), then Buyer shall pay to:

i. the Alinda Sellers within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by the Alinda Sellers, an amount equal to the product of (1) Net Working Capital minus the NWC Estimate and (2) the Alinda Sellers Share; and

ii. ASC within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by ASC, an amount equal to the product of (1) Net Working Capital minus the NWC Estimate and (2) the ASC Share.

(d) If the Net Working Capital (as agreed between Buyer and Sellers or as determined by the above-referenced accounting firm) is less than the NWC Estimate provided by Sellers pursuant to Section 2.7(a), then:

i. the Alinda Sellers shall pay to Buyer, within five Business Days after such amount is agreed or determined, by wire transfer of immediately available funds to an account designated by Buyer, an amount equal to the product of (1) the NWC Estimate minus the Net Working Capital and (2) the Alinda Sellers Share; and

ii. ASC shall pay to Buyer, within five Business Days after such amount is agreed or determined, by wire transfer of immediately available funds to an account designated by Buyer, an amount equal to the product of (1) the NWC Estimate minus the Net Working Capital and (2) the ASC Share.

(e) If the Closing Indebtedness (as agreed between Buyer and Sellers or as determined by the above-referenced accounting firm) is greater than the Indebtedness Estimate provided by Sellers pursuant to Section 2.7(a), then:

i. the Alinda Sellers shall pay to Buyer within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by Buyer, the product of (1) an amount equal to the Closing Indebtedness minus the Indebtedness Estimate and (2) the Alinda Sellers Share; and

ii. ASC shall pay to Buyer within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by Buyer, the product of (1) an amount equal to the Closing Indebtedness minus the Indebtedness Estimate and (2) the ASC Share.

(f) If the Closing Indebtedness (as agreed between Buyer and Sellers or as determined by the above-referenced accounting firm) is less than the Indebtedness Estimate provided by Sellers pursuant to Section 2.7(a), then Buyer shall pay to:

i. the Alinda Sellers within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by the Alinda Sellers, the product of (1) an amount equal to the Indebtedness Estimate minus the Closing Indebtedness and (2) the Alinda Sellers Share; and

ii. ASC shall within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by ASC, the product of (1) an amount equal to the Indebtedness Estimate minus the Closing Indebtedness and (2) the ASC Share.

(g) If the Actual CapEx Amount (as agreed between Buyer and Sellers or as determined by the above-referenced accounting firm) is greater than the CapEx Estimate provided by Sellers pursuant to Section 2.7(a), then Buyer shall pay to:

i. the Alinda Sellers within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by the Alinda Sellers, the product of (1) an amount equal to the Actual CapEx Amount minus the CapEx Estimate and (2) the Alinda Sellers Share; and

ii. ASC within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by ASC, the product of (1) an amount equal to the Actual CapEx Amount minus the CapEx Estimate and (2) the ASC Share.

(h) If the Actual CapEx Amount (as agreed between Buyer and Sellers or as determined by the above-referenced accounting firm) is less than the CapEx Estimate provided by Sellers pursuant to Section 2.7(a), then:

i. the Alinda Sellers shall pay to Buyer within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by Buyer, the product of (1) an amount equal to the CapEx Estimate minus the Actual CapEx Amount and (2) the Alinda Sellers Share; and

ii. ASC shall pay to Buyer within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by Buyer, the product of (1) an amount equal to the CapEx Estimate minus the Actual CapEx Amount and (2) the ASC Share.

## 2.8 **Purchase Price Allocation.**

(a) Within 30 days after the determination of the Net Working Capital, Buyer shall provide to ASC a proposed allocation of the purchase price for the Purchased ASC Interests (as determined for federal income tax purposes) among the related share of Assets of (i) the Company and (ii) each Subsidiary that is a disregarded entity for Tax purposes consistent with Treasury Regulation sections 1.751-1 and 1.755-1 (the "**Purchase Price Allocation Schedule**"). Within 30 days after its receipt of Buyer's proposed Purchase Price Allocation Schedule, ASC shall propose to Buyer any changes thereto or otherwise shall be deemed to have agreed thereto. In the event that ASC proposes changes to Buyer's proposed Purchase Price Allocation Schedule within the 30 day period described above, Buyer shall, in good faith, consider any comments so received from ASC. If Buyer and ASC are unable to reach agreement as to any such comments, such dispute shall be resolved promptly by a nationally recognized accounting firm acceptable to Buyer and ASC, with each of Buyer, on the one hand, and ASC, on the other, bearing and paying one-half of the fees and other costs charged by such accounting firm.

(b) The Purchase Price Allocation Schedule shall be revised to take into account subsequent adjustments to the ASC Equity Purchase Price. Each of ASC and Buyer agree to file all applicable Tax Returns and otherwise report their affairs for Tax purposes consistent with the Purchase Price Allocation Schedule, except as otherwise required by applicable Laws or a determination within the meaning of Section 1313(a) of the Code.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES REGARDING ALINDA SELLERS**

Each of Alinda Fund and Alinda Gas Delaware hereby represents and warrants, as to itself and, where applicable, the Alinda Acquired Companies only and not on behalf of any other Person, to Buyer that:

3.1 **Organization.** Such Seller is duly formed, validly existing and in good standing under the Laws of its jurisdiction of formation.

3.2 **Authority.** Such Seller has all requisite corporate power and authority to execute and deliver this Agreement and the instruments to be delivered by such Seller at Closing, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by such Seller of this Agreement and the instruments to be delivered by such Seller at Closing, and the performance by such Seller of its obligations hereunder and thereunder, have been duly and validly authorized by all necessary corporate action. This Agreement has been, and the instruments to be delivered by such Seller at Closing will at Closing be duly and validly executed and delivered by such Seller and constitutes (or, in the case of instruments to be delivered by such Seller at Closing will, at Closing, constitute) the legal, valid and binding obligation of such Seller enforceable against such Seller in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally, or by general equitable principles (collectively, “**Equitable Principles**”).

3.3 **No Conflicts; Consents and Approvals.** The execution and delivery by such Seller of this Agreement do not, and the performance by such Seller of its obligations under this Agreement does not:

(a) violate or result in a breach of the Charter Documents of such Seller or the Alinda Acquired Companies;

(b) assuming all of the required filings, waivers, approvals, clearances, consents, authorizations and notices disclosed on Schedule 3.3(b) (collectively, the “**Alinda Sellers Approvals**”), the Company Consents and the ASC Seller Approvals have been obtained or made, violate or result in a default under any Contract to which such Seller is a party, except for any such violation or default that would not reasonably be expected to result in a material adverse effect on such Seller’s ability to perform its obligations hereunder; or

(c) assuming the Sellers Approvals, the Company Consents and other notifications provided in the ordinary course of business have been made, obtained or given, (i) violate or result in a breach of any Law applicable to such Seller, except for such violations or breaches as would not reasonably be expected to result in a material adverse effect on such Seller's ability to perform its obligations hereunder or (ii) require any consent or approval of any Governmental Authority under any Law applicable to such Seller, other than in each case any such consent or approval which, if not made or obtained, would not reasonably be expected to result in a material adverse effect on such Seller's ability to perform its obligations hereunder.

3.4 **Title to Interests.** Other than (a) those arising pursuant to (1) this Agreement, (2) the Charter Documents of the Acquired Companies, (3) applicable securities Laws, or (4) as set forth on Schedule 3.4, or (b) for Taxes not yet due and payable or being contested in good faith: (a) (i) Alinda Holding I owns, holds of record and is the beneficial owner of all of the Alinda Gas Company Interests, (ii) Alinda Fund owns, holds of record and is the beneficial owner of all of the Alinda Holding I Stock, (iii) Alinda Investments owns, holds of record and is the beneficial owner of all of the Alinda Investment Company Interests, (iv) Alinda Holding II owns, holds of record and is the beneficial owner of all of the equity interests in Alinda Investments, (v) Alinda Gas Delaware owns, holds of record and is the beneficial owner of all of the Alinda Holding II Stock, in each case, free and clear of all Liens and restrictions on transfer; (b) each issued and outstanding share of Alinda Holding Stock has been duly authorized and validly issued and is fully paid and nonassessable; (c) there are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to the capital stock of the Alinda Holders or Alinda Investments or obligating Alinda Sellers, the Alinda Holders or Alinda Investments to issue or sell any shares of capital stock of, or any other interest in, the Alinda Holders or Alinda Investments; (d) none of the Alinda Holders or Alinda Investments has any outstanding or authorized any stock appreciation, phantom stock, profit participation or similar rights; and (e) there are no voting trusts, stockholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Alinda Holding Stock.

### 3.5 **Alinda Acquired Companies.**

(a) Each Alinda Acquired Company is a corporation or limited liability company, as applicable, duly formed, validly existing and in good standing under the Laws of its jurisdiction of formation.

(b) Each Alinda Acquired Company was formed for the sole purpose of holding a direct or indirect interest in the Company and has been operated solely for such purpose.

(c) No Alinda Acquired Company has, or has ever had, any business, assets, or liabilities other than those related to the ownership interests described in Section 3.4.



(d) The Alinda Acquired Companies are not a party to any Contract other than their respective Charter Documents and, with respect to the Alinda Holders, the Company LLC Agreement.

(e) No Alinda Acquired Company has, or has ever had, any employees.

(f) There is no Proceeding (filed by any Person other than Buyer or any of its Affiliates) pending or, to such Seller's Knowledge, threatened against any Alinda Acquired Company before or by any Governmental Authority.

3.6 **Alinda Tax Matters.** Except as disclosed on Schedule 3.6, or as would not reasonably be expected to result in a Material Adverse Effect: (a) all material Tax Returns that are required to have been filed by each Alinda Acquired Company have been duly and timely filed, (b) all Taxes that are required to have been paid by each Alinda Acquired Company have been duly and timely paid in full, except for immaterial amounts or amounts that are being contested in good faith, (c) there are no material Tax liens upon any property or assets of any Alinda Acquired Company; (d) there are no requests for rulings or determinations, or applications requesting permission for a change in accounting practices, in respect of Taxes, pending with any Taxing Authority, (e) there are no pending or, to the Knowledge of the Alinda Sellers, threatened audits, investigations, claims, proposals, or assessments that have been submitted to any Alinda Acquired Company in writing for or relating to any material Taxes of any Alinda Acquired Company, (f) no material deficiencies for Taxes of any Alinda Acquired Company have been claimed, proposed, or assessed in writing by any Taxing Authority, (g) none of the Acquired Alinda Companies has (i) waived any statute of limitations with respect to any of its material Taxes, or (ii) agreed to any extension of time with respect to a material Tax assessment or deficiency related to any such Taxes, (h) no Alinda Acquired Company has engaged in a transaction that would be reportable by or with respect to any Alinda Acquired Company pursuant to Code Sections 6011, 6111, or 6112, (i) no Alinda Acquired Company will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of (i) any installment sale or open transaction disposition made on or prior to the Closing Date, (ii) any prepaid amount received on or prior to the Closing Date, (iii) any "closing agreement," as described in Code Section 7121 (or any corresponding provision of state, local, or foreign income Tax law) made on or prior to the Closing Date, (iv) any intercompany transaction or any excess loss account within the meaning of Treasury Regulation Section 1.1502-19 under the Code (or any corresponding or similar provision or administrative rule of federal, state, local or foreign Tax law) entered into on or prior to the Closing Date, (v) a change in the method of accounting made on or prior to the Closing Date for a period ending on or prior to the Closing Date, or (vi) any deferral of income under Code Section 108(i) as a result of the acquisition of a debt instrument, and (j) no claim has been made or threatened in writing by a Taxing Authority in any jurisdiction asserting that any Alinda Acquired Company is or may be subject to material Taxes imposed by that jurisdiction but not paid by such Alinda Acquired Company. This Section 3.6 contains the exclusive representations and warranties of the Alinda Sellers with respect to Tax matters relating to the Alinda Acquired Companies. No other provision of this Agreement shall be construed as constituting a representation or warranty regarding such matters.

3.7 **Legal Proceedings.** There is no Proceeding (filed by any Person other than Buyer or any of its Affiliates) pending or, to such Seller's Knowledge, threatened against such Seller before or by any Governmental Authority, which seeks a writ, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by this Agreement.

3.8 **Brokers.** Neither such Seller nor any Alinda Acquired Company has any liability or obligation to pay fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Buyer or any Acquired Company could become liable or obligated.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES REGARDING ASC**

ASC hereby represents and warrants, as to itself only and not on behalf of any other Person, to Buyer that:

4.1 **Organization.** Such Seller is duly formed, validly existing and in good standing under the Laws of its jurisdiction of formation.

4.2 **Authority.** Such Seller has all requisite corporate power and authority to execute and deliver this Agreement and the instruments to be delivered by such Seller at Closing, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by such Seller of this Agreement and the instruments to be delivered by such Seller at Closing, and the performance by such Seller of its obligations hereunder and thereunder, have been duly and validly authorized by all necessary corporate action. This Agreement has been, and the instruments to be delivered by such Seller at Closing will at Closing be duly and validly executed and delivered by such Seller and constitutes (or, in the case of instruments to be delivered by such Seller at Closing will, at Closing, constitute) the legal, valid and binding obligation of such Seller enforceable against such Seller in accordance with its terms, except as the same may be limited by Equitable Principles.

4.3 **No Conflicts; Consents and Approvals.** The execution and delivery by such Seller of this Agreement and the Option Agreement do not, and the performance by such Seller of its obligations under this Agreement and the Option Agreement does not:

(a) violate or result in a breach of the Charter Documents of such Seller;

(b) assuming all of the required filings, waivers, approvals, clearances, consents, authorizations and notices disclosed on Schedule 4.3(b) (collectively, the "**ASC Seller Approvals**"), the Company Consents and the Alinda Sellers Approvals have been obtained or made, violate or result in a default under any Contract to which such Seller is a party, except for any such violation or default that would not reasonably be expected to result in a material adverse effect on such Seller's ability to perform its obligations hereunder; or

(c) assuming all of the Sellers Approvals and the Company Consents and other notifications provided in the ordinary course of business have been made, obtained or given, (i) violate or result in a breach of any Law applicable to such Seller, except for such violations or breaches as would not reasonably be expected to result in a material adverse effect on such Seller's ability to perform its obligations hereunder or (ii) require any consent or approval of any Governmental Authority under any Law applicable to such Seller, other than in each case any such consent or approval which, if not made or obtained, would not reasonably be expected to result in a material adverse effect on such Seller's ability to perform its obligations hereunder.

4.4 **Title to Interests.** ASC owns, holds of record and is the beneficial owner of the ASC Interests, free and clear of all Liens and restrictions on transfer other than (a) those arising pursuant to (i) this Agreement, (ii) the Charter Documents of the Project Companies, (iii) applicable securities Laws, or (iv) as set forth on Schedule 4.4 or (b) for Taxes not yet due and payable or being contested in good faith.

4.5 **Legal Proceedings.** There is no Proceeding (filed by any Person other than Buyer or any of its Affiliates) pending or, to such Seller's Knowledge, threatened against such Seller before or by any Governmental Authority, which seeks a writ, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by this Agreement.

4.6 **Brokers.** Such Seller does not have any liability or obligation to pay fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Buyer or any Project Company could become liable or obligated.

## **ARTICLE V REPRESENTATIONS AND WARRANTIES REGARDING THE PROJECT COMPANIES**

Sellers represent and warrant to Buyer that:

5.1 **Organization.** Each Project Company is a limited liability company or corporation duly formed, validly existing and in good standing under the Laws of its jurisdiction of formation, and has all requisite limited liability company or corporate power and authority to conduct its business as it is now being conducted, except where the failure to be so formed, existing or in good standing, or to have such power and authority, would not reasonably be expected to result in a Material Adverse Effect. Each Project Company is duly qualified or licensed to do business in each jurisdiction in which the ownership or operation of its Assets makes such qualification or licensing necessary, except in any jurisdiction where the failure to be so duly qualified or licensed would not reasonably be expected to result in a Material Adverse Effect.

5.2 **No Conflicts; Consents and Approvals.** Except as disclosed on Schedule 5.2, the execution and delivery by Sellers of this Agreement do not, and the performance by Sellers of their obligations under this Agreement does not:

(a) assuming the consents disclosed in section (a) of Schedule 5.2 (the “*Company Consents*”) have been obtained, violate or result in a breach of any of the Charter Documents of any Project Company;

(b) except as set forth in section (b) of Schedule 5.2, and assuming the Company Consents have been obtained, give rise to a right of termination, cancellation or acceleration of any obligation or to loss of a material benefit under, or result in the creation of any Lien (other than a Permitted Lien) upon any of the properties or assets of the Company or any Subsidiary under any Material Contract, except for any such right, loss, or Lien which would not reasonably be expected to result in a Material Adverse Effect; or

(c) to Sellers’ Knowledge and assuming the Sellers Approvals, the Company Consents, the Buyer Approvals and notifications provided in the ordinary course of business have been made, obtained or given, (i) violate or result in a breach of any Law applicable to any Project Company except for such violations or breaches that would not reasonably be expected to result in a Material Adverse Effect or (ii) require any consent or approval of any Governmental Authority under any Law applicable to any Project Company other than any such consent or approval that, if not made or obtained, would not reasonably be expected to result in a Material Adverse Effect.

### 5.3 *Capitalization; Ownership.*

(a) The Alinda Gas Company Interests, the Alinda Investment Company Interests and the ASC Interests constitute all of the outstanding equity interests of the Company. No equity interest of any Project Company was issued in violation of any Charter Document of such Project Company, any applicable Law or any pre-emptive right (or other similar right) of any Person.

(b) None of the Project Companies has subsidiaries or owns equity interests in any Person except as disclosed on Schedule 5.3. No Project Company is a party to (i) any Contract for the purchase, subscription, allotment or issue of any unissued interests, units or other securities (including convertible securities, warrants or convertible obligations of any nature) of any Project Company, (ii) equity appreciation, phantom stock, profit participation or similar right with respect to any Project Company or (iii) voting trust, proxy or other Contract with respect to any equity interest of any Project Company, other than, in each case, those listed on Schedule 5.3 and contained in the Charter Documents of the Project Companies. The equity interests held by the Company, directly or indirectly, of each Subsidiary constitute all of the outstanding equity interests of each Subsidiary. The Company, directly or indirectly, has good and valid title to all equity interests of each Subsidiary, free and clear of any Lien and there are no outstanding contractual obligations of the Company or any Subsidiary to repurchase, redeem or otherwise acquire any equity securities of the Company or any Subsidiary, in each case, other than any Lien or obligation, (a) arising pursuant to (1) this Agreement, (2) the Charter Documents of the Acquired Companies, (3) applicable securities Laws, or (4) as set forth on Schedule 3.4, or (b) for Taxes not yet due and payable or being contested in good faith.

5.4 **Insurance.** Schedule 5.4 sets forth (i) a list of all of the policies of insurance carried as of the date of this Agreement by any Project Company that directly insure the Project Companies' respective businesses and (ii) all claims of \$100,000 or more made under such policies in the two years prior to the date of this Agreement. Except as set forth in section (ii) of Schedule 5.4, there are no material claims related to the business of any Project Company pending under such any insurance policies as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights.

5.5 **Business.** Except as set forth on Schedule 5.5, to Sellers' Knowledge, the Project Companies own, lease, license or have contractual rights to all of the Assets necessary to own and operate the Project Companies' respective businesses in the manner in which they are currently owned and operated, except where the failure to so own, lease, license or have contracted rights to such Assets would not reasonably be expected to result in a Material Adverse Effect.

5.6 **Legal Proceedings.** Except as disclosed on Schedule 5.6, there is no material Proceeding pending or, to Sellers' Knowledge, threatened against any Project Company before or by any Governmental Authority, which seeks a writ, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by this Agreement. Except as disclosed on Schedule 5.6, there is no material Proceeding pending or, to Sellers' Knowledge, threatened against any Project Company before or by any Governmental Authority that has had or would reasonably be expected to have a Material Adverse Effect. This Section 5.6 does not address matters relating to Taxes, which, with respect to the Project Companies, are exclusively addressed by Section 5.9, Environmental Claims, which are exclusively addressed by Section 5.13, or matters relating to employment Claims, which are exclusively addressed by Section 5.15.

5.7 **Compliance with Laws and Orders.** Except as set forth on Schedule 5.7, to Sellers' Knowledge, since January 1, 2014 each Project Company has been and is in compliance with all Laws and orders applicable to it except where such non-compliance did not and would not reasonably be expected to result in a Material Adverse Effect; provided, however, that this Section 5.7 does not address matters relating to Taxes, which are exclusively addressed by Section 5.9, matters relating to Permits which are exclusively addressed in Section 5.12, Environmental Laws, which are exclusively addressed by Section 5.13, matters relating to employee matters or Benefit Plans, which are exclusively addressed by Sections 5.15 and 5.16 or matters relating to compliance with regulatory Laws, judgments or orders, which are exclusively addressed by Section 5.17.

5.8 **Financial Statements.** Prior to the execution of this Agreement, Buyer has been provided with copies of, or access to, the following financial statements:

(a) audited balance sheet of the Company as of December 31, 2014 and the related statements of income and cash flows for the twelve month period then ended;

(b) audited balance sheet of SourceGas LLC, a Delaware limited liability company, as of December 31, 2014 and the related statements of income and cash flows for the twelve month period then ended;

(c) unaudited balance sheet of the Company as of March 31, 2015 and the related statements of income and cash flows for the three-month period then ended; and

(d) unaudited balance sheet of SourceGas LLC, a Delaware limited liability company, as of March 31, 2015 and the related statements of income and cash flows for the three-month period then ended.

Except for (a) matters reflected in the notes to such financial statements, (b) liabilities reflected in Net Working Capital or Closing Indebtedness or relating to Taxes, (c) liabilities that will not be applicable to the Project Companies after Closing, (d) liabilities disclosed on Schedule 5.8 and (e) matters that are not and would not reasonably be expected to be, individually or in the aggregate, material to the Project Companies, such financial statements (x) were prepared in accordance with GAAP using the same accounting principles, policies and methods as have been historically used during the ownership of the Project Companies by Sellers in connection with the calculation of the items reflected thereon and (y) fairly present in all material respects the financial condition and results of operation of such Project Companies as of the respective dates and for the periods covered thereby, subject to normal year-end adjustments and accruals and, in the case of the unaudited balance sheets, the absence of footnotes thereto. As of the date of this Agreement, the Project Companies have no indebtedness for borrowed money, except as set forth in the financial statements described in the immediately preceding clauses (a) through (d), and except as set forth on Schedule 5.8.

5.9 **Taxes.** Except as disclosed on Schedule 5.9 or as would not reasonably be expected to result in a Material Adverse Effect: (a) all material Tax Returns that are required to have been filed by each Project Company have been duly and timely filed, (b) all Taxes that are required to have been paid by each Project Company have been duly and timely paid in full, except for immaterial amounts or amounts that are being contested in good faith, (c) all material withholding Tax requirements imposed on any Project Company have been satisfied in full in all material respects, except for amounts that are being contested in good faith, (d) no Project Company has in force any waiver of any statute of limitations in respect of material Taxes or any extension of time with respect to a material Tax assessment or deficiency, (e) there are no pending or, to the Knowledge of the Sellers, threatened audits related to Taxes or legal Proceedings involving any material amount of unpaid Taxes of the Project Companies, (f) within the two years prior to the date of this Agreement, no material deficiencies for Taxes of any Project Company have been claimed proposed, or assessed in writing by any Taxing Authority; (g) each of SourceGas Inc., SourceGas International, Inc., SourceGas Arkansas Inc., SourceGas Supply Services, Inc. and SourceGas Energy Services Company has been treated as a corporation for federal income tax purposes since the date of its formation (or, in the case of any of the foregoing Project Companies that were acquired by Sellers or an Affiliate of Sellers after its formation, since such acquisition); (h) the Company has been treated as a partnership and each of SourceGas LLC, SourceGas Distribution LLC, Rocky Mountain Natural Gas LLC and SourceGas Storage LLC has been disregarded as an entity separate from its owner for federal income tax purposes since the date of its formation (or, in the case of any of the foregoing Project Companies that were acquired by Sellers or an Affiliate of Sellers after its formation, since such acquisition), (i) no Project Company has engaged in a transaction that would be reportable by or with respect to any Project Company pursuant to Code Sections 6011, 6111, or 6112, (j) except for the mandatory and elective changes in accounting methods imposed by the final tangible property regulations effective January 1, 2014, no Project Company will be required to include any material item of income in, or exclude any material item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of (i) any installment sale or open transaction disposition made on or prior to the Closing Date, (ii) any prepaid amount received on or prior to the Closing Date, (iii) any "closing agreement," as described in Code Section 7121 (or any corresponding provision of state, local, or foreign income Tax law) made on or prior to the Closing Date, (iv) any intercompany transaction or any

excess loss account within the meaning of Treasury Regulation Section 1.1502-19 under the Code (or any corresponding or similar provision or administrative rule of federal, state, local or foreign Tax law) entered into on or prior to the Closing Date, (v) a change in the method of accounting made on or prior to the Closing Date for a period ending on or prior to the Closing Date, or (vi) any deferral of income under Code Section 108(i) as a result of the acquisition of a debt instrument, and (k) no claim has been made or threatened in writing by a Taxing Authority in any jurisdiction asserting that any Project Company is or may be subject to material Taxes imposed by that jurisdiction but not paid by such Project Company. No Project Company is a party to any agreement, contract, arrangement, or plan that has resulted in or would result, separately or in the aggregate, in the payment of any “excess parachute payment” within the meaning of Code Section 280G (or any corresponding provision of state, local, or foreign Tax law) as a result of the transactions contemplated in this Agreement and no Project Company has any obligation or any liability to compensate an individual for excise Taxes pursuant to Code Section 4999 of the Code. This Section 5.9 contains the exclusive representations and warranties of Sellers with respect to Tax matters. No other provision of this Agreement shall be construed as constituting a representation or warranty regarding such matters.

#### 5.10 **Contracts.**

(a) Excluding Contracts for which neither a Project Company nor any of the Project Company Assets will be bound or have liability after Closing, and excluding any insurance policies or fidelity bonds held by or on behalf of the Project Companies, Schedule 5.10(a) sets forth a list as of the date of this Agreement of the following Contracts to which a Project Company is a party (the Contracts listed on Schedule 5.10(a) that meet the descriptions in this Section 5.10(a) being collectively, the “**Material Contracts**”):

- i. any Contract for the future purchase, exchange or sale of gas in excess of \$500,000;
- ii. any Contract for the future transportation or delivery of gas in excess of \$500,000;
- iii. other than Contracts of the nature addressed by Section 5.10(a)(i) - (ii), any Contract (A) for the future sale of any Asset or (B) that grants a right or option to purchase in the future any Asset, other than in each case any Contract with a remaining value of less than \$500,000;

iv. other than Contracts of the nature addressed by Section 5.10(a)(i) - (ii), any Contract for the future receipt of any Assets or services requiring payments in excess of \$500,000;

v. any Contract under which a Project Company has created, incurred, assumed or guaranteed any outstanding indebtedness for borrowed money or any capitalized lease obligation, in each case, in excess of \$500,000, or under which it has imposed a security interest on any of its Assets, tangible or intangible, which security interest secures outstanding indebtedness for borrowed money in an amount in excess of \$500,000;

vi. any outstanding agreement of guaranty by a Project Company in favor of any Person (other than another Project Company) in an amount in excess of \$500,000;

vii. any Contract with Sellers or any Non-Company Affiliate relating to the future provision of goods or services;

viii. any outstanding futures, swap, collar, put, call, floor, cap, option or other Contracts that are intended to benefit from or reduce or eliminate the risk of fluctuations in the price of commodities, including electric power, gas or securities; and

ix. Charter Documents of the Project Companies.

(b) Buyer has been provided with copies of, or access upon request to, all Material Contracts.

(c) Except as set forth on Schedule 5.10(c) (and except with respect to the Contract identified as item 4 on Schedule 7.4 and Material Contracts that expire in accordance with their terms), each of the Material Contracts is in full force and effect in all material respects and constitutes a legal, valid and binding obligation of the Project Company party thereto subject to Equitable Principles and except where the failure to be in full force and effect or to constitute a legal, valid and binding obligation would not reasonably be expected to result in a Material Adverse Effect.

(d) Except as set forth on Schedule 5.10(d), none of the Project Companies (i) is in breach or default under any Material Contract or (ii) has repudiated or is challenging any material provision of any Material Contract, except, in the case of clauses (i) and (ii), as would not reasonably be expected to result in a Material Adverse Effect.

#### 5.11 **Real Property.**

(a) Except for Permitted Liens and those properties listed on Schedule 5.11, each Project Company holds good, marketable and insurable fee simple title to its real property (collectively, the “**Company Owned Real Property**”), free and clear of all Liens, except for Permitted Liens. There are no outstanding options or rights of first refusal which have been granted by a Project Company to third parties to purchase any Company Owned Real Property other than such options or rights that would not reasonably be expected to result in a Material Adverse Effect.



(b) Except as would not reasonably be expected to result in a Material Adverse Effect, (i) each Contract for the lease or sublease (each, a “**Company Real Property Lease**”) for real property under which any Project Company is a lessee or sublessee (collectively, the “**Company Leased Real Property**”) is in full force and effect and is a valid and binding obligation of the Project Company party thereto and, to the Knowledge of the Sellers, of the other parties thereto, enforceable against the applicable Project Company, and to the Knowledge of Sellers, against the other parties thereto in accordance with its terms, except that (A) such enforcement may be subject to applicable bankruptcy, insolvency or other similar laws, now or hereafter in effect, affecting creditors’ rights generally and (B) the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefore may be brought; (ii) no written notices of default under any Company Real Property Lease have been received by a Project Company that have not been resolved; (iii) no Project Company is in default under any Company Real Property Lease; and (iv) each Project Company, as applicable, is and has been in peaceable possession of each Company Leased Real Property subject to the terms of the applicable Company Real Property Lease. True and correct copies of all material Company Real Property Leases have been made available to Buyer for Buyer’s review.

(c) To Sellers’ Knowledge, each applicable Project Company owns or possesses all permits, easements, licenses, rights of way (the “**Easements**”) necessary to conduct its business as now being conducted without any conflict with the rights of others, in each case except to the extent that the failure to own or possess such Easements would not, individually or in the aggregate, be reasonably likely to result in a Material Adverse Effect.

(d) The Company Owned Real Property and the Company Leased Real Property are referred to collectively herein as the “**Company Real Property**”. With respect to the Company Real Property, no Project Company has received any written notice of, nor to Sellers’ Knowledge does there exist: (i) any pending, threatened or contemplated condemnation or similar proceedings, or any sale or other disposition of any Company Real Property or any part thereof in lieu of condemnation; or (ii) any non-compliance with any applicable building and zoning codes, deed restrictions, ordinances and rules, that, in each case, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. To the Knowledge of the Sellers, the Project Companies have lawful rights of use and access to all Easements and Company Real Property necessary to conduct the business of the Project Companies as currently conducted except as would not reasonably be expected to result in a Material Adverse Effect.

5.12 **Permits.** To Sellers’ Knowledge, the Project Companies possess all Permits (other than Permits required under Environmental Laws, which are addressed in Section 5.13) that are required for the ownership and operation of the Project Companies’ respective businesses in the manner in which they are currently owned and operated, except for any such Permits, the absence of which would not reasonably be expected to result in a Material Adverse Effect. To Sellers’ Knowledge, all such Permits are in full force and effect and each Project Company is in compliance with each such Permit, except where any such failure to be in full force and effect or such non-compliance would not reasonably be expected to result in a Material Adverse Effect. This Section 5.12 does not address matters relating to Regulatory Permits, which are exclusively addressed by Section 5.17.

5.13 ***Environmental Matters.***

(a) Except as disclosed on Schedule 5.13(a) or as disclosed in any environmental site assessment or information made available to Buyer prior to the date hereof, to Sellers' Knowledge, as of the date of this Agreement:

i. the Project Companies are in compliance with all applicable Environmental Laws, including holding and complying with all material Permits required under Environmental Laws, except for any failure to hold or comply that would not reasonably be expected to result in a Material Adverse Effect;

ii. no Proceeding with respect to any material Environmental Claim is pending against a Project Company before or by any Governmental Authority under any applicable Environmental Laws that would reasonably be expected to result in a Material Adverse Effect; and

iii. since the Initial Ownership Date to the date hereof, there has been no Release of any Hazardous Material at or from the properties of the Project Companies in violation of applicable Environmental Laws or in a manner that has given rise to remedial obligations under applicable Environmental Laws, except for any such Release that would not reasonably be expected to result in a Material Adverse Effect.

(b) This Section 5.13 contains the exclusive representations and warranties of Sellers with respect to applicable Environmental Laws, Environmental Claims, and Hazardous Materials. No other provision of this Agreement shall be construed as constituting a representation or warranty regarding such matters.

5.14 ***Intellectual Property.*** Except as disclosed on Schedule 5.14 or as would not reasonably be expected to result in a Material Adverse Effect, the Project Companies own, or have the right to use, for their respective businesses, all material Intellectual Property currently used in their respective businesses.

5.15 ***Employees and Labor Matters.***

(a) Except as described on Schedule 5.15:

i. no Project Company Employees are represented by a union or other collective bargaining entity as of the date of this Agreement;

ii. there has not occurred a labor strike, new request for union representation, petitions for election filed with the National Labor Relations Board or a comparable Governmental Authority, work stoppage, slowdown, picketing, lockout, or, to Sellers' Knowledge, other union organizational activity, by or against Project Company Employees in the two years prior to the date of this Agreement;

iii. to Sellers' Knowledge, the Project Companies are, and in the two years prior to the date of this Agreement have been, in material compliance with all applicable Laws pertaining to employment and employment practices to the extent they relate to Project Company Employees; and

iv. except as would not reasonably be expected to result in a Material Adverse Effect, there are no Claims against the Project Companies pending, or to Sellers' Knowledge, threatened to be brought or filed, by or with any Governmental Authority in connection with the employment of any Project Company Employees.

(b) This Section 5.15 and Section 5.16 contain the exclusive representations and warranties of Sellers with respect to employment matters. No other provision of this Agreement shall be construed as constituting a representation or warranty regarding such matters.

#### 5.16 **Employee Benefits.**

(a) Schedule 5.16(a) contains a true and complete list of each Benefit Plan maintained, sponsored or contributed to by the Project Companies or under which the Project Companies may have any Liability ("**Project Companies Benefit Plans**").

(b) To Sellers' Knowledge, all Project Companies Benefit Plans comply in all material respects with the requirements of ERISA and the Code and all other applicable Laws and nothing has occurred with respect to each Project Companies Benefit Plan that has subjected or will subject a Project Company to a penalty under Section 502 of ERISA or to an excise tax under the Code, or that has subjected or could subject any participant in, or beneficiary of, a Project Companies Benefit Plan to a tax under Code Section 4973 or 4975;

(c) To Sellers' Knowledge, no Proceeding or Claim is pending or threatened with regard to any Project Companies Benefit Plan other than routine claims for benefits and except as would not reasonably be expected to result in a Material Adverse Effect;

(d) Since the Initial Ownership Date, no Project Company nor any ERISA Affiliate has maintained or established, contributed or been required to contribute to, participated in or been required to participate in, or otherwise been liable to any employee benefit plan, program or arrangement (including, without limitation, any Multiemployer Plan) which is subject to Title IV or Section 302 of ERISA or Section 412 of the Code; and

(e) All required contributions to, and premium payments on account of, each Project Companies Benefit Plan have been made on a timely basis, and to the extent not yet due and payable, have been appropriately accrued on the financial statements of the Company.

5.17 **Regulation as a Utility.** All information filed with or provided to each Governmental Authority exercising regulatory jurisdiction over the Project Companies as a public utility (each, a “**Regulatory Entity**”) by the Project Companies since January 1, 2015, including filings in connection with a prior or pending investigation, inquiry or proceeding before a Regulatory Entity (a “**Regulatory Proceeding**”), was true, correct and complete and complied with applicable Law, judgments or orders, in each case, except as would not reasonably be expected to result in a Material Adverse Effect. All charges that have been made for utility service and all related fees have, except as would not reasonably be expected to result in a Material Adverse Effect, been charged in accordance with the terms and conditions of valid and effective tariffs. Each Project Company holds all franchises, licenses, certificates, determinations, permits, tariffs, and other authorizations, consents, orders and approvals (collectively, “**Regulatory Permits**”) of each Regulatory Entity necessary or appropriate for the conduct of its business as presently conducted, except for instances of noncompliance that, individually or in the aggregate, have not had, and would not be reasonably expected to have, a Material Adverse Effect. All such Regulatory Permits are in full force and effect, and each Project Company has complied and is in compliance with the terms thereof, except for instances of noncompliance that, individually or in the aggregate, have not had, and would not be reasonably expected to have, a Material Adverse Effect. Each Project Company has complied and is in compliance with Law, judgment or order applicable to it as a public utility or gas utility, except for instances of noncompliance that, individually or in the aggregate, have not had, and would not be reasonably expected to have, a Material Adverse Effect. No Project Company has received any written communication from January 1, 2015 through the date of this Agreement from any Regulatory Entity alleging that any Project Company is not in compliance with any applicable Regulatory Permit, Law, judgment or order. There are no ongoing Regulatory Proceedings or inquiries, investigations, proceedings or appeals pending for the amendment, termination or revocation of any Regulatory Permit or for the determination of compliance therewith or with any Law, judgment or order applicable to any Project Company in its capacity as a public utility or gas utility that, in each case, would reasonably be expected to result in a Material Adverse Effect.

5.18 **OFAC and Anti-Corruption Laws.**

(a) None of the Sellers or the Acquired Companies (i) is the subject or target of any Sanctions, (ii) is, or will become, or is owned or controlled by, a Sanctioned Person or Sanctioned Entity, (iii) is located, organized or resident in a country or territory that is, or whose government is, the subject or target of any Sanctions, or (iv) engages or will engage in any dealings or transactions, or is or will be otherwise associated, with any such Sanctioned Person or Sanctioned Entity in violation of any Sanctions.

(b) Since the Initial Ownership Date, each of the Acquired Companies have conducted their business in compliance in all material respects with all Anti-Corruption Laws applicable to any party hereto, and specifically the FCPA.

(c) To Sellers' Knowledge, (i) none of the Sellers or the Acquired Companies is the subject or target of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any anti-terrorism or anti-money laundering laws, Anti-Corruption Laws or Sanctions, and (ii) no such investigation, inquiry or proceeding is pending or has been threatened.

## ARTICLE VI REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer hereby represents and warrants to Sellers that:

6.1 **Organization.** Buyer is a corporation duly formed, validly existing and in good standing under the Laws of South Dakota.

6.2 **Authority.** Buyer has all requisite corporate power and authority to execute and deliver this Agreement and the instruments to be delivered by Buyer at Closing, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and the instruments to be delivered by Buyer at Closing, and the performance by Buyer of its obligations hereunder and thereunder, have been duly and validly authorized by all necessary corporate action. This Agreement has been, and the instruments to be delivered by Buyer at Closing will, at Closing, be duly and validly executed and delivered by Buyer and constitutes (or, in the case of instruments to be delivered by Buyer at Closing will, at Closing, constitute) the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally, or by general Equitable Principles.

6.3 **No Conflicts.** The execution and delivery by Buyer of this Agreement do not, and the performance by Buyer of its obligations hereunder and the consummation of the transactions contemplated hereby does not:

(a) violate or result in a breach of its Charter Documents;

(b) violate or result in a default under any Contract to which Buyer is a party, except for any such violation or default that would not reasonably be expected to result in a material adverse effect on Buyer's ability to perform its obligations hereunder; or

(c) assuming all required filings, waivers, approvals, clearances, consents, authorizations and notices disclosed in Schedule 6.3 (collectively, the "**Buyer Approvals**") have been made, obtained or given. (i) violate or result in a breach of any Law applicable to Buyer, except as would not reasonably be expected to result in a material adverse effect on Buyer's ability to perform its obligations hereunder or (ii) require any consent or approval of any Governmental Authority under any Law applicable to Buyer, other than in each case any such consent or approval which, if not made or obtained, would not reasonably be expected to result in a material adverse effect on Buyer's ability to perform its obligations hereunder.

6.4 **Legal Proceedings.** There is no Proceeding (filed by any Person other than Sellers or any of their respective Affiliates) pending or, to Buyer's knowledge, threatened, against Buyer before or by any Governmental Authority, which seeks a writ, judgment, order or decree restraining, enjoining or otherwise prohibiting or making illegal any of the transactions contemplated by this Agreement.

6.5 **Compliance with Laws and Orders.** Buyer is not in violation of or in default under, any Law or order applicable to Buyer or its Assets the effect of which, in the aggregate, would reasonably be expected to hinder, prevent or delay Buyer from performing its obligations hereunder.

6.6 **Brokers.** Buyer does not have any liability or obligation to pay fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement for which Sellers or any of their respective Affiliates could become liable or obligated.

6.7 **Acquisition as Investment.** Buyer is acquiring the Acquired Interests for its own account as an investment without the present intent to sell, transfer or otherwise distribute the same to any other Person. Buyer has made, independently and without reliance on Sellers (except to the extent that Buyer has relied on the representation and warranties of Sellers in this Agreement), its own analysis of the Acquired Interests, the Acquired Companies and their respective Assets for the purpose of acquiring the Acquired Interests, and Buyer has had reasonable and sufficient access to documents, other information and materials as it considers appropriate to make its evaluations. Buyer acknowledges that the Acquired Interests are not registered pursuant to the Securities Act of 1933 (the "**1933 Act**") and that none of the Acquired Interests may be transferred, except pursuant to an applicable exception under the 1933 Act and in accordance with all applicable Laws and the terms of the Charter Documents of the Acquired Companies. Buyer is an "accredited investor" as defined under Rule 501 promulgated under the 1933 Act.

6.8 **Financial Resources.** Buyer has cash on hand or credit unconditionally available, and will have cash on hand at Closing, to enable it (a) to pay the Purchase Price to purchase the Acquired Interests and to consummate the transactions contemplated hereunder and (b) to otherwise perform its obligations under this Agreement.

6.9 **OFAC and Anti-Corruption Laws.**

(a) None of the Buyer, any subsidiary of the Buyer or any Affiliate of the Buyer (i) is the subject or target of any Sanctions, (ii) is, or will become, or is owned or controlled by, a Sanctioned Person or Sanctioned Entity, (iii) is located, organized or resident in a country or territory that is, or whose government is, the subject or target of any Sanctions, or (iv) engages or will engage in any dealings or transactions, or is or will be otherwise associated, with any such Sanctioned Person or Sanctioned Entity in violation of any Sanctions.

(b) The Buyer and each of its subsidiaries have conducted their business in compliance in all material respects with all Anti-Corruption Laws applicable to any party hereto, and specifically the FCPA.

(c) To the knowledge of the Buyer, neither the Buyer nor any of its subsidiaries is the subject or target of any investigation, inquiry or enforcement proceedings by any Governmental Authority regarding any offense or alleged offense under any anti-terrorism or anti-money laundering laws, Anti-Corruption Laws or Sanctions, and no such investigation, inquiry or proceeding is pending or, to the knowledge of the Buyer, has been threatened.

6.10 **Opportunity for Independent Investigation.** In entering into this Agreement, Buyer has relied solely upon Sellers' express representations and warranties set forth herein and in the certificates delivered by each Seller at Closing pursuant to Section 8.3, Buyer's own expertise, and Buyer's professional counsel as to this transaction, the Acquired Interests, and the Assets of the Acquired Companies, and the value thereof, and not on any other comments, representations, warranties or statements of, or information provided by, any Seller or any Representatives of any Seller. Buyer acknowledges and affirms that (a) it has completed such independent investigation, verification, analysis, and evaluation of the Acquired Interests and Assets of the Acquired Companies and has made all such reviews and inspections of the Acquired Interests and Assets of the Acquired Companies as it has deemed necessary or appropriate to enter into this Agreement and (b) at Closing, Buyer shall have completed, or caused to be completed, its independent investigation, verification, analysis, and evaluation of the Acquired Interests and the Assets of the Acquired Companies and made all such reviews and inspections of the Assets of the Acquired Companies as Buyer has deemed necessary or appropriate to consummate the transaction. Except for the representations and warranties expressly made by any Seller in Article III, Article IV and Article V of this Agreement or in the closing certificate to be delivered by each Seller at Closing pursuant to Section 8.3, Buyer acknowledges that no Seller or any other Person has made, and Buyer has not has relied upon, any representations or warranties, express or implied, as to the financial condition, physical condition, title, environmental conditions, liabilities, operations, business, prospects of or title to the Acquired Interests, the Acquired Companies, or any of their respective Assets.

## ARTICLE VII COVENANTS

7.1 **Regulatory and Other Approvals.** From the date of this Agreement until Closing (the "**Interim Period**"):

(a) Each Seller and Buyer shall, and shall exercise its reasonable best efforts to cause its respective Affiliates to, take all actions and to do and to assist and cooperate with the other Parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable, the transactions contemplated hereby. Without limiting the foregoing, each Seller and Buyer shall, and shall exercise its reasonable best efforts to, cause it respective Affiliates to use reasonable best efforts to obtain as promptly as practicable all Sellers Approvals, Company Consents and Buyer Approvals applicable to such Person, and all other material consents and approvals that any of Sellers, Buyer or their respective Affiliates are required to obtain in order for such Person to consummate the transactions contemplated hereby.

(b) Each Seller and Buyer shall, and shall exercise its reasonable best efforts to cause its respective Affiliates to, (i) make or cause to be made the filings required of such Person or any of its applicable Affiliates under any Laws applicable to it with respect to the transactions contemplated by this Agreement and to pay any fees due of it in connection with such filings, as promptly as is reasonably practicable, (ii) cooperate with the other Parties and furnish the information in such Person's possession that is necessary in connection with such other Person's filings, (iii) use reasonable best efforts to cause the expiration or termination of the notice or waiting periods under any Laws applicable to it with respect to the consummation of the transactions contemplated by this Agreement at the earliest possible date, (iv) promptly inform the other of (and, at any other Party's reasonable request, supply to the other Parties) any correspondence, memoranda or other communication from or to, and any proposed understanding or agreement with, any Governmental Authority in respect of such filings or the transactions contemplated by this Agreement, (v) reasonably consult and cooperate with the other Person in connection with any analyses, appearances, presentations, memoranda, briefs, arguments and opinions made or submitted by or on behalf of any Person in connection with all meetings, actions or other Proceedings with Governmental Authorities relating to such filings or the transactions contemplated by this Agreement, including, subject to applicable Laws, permitting the other Person to review in advance any proposed written communication between it and any Governmental Authority, (vi) comply, as promptly as is reasonably practicable, with any reasonable requests received by such Person under any Laws for additional information, documents or other materials with respect to such filings, (vii) use reasonable best efforts to resolve any objections as may be asserted by any Governmental Authority with respect to the transactions contemplated by this Agreement and (viii) use reasonable best efforts to contest and resist any action or other Proceeding instituted (or threatened in writing to be instituted) by any Governmental Authority challenging the transactions contemplated by this Agreement as violative of any Law, unless the Party has a supportable, good faith belief that such contest or resistance lacks merit or would be futile. If any Seller or Buyer (or any of their applicable Affiliates) intends to participate in any meeting or discussion with any Governmental Authority with respect to such filings or the transactions contemplated by this Agreement, such Party shall give the other Parties reasonable prior notice of, and an opportunity to participate in, such meeting or discussion. Buyer shall pay all HSR Act fees as provided by statute. No Party to this Agreement shall consent to any voluntary delay of Closing at the request of any Governmental Authority without the consent of the other Parties, which consent shall not be unreasonably withheld, delayed or conditioned. No Party to this Agreement, directly or indirectly through one or more of their respective Affiliates, shall take any action, including acquiring or making any investment in any corporation, partnership, limited liability company or other business organization or any division or asset thereof, that would reasonably be expected to cause a material delay in the satisfaction of the conditions in Article VIII or Article IX. Nothing in this Section 7.1 will apply to or restrict communications or other actions by the Acquired Companies or Buyer and its Affiliates with or with respect to any Governmental Authority in connection with their business in the ordinary course of business.



(c) In connection with any filings or applications made pursuant to this Section 7.1, each Party shall cooperate in good faith with Governmental Authorities and exercise its reasonable best efforts to complete lawfully the transactions contemplated by this Agreement. The Party making any such filings or applications pursuant to this Section 7.1 shall request expedited treatment of any such filings and applications, shall promptly furnish the other Parties with copies of any notices, correspondence or other written communication received by it from the relevant Governmental Authority, shall promptly make any appropriate or necessary subsequent or supplemental filings or applications required of it and shall cooperate in the preparation of such filings and applications as is reasonably necessary and appropriate.

(d) Each Seller and Buyer shall provide prompt notification to the other when it becomes aware that any such consent or approval referred to in this Section 7.1 is obtained, taken, made, given or denied, as applicable.

(e) In furtherance of the foregoing covenants:

i. Each Seller and Buyer shall prepare (or exercise its reasonable best efforts to cause its respective Affiliates to prepare) and submit, as soon as is practicable following the execution of this Agreement but, in the case of any filing under the HSR Act, in any event not later than 30 days after the date hereof, all necessary applications and filings applicable to it in connection with the transactions contemplated by this Agreement that may be required under the HSR Act or any other federal, state or local Laws (other than applications or filings to any of the Arkansas Public Service Commission, Colorado Public Utilities Commission, Nebraska Public Service Commission, or Wyoming Public Service Commission, which applications and filings are more particularly addressed in Section 7.1(e)(ii)); provided that for purposes of clarification, and notwithstanding anything to the contrary in this Agreement, such applications and filings shall not be conditions to Closing except to the extent expressly set forth in Section 8.5 or Section 9.5, as applicable.

ii. Each Seller and Buyer shall, in furtherance of their respective covenants in Section 7.1(a) regarding the use of reasonable best efforts to obtain as promptly as practicable all Sellers Approvals, Company Consents and Buyer Approvals applicable to any Seller or Buyer, as applicable, jointly prepare (and shall each exercise its reasonable best efforts to cause its respective Affiliates including, in the case of Sellers, any applicable Project Companies, to join in the preparation of), as soon as is practicable following the execution of this Agreement but in any event not later than 30 days after the date hereof, all testimony, applications and notices to be submitted to the Arkansas Public Service Commission, the Colorado Public Utilities Commission, the Nebraska Public Service Commission, and the Wyoming Public Service Commission, as applicable. The Parties shall jointly submit (and shall each exercise its reasonable best efforts to cause their respective Affiliates including, in the case of Sellers, any applicable Project Companies, to join in the submission of) such testimony, applications and notices as soon as practicable. With respect to all such testimony, applications and notices, the Parties shall jointly, and on an equal basis, coordinate the overall development of the positions to be taken and the regulatory actions to be requested in such testimony, applications and notices. Following the submission of such testimony, applications, and notices, the Parties shall exercise their reasonable best efforts to jointly, and on a collaborative basis, respond to discovery, draft and respond to motions, and participate in hearings, in each case, as and to the extent reasonably required or requested by any Party or any applicable Governmental Authority in connection with obtaining any Required Regulatory Approval. If, as of the date set forth in Section 10.1(d), (A) one or more Required Regulatory Approvals has not been obtained, and (B) all other conditions to Closing

set forth in Article VIII and Article IX (other than conditions which by their nature are to be satisfied at Closing, but subject to such conditions then being waived or capable of being satisfied) have been satisfied or waived, then the date set forth in Section 10.1(d) shall be extended pending receipt of such Required Regulatory Approvals; provided however, that in no event shall such date be extended past October 12, 2016.

iii. Reserved.

iv. Buyer and each Seller shall not, and each shall exercise reasonable best efforts to cause their respective Affiliates not to, take any action that could reasonably be expected to adversely affect the approval of any Governmental Authority of any of the filings or applications referred to in this Section 7.1.

v. Buyer shall cooperate in good faith with all applicable Governmental Authorities and undertake promptly any and all actions and make any and all undertakings required to complete lawfully the transactions contemplated by this Agreement and to avoid or eliminate each and every impediment under the HSR Act or any other Law that may be asserted by any Governmental Authority (including the Arkansas Public Service Commission, the Colorado Public Utilities Commission, the Nebraska Public Service Commission and the Wyoming Public Service Commission), with respect to the transactions contemplated by this Agreement so as to enable Closing to occur as soon as reasonably practicable, including (i) agreeing to conditions imposed by any Governmental Authority and proposing, negotiating, committing to, and effecting by consent decree, hold separate order, or otherwise, the sale, divestiture, licensing or disposition of the Assets or businesses of Buyer or its Affiliates or of the Acquired Companies, (ii) accepting any operational restrictions, including restrictions on the ability to change rates or charges or standards of service or otherwise taking or committing to take actions that limit any of Buyer's or its Affiliates (including the Acquired Companies from and after Closing) freedom of action with respect to, or their ability to retain or freely operate, any of the businesses, licenses, rights, operations, product lines or Assets of Buyer or its Affiliates or of the Acquired Companies, as may be required in order to avoid the entry of, or to effect the lifting or dissolution of, any injunction, temporary restraining order, or other order in any suit or Proceeding, which would otherwise have the effect of preventing or delaying Closing. Notwithstanding anything in this Agreement to the contrary, (i) in fulfilling its obligations under the foregoing provisions of this Section 7.1(e)(v) Buyer shall not be required to take any action that would result in a Material Adverse Effect; and (ii) no Seller shall be required to, and Buyer shall not, in connection with obtaining any consents or approvals hereunder, consent to (x) the taking of any action or the imposition of any terms, conditions, limitations or standards of service the effectiveness or consummation of which is not conditional upon the occurrence of Closing or (y) the imposition of any terms, conditions or limitations on or with respect to any Seller, any of its respective Affiliates, any of its respective businesses or any of the benefits to any Seller and its respective Affiliates of the transactions contemplated hereunder.

(f) For purposes of clarification, and notwithstanding anything to the contrary in this Agreement, the consents, approvals, filings and payments described in the foregoing provisions of the Section 7.1 shall not be a condition to Closing except to the extent expressly set forth in Sections 8.5, 8.6, 9.5 or 9.6, as applicable.

(g) Nothing contained in this Agreement shall give Buyer, directly or indirectly, the right to control or direct the operations of the Acquired Companies prior to Closing. Prior to Closing, the Acquired Companies shall exercise, consistent with the terms and conditions of this Agreement, complete unilateral control and supervision over their business operations.

## **7.2 Access of Buyer.**

(a) During the Interim Period, Sellers will provide Buyer and its Representatives with reasonable access, upon reasonable prior notice and during normal business hours, to all Assets, books and records, Contracts, documents and the officers and employees of the Project Companies, but only to the extent that (i) such access (A) does not unreasonably interfere with the business of the Project Companies and (B) is reasonably related to Buyer's obligations and rights hereunder and (ii) neither Sellers nor their Affiliates are prohibited from providing such access by the terms of any applicable Contract; provided, however, that (x) Sellers shall have the right to have a Representative present for any communication with employees or officers of the Project Companies and (y) Buyer shall and shall cause its Representatives to observe and comply with all applicable health, safety and security requirements of Sellers and the Project Companies. Neither Buyer nor its Representatives shall contact any of the employees, customers, suppliers or parties that have business relationships with the Project Companies in connection with the transactions contemplated hereby without the specific prior written authorization of Sellers. For purposes of clarification, Buyer shall not be entitled to collect any air, soil, surface water or ground water samples nor to perform any invasive or destructive sampling on, under, at or from the Property and, for purposes of clarification, the conducting of such physical inspections shall not be a condition to Closing. Buyer shall hold in confidence all information disclosed to Buyer or its Representatives hereunder on the terms and subject to the conditions contained in the Confidentiality Agreement. Notwithstanding anything to the contrary in this Section 7.2, Buyer shall have no right of access to, and none of the Sellers nor any of their respective Affiliates shall have any obligation to provide any information (1) relating to bids received from others in connection with the transactions contemplated by this Agreement and information and analysis (including financial analysis) relating to such bids or (2) the disclosure of which could reasonably be expected to (x) jeopardize any privilege available to any Seller or any of its respective Affiliates, (y) cause any Seller or any of its respective Affiliates to breach a Contract, or (z) result in a violation of Law; provided that in the case of (1) above, at Closing, the Company will be assigned the rights of any Seller or its respective Affiliates under all confidentiality agreements executed by third parties in connection with such bidding process. Promptly upon completion of any such access, Buyer shall repair at its sole expense any damage caused by such access.

(b) Buyer agrees to indemnify and hold harmless each Seller, its respective Affiliates and its and their respective Representatives for any and all liabilities, losses, costs or expenses incurred by such Seller, its respective Affiliates or its or their respective Representatives arising out of the access rights under this Section 7.2, including any Claims by any of Buyer's Representatives for any injuries or property damage while present on the Property.

**7.3 Conduct of Business.** Except as specifically provided in this Agreement (including Schedule 7.4), during the Interim Period, Sellers shall cause each Project Company to, and the Alinda Sellers shall cause each Alinda Acquired Company to, conduct its operations in the ordinary course of business and to use commercially reasonable efforts to preserve, maintain, and protect its material Assets, rights, and properties.

**7.4 Certain Restrictions.** Without limiting the generality of Section 7.3, during the Interim Period, except as permitted or required by the other terms of this Agreement, any Permit or Material Contract, or as otherwise described in Schedule 7.4, or consented to or approved in writing by Buyer, which consent or approval will not be unreasonably withheld, conditioned or delayed, Sellers shall cause the Project Companies to, and the Alinda Sellers shall cause the Alinda Acquired Companies to, and in the case of (a), (b), (c), (d), (f) and (o) below (as (o) applies to the immediately preceding section references) each Seller shall, not:

(a) create any Lien (other than a Permitted Lien or any Lien the release of which Sellers or the applicable Project Company is pursuing by commercially reasonable efforts) against any of the material Assets of the Acquired Companies;

(b) grant any material waiver of any material term under, or give any material consent with respect to, any Material Contract other than in the ordinary course of business;

(c) sell, transfer, convey or otherwise dispose of any material Assets of the Acquired Companies other than in the ordinary course of business;

(d) except as may be required to meet the requirements of any applicable Law or GAAP, change any accounting method or practice in a manner that is inconsistent with past practice in a way that would materially and adversely affect the Acquired Companies;

(e) fail to maintain its limited liability company existence, consolidate with any other Person or acquire all or substantially all of the Assets of any other Person;

(f) issue, sell, pledge, or otherwise encumber or dispose of any equity interests in any Acquired Companies;

- (g) liquidate, dissolve, recapitalize, reorganize or otherwise wind up its business or operations;
- (h) purchase any securities of any Person, except for short-term investments made in the ordinary course of business;
- (i) enter into, terminate or materially amend any Contract involving total consideration throughout its term in excess of \$5,000,000 (including, without limitation, that certain Agreement between SourceGas Distribution LLC and Communications Workers of America AFL-CIO May 1, 2013 to April 30, 2016, as amended, but excluding (i) any Contract (A) that will be fully performed prior to Closing, (B) described in item 2 of Schedule 7.4, or (C) entered into, terminated or amended in the ordinary course of business) and (ii) any renewal or extension described in item 1 of Schedule 7.4. Notwithstanding the foregoing, neither Seller will, nor will either Seller permit or cause any Acquired Company to, amend, extend, replace or refinance that certain Term Loan Credit Agreement between SourceGas LLC, the lenders described therein, and JPMorgan Chase Bank, N.A., in its capacity as Administrative Agent, and all documents, instruments and agreements related thereto (the “**Term Loan**”), without Buyer’s prior written consent, such consent not to be unreasonably withheld, conditioned, or delayed, except that the Project Companies may, without any such consent, extend the maturity of the Term Loan, or refinance the Term Loan with the same or another lender group, in each case, to a date not later than July 15, 2017 on terms that are substantially similar to the current Term Loan (it being understood that any such extension or refinancing may be subject to interest rates that differ from those in the current Term Loan);
- (j) change or modify credit, collection or payment policies, procedures or practices of any Acquired Company, including acceleration or collections or receivables (whether or not past due) or fail to pay or delay payment of payables or other liabilities;
- (k) except (A) in the ordinary course of business consistent with past practice, (B) as required pursuant to the terms of any Project Companies Benefit Plan, collective bargaining agreement or other written agreement in each case as in effect on the date of this Agreement, (C) as required to comply with applicable Law, (D) as permitted by this Agreement, or (E) with respect to bonus and incentive payments or opportunities, the cost of which will be borne by Sellers (directly, as a downward adjustment to the Purchase Price, pursuant to Section 7.7, or otherwise), (1) establish, adopt, enter into or amend in any material respect any collective bargaining agreement or Project Companies Benefit Plan or (2) take any action to accelerate any rights or benefits, or make any material determinations, under any Project Companies Benefit Plan;
- (l) institute, settle or agree to settle any material litigation, suit, action, arbitration, audit, investigation, proceeding, or other claim pending or threatened before any arbitrator, court or other Governmental Authority the outcome of which has or would be reasonably likely to have the effect of restricting or impairing to any material extent any business practice or the conduct of business of any Acquired Company;
- (m) change any material election with respect to Taxes;

- (n) modify in any material respect the Charter Documents of the Acquired Companies; or
- (o) agree or commit to do any of the foregoing;

provided, that Sellers shall not be required to refrain from taking or approving the taking of any action (x) required by any Acquired Company to comply with legal or contractual obligations or (y) in the case of an emergency.

**7.5 Termination of Certain Services.** Notwithstanding anything in this Agreement to the contrary, at or prior to Closing, Sellers may, or may cause the relevant Acquired Companies to, terminate, sever, or assign to Sellers or a Non-Company Affiliate (or, at Sellers' option, to any other Person that is not an Acquired Company) effective upon or before Closing any services provided to any of the Acquired Companies by Sellers or a Non-Company Affiliate, including Tax, administrative, legal, finance, payroll, software licensing, vehicle use, management or accounting services, in each case with at least 30 days' prior notice to Buyer.

**7.6 D&O Indemnity.** Buyer shall not, and shall cause the Acquired Companies from and after Closing not to, amend, waive or otherwise modify the Charter Documents of any Acquired Company to the extent such amendment, waiver or other modification does or could reasonably be expected to reduce, limit, terminate or otherwise modify (in any manner adverse to any of the Sellers Appointees, any Seller or any of its respective Affiliates to the extent relating to the period prior to Closing) any obligation of Buyer or any of its Affiliates to indemnify pursuant to the Charter Documents of any Acquired Company the Sellers Appointees, Sellers or their respective Affiliates to the extent relating to periods prior to Closing. Buyer shall cause the Acquired Companies to, effective as of the Closing Date, obtain and fully pay the premium for the extension of the liability coverage of the Acquired Companies' existing directors' and officers' insurance policy described in Schedule 5.4 for a claims reporting or discovery period of at least six years from and after the Closing Date from an insurance carrier with the same or better credit rating as the Acquired Companies' current insurance carrier and with terms, conditions, retentions and limits of liability that are no less advantageous than the coverage provided under the Acquired Companies' existing policies with respect to any actual or alleged error, misstatement, misleading statement, act, omission, neglect, breach of duty or any matter claimed against any of the Sellers Appointees by reason of his or her service as an officer or director of any Acquired Company at or prior to the Closing Date (including in connection with this Agreement or the transactions contemplated hereby).

**7.7 Tax Matters.**

(a) Sellers shall file or cause to be filed all Tax Returns for U.S. federal or state income Taxes required to be filed by the Project Companies for all taxable periods ending on or prior to the Closing Date, regardless of whether such Tax Returns are due before or after Closing and shall pay all Taxes shown as due on such Tax Returns (except for those Taxes included as Current Liabilities in the final computation of Net Working Capital). Buyer shall assist Sellers in the filing of such Tax Returns. Sellers shall file or cause to be filed all other Tax Returns of the Project Companies that are due before the Closing Date. Buyer shall file or cause to be filed all other Tax Returns of the Project Companies.

(b) Alinda Sellers shall file or cause to be filed all Tax Returns for U.S. federal or state income Taxes required to be filed by the Alinda Acquired Companies for all taxable periods ending on or prior to the Closing Date, regardless of whether such Tax Returns are due before or after Closing, and shall pay any Taxes shown as due on such Tax Returns. Buyer shall assist Alinda Sellers in the filing of such Tax Returns. Alinda Sellers shall file or cause to be filed all other Tax Returns of the Alinda Acquired Companies that are due before the Closing Date. Buyer shall file or cause to be filed all other Tax Returns of the Alinda Acquired Companies.

(c) The Sellers shall pay all Taxes of the Project Companies and Alinda Sellers shall pay all Taxes of the Alinda Acquired Companies attributable to a Pre-Closing Date Straddle Period (except for those Taxes included in Current Liabilities in the final computation of Net Working Capital). For purposes of this Agreement, the portion of Tax with respect to the income, property or operations of a taxpayer that is attributable to any tax period of such taxpayer that includes but does not end on the Closing Date (a “**Straddle Period**”) will be apportioned between the portion of such Straddle Period that extends before the Closing Date through the Closing Date (the “**Pre-Closing Date Straddle Period**”) and the portion of the Straddle Period that extends from the day after the Closing Date to the end of the Straddle Period in accordance with this Section 7.7(c). The portion of such Tax attributable to the Pre-Closing Date Straddle Period will (i) in the case of any Taxes other than income Taxes, sales or use taxes, value-added taxes, employment taxes, or withholding taxes, be deemed to be the amount of such Tax for the entire taxable period multiplied by a fraction, the numerator of which is the number of days in the Pre-Closing Date Straddle Period and denominator of which is the number of days in the Straddle Period, and (ii) in the case of any income Taxes, sales or use taxes, value-added taxes, employment taxes, or withholding taxes, be deemed equal to the amount that would be payable if the Straddle Period ended on and included the Closing Date. To the extent that any Tax for a Straddle Period is based on the greater of a Tax on net income, on the one hand, and a Tax measured by net worth or some other basis not otherwise measured by income, on the other hand, the portion of such Tax related to the Pre-Closing Date Straddle Period will be determined based on the foregoing and based on the manner in which the actual Tax liability for the entire Straddle Period is determined.

(d) Each of Sellers and Buyer agree to file all applicable U.S. federal income Tax Returns consistent with Closing not causing a termination of the Company for U.S. federal income Tax purposes, and take no inconsistent position for any U.S. federal income Tax purpose, except as otherwise required by applicable Law or a determination within the meaning of Section 1313(a) of the Code.

(e) In the event that any Transfer Taxes are imposed on the transactions contemplated by this Agreement, each of Sellers and Buyer shall pay any Transfer Taxes imposed on it by Law as a result of the transactions contemplated by this Agreement, but, notwithstanding such requirement at Law, Buyer shall be responsible for the payment of all such Transfer Taxes. Accordingly, if any such Seller is required by Law to pay any such Transfer Taxes, Buyer shall promptly reimburse such Seller for all such amounts. Each Seller and Buyer shall timely file their own Tax Returns relating to Transfer Taxes as required by Law and shall notify the other Parties when such filings have been made. Each Seller and Buyer shall cooperate and consult with each other prior to filing such Tax Returns to ensure that all such returns are filed in a consistent manner.

(f) All Tax Returns prepared or filed after the Closing Date by the Sellers or the Alinda Sellers shall be submitted to Buyer at least 10 Business Days prior to the due date thereof and shall be prepared in accordance with the past practice of the taxpayer to whom the Tax Return relates (except to the extent otherwise required by applicable Law).

(g) Each party will, and each party will cause its applicable Affiliates to, cooperate in all reasonable respects with respect to Tax matters and provide one another with such information as is reasonably requested to enable the requesting party to complete and file all Tax Returns it may be required to file (or cause to be filed) with respect to the Project Companies or the Alinda Acquired Companies, to respond to Tax audits, inquiries or other Tax Proceedings and to otherwise satisfy Tax requirements. Such cooperation also will include promptly forwarding copies (to the extent related thereto) of relevant Tax notices, forms or other communications received from or sent to any Taxing Authority.

(h) The Sellers and Buyer shall retain or cause to be retained, until the applicable statutes of limitations (including any extensions and carryovers) have expired, copies of all Tax Returns related to the Project Company and the Alinda Acquired Companies for all Tax periods beginning before the Closing Date, together with supporting work schedules and other records or information that may be relevant to such Tax Returns.

**7.8 Public Announcements.** This Agreement and all documents and information furnished by any Seller to Buyer on or after the date of this Agreement and prior to Closing (including all information gained by Buyer or its Representatives in exercising Buyer's rights of access pursuant to Section 6.2) shall be subject to the Confidentiality Agreement. Notwithstanding anything in this Agreement or the Confidentiality Agreement to the contrary, each Seller may disclose information regarding this Agreement and the transactions contemplated hereby to its direct and indirect investors, limited partners and other Affiliates; provided that any such Person to whom any such information is disclosed is obligated to, except as otherwise required by application of law or regulation, maintain such information in confidence. No Party shall make any public announcement or issue any public communication regarding this Agreement or the transactions contemplated hereby without first obtaining the prior written consent of the other Parties, except if such announcement or other communication is required by applicable Law, in which case, to the extent permitted by Law, the disclosing Party shall use its commercially reasonable efforts to coordinate or communicate such announcement or communication with the other Parties prior to announcement or issuance.

**7.9 Updating.** From time to time prior to Closing, Sellers may at their option supplement or amend and deliver updates to (or add schedules to) the Schedules as necessary to complete or correct any information in such Schedules with respect to any representation or warranty in Article III, Article IV or V. Any such update made pursuant to this Section 7.9 shall be deemed to cure any inaccuracy of any representation or warranty made in this Agreement except to the extent such update would reasonably be expected to result in a Material Adverse Effect or a material adverse effect on the ability of any Seller to consummate the transactions contemplated hereby.



7.10 **Retention and Severance Benefits.** At or immediately prior to Closing, Sellers shall fund an escrow account with cash in an amount equal to the aggregate potential liability of SourceGas LLC as of the Closing Date under the Retention and Severance Letters. The funds in the escrow account shall be used to pay benefits under the Retention and Severance Letters as such benefits become due and payable in accordance with that certain Escrow Agreement by and among each Seller and SourceGas LLC, substantially in the form attached hereto as Exhibit C (subject to any revisions thereto that may be reasonably requested by the Escrow Agent thereunder) (the “**Escrow Agreement**”). Notwithstanding anything herein to the contrary, (i) amounts paid from the escrow account shall only be paid upon written approval of Sellers and SourceGas LLC in accordance with the terms of the Escrow Agreement and (ii) any funds remaining in the escrow account upon the earlier of 14 months following Closing and the satisfaction of all benefits to be paid under the Retention and Severance Letters shall be paid to Sellers in accordance with the terms of the Escrow Agreement.

7.11 **WARN Act.** Buyer shall not take any action following Closing that could result in liability for Sellers or their respective Affiliates under the federal Worker Adjustment and Retraining Notification Act of 1988, or similar state, local and foreign laws related to plant closings, relocations, mass layoffs and employment losses.

7.12 **Use of Certain Names.** Within 15 days following Closing, Buyer shall cause the Acquired Companies to cease using the words “Alinda”, “ASC”, “Aircraft Services Corporation”, “General Electric” and “GE” and any word or expression similar thereto or constituting an abbreviation, derivation or extension thereof (the “**Sellers’ Marks**”), including eliminating the Sellers’ Marks from the Property and the Assets of the Acquired Companies and disposing of any unused stationery and literature of any Acquired Company bearing the Sellers’ Marks. Thereafter, Buyer shall not, and shall cause the Acquired Companies and their respective Affiliates not to, use the Sellers’ Marks or any other logos, trademarks, trade names or other Intellectual Property belonging to Sellers or any Affiliate thereof. Buyer acknowledges that it, its Affiliates and, from and after Closing, the Acquired Companies have no rights whatsoever to use such Intellectual Property.

7.13 **Indebtedness and Distributions.** Notwithstanding anything in this Agreement to the contrary:

(a) At or prior to Closing, in their sole discretion, Sellers may, or may cause the Project Companies to, repay or cash collateralize effective as of Closing all or any portion of any indebtedness for borrowed money of the Project Companies; and

(b) Sellers shall have the right to cause the Project Companies to, and the Alinda Sellers shall have the right to cause the Alinda Acquired Companies to, pay cash dividends, and/or make cash distributions to Sellers or their respective Affiliates at any time prior to Closing.

7.14 **Insurance.** Buyer shall be solely responsible for providing insurance to the Acquired Companies for any Claims made after Closing with respect to any Acquired Company or any Asset of the Acquired Companies regardless of when the event or occurrence relating to the Claim arose. If any Losses occur prior to Closing that relate to the Acquired Companies and a Claim associated with any such Losses can reasonably be made against one or more third parties, including under any insurance policies listed on Schedule 5.4 or any renewal thereof, Sellers shall (or if such Claim relates solely to the Alinda Acquired Companies, the Alinda Sellers shall), both before and after Closing, be entitled to control such Claim and, if any Seller so elects to control such Claim, Buyer shall cause the Project Companies to cooperate in connection therewith. If any insurance proceeds or other third party reimbursements are received by Buyer or the Acquired Companies following Closing in respect of any such Losses, Buyer shall, and shall cause the Acquired Companies to, as applicable, promptly pay to Sellers all such proceeds in such proportions as Seller shall direct in writing.

7.15 **Further Assurances.** Subject to the terms and conditions of this Agreement, at any time or from time to time after Closing, at any Party's request and without further consideration, the other Parties shall (and in the case of Buyer, Buyer shall, and shall cause the applicable Acquired Companies to) execute and deliver to such Party such other instruments of sale, transfer, conveyance, assignment and confirmation, provide such materials and information and take such other actions as such Party may reasonably request in order to consummate the transactions contemplated by this Agreement.

7.16 **Continuing Employees.** A "**Continuing Employee**" is each employee of the Project Companies on the Closing Date that is not subject to a collective bargaining agreement. Until the earlier of one year after the Closing Date or the date the Continuing Employee ceases to be employed by Buyer or an Affiliate of Buyer, Buyer shall, or shall cause an Affiliate of Buyer to, provide each Continuing Employee with: (i) base salary or hourly wage rate that is no less than the base salary or hourly wage rate provided by the Project Companies immediately prior to Closing; (ii) bonus and incentive opportunities that are no less than the bonus incentive opportunities, if any, provided by the Project Companies immediately prior to Closing; and (iii) employee benefits that are substantially the same, in the aggregate, as the employee benefits provided by the Project Companies Benefit Plans immediately prior to Closing. If Buyer or an Affiliate of Buyer chooses to terminate any Project Companies Benefit Plan and provide employee benefits pursuant to the plans of Buyer or an Affiliate of Buyer, each Continuing Employee shall receive credit under such plans for eligibility and vesting purposes and for any severance or paid time off benefit plans only for benefit determination purposes for his or her service with the Project Companies and any predecessor employer, provided, however, that such service shall not be recognized to the extent that (x) such recognition would result in a duplication of benefits for the same period of service or (y) such service was not recognized under the corresponding Project Companies Benefit Plan. In addition, and without limiting the generality of the foregoing, (1) each Continuing Employee shall be immediately eligible to participate, without any waiting time, in any and all of Buyer's or its Affiliates' employee benefit plans (each such plan, a "**Buyer Plan**") to the extent coverage under any such Buyer Plan replaces coverage under a comparable Project Companies Benefit Plan in which the Continuing Employee participated immediately prior to the replacement of the Project Companies Benefit Plan by the Buyer Plan (each such plan, a "**New Plan**"), and (2) if a New Plan replaces a Project Companies Benefit Plan on a date other than the last day of the plan year for such Project Companies Benefit Plan, Buyer shall cause any eligible expenses incurred by any Continuing Employee and his or her covered dependents during the portion of the plan year ending on the date such participation in the New Plan begins, to be taken into account under such New Plan for purposes of satisfying all deductible, coinsurance and out-of-pocket requirements applicable to such Continuing Employee and his or her covered dependents for the plan year in which such participation begins as if such amounts had been paid in accordance with such New Plan.

This Section 7.16 shall be binding upon and inure solely to the benefit of each of the Parties, and nothing in this Section 7.16, express or implied, shall confer upon any other Person any rights or remedies of any nature whatsoever under or by reason of this Section 7.16. The Parties acknowledge and agree that nothing in this Agreement shall (i) amend, or be deemed to amend, any Benefit Plan or any other employee benefit or compensation plan, program, policy, practice or arrangement or restrict any authority to amend or terminate any of the foregoing, (ii) provide any other Person with any right, benefit or remedy with regard to any Benefit Plan or other employee benefit or compensation plan, program, policy, practice, or otherwise, (iii) provide any other Person (including any Continuing Employee) with the right to continued employment with any Project Company, Buyer or any of their Affiliates, or (iv) restrict any Project Company, Buyer or any of their Affiliates from terminating any Person's employment at any time (subject to the Project Company's standard practices and policies regarding severance, if any, in effect as of the Closing).

**7.17 Cooperation with Financing.** From the date hereof until the earlier of the Closing Date and the date this Agreement is terminated in accordance with its terms, the Sellers shall use their commercially reasonable efforts to cooperate, and to cause the Acquired Companies and the Sellers' and Acquired Companies' respective officers, employees and advisors, including legal and accounting, to cooperate, with Buyer and its Affiliates in connection with the arrangement of the third-party financing contemplated by the Commitment Letter (such third-party financing, the "**Financing**") to pay a portion of the Purchase Price, including (i) furnishing financial and other pertinent and customary information relating to the Acquired Companies and their businesses to Buyer, Buyer's Affiliates and the Financing Sources, on a confidential basis, to the extent reasonably requested by Buyer or its Affiliates to assist in preparation of customary offering or information documents or marketing materials to be used for the completion or marketing of the Financing, including, without limitation, all financial statements and financial and other data and information of the type and form required by Regulation S-X under the Securities Act of 1933 and of the type and form customarily included in a registration statement on Form S-1 for a non-reporting company under the Securities Act of 1933 for a public offering of debt or equity securities, all other data that would be necessary for the underwriter of such offering to receive customary "comfort" (including "negative assurance" comfort) from the Acquired Companies' independent accountants in connection with such offering, (ii) using commercially reasonable efforts to obtain from the Acquired Companies' independent accountants comfort letters (and consents of such accountants for use of their reports in any materials relating to the Financing and in connection with any filings required to be made by Buyer pursuant to the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended) customarily provided with respect to financial information of an acquired business in a public offering of debt or equity securities; and (iii) providing authorization letters to the Financing Sources authorizing the distribution of information to prospective lenders or investors and containing a representation to the Financing Sources that the public side versions of such documents, if any, do not include material non-public information about the Acquired Companies or their respective securities. None of Sellers, the Acquired Companies or their respective officers, employees, or advisors shall be required to take any action that would materially interfere with its normal business operations or subject it to actual or potential liability, to take any action that would violate an attorney-client privilege, to bear any cost or expense or to pay any commitment or other similar fee or make any other payment or incur any other liability or provide or agree to provide any indemnity in connection with the Financing or any of the foregoing. Buyer shall, promptly upon request by Sellers or the applicable Acquired Company, reimburse the applicable Sellers or Acquired Company for all documented and reasonable out-of-pocket costs incurred by the applicable Sellers or Acquired Company in connection with this Section 7.17. Buyer shall indemnify and hold harmless Sellers, the Acquired Companies, and its and their respective officers, employees, and advisors from and against any and all liabilities or losses suffered or incurred by them in connection with the cooperation and information provided by such Persons pursuant to this Section 7.17.

## 7.18 *Financing.*

(a) Buyer shall use its commercially reasonable efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to cause the Financing to, until the earlier of Closing or the valid termination of this Agreement, be available to Buyer upon the terms and conditions set forth in the Commitment Letter, including (i) taking actions to enforce its rights against the lenders and other persons providing the Financing to fund such Financing and (ii) using its commercially reasonable efforts to (A) maintain in effect the Commitment Letter, (B) satisfy on a timely basis all conditions applicable to Buyer obtaining the Financing, and (C) enter into definitive agreements with respect thereto on terms and conditions contained in the Commitment Letter. Buyer shall not agree to or permit any amendment, supplement or other modification of, or waive any of its rights under, the Commitment Letter or any definitive agreements related to the Financing, if such amendment, supplement, modification or waiver would be reasonably expected to prevent, delay or hinder Buyer's ability to consummate the transactions contemplated hereby, in each case, without Sellers' prior written consent. Buyer shall promptly furnish to Sellers a complete copy of any amendment, supplement or other modification to the Commitment Letter and a full description of any waiver of Buyer's rights under the Commitment Letter, as applicable.

(b) In the event that any portion of the Financing becomes unavailable in the manner or from the sources contemplated in the Commitment Letter, (i) Buyer shall promptly notify Sellers, and (ii) Buyer shall use its commercially reasonable efforts to obtain alternative financing from alternative sources, on terms, taken as whole, that are not materially less beneficial to Buyer than those contemplated by the Commitment Letter, would not involve any material conditions to funding the Financing that are not contained in the Commitment Letter and would not reasonably be expected to prevent, materially impede or materially delay the consummation of the transactions contemplated hereby, as promptly as practicable following the occurrence of such event. In the event that alternative financing shall be secured pursuant to this Section 7.18(b), Buyer shall comply with the covenants in Section 7.18(a) with respect to such alternative financing and shall promptly furnish to Sellers the commitment letter and term sheet, including all exhibits, schedules or amendments thereto (or similar documents), with respect to such alternative financing.

**ARTICLE VIII**  
**BUYER'S CONDITIONS TO CLOSING**

The obligation of Buyer to consummate Closing is subject to the fulfillment of each of the following conditions (except to the extent waived in writing by Buyer in its sole discretion):

8.1 **Representations and Warranties.** The representations and warranties made by any Seller in Article III, Article IV and Article V shall, without giving effect to any materiality or Material Adverse Effect qualifier contained therein, (a) be true and correct on and as of the Closing Date as though made on and as of the Closing Date (other than those representations and warranties that speak to an earlier date) and (b) in the case of representations and warranties that speak as to an earlier date, be true and correct as of such earlier date, except in the case of clauses (a) and (b) where the failure to be true and correct would not have a Material Adverse Effect and would not have a material adverse effect on the ability of any Seller to consummate the transactions contemplated hereby. Notwithstanding the foregoing, the representations and warranties of the Sellers set forth in (x) Section 3.4, Section 4.4, and Section 5.3 shall be true and correct in all respects, and (y) Section 3.2 and Section 4.2 shall be true in all material respects, in each case, as of the Closing Date as though made on the Closing Date.

8.2 **Performance.** Each Seller shall have performed and complied, in all material respects, with all covenants and agreements to be performed or complied with by them under this Agreement prior to or at Closing.

8.3 **Officer's Certificate.** Each Seller shall have delivered to Buyer at Closing an officer's certificate, dated as of the Closing Date, as to the matters set forth in Sections 8.1 and 8.2 with respect to such Seller.

8.4 **Orders and Laws.** There shall not be any Law or order of any Governmental Authority having jurisdiction (except for any such order issued in connection with a Proceeding instituted by Buyer or its Affiliates) restraining, enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Agreement.

8.5 **[Reserved]**

8.6 **Required Regulatory Approvals; HSR Act.** (i) The Required Regulatory Approvals shall have been obtained and (ii) no terms shall have been imposed in connection therewith by any Governmental Authority which terms would reasonably be expected to have a Material Adverse Effect. Any waiting period (and any extension thereof) applicable to the Closing under the HSR Act shall have been terminated or shall have expired.

8.7 **Resignation of Managers, Officers and Directors.** Sellers shall have caused (effective as of Closing) the resignation or removal of the Sellers Appointees.

8.8 **Material Adverse Effect.** From the date of this Agreement, there shall not have occurred any Material Adverse Effect.

## ARTICLE IX SELLERS' CONDITIONS TO CLOSING

The obligation of Sellers to consummate Closing is subject to the fulfillment of each of the following conditions (except to the extent waived in writing by Sellers in its sole discretion):

9.1 **Representations and Warranties.** The representations and warranties made by Buyer in Article VI shall, without giving effect to any materiality qualifier contained therein, (a) be true and correct on and as of the Closing Date as though made on and as of the Closing Date (other than those representations and warranties that speak to an earlier date) and (b) in the case of representations and warranties that speak as to an earlier date, be true and correct as of such earlier date, except in the case of clauses (a) and (b) where the failure to be true and correct would not have a material adverse effect on the ability of Buyer to consummate the transactions contemplated hereby.

9.2 **Performance.** Buyer shall have performed and complied, in all material respects, with all covenants and agreements to be performed or complied with by it under this Agreement prior to or at Closing.

9.3 **Officer's Certificate.** Buyer shall have delivered to Sellers at Closing a certificate of an officer of Buyer, dated as of the Closing Date, as to the matters set forth in Sections 9.1 and 9.2.

9.4 **Orders and Laws.** There shall not be any Law or order of any Governmental Authority having jurisdiction (except for any such order issued in connection with a Proceeding instituted by Sellers or any Non-Company Affiliate) restraining, enjoining or otherwise prohibiting or making illegal the consummation of the transactions contemplated by this Agreement.

9.5 **Consents and Approvals.** Except with respect to the Required Regulatory Approvals (which are governed by Section 9.6), the Sellers Approvals and Company Consents shall have been duly obtained, made or given and shall be in full force and effect, and all terminations or expirations of waiting periods imposed by any Law or Governmental Authority with respect to such Company Consents and Sellers Approvals shall have occurred; provided, however, that the absence of any appeals and the expiration of any appeal period with respect to any of the foregoing shall not constitute a condition to Closing hereunder.

9.6 **Required Regulatory Approvals.** (i) The Required Regulatory Approvals shall have been obtained and (ii) no terms shall have been imposed in connection therewith that (x) are not conditional upon the occurrence of Closing or (y) place conditions or limitations on or with respect to any Seller, any of its respective Affiliates, any of its respective businesses or any of the benefits to any Seller and its respective Affiliates of the transactions contemplated hereunder.

**ARTICLE X  
TERMINATION**

10.1 **Termination.** This Agreement may be terminated, as follows:

(a) at any time before Closing, by Sellers or Buyer, by written notice to the other, in the event that any Law or final order of any Governmental Authority having jurisdiction restrains, enjoins or otherwise prohibits or makes illegal the sale of the Acquired Interests pursuant to this Agreement;

(b) at any time before Closing, by Sellers, by written notice to Buyer, if (i) Buyer has breached any of its representations, warranties, covenants or agreements under this Agreement and such breach would or does result in the failure to fulfill any condition expressly set forth in Article IX and (ii) such breach (other than a breach of Buyer's obligation to make any payment set forth in and in accordance with Section 2.6, which shall not have any cure period) has not been cured by the earlier of (x) 30 days following written notification from Sellers to Buyer thereof and (y) the Outside Date;

(c) at any time before Closing, by Buyer, by written notice to Sellers, if (i) any Seller has breached its representations, warranties, covenants or agreements under this Agreement and such breach would or does result in the failure to fulfill any condition expressly set forth in Article VIII and (ii) such breach has not been cured by the earlier of (A) 30 days following written notification from Buyer to Sellers thereof and (B) the Outside Date;

(d) at any time before Closing, by Buyer or Sellers, by written notice to the other, if Closing has not occurred on or before July 12, 2016 (as such date may be extended pursuant to Section 7.1(e)(ii), the "**Outside Date**"); provided, however, that no Party shall be entitled to terminate this Agreement under this Section 10.1(d) if such Party is then in breach of any of its representations, warranties or covenants set forth in this Agreement, and such breach would, assuming Closing were to occur on the proposed date of termination, cause a condition to Closing in Article VIII or Article IX, as applicable, not to be fulfilled, or, in the case of Buyer, is a breach of Buyer's obligation to make any payment set forth in and in accordance with Section 2.6; or

(e) by mutual written consent of Buyer and Sellers.

10.2 **Effect of Termination.** If this Agreement is validly terminated pursuant to Section 10.1, there will be no liability or obligation hereunder on the part of Sellers or any of their respective Affiliates or Buyer or any of its Affiliates, and Sellers and their respective Affiliates shall be free immediately to enjoy all rights of ownership of the Acquired Interests and to sell, transfer, encumber or otherwise dispose of any such Acquired Interests (and/or direct or indirect interests in the Project Companies) to any Person without any restriction under this Agreement, provided that, notwithstanding anything herein to the contrary, Article I, Sections 7.2(b), 7.8, the last sentence of Section 7.17, 10.2, 11.2, 11.5, and 11.6, and Article XII (other than Section 12.14) will survive any such termination. Notwithstanding anything herein to the contrary, if this Agreement is validly terminated by a Party pursuant to Section 10.1(b) or 10.1(c), as applicable, then the terminating Party shall be entitled to all rights and remedies available at law or in equity.

**ARTICLE XI**  
**LIMITATIONS ON LIABILITY, WAIVERS AND ARBITRATION**

11.1 **Indemnity.** From and after Closing:

(a) Each Alinda Seller shall, on a joint and several basis with the other Alinda Seller, indemnify, defend and hold harmless Buyer from and against all Losses incurred or suffered by Buyer resulting from:

i. any breach as of Closing of any representation or warranty of the Alinda Sellers contained in Article III of this Agreement or in the certificate delivered by the Alinda Sellers pursuant to Section 8.3 (as though any such representation and warranty were made as of Closing, except to the extent a representation and warranty is expressly made as of an earlier date, in which case only as of such earlier date), but excluding any of the representations and warranties set forth in such certificate relating to Article IV or Article V; and

ii. any breach of any covenant or agreement of one or both of the Alinda Sellers contained in this Agreement.

(b) ASC shall, on a several basis, defend and hold harmless Buyer from and against all Losses incurred or suffered by Buyer resulting from:

i. any breach as of Closing of any representation or warranty of ASC contained in Article IV of this Agreement or in the certificate delivered by ASC pursuant to Section 8.3 (as though any such representation and warranty were made as of Closing, except to the extent a representation and warranty is expressly made as of an earlier date, in which case only as of such earlier date), but excluding any of the representations and warranties set forth in such certificate relating to Article III or Article V; and

ii. any breach of any covenant or agreement of ASC contained in this Agreement.

(c) Sellers shall indemnify, defend and hold harmless Buyer from and against all Losses incurred or suffered by Buyer resulting from: (i) any breach as of Closing of any representation or warranty of Sellers contained in Article V of this Agreement or in any certificate delivered pursuant to Section 8.3 (as though any such representation and warranty were made as of Closing, except to the extent a representation and warranty is expressly made as of an earlier date, in which case only as of such earlier date), but excluding any of the representations and warranties set forth in such certificate relating to Article III or Article IV; and (ii) any breach of any covenant or agreement made collectively by all Sellers in this Agreement, it being understood that covenants of specific Sellers or of “each Seller” or “such Seller” set forth in this Agreement shall not be subject to this Section 11.1(c)(ii) and shall instead be governed by Section 11.1(a)(ii) or Section 11.1(b)(i), as applicable.



(d) Buyer shall indemnify, defend and hold each Seller harmless from and against all Losses incurred or suffered by such Seller resulting from:

i. any breach as of Closing of any representation or warranty of Buyer contained in Article VI of this Agreement or in the certificate delivered by Buyer pursuant to Section 9.3 (as though made as of Closing, except to the extent a representation and warranty is expressly made as of an earlier date, in which case only as of such earlier date);

ii. any breach of any covenant or agreement of Buyer contained in this Agreement; and

iii. the Assumed Liabilities.

**11.2 *Limitations of Liability.*** Notwithstanding anything in this Agreement to the contrary:

(a) The respective representations, warranties, covenants and agreements of Sellers and Buyer contained in this Agreement (or in any certificate delivered in connection herewith) and all waivers, disclaimers and limitations of Sellers' liability contained in this Agreement, shall (i) in the case of the representations and warranties in Article VI, the Fundamental Representations, the representations and warranties set forth in Section 5.9, and the representations and warranties relating thereto set forth in the Closing certificates delivered hereunder, survive the Closing Date until the thirtieth (30<sup>th</sup>) day after the expiration of the applicable statute of limitations, (ii) in the case of all representations and warranties set forth in this Agreement (other than the representations and warranties described in the immediately preceding clause (i)) and the representations and warranties relating thereto set forth in the Closing certificates delivered hereunder, survive the Closing Date for a period of nine months after the Closing Date, (iii) in the case of any of the Parties' respective covenants and agreements which by their terms are to be performed at or prior to Closing, survive the Closing Date for nine months, (iv) in the case of any of the Parties' respective covenants and agreements which by their nature are to be performed after Closing, survive the Closing Date for the period provided in accordance with their express terms, (v) in the case of all covenants and agreements not covered by the immediately preceding clause (iv), which by their nature are to be performed after Closing, survive the Closing Date for the period until they are fully performed and (vi) in the case of all waivers, disclaimers and limitations of Sellers' liability, survive the Closing Date indefinitely. No Party shall have any liability for indemnification claims made under Section 11.1 with respect to any such representation, warranty, covenant or agreement unless a written notice of claim (describing in reasonable detail the claim, including an estimate of Losses attributable to such claim) is provided prior to the expiration of any applicable survival period for such representation, warranty, covenant or agreement provided in this Section 11.2(a). Notwithstanding the foregoing, any Claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved;

(b) any breach by any Seller of a representation, warranty, covenant or agreement in this Agreement (or in any certificate delivered hereunder) in connection with any single item that results in Losses of less than \$200,000 (the “**De Minimis Threshold**”) shall be deemed, for all purposes, not to be a breach of such representation, warranty, covenant or agreement;

(c) Sellers shall have no liability for breaches of representations or warranties (other than Fundamental Representations) in this Agreement (or in any certificate delivered hereunder) until the aggregate amount of all Losses incurred by Buyer (excluding for purposes of calculating the Deductible Amount all individual Losses that do not satisfy the De Minimis Threshold) equals or exceeds 1.5% of the Purchase Price (the “**Deductible Amount**”), in which event Sellers shall be liable for Losses only to the extent they are in excess of the Deductible Amount;

(d) in no event shall the Alinda Sellers’ aggregate liability arising out of or relating to this Agreement, whether relating to breach of representation, warranty, covenant or agreement in this Agreement or in any certificate or instrument delivered hereunder, and whether based on contract, tort, strict liability, other Laws or otherwise, exceed 5% of the Alinda Sellers Equity Purchase Price; provided, however, that the Alinda Sellers’ aggregate liability arising out of or relating to the Alinda Sellers’ indemnification obligations under Section 11.1 in respect of fraud, breaches by the Alinda Sellers of Fundamental Representations or covenants may exceed such amount but shall in no event (together with all aggregate liability described in this clause (d)) exceed the Alinda Sellers Equity Purchase Price;

(e) in no event shall ASC’s aggregate liability arising out of or relating to this Agreement, whether relating to breach of representation, warranty, covenant or agreement in this Agreement or in any certificate or instrument delivered hereunder, and whether based on contract, tort, strict liability, other Laws or otherwise, exceed 5% of the ASC Equity Purchase Price; provided, however, that ASC’s aggregate liability arising out of or relating to ASC’s indemnification obligations under Section 11.1 in respect of fraud, breaches by ASC of Fundamental Representations or covenants may exceed such amount but shall in no event (together with all aggregate liability described in this clause (e)) exceed the ASC Equity Purchase Price;

(f) Buyer must give written notice to Sellers within a reasonable period of time after becoming aware of any breach by any Seller of any representation, warranty, covenant or agreement in this Agreement;

(g) Sellers must give written notice to Buyer within a reasonable period of time after becoming aware of any breach by Buyer of any representation, warranty, covenant or agreement in this Agreement;

(h) without limiting the provisions of Section 11.2(i), the Party seeking indemnification hereunder shall have a duty to use commercially reasonable efforts to mitigate any Loss in connection with this Agreement;

(i) Buyer shall, prior to seeking recovery from Sellers of any Loss pursuant to Section 11.1, exercise its commercially reasonable efforts to seek recovery from third parties (including insurance recoveries) and to obtain rate base recovery of such Loss through the Project Companies. Buyer shall keep Sellers reasonably informed as to the efforts made by Buyer or its Affiliates to obtain such rate base recovery and shall provide Sellers with copies of all filings, correspondence and other information to or from any Governmental Authority or other Person relating thereto; provided, however, that any Claim shall not expire until final resolution of any such rate base recovery proceeding, notwithstanding the terms of Section 11.2(a);

(j) If Sellers pay to Buyer any amount in respect of a claim for indemnity brought by Buyer pursuant to Section 11.1 and Buyer subsequently recovers, directly or indirectly (via a Project Company's rate base recovery or otherwise), from any other Person any amount in respect of the Losses underlying such claim, then Buyer shall promptly pay to Sellers all such amounts recovered directly or indirectly from such other Person; provided that Buyer shall not be required to pay to Sellers any amount in excess of the amount paid by Sellers pursuant to Section 11.1 in respect of the subject claim;

(k) Sellers shall have no liability for any Losses that represent the cost of repairs, remediations, replacements or improvements that enhance the value of the repaired, remediated, replaced or improved Asset above its value on the Closing Date or which represent the cost of repair, remediation or replacement exceeding the lowest reasonable cost of repair, remediation or replacement;

(l) In the event Buyer obtains knowledge of any matter that causes or would be likely to cause any of Sellers' representations or warranties to be untrue or inaccurate in any respect, Buyer shall promptly give notice of such matter to Sellers. If Buyer fails to notify Seller of any such matter, then, following Closing, none of Sellers nor their respective Affiliates shall have any liability for any breach of such representation or warranty by Sellers of this Agreement directly related to such matter (or of any representation or warranty set forth in any closing certificate delivered under Article VIII of this Agreement) (and, without in any way limiting the generality of the foregoing, for purposes of this Section 11.2(l), the documents and their contents and other information disclosed to Buyer or its Representatives in the course of its due diligence, are deemed known by Buyer);

(m) Sellers shall have no liability pursuant to this Agreement in respect of and to the extent of any item or any Losses that have been (i) included in the calculation of the Closing Indebtedness, (ii) reflected as a liability in Net Working Capital as finally determined pursuant to Section 2.7, or (iii) reflected as a liability or reserve in the financial statements referred to in Section 5.8;

(n) Sellers and Buyer acknowledge that after Closing the payment of money, as limited by the terms of this Agreement, shall be adequate compensation for breach of any representation, warranty, covenant or agreement contained in this Agreement or for any other Claim arising in connection with or with respect to the transactions contemplated in this Agreement. As the payment of money shall be adequate compensation, Buyer and each Seller hereby waives any right to rescind this Agreement or any of the transactions contemplated hereby; and

(o) references to Material Adverse Effect and other materiality qualifications shall be disregarded solely for purposes of calculating Losses with respect to which one Party indemnifies the other pursuant to Section 11.1(a). For the avoidance of doubt, such references shall not be disregarded in determining whether a breach by a Party of any of its representations made herein or hereunder has occurred.

11.3 **Waiver of Claims.** Subject to Section 11.1, effective as of Closing, Buyer hereby unconditionally waives and releases Sellers and their respective Affiliates and their respective Representatives and the Sellers Appointees (collectively, the “**Released Parties**”) from and against, all Claims and all obligations, damages and liabilities (whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due, whether known or unknown), expenses or other Losses arising from or relating to, and shall not (and shall not permit any Acquired Company to) make any Claim against the Released Parties in respect of, the Assumed Liabilities or any breach or alleged breach of any Charter Document or any fiduciary or similar duty relating to any actions or failures to act (including negligence or gross negligence) in connection with the business, ownership or operation of the Acquired Companies, whenever arising or occurring, and whether arising under Contract, statute, common law or otherwise. None of the Financing Sources will have any liability to the Company or any of its Affiliates relating to or arising out of this Agreement, the Financing or otherwise, whether at law, or equity, in contract, in tort or otherwise, and neither the Company nor any of its Affiliates will have any rights or claims against any of the Financing Sources hereunder or thereunder. In no event shall the Company be entitled to seek the remedy of specific performance of this Agreement against the Financing Sources.

11.4 **Assumed Liabilities.** Effective as of Closing, and subject to Section 11.1, Buyer hereby assumes the Assumed Liabilities.

11.5 **Waiver of Other Representations.**

(a) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IT IS THE EXPLICIT INTENT OF EACH PARTY, AND THE PARTIES HEREBY AGREE, THAT NONE OF SELLERS NOR ANY OF THEIR RESPECTIVE AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES HAS MADE OR IS MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING ANY IMPLIED REPRESENTATION OR WARRANTY AS TO THE CONDITION, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE ACQUIRED INTERESTS, THE ACQUIRED COMPANIES OR ANY OF THEIR RESPECTIVE ASSETS, OR ANY PART THEREOF, EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE BY ANY SELLER IN ARTICLES III, IV AND V. IN PARTICULAR, AND WITHOUT IN ANY WAY LIMITING THE FOREGOING, (I) NONE OF SELLERS NOR ANY OF THEIR RESPECTIVE AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES MAKES ANY REPRESENTATION OR WARRANTY REGARDING ANY (X) TAX MATTERS EXCEPT AS EXPRESSLY MADE BY

SELLERS, AS APPLICABLE, IN SECTION 3.6 AND SECTION 5.9, (Y) ENVIRONMENTAL MATTERS EXCEPT AS EXPRESSLY MADE BY SELLERS IN SECTION 5.13 OR (Z) EMPLOYMENT MATTERS EXCEPT AS EXPRESSLY MADE BY SELLER IN SECTIONS 5.15 AND 5.16 AND (II) NONE OF SELLERS NOR ANY OF THEIR RESPECTIVE AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO ANY FINANCIAL PROJECTIONS OR FORECASTS RELATING TO THE PROJECT COMPANIES OR THE PROJECT COMPANY ASSETS.

(b) EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE BY SELLERS IN ARTICLES III, IV AND V, SELLERS' INTERESTS IN THE ACQUIRED INTERESTS ARE BEING TRANSFERRED HEREUNDER TO BUYER "AS IS, WHERE IS, WITH ALL FAULTS," AND SELLERS AND THEIR RESPECTIVE AFFILIATES AND THEIR RESPECTIVE REPRESENTATIVES EXPRESSLY DISCLAIM ALL REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE ACQUIRED COMPANIES OR THEIR RESPECTIVE ASSETS OR THE PROSPECTS (FINANCIAL OR OTHERWISE), RISKS AND OTHER INCIDENTS OF THE PROJECT COMPANIES OR THE PROJECT COMPANY ASSETS.

(c) BUYER ACKNOWLEDGES THAT THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ARTICLES III, IV AND V AND IN ANY CERTIFICATES OF SELLERS ARE THOSE ONLY OF SELLERS AND NOT OF ANY OTHER PERSON, INCLUDING ANY AFFILIATE (INCLUDING ANY ACQUIRED COMPANY) OR REPRESENTATIVE OF SELLERS OR ANY OF THEIR RESPECTIVE AFFILIATES.

#### 11.6 *Waiver of Remedies.*

(a) The Parties hereby agree that no Party shall have any liability, and no Party shall (and each Party shall cause its respective Affiliates not to) make any Claim, for any Loss or any other matter, under, relating to or arising out of this Agreement (including breach of representation, warranty, covenant or agreement) or any other document, agreement, certificate or other instrument delivered pursuant hereto, whether based on contract, tort, strict liability, other Laws or otherwise, except as expressly provided in Sections 7.2(b), 10.2, 11.1, 11.3, 11.4 and 12.14.

(b) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES, OR LOST PROFITS, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND WHETHER OR NOT ARISING FROM THE OTHER PARTY'S OR ANY OF ITS AFFILIATES' SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT ("*Non-reimbursable Damages*"); PROVIDED, HOWEVER, IN NO EVENT SHALL THIS SECTION 11.6(b) BE A LIMITATION ON ANY OBLIGATION OF A PARTY HEREUNDER WITH RESPECT TO A THIRD PARTY CLAIM RELATING TO SUCH OBLIGATION.

(c) Notwithstanding anything in this Agreement to the contrary, (i) no Representative or Affiliate of any Seller (nor any Representative of any such Affiliate or any Person directly or indirectly owning any interest in any Seller) shall have any liability to Buyer or any other Person as a result of the breach of any representation, warranty, covenant, agreement or obligation of any Seller in this Agreement or in any certificate delivered pursuant to this Agreement, and (ii) no Representative or Affiliate of Buyer (nor any Representative of any such Affiliate or any Person directly or indirectly owning any interest in Buyer) shall have any liability to Sellers or any other Person as a result of the breach of any representation, warranty, covenant or agreement of Buyer in this Agreement or in any certificate delivered pursuant to this Agreement.

#### 11.7 *Procedure with Respect to Third-Party Claims.*

(a) If any Party becomes subject to a pending or threatened Claim of a third party and such Party (the “**Claiming Party**”) believes it has a claim against the other Party (the “**Responding Party**”) as a result, then the Claiming Party shall promptly notify the Responding Party in writing of the basis for such Claim setting forth the nature of the Claim and the amount thereof in reasonable detail. The failure of the Claiming Party to so notify the Responding Party shall not relieve the Responding Party of liability hereunder except to the extent that the defense of such Claim is prejudiced by the failure to give such notice.

(b) If any Proceeding is brought by a third party against a Claiming Party and the Claiming Party gives notice to the Responding Party pursuant to Section 11.7(a), the Responding Party shall be entitled to participate in such Proceeding and, if the Responding Party wishes, the Responding Party may elect to control the defense of such Proceeding (such election to be without prejudice to the right of the Responding Party to dispute whether such claim is for indemnifiable Losses under this Article XI), if (i) the Responding Party provides written notice to the Claiming Party that the Responding Party intends to undertake such defense and (ii) the Responding Party conducts the defense of the third-party Claim actively and diligently with counsel reasonably satisfactory to the Claiming Party. The Claiming Party shall, in its sole discretion, have the right to employ separate counsel (who may be selected by the Claiming Party in its sole discretion) in any such action and to participate in (but not control) the defense or settlement thereof, and the fees and expenses of such counsel shall be paid by such Claiming Party. The Claiming Party shall fully cooperate with the Responding Party and its counsel in the defense or compromise of such Claim. If the Responding Party assumes the defense of a Proceeding, no compromise or settlement of such Claim may be effected by the Responding Party without the Claiming Party’s consent unless (A) there is no finding or admission of any violation of Law or any violation of the rights of any Person and no effect on any other Claims that may be made against the Claiming Party and (B) the sole relief provided is monetary damages that are fully covered by the Responding Party.

(c) If notice is given to the Responding Party of the commencement of any third-party legal Proceeding and the Responding Party does not, within 30 days after the Claiming Party's notice is given pursuant to Section 11.7(a), give notice to the Claiming Party of its election to control the defense of such legal Proceeding, or if any of the conditions set forth in clauses (i) and (ii) of Section 11.7(b) become unsatisfied, then the Claiming Party shall (upon notice to the Responding Party) have the right to control the defense, compromise or settlement of such claim; provided, however, that the Responding Party shall, subject to the limitations of liability set forth herein, reimburse the Claiming Party for the costs of defending against such third-party claim (including reasonable attorneys' fees and expenses) and shall, subject to the limitations of liability set forth herein, remain otherwise responsible for any liability with respect to amounts arising from or related to such third-party claim, in both cases to the extent it is ultimately determined that such Responding Party is liable with respect to such third-party claim for a breach under this Agreement; provided, further, that the Claiming Party may not effect any such compromise or settlement without the consent of the Responding Party (which consent shall not be unreasonably withheld, denied or delayed). The Responding Party may elect to participate in such legal Proceedings, negotiations or defense at any time at its own expense.

(d) In the event a Claiming Party recovers Losses in respect of a claim for indemnification under this Article XI, no other Claiming Party shall be entitled to recover the same Losses in respect of a claim for indemnification hereunder.

**11.8 Procedure with Respect to Direct Claims.** Promptly after any Claiming Party comes to believe that it has a claim for indemnification against a Responding Party which does not involve a third-party Claim (a "**Direct Claim**"), the Claiming Party shall notify the Responding Party in writing of such Direct Claim and specify in such notice the basis for such Direct Claim setting forth the nature of the Claim and the amount thereof in reasonable detail. The Claiming Party shall enclose with such notice a copy of all material documents in the possession or under the control of such Claiming Party relating to such Direct Claim. Any failure of a Claiming Party to so notify a Responding Party shall not relieve the Responding Party of liability hereunder except to the extent that the defense of such Direct Claim is prejudiced by the failure to give such notice. The Claiming Party shall fully cooperate with the Responding Party and its counsel in determining the validity of any Direct Claim and in otherwise resolving such Direct Claim.

### 11.9 *Access to Information.*

(a) After the Closing Date, Sellers and Buyer shall grant each other (or their respective designees), and Buyer shall cause the Acquired Companies to grant to Sellers (or their respective designees), access at all reasonable times to all of the Records relating to the Acquired Companies in its possession or the possession of the Acquired Companies, and shall afford each such Person the right (at such Person's expense) to take extracts therefrom and to make copies thereof, to the extent reasonably necessary to implement the provisions of, or to investigate or defend any claims among the Parties and/or their Affiliates arising under, this Agreement, subject to the reasonable confidentiality restrictions of the disclosing party. Without limiting the foregoing, Buyer shall, and shall cause the Acquired Companies to, grant to Sellers (and their respective designees) each of the foregoing access rights to the extent such Records are necessary or useful to Sellers in connection with any investigation or audit by a Governmental Authority or any claim or dispute by or with any Person other than Buyer or the Project Companies. Buyer shall maintain, and shall cause the Acquired Companies to maintain, such Records until the seventh anniversary of the Closing Date (or for such longer period of time as Sellers shall advise Buyer is necessary in order to have Records available with respect to Tax matters), or if any of the Records pertain to any claim or dispute pending on the seventh anniversary of the Closing Date, Buyer shall maintain any of the Records designated by Sellers or their respective Representatives until such claim or dispute is finally resolved and the time for all appeals has been exhausted. Notwithstanding anything herein to the contrary, in the event of a dispute between the Parties, the furnishing of, or access to, the Records shall be subject to applicable rules relating to discovery.

(b) Sellers and Sellers' respective Affiliates may retain a copy of all data room materials and all books and records prepared in connection with the transaction contemplated by this Agreement, including (i) copies of any books and records which may be relevant in connection with the defense of disputes arising hereunder and (ii) copies of all financial information and all other accounting books and records prepared or used in connection with the preparation of financial statements of Sellers. Without limiting the foregoing, ASC may retain a copy of all books and records related to the Retained ASC Interest.

## **ARTICLE XII MISCELLANEOUS**

### 12.1 *Notice.*

(a) Unless this Agreement specifically requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by facsimile (in the case of deliveries by facsimile, followed promptly by delivery of an original via a nationally recognized courier service) or sent by registered or certified mail, postage prepaid, or by a nationally recognized overnight courier service that provides a receipt of delivery, in each case, to the Parties at the addresses specified below:



If to Buyer, to:

Black Hills Utility Holdings, Inc.  
PO Box 1400  
625 Ninth Street  
Rapid City, SD 57709  
Fax: (605) 721-2550  
Attn: Jeffrey B. Berzina, Vice President - Strategic Planning and Development

With a copy to:

Black Hills Corporation  
PO Box 1400  
625 Ninth Street  
Rapid City, SD 57709  
Fax: (605) 721-2550  
Attn: Steven J. Helmers, General Counsel

With a copy to (which shall not constitute notice):

Faegre Baker Daniels LLP  
1470 Walnut Street, Suite 300  
Boulder, Colorado 80302  
Fax: (303) 447-7800  
Attn: John R. Marcil

If to Alinda Gas Delaware, to:

Alinda Gas Delaware LLC  
c/o Alinda Capital Partners  
100 West Putnam Avenue  
Greenwich, CT 06830  
Fax: (203) 930-3880  
Attn: General Counsel

If to Alinda Fund, to:

Alinda Infrastructure Fund I, L.P.  
c/o Alinda Capital Partners  
100 West Putnam Avenue  
Greenwich, CT 06830  
Fax: (203) 930-3880  
Attn: General Counsel

In each case, with a copy to (which shall not constitute notice):

Bracewell & Giuliani LLP  
711 Louisiana Street, Suite 2300  
Houston, TX 77002  
Fax: (713) 221-2108  
Attn: G. Alan Rafte  
Roxanne Almaraz

If to ASC, to:

c/o GE Energy Financial Services  
GE EFS Portfolio  
Aircraft Services Corporation  
800 Long Ridge Road  
Stamford, CT 06927  
Fax: (203) 357-4890  
Attn: General Counsel

With a copy to (which shall not constitute notice):

Bracewell & Giuliani LLP  
711 Louisiana Street, Suite 2300  
Houston, TX 77002  
Fax: (713) 221-2108  
Attn: G. Alan Rafte  
Roxanne Almaraz

(b) Notice given by personal delivery, mail or overnight courier pursuant to this Section 12.1 shall be effective upon physical receipt. Notice given by facsimile pursuant to this Section 12.1 shall be effective as of the date of confirmed delivery if delivered before 5:00 p.m. Central Time on any Business Day or the next succeeding Business Day if confirmed delivery is after 5:00 p.m. Central Time on any Business Day or during any non-Business Day.

(c) Notice provide by any Seller in accordance with this Agreement shall be deemed to have been given by all Sellers under this Agreement.

12.2 **Entire Agreement.** Except for the Confidentiality Agreement, this Agreement supersedes all prior discussions and agreements between the Parties and/or their Affiliates with respect to the subject matter hereof and contains the sole and entire agreement between the Parties and their Affiliates with respect to the subject matter hereof.

12.3 **Expenses.** Except as otherwise expressly provided in this Agreement, whether or not the transactions contemplated hereby are consummated, each Party will pay its own costs and expenses incurred in anticipation of, relating to and in connection with the negotiation and execution of this Agreement and the transactions contemplated hereby.

12.4 **Disclosure.** Unless the context otherwise requires, all capitalized terms used in the Schedules shall have the respective meanings assigned to such terms in this Agreement. Neither the Schedules, the exhibits nor any disclosure made in or by virtue of them constitutes or implies any representation, warranty, or covenant by Sellers not expressly set out in the Agreement, and neither the Schedules, the exhibits, nor any such disclosure has the effect of, or may be construed as, adding to, broadening, deleting from or revising the scope of any of the representations, warranties, or covenants of Sellers in the Agreement. Any item or matter disclosed or listed on any particular Schedule or exhibit is deemed to be disclosed or listed on any other Schedule to the extent it is reasonably apparent that such item relates or is applicable to, or is properly disclosed under, such other Schedule or the section of this Agreement to which such other Schedule corresponds, notwithstanding the fact that the Schedules are arranged to correspond to the sections of the Agreement, that a particular section of this Agreement makes reference to a particular Schedule, or that a particular representation, warranty or covenant in this Agreement may not make reference to a Schedule. Matters reflected in the Schedules are not necessarily limited to matters required by the Agreement to be reflected in the Schedules. The fact that any item of information is contained in the Schedules is not an admission of liability under any applicable Law, and does not mean that such information is required to be disclosed in or by the Agreement, or that such information is material, but rather is intended only to qualify the representations, warranties and covenants in the Agreement and to set forth other information required by the Agreement. Neither the specification of any dollar amount in any representation, warranty or covenant contained in this Agreement nor the inclusion of any specific item in the Schedules is intended to imply that such amount, or a higher or lower amount, or the item so included, or any other item, is or is not material, and no Party shall use the specification of any such amount or the inclusion of any such item in any dispute or controversy between or among the Parties as to whether any obligation, item or matter not described herein or included in the Schedules is or is not material for purposes of this Agreement. The information set forth on the Schedules or exhibits shall not be used as a basis for interpreting the terms “material”, “materially”, “materiality”, “Material Adverse Effect”, or any similar qualification in this Agreement. Neither the specification of any item or matter in any representation, warranty or covenant contained in this Agreement nor the inclusion of any specific item in the Schedules is intended to imply that such item or matter, or another item or matter, is or is not in the ordinary course of business, and no Party shall use the specification or the inclusion of any such item or matter in any dispute or controversy between or among the Parties as to whether any obligation, item or matter described or not described herein or included or not included in the Schedules is or is not in the ordinary course of business for purposes of the Agreement. Headings have been inserted in the Schedules for reference only and do not amend the descriptions of the disclosed items set forth in the Agreement.

12.5 **Waiver.** Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed to be or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law, will, subject to Section 11.6, be cumulative and not alternative.

12.6 **Amendment.** This Agreement may be amended, supplemented or modified only by a written instrument duly executed by Sellers and Buyer; provided, however, that notwithstanding the foregoing, in the event that any party seeks an amendment, modification, consent or waiver to any of Sections 11.3, 12.7 or 12.12 or this Section 12.6 that is adverse to the Financing Sources, the prior written consent of the Financing Sources shall be required before any such amendment, modification, consent or waiver may become effective.

12.7 **No Third Party Beneficiary.** Except for the provisions of Sections 7.2(b), 7.6, the last sentence of Section 7.17, 11.3, 11.5, 11.6, 12.6 and 12.12 (which are intended to be for the benefit of the Persons identified therein, including but not limited to the Financing Sources), the terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

12.8 **Assignment; Binding Effect.** Any Party may assign its rights and obligations hereunder to an Affiliate but such assignment shall not release such Party from its obligations hereunder. Except as provided in the preceding sentence, neither this Agreement nor any right, interest or obligation hereunder may be assigned by any Party without the prior written consent of the other Party, and any attempt to do so will be void, except for assignments and transfers by operation of Law. Notwithstanding the foregoing, without the prior written consent of any other Person, Buyer, may at any time, in its sole discretion, assign, in whole or in part, (x) its rights and obligations pursuant to this Agreement to one or more of its Affiliates and (y) its rights under this Agreement for collateral security purposes to any lender providing financing to Buyer or its Affiliates and any such lender may exercise all of the rights and remedies of Buyer hereunder; provided that any such assignment shall not relieve Buyer of its obligations hereunder. Subject to this Section 12.8, this Agreement is binding upon, inures to the benefit of and is enforceable by the Parties and their respective successors and permitted assigns.

12.9 **Headings.** The headings used in this Agreement have been inserted for convenience of reference only and do not modify, define or limit any of the terms or provisions hereof.

12.10 **Invalid Provisions.** Upon any determination that any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any applicable rule of Law or public policy, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

12.11 **Counterparts; Facsimile.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Any facsimile or .pdf copies hereof or signature hereon shall, for all purposes, be deemed originals.

12.12 **Governing Law; Venue; and Jurisdiction.**

(a) This Agreement shall be governed by and construed in accordance with the Laws of the State of New York (without regard to the conflict of laws principles thereof other than Section 5-1401 of the New York General Obligations Law). Each of the Parties irrevocably agrees that any legal action or proceeding (i) with respect to this Agreement or the transactions contemplated hereby or (ii) involving the Financing Sources arising out of, or relating to, the transactions contemplated hereby, the Financing or the performance of services thereunder or related thereto (any such legal action or proceeding described in this clause (ii), a “**Financing Sources Action**”) shall in each case be brought and determined in any state or federal court in New York County, State of New York, and

each of the Parties irrevocably submits to the exclusive jurisdiction of such courts solely in respect of (x) any legal proceeding arising out of or related to this Agreement and (y) any Financing Sources Action, and the Parties hereto further agree to waive and hereby waive, to the fullest extent permitted by law, any objection which any of them may now or hereafter have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any Financing Sources Action in any such court. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby (including but not limited to any Financing Sources Action) in any court or jurisdiction other than the above specified courts; provided, however, that except in the case of a Financing Sources Action, the foregoing shall not limit the rights of the Parties to obtain execution of judgment in any other jurisdiction. The Parties further agree, to the extent permitted by Law, that a final and nonappealable judgment against a Party in any action or proceeding contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment. The Parties agree that any Financing Sources Action shall be governed by, and construed in accordance with, the laws of the State of New York, without regard to the conflicts of law rules of such State that would result in the application of the laws of any other State.

(b) EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT (INCLUDING BUT NOT LIMITED TO ANY FINANCING SOURCES ACTION) AND WITH RESPECT TO ANY COUNTERCLAIM RELATED THERETO.

12.13 **Attorneys' Fees.** If any Party shall bring an action to enforce the provisions of this Agreement, the prevailing Party or Parties shall be entitled to recover its reasonable attorneys' fees and expenses incurred in such action from the unsuccessful Party or Parties.

12.14 **Specific Performance.** Each Party hereby acknowledges and agrees that the rights of each Party to consummate the transactions contemplated hereby (including the satisfaction of any condition to Closing) are special, unique and of extraordinary character and that, if, prior to the earlier of valid termination and Closing, any Party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching Party may be without an adequate remedy at law. If, prior to the earlier of valid termination and Closing, any Party violates or fails or refuses to perform any covenant or agreement made by such Party herein, any non-breaching Party may (at any time prior to the valid termination of this Agreement pursuant to Article X), subject to the terms hereof, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other equitable relief. For purposes of clarification, nothing contained in this Agreement shall prevent or impair the ability of a Party to seek specific performance prior to the earlier of valid termination of this Agreement in accordance with Article X and Closing.

12.15 **Waiver.** Buyer agrees, on its own behalf and on behalf of its Affiliates and Representatives (including the Acquired Companies following Closing), that, following Closing, Bracewell & Giuliani LLP may serve as counsel to Sellers and their Affiliates in connection with any matters related to this Agreement and the transactions contemplated by this Agreement, including any dispute arising out of or relating to this Agreement and the transactions contemplated by this Agreement, notwithstanding any representation by Bracewell & Giuliani LLP of the Acquired Companies prior to the Closing Date. Buyer, on behalf of itself and its Affiliates and Representatives (including the Acquired Companies after Closing) hereby (a) consents to Bracewell & Giuliani LLP's representation of Sellers and Sellers' Affiliates in connection with any matters related to this Agreement and the transactions contemplated by this Agreement, (b) waives any Claim it has or may have that Bracewell & Giuliani LLP has a conflict of interest or is otherwise prohibited from engaging in such representation based on its representation of the Acquired Companies prior to Closing and (c) agrees that, in the event that a dispute arises between Buyer and/or any of the Acquired Companies or any of Buyer's or the Acquired Companies' respective Affiliates, on the one hand, and Sellers and/or Sellers' Affiliates, on the other hand, Bracewell & Giuliani LLP may represent Sellers and/or Sellers' Affiliates in such dispute even though the interests of Sellers and Sellers' Affiliates may be directly adverse to Buyer or the Acquired Companies or any of Buyer's or the Acquired Companies' respective Affiliates and even though Bracewell & Giuliani LLP may have represented the Acquired Companies in a matter substantially related to such dispute. Buyer further agrees that, as to all communications among Bracewell & Giuliani LLP, the Acquired Companies, Sellers or their respective Affiliates and Representatives prior to Closing that relate solely to this Agreement or the transactions contemplated by this Agreement, the attorney-client privilege belongs, to the extent such privilege exists, to Sellers and their Non-Company Affiliates and may be controlled by Sellers and their Non-Company Affiliates and will not, with respect to such privileged communications, pass to or be claimed by Buyer or the Acquired Companies or any of Buyer's or the Acquired Companies' respective Affiliates. To the extent that Buyer, the Acquired Companies, or any of Buyer's or the Acquired Companies' respective Affiliates has or maintains any ownership of the privilege with respect to these communications, Buyer agrees (on behalf of itself and all such Persons), except as may be required by applicable Law, not to waive or to attempt to waive the privilege without the express written approval of Sellers. Notwithstanding the foregoing, in the event that a dispute arises between Buyer or the Acquired Companies, on the one hand, and any other Person (other than Sellers and their Non-Company Affiliates), on the other hand, after Closing, the Acquired Companies may assert the attorney-client privilege against such Person to prevent disclosure of confidential communications by or with Bracewell & Giuliani LLP.

12.16 **Parent Guaranty.** Each Party acknowledges that, on the date of this Agreement, Black Hills Corporation, a South Dakota corporation and Affiliate of Buyer, is executing and delivering to Sellers the Guaranty (the "**Guaranty**") that is attached hereto as Exhibit D.

[signature page follows]

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

**ALINDA GAS DELAWARE:**

ALINDA GAS DELAWARE LLC

By:           /s/ James Metcalfe            
Name:           James Metcalfe            
Title:           Authorized Signatory          

Signature Page to Purchase and Sale Agreement

**ALINDA FUND:**

ALINDA INFRASTRUCTURE FUND I, L.P.

By:           /s/ James Metcalfe            
Name:           James Metcalfe            
Title:           Authorized Signatory          

Signature Page to Purchase and Sale Agreement



**ASC:**

**AIRCRAFT SERVICES CORPORATION**

By: /s/ John Pugh  
Name: John Pugh  
Title: Vice President

Signature Page to Purchase and Sale Agreement

**BUYER:**

BLACK HILLS UTILITY HOLDINGS, INC.

By:           /s/ David R. Emery          

Name:           David R. Emery          

Title:           CEO          

Signature Page to Purchase and Sale Agreement

**OPTION AGREEMENT**

by and among

AIRCRAFT SERVICES CORPORATION

as ASC,

SOURCEGAS HOLDINGS LLC

as the Company,

BLACK HILLS UTILITY HOLDINGS, INC.

as Buyer,

EFS SERVICES, LLC

and

SOURCEGAS INC.

dated as of [\_\_\_\_\_]

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## OPTION AGREEMENT

This Option Agreement dated as of [\_\_\_\_\_] (this “**Agreement**”) is made and entered into by and among Aircraft Services Corporation, a Nevada corporation (“**ASC**”), SourceGas Holdings LLC, a Delaware limited liability company (the “**Company**”), Black Hills Utility Holdings, Inc., a South Dakota corporation (“**Buyer**”), and, solely for purposes of Section 8.9(e), EFS Services, LLC, a Delaware limited liability company, and SourceGas Inc., a Delaware corporation. Capitalized terms used herein but not defined herein shall have the meaning ascribed to such term in the PSA (as defined below).

### RECITALS

WHEREAS, ASC, Buyer and Alinda Sellers entered into that certain Purchase and Sale Agreement (“**PSA**”), dated as of July 12, 2015, for the purchase and sale of (i) the Alinda Holding Stock and (ii) 49.5 Class A Units in the Company;

WHEREAS, Closing under the PSA (the “**Initial Closing**”) is occurring contemporaneously with the execution and delivery of this Agreement; and

WHEREAS, subject to the terms and conditions of this Agreement, (i) ASC desires to have the option to sell to Buyer, and Buyer desires to have the option to purchase from ASC, one-half (0.5) Class A Unit in the Company (the “**Retained Interest**”), and (ii) ASC and Buyer desire to amend the Company LLC Agreement with respect to the Retained Interest.

### STATEMENT OF AGREEMENT

Now, therefore, in consideration of the premises and the mutual representations, warranties, covenants and agreements in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

#### ARTICLE I DEFINITIONS AND CONSTRUCTION

1.1 **Definitions.** As used in this Agreement, the following capitalized terms have the meanings set forth below:

“**1933 Act**” has the meaning given to it in Section 4.2(c).

“**Actual CapEx Amount**” means the aggregate amount of all capital expenditures that are incurred and paid by the Project Companies from the Initial Closing through the Second Closing Date.

“**Additional Hedging Capital Contribution**” has the meaning given to it in the Company LLC Agreement.

“**Additional Mandatory Capital Contribution**” has the meaning given to it in the Company LLC Agreement.

**“Additional Voluntary Capital Contribution”** has the meaning given to it in the Company LLC Agreement.

**“Affiliate”** means any Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the Person specified. For purposes of this definition, control of a Person means the power, direct or indirect, to direct or cause the direction of the management and policies of such Person whether through ownership of voting securities or ownership interests, by contract or otherwise, and specifically with respect to a corporation, partnership or limited liability company, means direct or indirect ownership of at least 50% of the voting securities in such corporation or of the voting interest in such partnership or limited liability company. For the avoidance of doubt, the Project Companies are Affiliates of Buyer.

**“Agreement”** has the meaning given to it in the introduction to this Agreement.

**“ASC”** has the meaning given to it in the introduction to this Agreement.

**“Assumed Liabilities”** means all liabilities and obligations (whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due) known and unknown arising out of or attributable to the pre- and post- Second Closing ownership of the Retained Interest, including those under or arising out of the Company LLC Agreement or attributable to the ownership or operation of the Project Companies, but excluding any federal or state income Tax liabilities associated with the ownership of the Retained Interest prior to the Second Closing.

**“Base Purchase Price”** means (i) where Buyer exercises its Call Option pursuant to Section 2.1, an amount equal to the product of (x) the Purchase Price (as defined in the PSA), divided by 199 and (y) 1.1; and (ii) where Seller exercises its Put Option pursuant to Section 2.2, an amount equal to the product of (x) the Purchase Price (as defined in the PSA), divided by 199 and (y) 0.9.

**“Business Day”** means a day other than Saturday, Sunday or any day on which banks located in the State of New York are authorized or obligated to close.

**“Buyer”** has the meaning given to it in the introduction to this Agreement.

**“Buyer’s Determination”** has the meaning given to it in Section 3.5(a).

**“Call FMV Price”** has the meaning given to it in Section 2.1(b).

**“Call Option”** has the meaning given to it in Section 2.1.

**“Call Period”** means the period beginning on the earlier of (i) the termination of the Company for U.S. federal income Tax purposes and (ii) the 366th day following the date hereof, and ending at 5:00 p.m. on the 90<sup>th</sup> day thereafter.

**“CapEx Estimate”** has the meaning given to it in Section 3.4(a).

**“Claim”** means any demand, claim, action, investigation, Proceeding (whether at law or in equity) or arbitration.

“**Class A Units**” has the meaning given to it in the Company LLC Agreement, as in effect on the date hereof.

“**Company**” means SourceGas Holdings LLC, a Delaware limited liability company.

“**Company LLC Agreement**” means that certain Amended and Restated Limited Liability Company Agreement of the Company, dated as of March 30, 2007.

“**Company Retained Distributions**” has the meaning given to it in Section 8.8(a).

“**Fair Market Value**” means, with respect to the Retained Interest, the price that would be established in an arm’s length transaction between an informed and willing buyer and an informed and willing seller for the Retained Interest, neither being under any compulsion to buy or sell, giving consideration to the aggregate amount of all capital expenditures that are incurred and paid by the Project Companies from the Initial Closing through the Second Closing Date and associated rate base adjustments, and without giving effect to any termination of the Company for U.S. federal income Tax purposes that may have occurred on or prior to the applicable date of determination.

“**Independent Appraiser**” has the meaning given to it in Section 2.1(b).

“**Initial Closing**” has the meaning given to it in the recitals to this Agreement.

“**Loss**” means any and all judgments, liabilities, amounts paid in settlement, damages, fines, penalties, deficiencies, losses and expenses (including interest, court costs, reasonable fees of attorneys, accountants and other experts or other reasonable expenses of litigation or other Proceedings or of any claim, default or assessment), but only to the extent the foregoing (a) are not reasonably expected to be covered, directly or indirectly, by (i) rate base recovery or (ii) a payment from a third party or by insurance or otherwise recoverable from third parties and (b) are net of any associated benefits arising in connection with any of the foregoing, including any associated Tax benefits. For all purposes of this Agreement, the term “**Losses**” shall not include any Non-Reimbursable Damages.

“**Members**” has the meaning given to it in the Company LLC Agreement.

“**Non-Reimbursable Damages**” has the meaning given to it in Section 7.6(b).

“**Party**” means each of Buyer, ASC and the Company and “**Parties**” means Buyer, ASC and the Company, collectively.

“**Person**” means any natural person, corporation, general partnership, limited partnership, limited liability company, proprietorship, other business organization, trust, union, association or Governmental Authority.

“**Project Company**” means each of the Company and Subsidiaries and “**Project Companies**” means the Company and Subsidiaries, collectively.



“**PSA**” has the meaning given to it in the recitals to this Agreement.

“**Purchase Price**” has the meaning given to it in Section 3.1.

“**Purchase Price Allocation Schedule**” has the meaning given to it in Section 3.6(b).

“**Put Option**” has the meaning given to it in Section 2.2(a).

“**Put Period**” means the period beginning on (i) if the Parties have engaged an Independent Appraiser pursuant to Section 2.1(b), the day following the revocation by Buyer of its Call Option and (ii) otherwise, the day following the expiration of the Call Period and, in each case, ending at 5:00 p.m. Central time on the 90<sup>th</sup> day thereafter.

“**Put FMV Price**” has the meaning given to it in Section 2.2(b).

“**Reimbursable Contributions**” has the meaning given to it in Section 8.7(b).

“**Released Parties**” has the meaning given to it in Section 7.3.

“**Retained Interest**” has the meaning given to it in the recitals to this Agreement.

“**Retained Interest Assignment Agreement**” means the Retained Interest Assignment Agreement by and between ASC and Buyer, dated as of the Second Closing Date, and in substantially the form attached hereto as Exhibit A, pursuant to which ASC assigns and transfers to Buyer, and Buyer accepts, the Retained Interest.

“**Second Closing**” means the consummation of the sale by ASC, and the purchase by Buyer, of the Retained Interest.

“**Second Closing Date**” means the date on which the Second Closing occurs.

“**Second Closing Payment**” has the meaning given to it in Section 3.4(a).

“**Subsidiary**” means each of, and “**Subsidiaries**” means, collectively, SourceGas LLC, a Delaware limited liability company, SourceGas Inc., a Delaware corporation, SourceGas International, Inc., a Delaware corporation, SourceGas Arkansas Inc., an Arkansas corporation, SourceGas Gas Supply Services Inc., a Colorado corporation, SourceGas Energy Services Company, a Colorado corporation, SourceGas Distribution LLC, a Delaware limited liability company, Rocky Mountain Natural Gas LLC, a Colorado limited liability company, and SourceGas Storage LLC, a Colorado limited liability company.

“**Tax**” or “**Taxes**” means any federal, state, local or foreign income, gross receipts, ad valorem, sales, use, employment, social security, disability, occupation, property, severance, value added, goods and services, documentary, stamp duty, transfer, conveyance, capital stock, excise, withholding or other taxes imposed by or on behalf of any Taxing Authority, including any interest, penalty or addition thereto.

“**Tax Return**” means any declaration, report, statement, form, return or other document or information filed with or required to be supplied to a Taxing Authority in connection with Taxes, including any schedule or attachment thereto, and including any amendment thereof.

“**Taxing Authority**” means, with respect to any Tax, the Governmental Authority that imposes such Tax, and the agency (if any) charged with collection or administration of such Tax for such Governmental Authority.

“**Transfer Taxes**” means all transfer, sales, use, goods and services, value added, documentary, stamp duty, transfer, conveyance, registration, and other similar Taxes, duties, fees or charges.

## 1.2 **Rules of Construction.**

(a) All article, section, subsection, schedules and exhibit references used in this Agreement are to articles, sections, subsections, schedules and exhibits to this Agreement unless otherwise specified. The exhibits and schedules attached to this Agreement constitute a part of this Agreement and are incorporated herein for all purposes.

(b) If a term is defined as one part of speech (such as a noun), it shall have a corresponding meaning when used as another part of speech (such as a verb). Unless the context of this Agreement clearly requires otherwise, words importing the masculine gender shall include the feminine and neutral genders and vice versa. The words “includes” or “including” shall mean “including without limitation,” the words “hereof,” “hereby,” “herein,” “hereunder” and similar terms in this Agreement shall refer to this Agreement as a whole and not any particular section or article in which such words appear and any reference to a Law shall include any rules and regulations promulgated thereunder, and any reference to any Law in this Agreement shall only be a reference to such Law as of the date of this Agreement. Currency amounts referenced herein are in U.S. Dollars. Terms defined in the singular have the corresponding meanings in the plural, and vice versa.

(c) Time is of the essence in this Agreement. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified. Whenever any action must be taken hereunder on or by a day that is not a Business Day, then such action may be validly taken on or by the next day that is a Business Day.

(d) All accounting terms used herein and not expressly defined herein shall have the meanings given to them under GAAP.

(e) Each Party acknowledges that it and its attorneys have been given an equal opportunity to negotiate the terms and conditions of this Agreement and that any rule of construction to the effect that ambiguities are to be resolved against the drafting Party or any similar rule operating against the drafter of an agreement shall not be applicable to the construction or interpretation of this Agreement.

## ARTICLE II OPTIONS

### 2.1 *Buyer Option.*

(a) ASC hereby grants to Buyer the option (the “**Call Option**”) to buy from ASC the Retained Interest. The Call Option may be exercised, in Buyer’s sole discretion, by delivering to ASC at any time during the Call Period written notice of Buyer’s election to buy the Retained Interest. If Buyer fails to timely deliver to ASC such written notice, Buyer’s rights under this Section 2.1 shall, upon the expiration of the Call Period, automatically terminate for all purposes. If Buyer timely exercises its Call Option, then, unless ASC objects in writing to the Purchase Price as not reflective of the Fair Market Value of the Retained Interest within 10 Business Days of ASC’s receipt of the applicable written notice from Buyer, the Parties shall proceed to the Second Closing. Once exercised, the Call Option may only be revoked as expressly contemplated by Section 2.1(b).

(b) If ASC objects in writing to the Purchase Price as not reflective of the Fair Market Value of the Retained Interest within 10 Business Days of ASC’s receipt of the applicable written notice from Buyer, then (i) the Parties shall engage [ ] (the “**Independent Appraiser**”) and instruct the Independent Appraiser to render within thirty (30) days a determination of the Fair Market Value of the Retained Interest (as determined by the Independent Appraiser pursuant to this Section 2.1, the “**Call FMV Price**”) and (ii) ASC and Buyer shall each bear one-half of the fees of the Independent Appraiser in connection therewith. If the Call FMV Price is lower than the Purchase Price, then the Parties shall proceed to the Second Closing and the “Purchase Price” shall continue to be as defined in Section 3.1. If the Call FMV Price is higher than the Purchase Price, then Buyer shall, by delivery of written notice to ASC not later than five (5) Business Days after the Parties have received notice of the Independent Appraiser’s determination of the Call FMV Price, elect to (i) purchase the Retained Interest and the Parties shall proceed to the Second Closing; provided, that, notwithstanding anything herein to the contrary, where Buyer so elects to proceed with the Second Closing, the “Purchase Price” shall thereupon be deemed to be equal to the Call FMV Price, or (ii) revoke its Call Option. If Buyer does not make either election within such five (5) Business Day-period, Buyer shall be deemed to have revoked its Call Option. Upon any revocation by Buyer of its Call Option, Buyer’s rights under this Section 2.1 shall automatically terminate for all purposes.

### 2.2 *ASC Option.*

(a) Buyer hereby grants to ASC the option (the “**Put Option**”) to sell to Buyer the Retained Interest. The Put Option may be exercised, in ASC’s sole discretion, by delivering to Buyer at any time during the Put Period written notice of ASC’s election to sell the Retained Interest. If ASC fails to timely deliver to Buyer such written notice, ASC’s rights under this Section 2.2 shall, upon the expiration of the Put Period, automatically terminate for all purposes. If ASC timely exercises its Put Option, then, unless Buyer objects in writing to the Purchase Price as not reflective of the Fair Market Value of the Retained Interest within 10 Business Days of Buyer’s receipt of the applicable written notice from ASC, the Parties shall proceed to the Second Closing. Once exercised, the Put Option may only be revoked as expressly contemplated by Section 2.2(b).

(b) If Buyer objects in writing to the Purchase Price as not reflective of the Fair Market Value of the Retained Interest within 10 Business Days of Buyer's receipt of the applicable written notice from ASC, then (i) the Parties shall engage the Independent Appraiser and instruct the Independent Appraiser to render within thirty (30) days a determination of the Fair Market Value of the Retained Interest (as determined by the Independent Appraiser pursuant to this Section 2.2, the "**Put FMV Price**") and (ii) ASC and Buyer shall each bear one-half of the fees of the Independent Appraiser in connection therewith. If the Put FMV Price is higher than the Purchase Price, then the Parties shall proceed to the Second Closing and the "Purchase Price" shall continue to be as defined in Section 3.1. If the Put FMV Price is lower than the Purchase Price, then ASC shall, by delivery of written notice to Buyer not later than five (5) Business Days after the Parties have received notice of the Independent Appraiser's determination of the Put FMV Price, elect to (i) sell the Retained Interest and the Parties shall proceed to the Second Closing; provided, that, notwithstanding anything herein to the contrary, where ASC so elects to proceed with the Second Closing, the "Purchase Price" shall thereupon be deemed to be equal to the Put FMV Price or (ii) revoke its Put Option. If ASC does not make either election within such five (5) Business Day-period, ASC shall be deemed to have revoked its Put Option. Upon any revocation by ASC of its Put Option, ASC's rights under this Section 2.2 shall automatically terminate for all purposes.

### ARTICLE III PURCHASE AND SALE AND SECOND CLOSING

3.1 **Purchase Price.** If the Call Option or the Put Option, as applicable, is exercised, the purchase price for the purchase and sale of the Retained Interest (the "**Purchase Price**") shall be equal to the sum of:

(a) the Base Purchase Price;

(b) plus, the lesser of (i) the product of (x) the amount equal to the Actual CapEx Amount and (y) 0.005, and (ii) the aggregate amount of all capital contributions that are paid by ASC, in its capacity as a Member of the Company, to the Company from the Initial Closing through the Second Closing Date;

with all such amounts identified in the immediately preceding clauses (a) and (b) paid free and clear of, and without any withholding or deduction for or on account of, any Tax.

3.2 **Second Closing.** If the option to buy under Section 2.1 is exercised timely or the option to sell under Section 2.2 is exercised timely, then the Second Closing shall take place at the offices of Bracewell & Giuliani, 1251 Avenue of the Americas, 49<sup>th</sup> Floor, New York, New York 10020 at 10:00 A.M. local time, on the third Business Day after (i) if an Independent Appraiser has been engaged pursuant to the terms of Article III and, following a determination of the Call FMV Price or Put FMV Price, as applicable, Buyer or ASC, as applicable, has elected to proceed with the purchase or sale, as applicable, of the Retained Interest, such election and (ii) otherwise, the exercise of the Call Option or Put Option, as applicable, or on such other date and at such other time and place as Buyer and ASC mutually agree in writing. All actions listed in Section 3.3 or 3.4 that occur on the Second Closing Date shall be deemed to occur simultaneously at the Second Closing.

3.3 **Closing Deliveries by ASC to Buyer.** At the Second Closing, ASC shall deliver, or shall cause to be delivered, to Buyer the following:

(a) a counterpart of the Retained Interest Assignment Agreement executed by ASC;

(b) a certification of non-foreign status in the form prescribed by Treasury Regulation Section 1.1445-2(b) with respect to ASC;

(c) a certificate, duly executed by an officer of ASC, dated as of the Second Closing Date, certifying that the representations and warranties made by ASC in Section 4.1 are, without giving effect to any materiality or Material Adverse Effect qualifier contained therein (i) true and correct as of the Second Closing Date as though made on and as of such date (other than those representations and warranties that speak as to an earlier date) and (ii) in the case of representations and warranties that speak as to an earlier date, true and correct as of such earlier date, except in the case of clauses (i) and (ii) where the failure to be true and correct would not have a Material Adverse Effect and would not have a material adverse effect on the ability of ASC to consummate the transactions contemplated hereby; provided that, notwithstanding the foregoing, the representations and warranties in Section 4.1(c) shall be true and correct in all respects; and

(d) such other certificates, instruments, and documents required by this Agreement or as may be reasonably requested by Buyer prior to the Second Closing Date to carry out the intent and purposes of this Agreement.

3.4 **Closing Deliveries by Buyer to ASC.** At the Second Closing, Buyer shall deliver to ASC the following:

(a) a wire transfer of immediately available funds in an amount in the aggregate equal to the Base Purchase Price plus the product of (1) Buyer's good faith estimate of the Actual CapEx Amount ("**CapEx Estimate**") and (2) 0.005 (the resulting sum, the "**Second Closing Payment**"), with the Second Closing Payment directed to ASC to such account as ASC shall have notified Buyer of at least one Business Day prior to the Second Closing Date; provided, that where, pursuant to Article II, the amount to be paid by Buyer to ASC as consideration for the Retained Interest is equal to the Call FMV Price or the Put FMV Price, as applicable, the foregoing provisions of this Section 3.4(a) shall be disregarded for all purposes, and Buyer shall instead deliver to ASC at the Second Closing a wire transfer of immediately available funds in an amount equal to the Call FMV Price or the Put FMV Price, as applicable, directed to ASC to such account as ASC shall have notified Buyer of at least one Business Day prior to the Second Closing Date;

(b) a counterpart of the Retained Interest Assignment Agreement executed by Buyer;

(c) a certificate, duly executed by an officer of Buyer, dated as of the Second Closing Date, certifying that the representations and warranties made by Buyer in Section 4.2 are, without giving effect to any materiality qualifier contained therein (i) true and correct as of the Second Closing Date as though made on and as of such date (other than those representations and warranties that speak as to an earlier date) and (ii) in the case of representations and warranties that speak as to an earlier date, true and correct as of such earlier date, except in the case of clauses (i) and (ii) where the failure to be true and correct would not have a material adverse effect on the ability of Buyer to consummate the transactions contemplated hereby; and

(d) such other certificates, instruments, and documents required by this Agreement or as may be reasonably requested by ASC prior to the Second Closing Date to carry out the intent and purposes of this Agreement.

### 3.5 *Purchase Price Adjustments.*

(a) Not later than two Business Days prior to the expected Second Closing Date, Buyer shall in good faith determine the CapEx Estimate, and shall provide ASC with written notice of such determination, along with reasonable supporting information and calculations. The existence of any dispute with respect to the CapEx Estimate shall not delay or otherwise affect the Second Closing. Within 30 days after the Second Closing Date, Buyer shall determine the Actual CapEx Amount and shall provide ASC with written notice of such determination, along with reasonable supporting information and calculations (“**Buyer’s Determination**”).

(b) If ASC object to Buyer’s Determination, then it shall provide Buyer with written notice thereof within 30 days after the Second Closing and shall include reasonable detail regarding such specific objections together with supporting documentation. If Buyer and ASC fail to agree on such disputed items contained in Buyer’s Determination within 30 days from delivery by ASC to Buyer of ASC’s objection notice, then either Party may refer such dispute to PricewaterhouseCoopers LLP (or, if that firm declines to act as provided in this Section 3.5(b), another firm of independent public accountants, mutually acceptable to Buyer and ASC), which such firm shall be directed by the Parties to make a final and binding determination as to all matters in dispute (and only such matters) on a timely basis (and in any event within 60 days after its engagement) and to promptly notify the Parties in writing of its resolution; provided that the Parties shall not permit such firm to assign a value to any particular item greater than the greatest value for such item claimed by any Party or less than the lowest value for such item claimed by any Party. Such accounting firm handling the dispute resolution shall not have the power to modify or amend any term or provision of this Agreement. Buyer and ASC shall each bear and pay one-half of the fees and other costs charged by such accounting firm. If ASC does not object to Buyer’s Determination within the time period and in the manner set forth in the first sentence of this Section 3.5(b) or if ASC accepts Buyer’s Determination, the Actual CapEx Amount as set forth in Buyer’s Determination shall become final and binding upon the Parties for all purposes hereunder. If ASC does object to Buyer’s Determination within the time period and in the manner set forth in the first sentence of this Section 3.5(b), then Buyer’s Determination shall become final and binding for all purposes hereunder except with respect to, and only to the extent of, those matters expressly objected to by ASC in such objection; provided, that where any matter to which ASC expressly objects would, if decided in ASC’s favor, warrant an adjustment to any other amount set forth in Buyer’s Determination, then notwithstanding the foregoing, such other amount shall

become final and binding only after the matter to which ASC expressly objects has been resolved and all applicable adjustments necessarily stemming therefrom have been made.

(c) If the Actual CapEx Amount (as agreed between Buyer and ASC or as determined by the above-referenced accounting firm) is (i) greater than the CapEx Estimate provided by Buyer pursuant to Section 3.5(a), then Buyer shall pay to ASC within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by ASC, the product of (1) an amount equal to the Actual CapEx Amount minus the CapEx Estimate and (2) 0.005 and (ii) less than the CapEx Estimate provided by Buyer pursuant to Section 3.5(a), then ASC shall pay to Buyer within five Business Days after such amount is so agreed or determined, by wire transfer of immediately available funds to an account or accounts designated by Buyer, the product of (1) an amount equal to the CapEx Estimate minus the Actual CapEx Amount and (2) 0.005.

(d) Where, pursuant to Article II, the amount paid by Buyer to ASC as consideration for the Retained Interest is equal to the Call FMV Price or the Put FMV Price, as applicable, the foregoing provisions of this Section 3.5 shall be disregarded for all purposes.

### 3.6 ***Purchase Price Allocation.***

(a) ASC and Buyer agree that the purchase price for the Retained Interest (as determined for federal income Tax purposes) shall be allocated among the related share of assets of (i) the Company and (ii) each Subsidiary that is a disregarded entity for Tax purposes in accordance with the provisions of this Section 3.6.

(b) Within 30 days after the Second Closing Date, Buyer shall provide to ASC a proposed allocation of the purchase price consistent with Treasury Regulation sections 1.751-1 and 1.755-1 (the “***Purchase Price Allocation Schedule***”). Within 30 days after its receipt of Buyer’s proposed Purchase Price Allocation Schedule, ASC shall propose to Buyer any changes thereto or otherwise shall be deemed to have agreed thereto. In the event that ASC proposes changes to Buyer’s proposed Purchase Price Allocation Schedule within the 30 day period described above, Buyer shall, in good faith, consider any comments so received from ASC. If Buyer and ASC are unable to reach agreement as to any such comments, such dispute shall be resolved promptly by a Big Four public accounting firm acceptable to Buyer and ASC, with each of Buyer, on the one hand, and ASC, on the other, bearing and paying one-half of the fees and other costs charged by such accounting firm.

(c) The Purchase Price Allocation Schedule shall be revised to take into account subsequent adjustments to the Purchase Price. Each of ASC and Buyer agree to file all applicable Tax Returns and otherwise report their affairs for Tax purposes consistent with the Purchase Price Allocation Schedule, except as otherwise required by applicable Laws or a determination within the meaning of Section 1313(a) of the Code.

#### ARTICLE IV REPRESENTATIONS AND WARRANTIES

4.1 **Representations of ASC.** ASC hereby represents and warrants to Buyer that:

(a) ASC is duly formed, validly existing and in good standing under the Laws of its jurisdiction of formation;

(b) ASC has all requisite corporate power and authority to execute and deliver this Agreement and the instruments to be delivered by ASC at the Second Closing, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by ASC of this Agreement and the instruments to be delivered by ASC at the Second Closing, and the performance by ASC of its obligations hereunder and thereunder, have been duly and validly authorized by all necessary corporate action. This Agreement has been, and the instruments to be delivered by ASC at the Second Closing will at the Second Closing be duly and validly executed and delivered by ASC and constitutes (or, in the case of instruments to be delivered by ASC at the Second Closing will, at the Second Closing, constitute) the legal, valid and binding obligation of ASC enforceable against ASC in accordance with its terms, except as the same may be limited by Equitable Principles; and

(c) ASC owns, holds of record and is the beneficial owner of the Retained Interest (subject to any dilution thereof or modifications thereto that may be effected by Buyer or the Company from and after the date hereof), free and clear of all Liens and restrictions on transfer other than (i) those arising pursuant to (A) this Agreement, (B) the Charter Documents of the Project Companies, or (C) applicable securities Laws, or (ii) for Taxes not yet due and payable or being contested in good faith.

4.2 **Representations of Buyer.** Buyer hereby represents and warrants to ASC that:

(a) Buyer is a corporation duly formed, validly existing and in good standing under the Laws of South Dakota;

(b) Buyer has all requisite corporate power and authority to execute and deliver this Agreement and the instruments to be delivered by Buyer at the Second Closing, to perform its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Buyer of this Agreement and the instruments to be delivered by Buyer at the Second Closing, and the performance by Buyer of its obligations hereunder and thereunder, have been duly and validly authorized by all necessary corporate action. This Agreement has been, and the instruments to be delivered by Buyer at the Second Closing will, at the Second Closing, be duly and validly executed and delivered by Buyer and constitutes (or, in the case of instruments to be delivered by Buyer at the Second Closing will, at the Second Closing, constitute) the legal, valid and binding obligation of Buyer enforceable against Buyer in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization, fraudulent



conveyance, arrangement, moratorium or other similar Laws relating to or affecting the rights of creditors generally, or by general Equitable Principles; and

(c) Buyer is acquiring the Retained Interest for its own account as an investment without the present intent to sell, transfer or otherwise distribute the same to any other Person. Buyer has made, independently and without reliance on ASC (except to the extent that Buyer has relied on the representation and warranties of ASC in this Agreement), its own analysis of the Retained Interest, the Acquired Companies and their respective Assets for the purpose of acquiring the Retained Interest, and Buyer has had reasonable and sufficient access to documents, other information and materials as it considers appropriate to make its evaluations. Buyer acknowledges that the Retained Interest is not registered pursuant to the Securities Act of 1933 (the “**1933 Act**”) and that none of the Retained Interest may be transferred, except pursuant to an applicable exception under the 1933 Act and in accordance with all applicable Laws and the terms of the Charter Documents of the Acquired Companies. Buyer is an “accredited investor” as defined under Rule 501 promulgated under the 1933 Act.

## **ARTICLE V TAX**

5.1 **Transfer Taxes.** In the event that any Transfer Taxes are imposed on the transactions contemplated by this Agreement, ASC and Buyer shall pay any Transfer Taxes imposed on it by Law as a result of the transactions contemplated by this Agreement, but, notwithstanding such requirement at Law, Buyer shall be responsible for the payment of all such Transfer Taxes. Accordingly, if ASC is required by Law to pay any such Transfer Taxes, Buyer shall promptly reimburse ASC for all such amounts. Each of ASC and Buyer shall timely file their own Tax Returns relating to Transfer Taxes as required by Law and shall notify the other Party when such filings have been made. Each of ASC and Buyer shall cooperate and consult with each other prior to filing such Tax Returns to ensure that all such returns are filed in a consistent manner.

## **ARTICLE VI TERMINATION**

6.1 **Termination.** This Agreement may be terminated, as follows:

(a) at any time before the Second Closing, by ASC or Buyer, by written notice to the other, in the event that any Law or final order of any Governmental Authority having jurisdiction restrains, enjoins or otherwise prohibits or makes illegal the sale of the Retained Interest pursuant to this Agreement;

(b) if the Second Closing has not occurred on or before (i) where an Independent Appraiser is engaged to determine the Put FMV Price, the eighth Business Day after the Parties have received notice of the Independent Appraiser’s determination of the Put FMV Price and (ii) otherwise, the third Business Day after expiration of the Put Period, then either Buyer or ASC may, by written notice to the other, terminate this Agreement; or

(c) by mutual written consent of ASC and Buyer.

6.2 **Effect of Termination.** If this Agreement is validly terminated pursuant to Section 6.1, there will be no obligation hereunder on the part of ASC, Buyer, or any of their respective Affiliates, and ASC and its Affiliates shall be free immediately to enjoy all rights of ownership of the Retained Interest and to sell, transfer, encumber or otherwise dispose of any such Retained Interest (and/or direct or indirect interests in the Project Companies) to any Person without any restriction under this Agreement; provided, that notwithstanding anything herein to the contrary, Article I, Sections 6.2, 7.2, 7.5, 7.6 and Article VIII (other than Sections 8.6, 8.7(a), 8.7(b), 8.8(a), 8.9(a), 8.9(b), 8.9(c) and 8.9(f)) will survive any such termination. Notwithstanding anything herein to the contrary, where this Agreement is terminated pursuant to Section 6.1, each Party shall remain liable for breaches of this Agreement occurring prior to such termination.

## ARTICLE VIII INDEMNIFICATION

7.1 **Indemnity.** From and after the Second Closing:

(a) ASC shall defend and hold harmless Buyer from and against all Losses incurred or suffered by Buyer resulting from:

i. any breach as of the Second Closing of any representation or warranty of ASC contained in the certificate delivered by ASC pursuant to Section 3.3(c) of this Agreement; and

ii. any breach of any covenant or agreement of ASC contained in this Agreement.

(b) Buyer shall indemnify, defend and hold harmless ASC from and against all Losses incurred or suffered by ASC resulting from:

i. any breach as of the Second Closing of any representation or warranty of Buyer contained in the certificate delivered by Buyer pursuant to Section 3.4(c) of this Agreement;

ii. any breach of any covenant or agreement of Buyer contained in this Agreement; and the Assumed Liabilities.

7.2 **Limitations of Liability.** Notwithstanding anything in this Agreement to the contrary:

(a) The respective representations, warranties, covenants and agreements of ASC and Buyer contained or referenced in this Agreement (or in any certificate delivered in connection herewith) and all waivers, disclaimers and limitations of ASC's liability contained in this Agreement, shall (i) in the case of representations and warranties, survive the Second Closing Date until the thirtieth (30<sup>th</sup>) day after the expiration of the applicable statute of limitations, (ii) in the case of any of the Parties' respective covenants and agreements which by their terms are to be performed at or prior to the Second Closing, survive the Second Closing Date for nine months, (iii) in the case of any of the Parties' respective covenants and agreements which by their nature are to be performed after the Second Closing, survive the Second Closing Date for the period provided in accordance with their express terms, (iv) in the case of all covenants and agreements not covered by the immediately preceding clause (iii), which by their nature are to be performed after the Second Closing, survive the Second Closing Date for the period until they are fully performed and (iv) in the case of all waivers,

disclaimers and limitations of ASC's liability, survive the Second Closing Date indefinitely. No Party shall have any liability for indemnification claims made under Section 7.1 with respect to any such representation, warranty, covenant or agreement unless a written notice of claim (describing in reasonable detail the claim, including an estimate of Losses attributable to such claim) is provided prior to the expiration of any applicable survival period for such representation, warranty, covenant or agreement provided in this Section 7.2(a);

(b) any breach by ASC of a representation, warranty, covenant or agreement in or referenced to in this Agreement (or in any certificate delivered hereunder) in connection with any single item that results in Losses of less than \$200,000 shall be deemed, for all purposes, not to be a breach of such representation, warranty, covenant or agreement;

(c) in no event shall ASC's aggregate liability arising out of or relating to this Agreement, whether relating to breach of representation, warranty, covenant or agreement in or referenced to in this Agreement or in any certificate or instrument delivered hereunder, and whether based on contract, tort, strict liability, other Laws or otherwise, exceed the Purchase Price;

(d) Buyer must give written notice to ASC within a reasonable period of time after becoming aware of any breach by ASC of any representation, warranty, covenant or agreement in or referenced to in this Agreement;

(e) ASC must give written notice to Buyer within a reasonable period of time after becoming aware of any breach by Buyer of any representation, warranty, covenant or agreement in or referenced to in this Agreement;

(f) without limiting the provisions of Section 7.2(g), the Party seeking indemnification hereunder shall have a duty to use commercially reasonable efforts to mitigate any Loss in connection with this Agreement;

(g) Buyer shall, prior to seeking recovery from ASC of any Loss pursuant to Section 7.1, exercise its commercially reasonable efforts to seek recovery from third parties (including insurance recoveries);

(h) If ASC pays to Buyer any amount in respect of a claim for indemnity brought by Buyer pursuant to Section 7.1 and Buyer subsequently recovers, directly or indirectly (via a Project Company's rate base recovery or otherwise), from any other Person any amount in respect of the Losses underlying such claim, then Buyer shall promptly pay to ASC all such amounts recovered directly or indirectly from such other Person; provided that Buyer shall not be required to pay to ASC any amount in excess of the amount paid by ASC pursuant to Section 7.1 in respect of the subject claim;

(i) In the event Buyer obtains knowledge of any matter that causes or would be likely to cause any of ASC's representations or warranties as expressly referenced in this Agreement to be untrue or inaccurate in any respect, Buyer shall promptly give notice of such matter to ASC. If Buyer fails to notify ASC of any such matter, then, following the Second Closing, none of ASC nor its Affiliates shall have any liability for any breach of such representation or warranty by ASC of this Agreement directly related to such matter (or of any representation or warranty set forth in any closing certificate delivered under Section 3.3 of this Agreement) (and, without in any way limiting the generality of the foregoing, for purposes of this Section 7.2(i), the documents and their contents and other information disclosed to Buyer or its Representatives in the course of its due diligence in connection with the PSA and this Agreement, are deemed known by Buyer); and

(j) ASC and Buyer acknowledge that after the Second Closing the payment of money, as limited by the terms of this Agreement, shall be adequate compensation for breach of any representation, warranty, covenant or agreement contained or referenced to in this Agreement or for any other Claim arising in connection with or with respect to the transactions contemplated in this Agreement. As the payment of money shall be adequate compensation, Buyer and ASC hereby waive any right to rescind this Agreement or any of the transactions contemplated hereby.

**7.3 Waiver of Claims.** Subject to Section 7.1, effective as of the Second Closing, Buyer hereby unconditionally waives and releases ASC and its Affiliates and their respective Representatives and the Sellers Appointees (collectively, the "**Released Parties**") from and against, all Claims and all obligations, damages and liabilities (whether absolute, accrued, contingent, fixed or otherwise, or whether due or to become due, whether known or unknown), expenses or other Losses arising from or relating to, and shall not (and shall not permit any Acquired Company to) make any Claim against the Released Parties in respect of, the Assumed Liabilities or any breach or alleged breach of any Charter Document or any fiduciary or similar duty relating to any actions or failures to act (including negligence or gross negligence) in connection with the business, ownership or operation of the Acquired Companies, whenever arising or occurring, and whether arising under Contract, statute, common law or otherwise.

**7.4 Assumed Liabilities.** Effective as of the Second Closing, and subject to Section 7.1, Buyer hereby assumes the Assumed Liabilities.

**7.5 Waiver of Other Representations.**

(a) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, IT IS THE EXPLICIT INTENT OF EACH PARTY, AND THE PARTIES HEREBY AGREE, THAT NEITHER ASC NOR ITS AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES HAS MADE OR IS MAKING ANY REPRESENTATION OR WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WRITTEN OR ORAL, INCLUDING ANY IMPLIED REPRESENTATION OR WARRANTY AS TO THE CONDITION, MERCHANTABILITY, USAGE, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WITH RESPECT TO THE RETAINED INTEREST, THE ACQUIRED COMPANIES OR ANY OF THEIR RESPECTIVE ASSETS, OR ANY PART THEREOF, EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE BY ASC IN SECTION 4.1 AND THE CERTIFICATE DELIVERED BY ASC PURSUANT TO SECTION 3.3(c). IN PARTICULAR, AND WITHOUT IN ANY WAY LIMITING THE FOREGOING, (I) NEITHER ASC NOR ITS AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES MAKES ANY REPRESENTATION OR WARRANTY REGARDING ANY (X) TAX MATTERS, (Y) ENVIRONMENTAL MATTERS, OR (Z) EMPLOYMENT MATTERS, AND (II) NEITHER ASC NOR ITS AFFILIATES OR THEIR RESPECTIVE REPRESENTATIVES MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO ANY FINANCIAL PROJECTIONS OR FORECASTS RELATING TO THE PROJECT COMPANIES OR THE PROJECT COMPANY ASSETS.

(b) EXCEPT FOR THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY MADE BY ASC IN SECTION 4.1 AND THE CERTIFICATE DELIVERED BY ASC PURSUANT TO SECTION 3.3(c). ASC'S INTERESTS IN THE RETAINED INTEREST ARE BEING TRANSFERRED HEREUNDER TO BUYER "AS IS, WHERE IS, WITH ALL FAULTS," AND ASC AND ITS AFFILIATES AND THEIR RESPECTIVE REPRESENTATIVES EXPRESSLY DISCLAIM ALL REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, AS TO THE CONDITION, VALUE OR QUALITY OF THE ACQUIRED COMPANIES OR THEIR RESPECTIVE ASSETS OR THE PROSPECTS (FINANCIAL OR OTHERWISE), RISKS AND OTHER INCIDENTS OF THE PROJECT COMPANIES OR THE PROJECT COMPANY ASSETS.

(c) BUYER ACKNOWLEDGES THAT THE REPRESENTATIONS AND WARRANTIES SET FORTH IN ANY CERTIFICATE OF ASC ARE THOSE ONLY OF ASC AND NOT OF ANY OTHER PERSON, INCLUDING ANY AFFILIATE OR REPRESENTATIVE OF ASC OR ANY OF THEIR RESPECTIVE AFFILIATES.

#### **7.6 *Waiver of Remedies.***

(a) The Parties hereby agree that no Party shall have any liability, and no Party shall (and each Party shall cause its respective Affiliates not to) make any Claim, for any Loss or any other matter, under, relating to or arising out of this Agreement (including breach of representation, warranty, covenant or agreement) or any other document, agreement, certificate or other instrument delivered pursuant hereto, whether based on contract, tort, strict liability, other Laws or otherwise, except as expressly provided in Sections 6.2, 7.1, 7.3, 7.4 and 8.6.

(b) NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, NO PARTY NOR ANY OF ITS AFFILIATES SHALL BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES FOR SPECIAL, PUNITIVE, EXEMPLARY, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES, OR LOST PROFITS, WHETHER BASED ON CONTRACT, TORT, STRICT LIABILITY, OTHER LAW OR OTHERWISE AND WHETHER OR NOT ARISING FROM THE OTHER PARTY'S OR ANY OF ITS AFFILIATES' SOLE, JOINT OR CONCURRENT NEGLIGENCE, STRICT LIABILITY OR OTHER FAULT ("**Non-reimbursable Damages**"); PROVIDED, HOWEVER, IN NO EVENT SHALL THIS SECTION 7.6(b) BE A LIMITATION ON ANY OBLIGATION OF A PARTY HEREUNDER WITH RESPECT TO A THIRD PARTY CLAIM RELATING TO SUCH OBLIGATION.

(c) Notwithstanding anything in this Agreement to the contrary, (i) no Representative or Affiliate of ASC (nor any Representative of any such Affiliate or any Person directly or indirectly owning any interest in ASC) shall have any liability to Buyer or any other Person as a result of the breach of any representation, warranty, covenant, agreement or obligation of ASC in this Agreement or in any certificate delivered pursuant to this Agreement, and (ii) no Representative or Affiliate of Buyer (nor any Representative of any such Affiliate or any Person directly or indirectly owning any interest in Buyer) shall have any liability to ASC or any other Person as a result of the breach of any representation, warranty, covenant or agreement of Buyer in this Agreement or in any certificate delivered pursuant to this Agreement.

**7.7 Procedure with Respect to Claims.** If either Party becomes subject to a pending or threatened Claim of a third party and such Party believes it has a claim against the other Party as a result, then the provisions of Section 11.7 of the PSA shall apply *mutatis mutandis* to such Claim. The provisions of Section 11.8 of the PSA shall apply *mutatis mutandis* to Claims for indemnification hereunder which do not involve a third-party Claim.

## ARTICLE VIII MISCELLANEOUS

### 8.1 Notice.

(a) Unless this Agreement specifically requires otherwise, any notice, demand or request provided for in this Agreement, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by facsimile (in the case of deliveries by facsimile, followed promptly by delivery of an original via a nationally recognized courier service) or sent by registered or certified mail, postage prepaid, or by a nationally recognized overnight courier service that provides a receipt of delivery, in each case, to the Parties at the addresses specified below:

If to Buyer or the Company, to:

Black Hills Utility Holdings, Inc.  
PO Box 1400  
625 Ninth Street  
Rapid City, SD 57709  
Fax: (605) 721-2550  
Attn: Jeffrey B. Berzina, Vice President - Strategic Planning and Development

with a copy to (which shall not constitute notice):

Black Hills Corporation  
PO Box 1400  
625 Ninth Street  
Rapid City, SD 57709  
Fax: (605) 721-2550  
Attn: Steven J. Helmers, General Counsel

If to ASC, to:

c/o GE Energy Financial Services  
GE EFS Portfolio  
Aircraft Services Corporation  
800 Long Ridge Road  
Stamford, CT 06927  
Fax: (203) 357-4890  
Attn: General Counsel

with a copy to (which shall not constitute notice):

Bracewell & Giuliani LLP  
711 Louisiana Street, Suite 2300  
Houston, TX 77002  
Fax: (713) 221-2108  
Attn: G. Alan Rafte  
Roxanne Almaraz

(b) Notice given by personal delivery, mail or overnight courier pursuant to this Section 8.1 shall be effective upon physical receipt. Notice given by facsimile pursuant to this Section 8.1 shall be effective as of the date of confirmed delivery if delivered before 5:00 p.m. Central Time on any Business Day or the next succeeding Business Day if confirmed delivery is after 5:00 p.m. Central Time on any Business Day or during any non-Business Day.

8.2 **Entire Agreement.** This Agreement supersedes all prior discussions and agreements between the Parties and/or their Affiliates with respect to the subject matter hereof and contains the sole and entire agreement between the Parties and their Affiliates with respect to the subject matter hereof.

8.3 **Expenses; Waiver; Amendment; Assignment; Headings; Invalid Provisions; Counterparts; Attorneys' Fees.** The provisions of Sections 12.3 (Expenses), 12.5 (Waiver), 12.6 (Amendment), 12.8

(Assignment; Binding Effect), 12.9 (Headings), 12.10 (Invalid Provisions), 12.11 (Counterparts; Facsimile), and 12.13 (Attorneys' Fees) of the PSA shall apply *mutatis mutandis* to this Agreement.

8.4 **No Third Party Beneficiary.** Except for the provisions of Sections 7.3, 7.5 and 7.6 (which are intended to be for the benefit of the Persons identified therein), the terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors or permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

8.5 **Governing Law; Venue; and Jurisdiction.**

(f) This Agreement shall be governed by and construed in accordance with the Laws of the State of New York (without regard to the conflict of laws principles thereof other than Section 5-1401 of the New York General Obligations Law). Each of the Parties irrevocably agrees that any legal action or proceeding with respect to this Agreement, the Company LLC Agreement or the transactions contemplated hereby or thereby shall be brought and determined in any state or federal court in New York County, State of New York, and each of the Parties irrevocably submits to the exclusive jurisdiction of such courts solely in respect of any legal proceeding arising out of or related to this Agreement. The Parties further agree that the Parties shall not bring suit with respect to any disputes arising out of this Agreement or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts; provided, however, that the foregoing shall not limit the rights of the Parties to obtain execution of judgment in any other jurisdiction. The Parties further agree, to the extent permitted by Law, that a final and non-appealable judgment against a Party in any action or proceeding contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment.

(g) EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND WITH RESPECT TO ANY COUNTERCLAIM RELATED THERETO.

8.6 **Specific Performance.** Each Party hereby acknowledges and agrees that the rights of each Party to consummate the transactions contemplated hereby are special, unique and of extraordinary character and that, if, prior to the earlier of valid termination and the Second Closing, any Party violates or fails or refuses to perform any covenant or agreement made by it herein, the non-breaching Party may be without an adequate remedy at law. If, prior to the earlier of valid termination and the Second Closing, any Party violates or fails or refuses to perform any covenant or agreement made by such Party herein, any non-breaching Party may (at any time prior to the valid termination of this Agreement pursuant to Article VII), subject to the terms hereof, institute and prosecute an action in any court of competent jurisdiction to enforce specific performance of such covenant or agreement or seek any other equitable relief. For purposes of clarification, nothing contained in this Agreement shall prevent or impair the ability of a Party to seek specific performance prior to the earlier of valid termination of this Agreement in accordance with Article VII and the Second Closing.



8.7 **Contributions to the Company.** Notwithstanding anything in the Company LLC Agreement or elsewhere to the contrary:

(a) Where ASC, in its capacity as a Member of the Company, is required pursuant to the provisions of the Company LLC Agreement to make an Additional Hedging Capital Contribution or an Additional Mandatory Capital Contribution, ASC shall, subject to Section 8.7(c), be excused from such obligation and Buyer shall instead timely make ASC's portion of such Additional Hedging Capital Contribution or Additional Mandatory Capital Contribution, as applicable.

(b) Where ASC, in its capacity as a Member of the Company, has the right to make an Additional Voluntary Capital Contribution, Buyer and ASC shall promptly consult with one another following the applicable capital call and ASC shall thereafter advise Buyer as to whether ASC wishes to make its pro rata portion of any such Additional Voluntary Capital Contribution. If ASC elects to make any Additional Voluntary Capital Contribution, then Buyer shall timely make ASC's portion of such Additional Voluntary Capital Contribution (the aggregate amount of Additional Voluntary Capital Contributions made to the Company by Buyer in lieu of ASC pursuant to this Section 8.7(b) and Additional Hedging Capital Contributions and Additional Mandatory Capital Contributions made by Buyer in lieu of ASC pursuant to Section 8.7(a), the "**Reimbursable Contributions**").

(c) Each Reimbursable Contribution made by Buyer on behalf of ASC pursuant to this Section 8.7 shall be treated as a loan by Buyer to ASC, followed by a contribution by ASC to the Company. Such loan shall be recourse to ASC, bear interest at the applicable federal rate in effect on the date such Reimbursable Contribution is made, per annum, and become due and payable by ASC to Buyer in an amount equal to the sum of all Reimbursable Contributions, plus all interest thereon, upon the earlier of (i) the Second Closing and (ii) five (5) Business Days after the termination of this Agreement. Such loan shall be satisfied by wire transfer of immediately available funds.

8.8 **Distributions from the Company.** Notwithstanding anything in the Company LLC Agreement or elsewhere to the contrary:

(a) Where ASC, in its capacity as a Member of the Company, is entitled to Cash Flow, Hedging Cash, or any other distribution from the Company, ASC and Buyer shall cause the Company to, subject to Section 8.8(b), retain, as a loan by ASC to the Company, all such amounts that would otherwise be distributed to ASC (such retained amounts, collectively, the "**Company Retained Distributions**").

(b) Each Company Retained Distribution shall be deemed to have been distributed when such distributions were declared, then loaned to the Company by ASC. Such loan shall be recourse to the Company, bear interest at the applicable federal rate in effect on the date that such Company Retained Distribution would have otherwise been distributed to ASC, per annum, and become due and payable by the Company to ASC in an amount equal to the sum of all Company Retained Distributions, plus all interest thereon, upon the earlier of (i) the Second Closing and (ii) five (5) Business Days after the termination of this Agreement. Buyer shall cause the Company to satisfy such loan by wire transfer of immediately available funds.

**8.9 Amendments to Company LLC Agreement.** Notwithstanding anything in the Company LLC Agreement or elsewhere to the contrary:

(a) Sections 5.1(c)(ii), 7.1(d), 7.2, 9.2 and 11.13 and Article VIII of the Company LLC Agreement are hereby deleted in their entirety.

(b) ASC, in its capacity as a Member of the Company or otherwise, shall have no rights pursuant to Sections 7.3 or 8.2 of the Company LLC Agreement.

(c) Section 7.1 of the Company LLC Agreement shall not apply to Buyer in its capacity as a Member of the Company.

(d) ASC hereby resigns as the Tax Matters Partner as of the date hereof.

(e) The Operating Company Services Agreement and the Administrative Services Agreement are hereby terminated without liability to the Source Gas Entities (as defined therein), the Indemnified Persons (as defined therein) or any of their respective subsidiaries. Except for any amounts owed to EFS Services, LLC pursuant to Sections 4 or 5 of the Operating Company Services Agreement or Sections 4 or 5 of the Administrative Services Agreement attributable to periods of time prior to the date of this Agreement, each party hereto hereby (and the Company on behalf of all Source Gas Entities hereby) releases, acquits, waives, and forever discharges the other parties hereto from any and all claims, demands, liabilities, rights of contribution, obligations, covenants, promises, damages and judgments, whether known or unknown, absolute or contingent, direct or indirect or causes of action, at law or in equity, as well as any other kind or character of claim or action, whether past or present and whether based upon breach of duty (including breach of fiduciary duty), contract, law, or statutory right, known or unknown, arising, directly or indirectly, proximately or remotely, out of the Operating Company Services Agreement or the Administrative Services Agreement.

(f) Notwithstanding anything contained in the Company LLC Agreement to the contrary and except as expressly permitted by this Agreement, so long as Buyer or its assignees directly or indirectly hold any Units, ASC shall have the right to Transfer, directly or indirectly, the Retained Interest or any portion thereof to any Person, so long as such Person agrees in writing to be subject to, and assume, all of ASC's obligations set forth in this Agreement;

**8.10 Effect of Termination on Company LLC Agreement Amendments.** Notwithstanding Section 8.9, if this Agreement is validly terminated pursuant to Section 6.1 without the Second Closing having occurred, then the amendments made to the Company LLC Agreement pursuant to Section 8.9 shall be of no further force and effect and all such amendments shall be deemed to be null and void (other than the amendment contained in Section 8.9(d)) and the Company LLC Agreement shall, subject to the terms and conditions specified therein, continue in full force and effect as if such amendments had not occurred.

IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the duly authorized officer of each Party as of the date first above written.

**ASC:**

AIRCRAFT SERVICES CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**BUYER:**

BLACK HILLS UTILITY HOLDINGS, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**COMPANY:**

SOURCEGAS HOLDINGS LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Solely for purposes of Section 8.9(e):*

EFS SERVICES, LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

*Solely for purposes of Section 8.9(e):*

SOURCEGAS INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GUARANTY**

THIS GUARANTY, dated as of July 12, 2015 (this "Guaranty"), is made by Black Hills Corporation, a South Dakota corporation ("Guarantor"), in favor of Alinda Gas Delaware LLC, a Delaware limited liability company; Alinda Infrastructure Fund I, L.P., a Delaware limited partnership and Aircraft Services Corporation, a Nevada corporation (collectively, the "Sellers"), and executed and delivered in connection with the Purchase and Sale Agreement dated as of even date herewith (hereinafter referred to as the "Acquisition Agreement") by and between Sellers and Black Hills Utility Holdings, Inc., a South Dakota corporation ("Purchaser"). For purposes of this Guaranty, the term "Purchaser" shall include any assignee of or successor in interest to Purchaser under the Acquisition Agreement.

**WITNESSETH:**

WHEREAS, Purchaser and Sellers are entering into the Acquisition Agreement providing for the acquisition by Purchaser of the Acquired Interests (as defined therein).

WHEREAS, Guarantor has agreed to provide this guaranty of Purchaser's obligations under the Acquisition Agreement and any other agreements to which Purchaser is a party or becomes a party as a material inducement to Sellers to execute and deliver the Acquisition Agreement and to consummate the transactions contemplated thereby.

NOW, THEREFORE, in consideration of the mutual covenants set forth in the Acquisition Agreement, Guarantor hereby agrees as follows:

1. **Guaranty.** Guarantor hereby irrevocably, absolutely and unconditionally guarantees to Sellers and their successors, endorsees, transferees and assigns the full, complete, prompt and faithful payment and performance by Purchaser when due of the Guaranteed Obligations (as that term is hereinafter defined). Guarantor hereby irrevocably and unconditionally covenants and agrees that it is liable for the Guaranteed Obligations as primary obligor, and that this Guaranty is a guaranty of performance and payment when due and not of collectibility. Guarantor agrees that a separate action or actions may be brought and prosecuted against Guarantor for any of the Guaranteed Obligations not otherwise performed by Purchaser, whether action is brought against Purchaser or whether Purchaser is joined in any such action or actions. Guarantor hereby waives any right to require Sellers to first proceed against Purchaser.

2. **Definitions.**

(a) Capitalized terms used and not otherwise defined herein shall have the meaning ascribed in the Acquisition Agreement.

(b) The term "Guaranteed Obligations" means all liabilities and obligations of Purchaser under any or all of the Acquisition Agreement and any other agreements to which Purchaser is or becomes a party as a material inducement to Sellers to execute and deliver the Acquisition Agreement and to consummate the transactions contemplated thereby and all obligations of Guarantor arising out of or in connection with this Guaranty.

3. **Events Not Discharging Guarantor's Obligations.** Guarantor hereby agrees with Sellers and authorizes Sellers, without affecting Guarantor's liability or obligations hereunder and without any reservation of rights against any other guarantor and without notice to or further assent by Guarantor, from time to time to: (a) renew, compromise, extend, accelerate, or otherwise change the terms of any of the Guaranteed Obligations with the agreement of Purchaser; (b) enter into agreements with Purchaser which settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, any of the Guaranteed Obligations; (c) request and accept other guarantees of any of the Guaranteed Obligations; (d) take, hold, waive, release, sell and exchange, compromise, subordinate or modify, review, extend, amend, accelerate, surrender, in whole or in part, with or without consideration, the Guaranteed Obligations or any security for payment or performance of any of the Guaranteed Obligations, or right of offset of any other guarantees of the Guaranteed Obligations, or any other obligation of any Person with respect to the Guaranteed Obligations; (e) enforce and apply such security and direct the order or manner of sale thereof as Sellers in their discretion may determine; and (f) rescind any demand for payment by Sellers of any of the Guaranteed Obligations and continue any of the Guaranteed Obligations. Sellers shall have no obligation to protect, secure, perfect or insure any lien held by them as security for the Guaranteed Obligations or for the guarantee contained in paragraph 1 or any property subject thereto. No payment made by Purchaser or any other guarantor or any other Person or received or collected by Sellers from Purchaser, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Guaranteed Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of the Guarantor hereunder which shall, notwithstanding any such payment or payments other than payments made by Guarantor in respect of the Guaranteed Obligations or payments received or collected from Guarantor in respect of the Guaranteed Obligations, remain liable for the Guaranteed Obligations until the Guaranteed Obligations are indefeasibly paid in full.

4. **Additional Waivers.** Guarantor hereby irrevocably waives:

(a) any defense, set-off or counterclaim that may arise by reason of the incapacity or lack of authority of Purchaser, or which results from any disability of Purchaser or the cessation or stay of enforcement from any cause related to any defenses of the liability of Purchaser;

(b) any defense, set-off or counterclaim based upon a statute or rule of law which provides that the obligations of a surety must be neither larger in amount nor in other respects more burdensome than those of the principal;

(c) any duty on the part of Sellers to disclose to Guarantor any facts that Sellers may now or hereafter know about Purchaser, including the financial condition of Purchaser or any other guarantor of any of the Guaranteed Obligations, or any change therein or any other circumstances bearing upon the risk of nonpayment or nonperformance of any of the Guaranteed Obligations;

(d) any defense, set-off or counterclaim based upon, or that may arise by reason of, the bankruptcy or insolvency of the Purchaser;

(e) any right to subrogation to any of the rights of Sellers against Purchaser or any other guarantor, reimbursement, exoneration or contribution from Sellers or any other guarantor in respect of payments made by Guarantor hereunder or any other rights that would result in Guarantor being deemed a creditor of Purchaser under the United States Bankruptcy Code, as amended, or any other law, in each case arising from the existence or performance of obligations of Purchaser under the Acquisition Agreement or any other agreement to which Purchaser is a party, notwithstanding any payment made by Guarantor hereunder or any set-off or application of funds of Guarantor by Purchaser. If any amount shall be paid to Guarantor on account of such subrogation rights at any time where all of the Guaranteed Obligations shall not have been paid in full, such amount shall be held by Guarantor in trust for Sellers, segregated from other funds of Guarantor, and shall, forthwith upon receipt by Guarantor, be turned over to Sellers in the exact form received by Guarantor (duly indorsed by Guarantor to Sellers, if required), to be applied against the Guaranteed Obligations, whether matured or unmatured, in such order as Sellers shall determine in their sole discretion. Upon payment in full of the Guaranteed Obligations, Guarantor shall be subrogated to the corresponding rights of Sellers and Sellers shall take, at Guarantor's expense, all such steps as Guarantor may reasonably request to implement such subrogation; provided that Guarantor shall be entitled to enforce or to receive any payment arising out of or based upon such right of subrogation only to the extent it has paid all Guaranteed Obligations payable to Sellers;

(f) any right to require Sellers, as a condition of payment or performance by Guarantor, to pursue any other remedy in the power of Sellers whatsoever and Sellers may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as they may have against Purchaser, any other guarantor or any other Person or against any collateral security or guarantee for the Guaranteed Obligations or any right of offset with respect thereto. Any failure by Sellers to make any such demand, to pursue such other rights or remedies or to collect any payments from Purchaser, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise such right of offset, or any release of Purchaser, any other guarantor or any other Person or any such collateral security or right of offset, shall not relieve Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or as a matter of law, of Sellers against Guarantor;

(g) any circumstance that constitutes a legal or equitable discharge of a guarantor or surety, other than indefeasible and complete performance and payment of the Guaranteed Obligations; provided that Guarantor reserves to itself all rights, setoffs, counterclaims and other defenses to which Purchaser is or may be entitled to raise arising from or in connection with the Acquisition Agreement, except for defenses arising out of the bankruptcy, insolvency, dissolution or liquidation of Purchaser (the "Guarantor Defenses");

(h) to the fullest extent permitted by applicable law, notices, demands, presentments, diligence, protests, notices of protest, default or nonpayment, notices of dishonor and notices of any action or inaction, including acceptance of this Guaranty, notices of default under the Acquisition Agreement, notices of any creation, renewal, extension, accrual or modification of any of the Guaranteed Obligations or any agreement related thereto and notice of proof of reliance by Sellers upon the guarantee contained in paragraph 1 or acceptance of such guarantee; and

(i) any principles or provisions of any Law, statutory or otherwise, that are or might be in conflict with the terms of this Guaranty and any legal or equitable discharge of Guarantor's obligations hereunder or any other circumstance whatsoever that constitutes or that may be construed to constitute such a discharge, whether in bankruptcy, or otherwise, other than indefeasible and complete performance and payment of the Guaranteed Obligations or any Guarantor Defenses.

Guarantor understands and agrees that the guarantee contained in paragraph 1, to the extent that it applies solely to the payment of money, shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to the validity, regularity or enforceability of the Acquisition Agreement, any of the Guaranteed Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by Sellers.

5. **Further Acknowledgments.** Guarantor acknowledges and agrees that any portion of, and any interest on any portion of, the Guaranteed Obligations that accrues after the commencement of any proceeding, voluntary or involuntary, that arise from or relate to Purchaser becoming bankrupt or that otherwise involve the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Purchaser (or, if any portion of or interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding, such portion or such interest as would have accrued on such portion of the Guaranteed Obligations if said proceeding had not been commenced) shall be included in the Guaranteed Obligations, because it is the intention of Guarantor and Sellers that the Guaranteed Obligations shall be determined without regard to any rule of law or order that may relieve Purchaser of any portion of the Guaranteed Obligations. The Guaranteed Obligations, and any of them, shall be conclusively deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon the guarantee contained in paragraph 1.

6. **Financial Statements and Other Information.** From and after the date hereof:

(i) As long as Guarantor continues to be subject to the reporting requirements under Section 13 or 15(d) of the Securities Exchange Act of 1934 (the "Exchange Act"), Guarantor shall make available on Guarantor's website or [www.sec.gov](http://www.sec.gov), at no cost or expense to Sellers, true, correct and complete copies of (i) Guarantor's quarterly report on Form 10-Q for each of the first three (3) fiscal quarters of each fiscal year of Guarantor, promptly after the date such report is filed pursuant to the Exchange Act, and (ii) Guarantor's annual report on Form 10-K for the most recently completed fiscal year of Guarantor, promptly after the date such report is filed pursuant to the Exchange Act.

(b) If Guarantor ceases to be subject to the reporting requirements under Section 13 or 15(d) of the Exchange Act, (i) as soon as practicable and in no event later than forty-five (45) calendar days after the close of each of the first three (3) fiscal quarters of each fiscal year of Guarantor, Guarantor shall deliver to Sellers financial statements of Guarantor (and its consolidated subsidiaries) and notes thereto comparable in all material respects to those that Guarantor would be required to include in its quarterly report on Form 10-Q for such fiscal quarter if Guarantor continued to be subject to such reporting requirements, or such other form as is reasonably acceptable to Sellers, and (ii) as soon as practicable and in no event later than ninety (90) days after the close of the most recently completed fiscal year of Guarantor, Guarantor shall deliver to Sellers audited financial statements of Guarantor (and its consolidated subsidiaries) and notes thereto comparable in all material respects to those that Guarantor would be required to include in its annual report on Form 10-K for such fiscal year if Guarantor continued to be subject to such reporting requirements or such other form as is reasonably acceptable to Sellers.

7. **Representations and Warranties.** Guarantor represents and warrants to Sellers as follows:

(a) Guarantor is a corporation, duly incorporated, validly existing and in good standing under the laws of the State of South Dakota and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted.

(b) Guarantor has full power and authority to execute and deliver, and perform its obligations under, this Guaranty and to consummate the transactions contemplated hereby. The execution, delivery and performance of this Guaranty, and the consummation of the transactions contemplated hereby, have been duly and validly authorized by all necessary corporate action required on the part of Guarantor, and no other corporate proceedings on the part of Guarantor are necessary to authorize the execution and delivery by Guarantor of this Guaranty, the performance by Guarantor of its obligations hereunder or the consummation by Guarantor of the transactions contemplated hereby. This Guaranty constitutes the valid and legally binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms, except as such enforceability may be limited by Equitable Principles.

(c) Neither the execution and delivery by Guarantor of this Guaranty, nor Guarantor's performance of or compliance with any provision hereof, nor Guarantor's consummation of the transactions contemplated hereby will:

(i) violate, or conflict with, or result in a breach of, any provisions of the articles of incorporation or bylaws of Guarantor;

(ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under, or conflict with, or result in a breach of, any of the terms, conditions or provisions of any note, bond, mortgage, loan agreement, deed of trust, indenture, license or agreement or other instrument or obligation to which Guarantor is a party or by which Guarantor is bound, except for such defaults (or rights of termination or acceleration) as to which requisite waivers or consents have been obtained or which, individually or in the aggregate, do not and could not reasonably be expected to materially impair Guarantor's authority, right or ability to perform its obligations under, and consummate the transactions contemplated by, this Guaranty;



(iii) violate any Law, writ, injunction, or decree, applicable to Guarantor or any of its material assets; or

(iv) require the declaration, filing or registration with or notice to, authorization of, or consent or approval from, any Person.

8. **No Impairment; Reinstatement.** Guarantor agrees and covenants that neither it nor its Affiliates will take any action that will impair Purchaser's ability to perform its obligations when due under the Acquisition Agreement. The guarantee in paragraph 1 shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, is rescinded or must otherwise be restored or returned by Sellers upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Purchaser or Guarantor, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Purchaser or Guarantor or any substantial part of its property, or otherwise, all as though such payments had not been paid.

9. **Assignability.** This Guaranty is binding upon Guarantor and inures to the benefit of the successors and permitted assigns of Sellers. This Guaranty and the rights hereunder shall not be assignable or transferable nor the duties hereunder delegable or otherwise transferable by Guarantor without the prior written consent of Sellers, which consent may be granted or withheld in Sellers' sole discretion.

10. **Termination.** Guarantor's obligations under paragraph 1 of this Guaranty constitute a continuing guaranty and all obligations of Guarantor under this Guaranty shall continue in full force and effect until the date at which the Guaranteed Obligations shall have been fully and indefeasibly performed or otherwise extinguished.

11. **Notices.** (a) Unless this Guaranty specifically requires otherwise, any notice, demand or request provided for in this Guaranty, or served, given or made in connection with it, shall be in writing and shall be deemed properly served, given or made if delivered in person or sent by facsimile (in the case of deliveries by facsimile, followed promptly by delivery of an original via a nationally recognized courier service) or sent by registered or certified mail, postage prepaid, or by a nationally recognized overnight courier service that provides a receipt of delivery, in each case, to the parties at the addresses specified below:

If to Guarantor to:

Black Hills Corporation  
PO Box 1400  
625 Ninth Street  
Rapid City, SD 57709  
Fax: (605) 721-2550  
Attn: Steven J. Helmers, General Counsel

with copies to:

Black Hills Corporation  
PO Box 1400  
625 Ninth Street  
Rapid City, SD 57709  
Fax: (605) 721-2550  
Attn: Jeffrey B. Borzina, Vice President - Strategic Planning and  
Development

Faegre Baker Daniels LLP  
1470 Walnut Street, Suite 300  
Boulder, CO  
Fax: (303) 447-7800  
Attn: John R. Marcil

If to Sellers to:

Alinda Gas Delaware LLC  
c/o Alinda Capital Partners  
100 West Putnam Avenue  
Greenwich, CT 06830  
Fax: (203) 930-3880  
Attn: General Counsel

Alinda Gas Delaware LLC  
c/o Alinda Capital Partners  
100 West Putnam Avenue  
Greenwich, CT 06830  
Fax: (203) 930-3880  
Attn: General Counsel

c/o GE Energy Financial Services  
GE EFS Portfolio  
Aircraft Services Corporation  
800 Long Ridge Road  
Stamford, CT 06927  
Fax: (203) 357-4890  
Attn: General Counsel

with a copy to:

Bracewell & Giuliani LLP  
711 Louisiana Street, Suite 2300  
Houston, TX 77002  
Fax: (713) 221-2108  
Attn: G. Alan Rafte  
Roxanne Almaraz

(b) Notice given by personal delivery, mail or overnight courier pursuant to this paragraph 11 shall be effective upon physical receipt. Notice given by facsimile pursuant to this paragraph 11 shall be effective as of the date of confirmed delivery if delivered before 5:00 p.m. Central Time on any Business Day or the next succeeding Business Day if confirmed delivery is after 5:00 p.m. Central Time on any Business Day or during any non-Business Day.

(c) Notice provide by any Seller in accordance with this Guaranty shall be deemed to have been given by all Sellers under this Guaranty.

12. **Governing Law.** The validity, interpretation and effect of this Guaranty shall be governed by and construed in accordance with the Laws of the State of New York (without regard to the conflict of laws principles thereof other than Section 5-1401 of the New York General Obligations Law).

13. **Jurisdiction; Service of Process.** Each of the Guarantor and Sellers irrevocably and unconditionally agrees that any legal action or proceeding with respect to this Guaranty or the transactions contemplated hereby shall in each case be brought and determined in any state or federal court in New York County, State of New York, and each of the parties irrevocably submits to the exclusive jurisdiction of such courts solely in respect of any legal proceeding arising out of or related to this Guaranty, and the parties hereto further agree to waive and hereby waive, to the fullest extent permitted by law, any objection which any of them may now or hereafter have to the laying of venue of, and the defense of an inconvenient forum to the maintenance of, any action in any such court. The parties hereto further agree that they shall not bring suit with respect to any disputes arising out of this Guaranty or the transactions contemplated hereby in any court or jurisdiction other than the above specified courts. The parties hereto further agree, to the extent permitted by Law, that a final and nonappealable judgment against a party in any action or proceeding contemplated above shall be conclusive and may be enforced in any other jurisdiction within or outside the United States by suit on the judgment, a certified copy of which shall be conclusive evidence of the fact and amount of such judgment.

14. EACH PARTY HERETO HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES TO THE FULLEST EXTENT PERMITTED BY LAW TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS GUARANTY AND WITH RESPECT TO ANY COUNTERCLAIM RELATED THERETO.

15. **Expenses.** Guarantor agrees to pay, or cause to be paid, and to save Sellers harmless from and against all liabilities for, any and all costs, charges, fees and expenses (including, without limitation, the reasonable fees and disbursements of counsel), incurred or expended by Sellers in connection with the enforcement of or preservation of any rights under this Guaranty.

16. **Rights Cumulative.** The rights, powers and remedies given to Sellers by this Guaranty are cumulative and shall be in addition to and independent of all rights, powers and remedies given to Sellers by virtue of any statute, Law or rule of law or in the Acquisition Agreement, or any ancillary agreement thereto or any agreement between Guarantor and Sellers. Any forbearance or failure to exercise, and any delay by Sellers in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

17. **Enforceability.** In case any provision in this Guaranty is alleged to conflict with another provision of this Guaranty, such conflict shall be resolved in favor of the provisions which impose the greater liability upon Guarantor, it being the intent of Guarantor that its obligations hereunder are absolute and unconditional.

18. **Entire Agreement.** This Guaranty constitutes the entire agreement, and supersedes all prior written agreements and understandings, and all oral agreements, between Guarantor and the Sellers with respect to the subject matter hereof and may be executed simultaneously in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

19. **Severability.** The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guaranty shall not affect the validity or enforceability of the remaining portions of this Guaranty or any part thereof.

20. **Amendments.** All amendments, waivers and modifications of or to any provision of this Guaranty and any consent to departure by Guarantor from the terms hereof shall be in writing and signed and delivered by each of the Sellers and, in the case of any such amendment or modification, by Guarantor, and shall not otherwise be effective. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of the date first above written.

Guarantor:

**BLACK HILLS CORPORATION**, a South Dakota  
corporation

By: /s/ David R. Emery

Name: David R. Emery

Title: President and CEO

CREDIT SUISSE SECURITIES (USA) LLC  
 CREDIT SUISSE AG  
 11 Madison Avenue  
 New York, New York 10010

**CONFIDENTIAL**

July 12, 2015

Black Hills Corp.  
 625 Ninth Street  
 Rapid City, South Dakota 57701

Attention: Richard W. Kinzley,  
 Senior Vice President and  
 Chief Financial Officer

Kimberly Nooney,  
 Vice President and Treasurer

**PROJECT SILVER BULLET**  
\$1.17 Billion Senior Unsecured Bridge Term Loan Credit Facility  
Commitment Letter

Ladies and Gentlemen:

Black Hills Corporation (“**you**” or “**Black Hills**”) has advised Credit Suisse Securities (USA) LLC (“**CS Securities**”) and Credit Suisse AG (“**CS**” and, together with CS Securities and their respective affiliates, “**Credit Suisse**”, “**we**”, “**us**”, “**our**” or the “**Commitment Parties**”) that you, directly or through one of your wholly owned domestic subsidiaries, intend to acquire (the “**Acquisition**”) all of the outstanding equity interests of a company previously identified to us as “Silver Bullet” (the “**Target**”) from its current equity holders (the “**Sellers**”), and to consummate the other Transactions (such term and each other capitalized term used but not defined herein having the meaning assigned to such term in the Summary of Principal Terms and Conditions attached hereto as Exhibit A (the “**Term Sheet**”).

You have further advised us that, in connection therewith, (a) Black Hills will seek to raise up to \$1,170,000,000 from the issuance of any combination of (i) its senior unsecured notes (the “**Senior Notes**”) and/or (ii) shares of its common stock (the “**Shares**”) (in the case of (i) and (ii), pursuant to a public offering or in a Rule 144A or other private placement) and/or (iii) Class A Units of the Target pursuant to an equity offering of such Class A Units (the “**Units**”) and (b) to the extent the Borrower is unable to issue the Senior Notes, the Shares and/or the Units on or prior to the Closing Date, borrow up to \$1,170,000,000 in aggregate principal amount of senior unsecured term loans under the senior unsecured bridge term loan credit facility (the “**Bridge Facility**”) described in the Term Sheet subject only to the satisfaction of the conditions referenced in numbered Section 6 hereof.

1. Commitments.

In connection with the foregoing, CS ( in such capacity, the “**Initial Lender**”) is pleased to advise you of its commitment to provide the entire aggregate principal amount of the Bridge Facility in accordance with the terms set

forth or referred to in this commitment letter (including the Term Sheet and other attachments hereto, this “**Commitment Letter**”) and subject only to the satisfaction of the conditions referenced in numbered Section 6 hereof; *provided* that the aggregate amount of commitments with respect to the Bridge Facility shall be reduced at any time on or after the date hereof as and to the extent set forth in the Term Sheet (under “Mandatory Prepayments and Commitment Reductions” or “Voluntary Prepayments and Reductions in Commitments”) or the Bridge Facility Documentation.

## 2. Titles and Roles.

You hereby appoint (a) CS Securities (in such capacity, the “**Arranger**”) to act, and the Arranger hereby agrees to act, as sole lead bookrunner and sole lead arranger for the Bridge Facility, and (b) CS to act, and CS hereby agrees to act, as sole administrative agent for the Bridge Facility, in each case upon the terms and subject to the conditions set forth or referred to in this Commitment Letter. Each of the Arranger and the Administrative Agent, in such capacities, will perform the duties and exercise the authority customarily performed and exercised by it in such roles.

You agree that Credit Suisse will have “left” placement in any and all marketing materials or other documentation used in connection with the Bridge Facility. You further agree that no other titles will be awarded and no compensation (other than that expressly contemplated by this Commitment Letter and the Fee Letter referred to below) will be paid in connection with the Bridge Facility unless you and we shall so agree.

## 3. Syndication.

We reserve the right, prior to and/or after the execution of the Bridge Facility Documentation, to syndicate all or a portion of the Initial Lender’s commitments with respect to the Bridge Facility to a group of banks, financial institutions and other institutional lenders identified by us that (x) are reasonably acceptable to you or (y) have been identified on a list mutually agreed in writing prior to the date hereof (each, a “**Permitted Assignee**” and, together with the Initial Lender, the “**Lenders**”) (which syndication shall not reduce the commitments of the Initial Lender hereunder, except as provided for in Section 9), and you agree to use commercially reasonable efforts to provide us with a period of at least 20 consecutive business days following the launch of syndication and prior to the Closing Date to syndicate the Bridge Facility (*provided* that (i) such period shall not include July 3, 2015, November 26, 2015, November 27, 2015, July 4, 2016, November 24, 2016 or November 26, 2016 and (ii) such period shall (w) end on or prior to August 17, 2015 or commence on or after September 8, 2015, (x) end on or prior to December 18, 2015 or commence on or after January 4, 2016, (y) end on or prior to August 15, 2016 or commence on or after September 6, 2016 and (z) end on or prior to December 19, 2016 or commence on or after January 3, 2017).

Without limiting your obligations to assist with syndication efforts as set forth herein, the Initial Lender acknowledges and agrees that its commitment is not conditioned upon the commencement or completion of the syndication, or receipt of commitments in respect of, the Bridge Facility, and in no event shall the commencement or successful completion of syndication of the Bridge Facility constitute a condition to the availability of the Bridge Facility on the Closing Date. We intend to commence syndication efforts promptly upon the execution of the Acquisition Agreement and public announcement of the Transactions. Until the Closing Date, you agree to actively assist us as set forth below. From and after the execution of the Acquisition Agreement, such assistance shall include (a) your using commercially reasonable efforts (and your using commercially reasonable efforts to cause the Target) to ensure that any syndication efforts benefit materially from your and the Target’s existing lending and investment banking relationships, (b) direct contact between senior management, representatives and advisors of you (and your using commercially reasonable efforts to cause direct contact between senior management, representatives, and advisors of the Target) and the proposed Lenders, (c) your assistance (and, if the Arranger shall reasonably determine it to be advisable and shall so request, your using commercially reasonable efforts to cause the Target to assist) in the preparation of a customary confidential information memorandum for the Bridge Facility and other customary marketing materials and presentations to be used in connection with the syndication (the “**Information Materials**”), (d) your providing or causing to be provided customary projections of Black Hills and its subsidiaries, (e) prior to the launch of the syndication, your having a Public Debt Rating (as defined in Annex I to Exhibit A) from each of Standard & Poor’s Ratings Service (“**S&P**”) and Moody’s Investors Service, Inc. (“**Moody’s**”), in each case giving effect to the Transactions, and (f) at the Arranger’s request, the hosting, with the Arranger, of one or more meetings of prospective Lenders at a mutually agreeable time and venue. Notwithstanding anything to the contrary contained in this Commitment Letter or the Fee

Letter or any other letter agreement or undertaking concerning the financing of the Transactions to the contrary (but without limiting your obligation to assist with the syndication efforts as set forth herein), neither the obtaining of the ratings referenced above nor the compliance with any of the other provisions set forth in clauses (a) through (f) above or any other provisions of this paragraph shall constitute a condition to the commitments hereunder or the funding of the Bridge Facility on the Closing Date.

You agree, at the request of the Arranger, to assist in the preparation of a version of the Information Materials to be used in connection with the syndication of the Bridge Facility consisting exclusively of information and documentation that is either (i) publicly available or (ii) not material with respect to Black Hills, the Target or their respective subsidiaries or any of their respective securities for purposes of United States Federal and state securities laws (all such Information Materials being "**Public Lender Information**"). Any information and documentation that is not Public Lender Information is referred to herein as "**Private Lender Information**". Before distribution of any Information Materials, you agree to execute and deliver to the Arranger (i) a customary letter in which you authorize distribution of the Information Materials to Lenders' employees willing to receive Private Lender Information and (ii) a separate customary letter in which you authorize distribution of Information Materials containing solely Public Lender Information and represent that such Information Materials do not contain any Private Lender Information, which letter shall, in each case, include a customary "10b-5" representation. You further agree that each document to be disseminated by the Arranger to any Lender in connection with the Bridge Facility will, at the request of the Arranger, be identified by you as either (i) containing Private Lender Information or (ii) containing solely Public Lender Information. You acknowledge that the following documents contain solely Public Lender Information (unless you notify us prior to their intended distribution that any such document contains Private Lender Information and provided that you have been given a reasonable opportunity to review such documents): (a) drafts and final Bridge Facility Documentation, including term sheets; (b) administrative materials prepared by the Commitment Parties for prospective Lenders (such as a lender meeting invitation, bank allocation, if any, and funding and closing memoranda); and (c) notification of changes in the terms of the Bridge Facility.

The Arranger will manage all aspects of any syndication in consultation with you, including decisions as to the selection of institutions to be approached (which shall be Permitted Assignees) and when they will be approached, when their commitments will be accepted, which institutions will participate (which shall be Permitted Assignees), the allocation of the commitments among the Lenders, any naming rights and the amount and distribution of fees among the Lenders. To assist the Arranger in its syndication efforts, you agree promptly to prepare and provide (and to use commercially reasonable efforts to cause the Target promptly to provide) to the Arranger all customary information with respect to Black Hills, its subsidiaries, the Target and its subsidiaries, the Transactions and the other transactions contemplated hereby, including all customary financial information and projections (the "**Projections**"), as the Arranger may reasonably request in connection with the structuring, arrangement or syndication of the Bridge Facility.



You agree that, prior to a Successful Syndication (as defined in the Fee Letter), (a) Black Hills shall use commercially reasonable efforts to ensure that no other competing issues of debt securities or commercial bank or other credit facilities of the Target or its subsidiaries are announced, offered, attempted, placed or arranged (other than (i) ordinary-course indebtedness of the Target and its subsidiaries not prohibited from being incurred pursuant to the terms of the Acquisition Agreement (as in effect on the date hereof without giving effect to any consents granted thereunder) and (ii) any other financing reasonably agreed by the Arranger) and (b) there shall be no other competing issues of debt securities or commercial bank or other credit facilities of Black Hills or its subsidiaries announced, offered, attempted, placed or arranged (other than (i) the Permanent Financing, (ii) refinancing of the Existing Credit Agreement (as defined below) so long as such refinancing does not result in an increase in the aggregate principal amount of commitments thereunder; (iii) refinancing of the Credit Agreement dated as of April 13, 2015 among Black Hills, as the borrower, the financial institutions party thereto and JPMorgan Chase Bank, N.A., as administrative agent (the “**Term Loan Credit Agreement**”); *provided* in the case of this clause (iii) that Credit Suisse shall have been engaged by you to act as the sole lead arranger in respect of such refinancing; (iv) any other financing reasonably agreed by the Arranger.

In addition, to the extent the Borrower is unable to issue the Senior Notes, the Shares and/or the Units on or prior to the Closing Date, you agree to use commercially reasonable efforts to negotiate, execute and deliver the Bridge Facility Documentation (as defined below) on or before the date that is 45 days following the date hereof.

#### 4. Information.

You hereby represent and warrant that (a) all written information, other than the Projections, other forward-looking information and information of a general economic or industry nature (the “**Information**”) that has been or will be made available to us by or on behalf of you or any of your representatives in connection with the transactions contemplated hereby (which Information shall be to your knowledge to the extent it relates to the Target and its subsidiaries), is or will be, when furnished and taken as a whole (together with any written supplements thereto), complete and correct in all material respects and does not or will not, when furnished and taken as a whole, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made and (b) the Projections and other forward-looking information that have been or will be made available to us by or on behalf of you or any of your representatives have been or will be prepared in good faith based upon assumptions that are reasonably believed by you to be reasonable at the time made and the time the related Projections and forward-looking information are made available to us (it being recognized by us that such Projections and forward-looking information are not to be viewed as facts and are subject to significant uncertainties and contingencies many of which are beyond your control, that no assurance can be given that any particular financial projections will be realized, that actual results during the period or periods covered by any such Projections or forward-looking information may differ from the projected results and that such differences may be material). You agree that if at any time prior to the later of (x) the Closing Date and (y) a Successful Syndication (as defined in the Fee Letter), any of the representations in the preceding sentence would be incorrect in any material respect if the Information and Projections were being furnished, and such representations were being made, at such time, then you will promptly (or prior to the closing of the Bridge Facility, with respect to Information or Projections concerning the Target, you will, subject to any limitations on your rights to request information concerning the Target contained in the Acquisition Agreement (as defined below), use commercially reasonable efforts to) supplement the Information and the Projections so that, with respect to the Information related to the Target and its subsidiaries prior to the Closing Date to your knowledge, such representations will be correct in all material respects under those circumstances. In arranging and syndicating the Bridge Facility, we will be entitled to use and rely on the Information and the Projections without responsibility for independent verification thereof.

5. Fees.

As consideration for the Initial Lender's commitments hereunder, and the Arranger's agreements to perform the services described herein, you agree to pay (or cause to be paid) to us the fees set forth in this Commitment Letter and the Fee Letter dated the date hereof and delivered herewith with respect to the Bridge Facility (the "**Fee Letter**").

6. Conditions Precedent.

The Initial Lender's commitment hereunder, and each of our agreements to perform the services described herein, are subject only to the following conditions: (a) since the date hereof there shall not have occurred any change or event that has had or would reasonably be expected to have a Material Adverse Effect (as defined below), (b) the negotiation, execution and delivery of the Bridge Facility Documentation by all parties thereto on the terms set forth in the Term Sheet and (c) the other conditions set forth on Exhibit B and the section entitled "Conditions Precedent to Borrowing on the Closing Date" in Exhibit A to this Commitment Letter.

For the purposes hereof, "**Material Adverse Effect**" has the meaning set forth in the Acquisition Agreement, with capitalized terms used in such definition having the meanings set forth in the Purchase and Sale Agreement between the Sellers party thereto and Black Hills Utility Holdings, Inc., as Buyer, dated as of the date hereof (the "**Acquisition Agreement**") as in effect on the date hereof.

Notwithstanding anything contained in this Commitment Letter, the Fee Letter or the Bridge Facility Documentation to the contrary, (a) the only representations the accuracy of which shall be a condition to availability of the Bridge Facility on the Closing Date shall be (i) such of the representations made by or on behalf of the Sellers and their subsidiaries in the Acquisition Agreement as are material to the interests of the Lenders, but only to the extent that you have (or an affiliate of yours has) the right to terminate your (or its) obligations under the Acquisition Agreement or to decline to consummate the Acquisition as a result of a breach of such representations in the Acquisition Agreement (the "**Acquisition Agreement Representations**") and (ii) the Specified Representations (as defined below) and (b) the terms of the Bridge Facility Documentation shall be in a form such that they do not impair availability of the Bridge Facility on the Closing Date if the conditions set forth in this Section 6, the section entitled "Conditions Precedent to Borrowing on the Closing Date" in Exhibit A and Exhibit B are satisfied. For purposes hereof, "**Specified Representations**" means the representations and warranties of Black Hills set forth in the Term Sheet relating to corporate existence and power, corporate authorization, due execution and delivery and no contravention of organizational documents, material applicable law or material debt instruments, in each case as they relate to the entering into and performance of the Bridge Facility Documentation, the binding effect of the Bridge Facility Documentation, no event of default, margin regulations, Investment Company Act, solvency (as to Black Hills and its subsidiaries, taken as a whole, with solvency being determined in a manner consistent with Annex B-1), and compliance with the PATRIOT Act (as defined in Section 14 below), laws applicable to sanctioned persons and the Foreign Corrupt Practices Act. There shall be no conditions to closing and funding not expressly set forth in this Section 6, Exhibit B to this Commitment Letter and the section entitled "Conditions Precedent to Borrowing on the Closing Date" in Exhibit A to this Commitment Letter (collectively, the "**Funds Certain Provisions**").

## 7. Indemnification; Expenses.

You agree (a) to indemnify and hold harmless each of us and our respective officers, directors, employees, agents, advisors, controlling persons, members and successors and assigns (each, an “**Indemnified Person**”) from and against any and all losses, claims, damages, liabilities and reasonable out-of-pocket and documented or invoiced expenses, joint or several, to which any such Indemnified Person may become subject arising out of or in connection with this Commitment Letter, the Fee Letter, the Transactions, the Bridge Facility and the syndication thereof or any related transaction contemplated hereby or any claim, litigation, investigation or proceeding relating to any of the foregoing, regardless of whether any such Indemnified Person is a party thereto (and regardless of whether such matter is initiated by you, a third party or by the Target, the Sellers or any of your or their respective affiliates or equity holders), and to reimburse each such Indemnified Person promptly following demand for any reasonable and documented or invoiced out-of-pocket expenses (including legal expenses) incurred in connection with investigating or defending any of the foregoing; *provided* that the foregoing indemnity will not, as to any Indemnified Person, apply to any claim, loss, damage, liability or expense to the extent the same are determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from (i) the gross negligence, bad faith or willful misconduct of the respective Indemnified Person or any Related Person (as defined below) of such Indemnified Person, (ii) a material breach of the obligations of any Indemnified Person or any Related Person thereof under this Commitment Letter, the Fee Letter, the Transactions or the Bridge Facility Documentation, or (iii) any claim, litigation, investigation or proceeding solely between or among Indemnified Persons or their Related Persons other than an Arranger or other agent in its capacity as such (and which does not involve any act or omission by you or any of your affiliates), (b) whether or not the Transactions are consummated and the funding under the Bridge Facility occurs, to reimburse each of us from time to time, promptly following presentation of a summary statement, for all reasonable and documented or invoiced out-of-pocket expenses (including, but not limited to, expenses of our due diligence investigation, consultants’ fees, syndication expenses, travel expenses and fees, disbursements and other charges of counsel (but limited to expenses of one legal counsel and, if reasonably necessary or advisable, of one regulatory counsel and one local counsel in any relevant jurisdiction for all Indemnified Persons unless, in the reasonable opinion of an Indemnified Person, representation of all Indemnified Persons by such counsel would be inappropriate due to the existence of an actual or potential conflict of interest)), in each case, incurred in connection with the Bridge Facility and the syndication thereof, and the preparation, negotiation and enforcement of this Commitment Letter, the Fee Letter, the Bridge Facility Documentation and any ancillary documents in connection therewith, whether or not the Closing Date occurs or any Bridge Facility Documentation is executed and delivered or any extensions of credit are made under the Bridge Facility. For purposes hereof, a “**Related Person**” means, with respect to an Indemnified Person, such Indemnified Person’s controlled affiliates and the respective directors, officers and employees of such Indemnified Person and its controlled affiliates. Notwithstanding any other provision of this Commitment Letter, none of us, you or any Indemnified Person shall be liable for any indirect, special, punitive or consequential damages in connection with its activities related to the Bridge Facility; *provided* that the foregoing shall not limit your indemnification obligation set forth in this Section 7.

It is further agreed that the Commitment Parties shall only have liability to you (as opposed to any other person). Notwithstanding any other provision of this Commitment Letter, no Indemnified Person shall be liable for any damages arising from the use by others of information or other materials obtained through electronic telecommunications or other information transmission systems, other than for direct, actual damages resulting from the bad faith, gross negligence or willful misconduct of such Indemnified Person or any of its Related Persons as determined by a final, non-appealable judgment of a court of competent jurisdiction. You shall not, without the prior written consent of an Indemnified Person (which consent shall not be unreasonably withheld, it being understood that any Indemnified Person may reasonably withhold its consent if such settlement does not comply with clauses (i) and (ii) below), effect any settlement of any pending or threatened proceeding against an Indemnified Person in respect of which indemnity could have been sought hereunder by such Indemnified Person unless (i) such settlement includes an unconditional release of such Indemnified Person from all liability or claims that are the subject matter of such proceeding and (ii) does not include any statement as to any admission or fault, culpability, wrong-doing or a failure to act by or on behalf of such Indemnified Person. You shall not be liable for any settlement of any claim, litigation, investigation or proceeding effected without your consent (which consent shall not be unreasonably withheld,

conditioned or delayed), but if settled with your written consent, you agree to indemnify and hold harmless each Indemnified Person from and against any and all losses, claims, damages, liabilities and expenses by reason of such settlement in accordance with the other provisions of this Section 7.

8. Sharing Information; Absence of Fiduciary Relationship; Affiliate Activities.

You acknowledge that the Commitment Parties may be providing debt financing, equity capital or other services (including financial advisory services) to other companies in respect of which you may have conflicting interests regarding the transactions described herein or otherwise. We (and our affiliates) will not (i) use confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or our other relationships with you in connection with our performance of services for other persons or (ii) furnish confidential information obtained from you by virtue of the transactions contemplated by this Commitment Letter or our other relationships with you to other companies. You also acknowledge that we do not have any obligation to use in connection with the transactions contemplated by this Commitment Letter, or to furnish to you, confidential information obtained by us from other companies.

You further acknowledge and agree that (a) no fiduciary, advisory or agency relationship between you and any of us is intended to be or has been created in respect of any of the transactions contemplated by this Commitment Letter, irrespective of whether any of us have advised or is advising you on other matters, (b) we, on the one hand, and you, on the other hand, have an arm's-length business relationship that does not directly or indirectly give rise to, nor do you rely on, any fiduciary duty on the part of any of us, (c) you are capable of evaluating and understanding, and you understand and accept, the terms, risks and conditions of the transactions contemplated by this Commitment Letter, (d) you have been advised that we are engaged in a broad range of transactions that may involve interests that differ from your interests and that none of us has any obligation to disclose such interests and transactions to you by virtue of any fiduciary, advisory or agency relationship and (e) you waive, to the fullest extent permitted by law, any claims you may have against any of us for breach of fiduciary duty or alleged breach of fiduciary duty in connection with the transactions contemplated hereby and agree that none of us shall have any liability (whether direct or indirect) to you in respect of such a fiduciary duty claim or to any person asserting a fiduciary duty claim on behalf of or in right of you, including your stockholders, employees or creditors. In particular, you acknowledge that CS Securities is acting as a buy-side financial advisor to you in connection with the Transactions. You agree not to assert or allege any claim based on actual or potential conflict of interest arising or resulting from, on the one hand, the engagement of CS Securities in such capacity and our obligations hereunder, on the other hand. Additionally, you acknowledge and agree that none of us is advising you as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction (including, without limitation, with respect to any consents needed in connection with the transactions contemplated hereby). You shall consult with your own advisors concerning such matters and shall be responsible for making your own independent investigation and appraisal of the transactions contemplated hereby (including, without limitation, with respect to any consents needed in connection therewith), and we shall have no responsibility or liability to you with respect thereto. Any review by us of Black Hills, the Target, the Transactions, the other transactions contemplated hereby or other matters relating to such transactions will be performed solely for our benefit and shall not be on behalf of you or any of your affiliates.

You further acknowledge that we are a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, we may provide investment banking and other financial services to, and/or acquire, hold or sell, for our own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of, you, the Target and other companies with which you or the Target may have commercial or other relationships. With respect to any securities and/or financial instruments so held by any of us or any of our customers, all rights in respect of such securities and financial instruments, including any voting rights, will be exercised by the holder of the rights, in its sole discretion.

9. Assignments; Amendments; Governing Law, Etc.

This Commitment Letter shall not be assignable by you without the prior written consent of the parties hereto (and any attempted assignment without such consent shall be null and void), is intended to be solely for the benefit of the parties hereto (and Indemnified Persons), and is not intended to confer any benefits upon, or create any rights in favor of, any person other than the parties hereto (and Indemnified Persons) to the extent expressly set forth herein.

The Commitment Party may assign all or a portion of its commitment hereunder to one or more Permitted Assignees, whereupon such Commitment Party shall be released from all or the portion of its commitment hereunder so assigned; *provided* that no such assignment shall relieve the Commitment Parties of their obligations hereunder, except to the extent such assignment is evidenced by, at our election, (i) a customary joinder agreement (a "**Joinder Agreement**") pursuant to which such lender agrees to become party to this Commitment Letter and extend commitments directly to you on the terms set forth herein, and which shall not add any conditions to the availability of the Bridge Facility or change the terms of the Bridge Facility or increase compensation payable by you in connection therewith except as set forth in the Fee Letter and which shall otherwise be reasonably satisfactory to you and us, or (ii) the Bridge Facility Documentation. Any and all obligations of, and services to be provided by, a Commitment Party hereunder (including, without limitation, the Initial Lender's commitment) may be performed and any and all rights of such Commitment Party hereunder may be exercised by or through any of their respective affiliates or branches and, in connection with such performance or exercise, such Commitment Party may exchange with such affiliates or branches information concerning you and your affiliates that may be the subject of the transactions contemplated hereby (subject to the confidentiality provisions set forth below) and, to the extent so employed, such affiliates and branches shall be entitled to the benefits afforded to such Commitment Party hereunder; *provided* that you will not incur any additional cost of such affiliates or branches performing such obligations or services.

This Commitment Letter may not be amended or any provision hereof waived or modified except by an instrument in writing signed by each of us and you. This Commitment Letter may be executed in any number of counterparts, each of which shall be an original and all of which, when taken together, shall constitute one agreement. Delivery of an executed counterpart of a signature page of this Commitment Letter by facsimile or other electronic transmission shall be effective as delivery of a manually executed counterpart hereof. Section headings used herein are for convenience of reference only, are not part of this Commitment Letter and are not to affect the construction of, or to be taken into consideration in interpreting, this Commitment Letter.

You acknowledge that information and documents relating to the Bridge Facility may be transmitted through SyndTrak, Intralinks, the internet, e-mail or similar electronic transmission systems, and that none of us shall be liable for any damages arising from the unauthorized use by others of information or documents transmitted in such manner except to the extent such damages are found in a final, non-appealable judgment of a court of competent jurisdiction to have resulted from the willful misconduct or gross negligence of the Commitment Party (it being understood that actions consistent with industry practice in the leveraged lending market shall not constitute gross negligence or willful misconduct). Following the Closing Date, the Arranger may place advertisements in financial and other newspapers and periodicals or on a home page or similar place for dissemination of information on the Internet or worldwide web as it may choose, and circulate similar promotional materials, after the closing of the Transactions in the form of a "tombstone" or otherwise describing the names of you and your affiliates (or any of them), and the amount, type and

closing date of such Transactions, all at the expense of the Arranger. This Commitment Letter and the Fee Letter supersede all prior understandings, whether written or oral, between us with respect to the Bridge Facility. **THIS COMMITMENT LETTER AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS COMMITMENT LETTER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK.**

Each of the parties hereto agrees that this Commitment Letter is a binding and enforceable agreement with respect to the subject matter contained herein, including the good faith negotiation of the Bridge Facility Documentation by the parties hereto in a manner consistent with this Commitment Letter, it being understood for the avoidance of doubt that the funding of the Bridge Facility is subject to the conditions precedent set forth herein.

10. Jurisdiction.

Each of the parties hereto hereby irrevocably and unconditionally (a) submits, for itself and its property, to the exclusive jurisdiction of any New York State court or Federal court of the United States of America sitting in the Borough of Manhattan in New York City, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby, and agrees that all claims in respect of any such action or proceeding may be heard and determined only in such New York State court or, to the extent permitted by law, in such Federal court, (b) waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Commitment Letter, the Fee Letter or the transactions contemplated hereby or thereby in any such New York State court or in any such Federal court, (c) waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court and (d) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Each of the parties hereto agrees that service of any process, summons, notice or document by registered mail addressed to you or us at the addresses set forth above shall be effective service of process for any suit, action or proceeding brought in any such court.

11. Waiver of Jury Trial.

**EACH OF THE PARTIES HERETO IRREVOCABLY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT BY OR ON BEHALF OF ANY PARTY RELATED TO OR ARISING OUT OF THIS COMMITMENT LETTER, THE FEE LETTER OR THE PERFORMANCE OF SERVICES HEREUNDER OR THEREUNDER.**

12. Confidentiality.

This Commitment Letter is delivered to you on the understanding that neither this Commitment Letter nor the Fee Letter nor any of their terms or substance, nor the activities of any of us pursuant hereto, shall be disclosed, directly or indirectly, to any other person except (a) to your officers, directors, employees, attorneys, agents, accountants, shareholders, rating agencies and advisors on a confidential and need-to-know basis (*provided* that you accept responsibility for any disclosure by such persons in violation of this Commitment Letter), (b) (i) in any legal, judicial or administrative proceeding, (ii) as otherwise required by applicable law, regulation or compulsory legal process or as requested by a governmental authority, or (iii) in the case of the Commitment Letter and the contents hereof (but not the Fee Letter and the contents thereof) as you may (x) determine is reasonably advisable to comply with your obligations under securities and other applicable laws and regulations or (y) reasonably conclude is necessary in connection with obtaining any regulatory approval required for the Transactions (in each case pursuant to this clause (b), you agree, to the extent practicable and not prohibited by applicable law, to inform us promptly thereof prior to such disclosure and if you are unable to notify us prior to such disclosure, such notice shall be delivered to us promptly thereafter to the extent permitted by law), (d) you may disclose the aggregate fee amounts contained in the Fee Letter as part of Projections, pro forma information or a generic disclosure of aggregate sources and uses related to fee amounts related to the Transactions to the extent customary or required in offering and marketing materials for the Bridge Facility and/or the Permanent Financing or in any public filing relating to the Transactions, (e) to the Sellers and its officers, directors, employees, attorneys, accountants and advisors on a confidential and need-to-know basis

(but not the Fee Letter and the contents thereof unless redacted in a form acceptable to the Commitment Parties in their reasonable discretion); *provided* that you may disclose this Commitment Letter and the contents hereof (but not the Fee Letter or the contents thereof) in any proxy or other public filing relating to the Acquisition or in any prospectus or other offering memorandum relating to any offering of the Permanent Financing, (f) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Commitment Letter, the Fee Letter, or the transactions contemplated thereby or enforcement hereof and thereof, and (g) in the case of the Term Sheet only, to any other Lenders or prospective Lenders with the consent of the Arranger (in a form for marketing reasonably acceptable to the Commitment Parties, which may include summary fee information with respect to fees payable to Lenders if you and we shall so agree).

The Commitment Parties shall use all nonpublic information received by them in connection with the Transactions solely for purposes that are the subject of this Commitment Letter and the transactions contemplated hereby and shall treat confidentially all such information; *provided, however*, that nothing herein shall prevent any Commitment Party from disclosing any such information (a) to any Lenders or participants or prospective Lenders or participants (collectively, “**Specified Counterparties**”), *provided* that any such disclosure shall be made subject to the acknowledgment and acceptance by such Specified Counterparty that such information is being disseminated on a confidential basis in accordance with the standard syndication process of the Arranger or customary market standards for dissemination of such types of information, (b) in any legal, judicial, administrative proceeding or other process or otherwise as required by applicable law or regulations, (c) upon the request or demand of any governmental or other regulatory authority having jurisdiction or claiming to have jurisdiction over such Commitment Party or its affiliates, (d) to the employees, legal counsel, independent auditors, professionals and other experts or agents of such Commitment Party (collectively, “**Representatives**”) who are informed of the confidential nature of such information, (e) to any of its affiliates (or such affiliates’ Representatives) solely in connection with the Transactions (*provided* that such information shall be provided on confidential basis, and such Commitment Party shall be responsible for its affiliates’ compliance with this paragraph), (f) for purposes of establishing a “due diligence” defense, (g) to the extent any such information becomes publicly available other than (x) by reason of disclosure by such Commitment Party, its affiliates or Representatives in breach of this Commitment Letter or (y) from a source other than Black Hills that is not, to such Commitment Party’s knowledge, subject to confidentiality obligations to Black Hills, (h) to the extent such confidential information was already in such Commitment Party’s possession or is independently developed by such Commitment Party; and (i) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Commitment Letter, the Fee Letter, or the transactions contemplated thereby or enforcement hereof and thereof. The confidentiality obligations of the Commitment Parties under this Section 12 shall terminate and be superseded by the confidentiality provisions in the Bridge Facility Documentation (to the extent covered thereby) and in any event, on the second anniversary of the date hereof.

Notwithstanding anything herein to the contrary, any party to this Commitment Letter (and any employee, representative or other agent of such party) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the transactions contemplated by this Commitment Letter and the Fee Letter and all materials of any kind (including opinions or other tax analyses) that are provided to it relating to such tax treatment and tax structure, except that (i) tax treatment and tax structure shall not include the identity of any existing or future party (or any affiliate of such party) to this Commitment Letter or the Fee Letters and (ii) no party shall disclose any information relating to such tax treatment and tax structure to the extent nondisclosure is reasonably necessary in order to comply with applicable securities laws. For this purpose, the tax treatment of the transactions contemplated by this Commitment Letter and the Fee Letters is the purported or claimed U.S. Federal income tax treatment of such transactions and the tax structure of such transactions is any fact that may be relevant to understanding the purported or claimed U.S. Federal income tax treatment of such transactions.

13. Surviving Provisions.

The compensation (if applicable), reimbursement (if applicable), indemnification, confidentiality, syndication, information, jurisdiction, governing law and waiver of jury trial provisions contained herein and in the Fee Letter and the provisions of Section 8 of this Commitment Letter shall remain in full force and effect regardless of whether definitive financing documentation shall be executed and delivered and (other than in the case of the syndication provisions) notwithstanding the termination of this Commitment Letter or the Initial Lender's commitments hereunder and our agreements to perform the services described herein; *provided* that your obligations under this Commitment Letter, other than those relating to confidentiality, compensation, information and to the syndication of the Bridge Facility (which shall remain in full force and effect), shall, to the extent covered by the Bridge Facility Documentation, automatically terminate and be superseded by the applicable provisions contained in such Bridge Facility Documentation upon the occurrence of the Closing Date. The commitments under the Bridge Facility may be terminated in whole or in part by you at any time subject to the provisions of the preceding sentence.

14. PATRIOT Act Notification.

We hereby notify you that, pursuant to the requirements of the USA PATRIOT Act, Title III of Pub. L. 107-56 (signed into law October 26, 2001) (the "**PATRIOT Act**"), each of us and each Lender is required to obtain, verify and record information that identifies Black Hills, which information includes the name, address, tax identification number and other information regarding Black Hills that will allow each of us or such Lender to identify Black Hills in accordance with the PATRIOT Act. This notice is given in accordance with the requirements of the PATRIOT Act and is effective as to each of us and each Lender. You hereby acknowledge and agree that we shall be permitted to share any or all such information with each other Lender.

15. Acceptance and Termination.

If the foregoing correctly sets forth our agreement with you, please indicate your acceptance of the terms of this Commitment Letter and of the Fee Letter by returning to us executed counterparts hereof and of the Fee Letter not later than 5:00 p.m., New York City time, on July 15, 2015. Our offer hereunder, and our agreements to perform the services described herein, will expire automatically and without further action or notice and without further obligation to you at such time in the event that we have not received such executed counterparts in accordance with the immediately preceding sentence. This Commitment Letter will become a binding commitment of the Initial Lender only after it has been duly executed and delivered by you in accordance with the first sentence of this Section 15. Thereafter, all commitments and undertakings of each Commitment Party hereunder will expire on the earliest of (hereinafter, the "**Outside Date**") (a) 5:00 p.m., New York City time, July 12, 2016; (or such later date not later than 15 months following the date hereof to which the Outside Date (as defined in the Acquisition Agreement as in effect on the date hereof) shall have been extended (in accordance with the Acquisition Agreement as in effect on the date hereof)), (b) the date on which the Bridge Facility Documentation shall have been entered into, (c) the date that the Acquisition Agreement is terminated or expires, (d) the date that Black Hills informs the Commitment Parties in writing, or makes a public announcement, that Black Hills has abandoned its pursuit of the Acquisition and (e) receipt



by the Commitment Parties of written notice from Black Hills of its election to terminate all commitments under the Bridge Facility in full.

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We are pleased to have been given the opportunity to assist you in connection with the financing for the Acquisition.

Very truly yours,

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ SoVonna Day-Goins  
Name: SoVonna Day-Goins  
Title: Managing Director

CREDIT SUISSE AG,  
CAYMAN ISLANDS BRANCH

By: /s/ Mikhail Faybusovich  
Name: Mikhail Faybusovich  
Title: Authorized Signatory

By: /s/ Michaela Kenny  
Name: Michaela Kenny  
Title: Authorized Signatory

[Signature Page to Project Silver Bullet Commitment Letter]

Accepted and agreed to as of  
the date first above written:

BLACK HILLS CORPORATION

By: /s/ Richard Kinzley

Name: Richard Kinzley

Title: Senior Vice President and Chief Financial Officer

[Signature Page to Project Silver Bullet Commitment Letter]

PROJECT SILVER BULLET  
\$1.17 Billion Senior Unsecured Bridge Term Loan Credit Facility  
Summary of Principal Terms and Conditions

Borrower: Black Hills Corporation (the “**Borrower**”).

Guarantors: None.

Transactions: The Borrower, directly or through one of its wholly owned domestic subsidiaries, intends to acquire (the “**Acquisition**”) all of the outstanding equity interests of a company previously identified to the Arranger as “Silver Bullet” (the “**Target**”) from its current equity holders (the “**Sellers**”), pursuant to a Purchase and Sale Agreement dated the date hereof (the “**Acquisition Agreement**”) among the Borrower and the Sellers for an aggregate cash consideration set forth in the Acquisition Agreement (the “**Acquisition Consideration**”).

In connection with the Acquisition, the Borrower intends to (a) obtain a senior unsecured bridge term loan credit facility described below under the caption “Bridge Facility” and (b) pay the fees and expenses incurred in connection with the Acquisition, such Bridge Facility and the other transactions contemplated in connection therewith (the “**Transaction Costs**”).

It is anticipated that some or all of the Bridge Facility will be replaced or refinanced by the issuance of any combination of (i) senior unsecured notes (the “**Senior Notes**”) by the Borrower through a public offering or in a private placement, (ii) shares of the Borrower’s common stock (the “**Shares**”) through a public offering or in a private placement, and/or (iii) Class A Units of the Target pursuant to an equity offering of such Class A Units (the “**Units**” and, collectively with the Senior Notes and the Shares, the “**Permanent Financing**”).

The foregoing transactions are collectively referred to as the “**Transactions**”.

Administrative Agent: CS, acting through one or more of its branches or affiliates, will act as sole administrative agent (collectively, in such capacity, the “**Administrative Agent**”) for a syndicate of banks, financial institutions and other institutional lenders approved by you (together with CS, the “**Lenders**”), and will perform the duties customarily associated with such role.

Sole Bookrunner and Sole Lead Arranger: CS Securities will act as sole bookrunner and sole lead arranger for the Bridge Facility described below (in such capacities, the “**Arranger**”), and will perform the duties customarily associated with such roles.

<u>Bridge Facility:</u>	A senior unsecured bridge term loan credit facility in an aggregate principal amount of up to \$1.17 billion (as automatically reduced from time to time in accordance with this Term Sheet and as may be voluntarily reduced by the Borrower in accordance with this Term Sheet, the “ <b>Bridge Facility</b> ”).
<u>Purpose:</u>	The proceeds of the Bridge Facility will be used by the Borrower (a) to pay a portion of the Acquisition Consideration and (b) to pay the Transaction Costs.
<u>Availability:</u>	<p>The Bridge Facility may be drawn in a single drawing on the closing date of the Acquisition (the “<b>Closing Date</b>”), which shall occur on or prior to the Outside Date.</p> <p>Amounts borrowed under the Bridge Facility that are repaid or prepaid may not be reborrowed.</p>
<u>Interest Rates and Fees:</u>	As set forth on Annex I hereto.
<u>Final Maturity and Amortization:</u>	The Bridge Facility will mature on the first anniversary of the Closing Date (the “ <b>Maturity Date</b> ”). There will be no scheduled amortization.
<u>Mandatory Prepayments and Commitment Reductions:</u>	<p>On or prior to the Closing Date, the aggregate commitments in respect of the Bridge Facility under the Commitment Letter or under the Bridge Facility Documentation (as applicable) shall be permanently reduced, and after the Closing Date, the aggregate loans under the Bridge Facility shall be prepaid, without penalty or premium, in each case, dollar-for-dollar, by the following amounts (in each case subject to exceptions to be agreed):</p> <p>(a) 100% of the net cash proceeds of all asset sales or other dispositions of property by the Borrower and its subsidiaries (including proceeds from the sale of stock of any subsidiary of the Borrower and insurance and condemnation proceeds but excluding intercompany sales of assets and ordinary course of business sales), but only to the extent such net cash proceeds exceed in the aggregate \$50,000,000 during any fiscal year of the Borrower and, with respect to insurance and condemnation proceeds, are not reinvested by the Borrower or any of its subsidiaries in assets necessary or useful in the operation of its business within 180 days after (or committed to be so reinvested within 180 days after) the consummation of the applicable asset sale and subject to additional exceptions to be agreed; and</p>

(b) 100% of the net cash proceeds received from any issuance of debt securities, incurrence of other debt for borrowed money, or issuance of equity securities or equity-linked securities (in a public offering or private placement) by the Borrower or any of its subsidiaries, subject to exceptions to be agreed (including (i) refinancing of or borrowings under the Existing Credit Agreement so long as, in the case of a refinancing described in this clause (i), such refinancing does not cause the aggregate principal amount of commitments thereunder to exceed \$750 million, (ii) refinancing of the Credit Agreement dated as of April 13, 2015 among Black Hills, as the borrower, the financial institutions party thereto and JPMorgan Chase Bank, N.A., as administrative agent (the “**Term Loan Credit Agreement**”) so long as such refinancing does not result in an increase in the aggregate principal amount of commitments or loans thereunder, (iii) inter-company debt obligations, (iv) purchase money debt or capital lease obligations incurred to finance the acquisition of equipment or real property in the ordinary course of business, (v) equity securities issued pursuant to, or upon the exercise of options or similar rights granted pursuant to, equity-based incentive plans or arrangements, employee stock purchase plans or dividend reinvestment plans and (vi) any other financing reasonably agreed by the Arranger).

In addition, on or prior to the Closing Date, the aggregate commitments in respect of the Bridge Facility under the Commitment Letter or under the Bridge Facility Documentation (as applicable) shall be permanently reduced to zero immediately upon the earliest of (i) 5:00 p.m., New York City time, July 12, 2016 (or such later date not later than 15 months following the date hereof to which the Outside Date (as defined in the Acquisition Agreement as in effect on the date hereof) shall have been extended (in accordance with the Acquisition Agreement as in effect on the date hereof)) (ii) the date that the Acquisition Agreement is terminated or expires and (iii) the date that Black Hills informs the Arranger in writing, or makes a public announcement, that Black Hills has abandoned its pursuit of the Acquisition.

The Borrower shall provide the Administrative Agent with prompt written notice of any mandatory prepayment or commitment reduction hereunder and, in the case of any mandatory prepayment from the net cash proceeds of any event described in (a) or (b) above, shall make such prepayment within one business day of receipt of such net cash proceeds.

Voluntary Prepayments and Reductions in Commitments:

Voluntary reductions of the unutilized portion of the commitments under the Bridge Facility and prepayments of borrowings thereunder will be permitted at any time (including at any time prior to the Closing Date), in reasonable minimum principal amounts to be agreed upon solely with respect to prepayments of borrowings, in each case, without premium or penalty, subject to reimbursement of the Lenders' redeployment costs in the case of a prepayment of Adjusted LIBOR borrowings other than on the last day of the relevant interest period.

Documentation:

The making of the loans under the Bridge Facility will be governed by definitive loan and related agreements and documentation (collectively, the "**Bridge Facility Documentation**" and the principles set forth in this paragraph, the "**Documentation Principles**") to be negotiated in good faith, which will be based on the Borrower's Amended and Restated Credit Agreement, dated as of May 29, 2014, among the Borrower, the financial institutions from time to time party thereto, as lenders, and U.S. Bank National Association, as administrative agent (as amended from time to time, the "**Existing Credit Agreement**"), with modifications (a) as are necessary to reflect the terms specifically set forth in the Commitment Letter (including the exhibits thereto) (including the nature of the Bridge Facility as a bridge facility) and the Fee Letter, (b) to reflect any changes in law or accounting standards since the date of the Existing Credit Agreement, (c) to reflect the operational or administrative requirements of the Administrative Agent as reasonably agreed by Black Hills, (d) to accommodate the structure of the Acquisition and (e) as agreed by Black Hills and the Administrative Agent. The Bridge Facility Documentation will contain only those conditions to borrowing, mandatory prepayments, representations, warranties, affirmative and negative covenants and events of default expressly set forth in this Commitment Letter, including the Term Sheet, with such modifications to the terms thereof as shall be made in accordance with the flex provisions of the Fee Letter.

Representations and Warranties:

Substantially the same as those contained in the Existing Credit Agreement, including corporate organization and authority; subsidiaries; corporate authority and validity of obligations; financial statements; no litigation, no labor controversies; taxes; approvals; ERISA; government regulation; margin stock, use of proceeds; licenses and authorizations; compliance with laws; ownership of properties, liens; no burdensome restrictions, compliance with agreements; full disclosure; solvency; sanctions laws and regulations; compliance with the PATRIOT Act; Foreign Corrupt Practices Act and other applicable anti-corruption laws; and no default.

<u>Conditions Precedent to Borrowing on the Closing Date:</u>	The borrowing under the Bridge Facility on the Closing Date will be subject solely to the conditions precedent set forth in Section 6 of the Commitment Letter and Exhibit B to the Commitment Letter, the accuracy of the Specified Representations in all material respects and the Acquisition Agreement Representations (subject to the Funds Certain Provisions) and the delivery of a borrowing notice.
<u>Covenants:</u>	Substantially similar to those found in the Existing Credit Agreement with similar thresholds and exceptions, including corporate existence, subsidiaries; maintenance; taxes; ERISA; insurance; financial reports and other information; bank inspection rights; conduct of business; liens; use of proceeds, Regulation U; sale and leasebacks; mergers, consolidations, acquisitions and sale of assets; use of property and facilities, environmental and health and safety laws; investments, acquisitions, loans, advances and guaranties; restrictions on indebtedness; dividends and other shareholder distributions; transactions with affiliates; compliance with laws; pari passu; certain subsidiaries; ratings; material obligations; sanctions laws and regulations; Foreign Corrupt Practices Act and other applicable anti-corruption laws.
<u>Financial Covenant:</u>	Recourse Indebtedness to Capital, each as defined in the Existing Credit Agreement, shall not exceed 0.75 to 1.00 at the end of any fiscal quarter.
<u>Events of Default:</u>	Substantially similar to those found in the Existing Credit Agreement with similar thresholds and exceptions, including non-payment of principal, interest, fees or other amounts; failure of any representation or warranty to be true and correct in any material respect when made or deemed made; non-observance or non-performance of covenant to maintain conduct of business and maintenance of existence or any negative covenant; non-observance or non-performance of any other agreement in any loan document; cross-default and cross-acceleration; bankruptcy or insolvency of the Borrower or any material subsidiary; ERISA events; judgments; any change of control; or the Borrower ceases to be wholly liable for the full amount of the obligations under the Bridge Facility.



Voting:

Actions/amendments/waivers requiring the consent of all Lenders directly and adversely affected include: reduction of principal, interest rates or fees; postponement of dates fixed for payment of principal, interest or fees; modification of “Required Banks” definition and other voting provisions; modification of any condition precedent to the extension of credit; change of “pro rata” sharing provisions; imposition of restrictions on assignments and participations. Otherwise the instructions/approval of Required Lenders (*i.e.*, Lenders holding a majority of the aggregate commitments prior to the Closing Date; thereafter, Lenders holding a majority of the aggregate principal balance outstanding and unused commitments) shall control. The consent of any agent directly affected thereby shall be required for any modification of any provision affecting the rights, duties or obligations of such agent.

Cost and Yield Protection:

Usual for facilities and transactions of this type, including customary tax gross-up provisions, consistent with the Existing Credit Agreement (including but not limited to provisions relating to Dodd-Frank and Basel III).

Assignments and Participations:

Prior to the Closing Date, the Lenders will not be permitted to assign commitments under the Bridge Facility to any Person that is not a Permitted Assignee, or a Lender or a controlled affiliate of a Lender, without the consent of the Borrower (not to be unreasonably withheld or delayed).

Consistent with the Existing Credit Agreement, from the Closing Date, the Lenders will be permitted to assign loans under the Bridge Facility with the consent of the Borrower (not to be unreasonably withheld or delayed). All assignments require the consent of the Administrative Agent (not to be unreasonably withheld or delayed). Each assignment shall be (i) of all or a proportionate part of all rights and obligations of the assigning Lender, (ii) in a minimum amount of \$2,500,000 and increments of \$1,000,000 in excess thereof, (iii) evidenced by an executed assignment and acceptance form delivered to the Administrative Agent, and (iv) accompanied by the payment of a \$3,500 assignment processing fee to Administrative Agent.

Lenders may sell participations without the consent of any person, so long as any such participation does not create rights in participants to approve amendments or waivers, except amendments, modifications or waivers with respect to a decrease in fees, principal or interest rates, or an extension of any date fixed for payments.

Defaulting Lenders:

Consistent with the Existing Credit Agreement, including the suspension of voting rights and rights to receive certain fees, and the termination or assignment of commitments or loans of defaulting Lenders.

Expenses and Indemnification:

The Borrower will indemnify the Arranger, the Administrative Agent, the Syndication Agent, the Lenders, their respective affiliates, successors and assigns and the officers, directors, employees, agents, advisors, controlling persons and members of each of the foregoing (each, an “*Indemnified Person*”) and hold them harmless from and against all reasonable and documented or invoiced out-of-pocket costs, expenses (including legal expenses) and liabilities of such Indemnified Person arising out of or relating to any claim or any litigation or other proceeding (regardless of whether such Indemnified Person is a party thereto and regardless of whether such matter is initiated by a third party or by the Borrower, the Sellers or any of their respective affiliates or equity holders) that relates to the Transactions, including the financing contemplated hereby, the Acquisition or any transactions in connection therewith; *provided* that no Indemnified Person will be indemnified for any claim, loss, damage, liability or expense to the extent the same resulted from (i) the gross negligence, bad faith or willful misconduct of the respective Indemnified Person (as determined by a court of competent jurisdiction in a final and non-appealable judgment), (ii) a material breach of the obligations of any Indemnified Person or any Related Person thereof under this Commitment Letter, the Fee Letter, the Transactions or the Bridge Facility Documentation, and (iii) any claim, litigation, investigation or proceeding solely between or among Indemnified Persons other than actions against the Administrative Agent, the Arranger or other persons acting in an agency or similar role in their capacity as such (and which does not involve an act or omission of the Borrower or any of its affiliates). The Borrower shall pay all reasonable and documented or invoiced out-of-pocket expenses (including legal expenses (but limited to expenses of one legal counsel and, if reasonably necessary or advisable, of one regulatory counsel and a single local counsel in any relevant jurisdiction for all Indemnified Persons unless, in the reasonable opinion of an Indemnified Person, representation of all Indemnified Persons by such counsel would be inappropriate due to the existence of an actual or potential conflict of interest)) of (a) the Arranger, the Administrative Agent and the Syndication Agent in connection with the syndication of the Bridge Facility and the preparation and administration of the definitive documentation, and amendments, modifications and waivers thereto, and (b) the Arranger, the Administrative Agent, the Syndication Agent and the Lenders for enforcement costs associated with the Bridge Facility.

Governing Law and Forum:

New York.

Arranger’s Counsel:

Davis Polk & Wardwell LLP.

Interest Rates:

The interest rates under the Bridge Facility will be, at the option of the Borrower, (a) Adjusted LIBOR plus the Applicable Adjusted LIBOR Margin (as defined below) or (b) ABR plus the Applicable Adjusted LIBOR Margin minus 1.00%.

The Borrower may elect interest periods of 1, 2, 3 or 6 months for Adjusted LIBOR borrowings. Calculation of interest shall be on the basis of the actual number of days elapsed in a year of 360 days (or 365 or 366 days, as the case may be, in the case of ABR loans based on the prime rate) and interest shall be paid in arrears (i) at the end of each interest period and no less frequently than quarterly, in the case of Adjusted LIBOR advances and (ii) quarterly, in the case of ABR advances.

ABR is the Alternate Base Rate, which is the highest of (a) the Administrative Agent's Prime Rate, (b) the Federal Funds Effective Rate plus ½ of 1.0%, and (c) Adjusted LIBOR for a one-month interest period, plus 1.0%.

Adjusted LIBOR is the London interbank offered rate for dollars and will at all times include statutory reserves. Adjusted LIBOR shall not be less than 0.00%.

Applicable Adjusted LIBOR Margin:

<u>Ratings</u> <sup>1</sup>	≥A-/A3	≥BBB+/Baa1	≥BBB/Baa2	≥BBB-/Baa3	<BBB-/Baa3
<u>Closing Date until 89 days following the Closing Date</u>	100.0 bps	112.5 bps	125.0 bps	150.0 bps	175.0 bps
<u>90th day following the Closing Date until 179th day following the Closing Date</u>	125.0 bps	137.5 bps	150.0 bps	175.0 bps	225.0 bps
<u>180th day following the Closing Date until 269th day following the Closing Date</u>	150.0 bps	162.5 bps	175.0 bps	200.0 bps	275.0 bps
<u>From the 270th day following the Closing Date</u>	175.0 bps	187.5 bps	200.0 bps	225.0 bps	325.0 bps

<sup>1</sup> Based on public ratings from S&P and Moody's for non-credit-enhanced, senior unsecured, long-term debt (the "**Public Debt Rating**"). Split ratings to be handled consistently with the Existing Credit Agreement.

Default Rate:

At any time when the Borrower is in default in the payment of any amount of principal due under the Bridge Facility, the overdue amount shall bear interest at 2% above the rate otherwise applicable thereto. Overdue interest, fees and other amounts shall bear interest at 2% above the rate applicable to ABR loans.

Undrawn Commitment Fee:

Commencing on the date on which the Bridge Facility Documentation is executed and delivered by each party thereto through the earlier of (x) the Closing Date and (y) the termination or expiration of the Bridge Facility, the Borrower will pay a fee (the "**Undrawn Commitment Fee**") to the Administrative Agent for the ratable benefit of the Lenders in an amount equal to 0.175% per annum on the actual daily undrawn portion of the aggregate principal (*i.e.*, face) amount of the commitments in respect of the Bridge Facility (as such amount shall be adjusted to give effect to any voluntary or mandatory reductions of the commitments in accordance with the terms the Bridge Facility Documentation), payable on the earlier of (x) the Closing Date and (y) the termination or expiration of the Bridge Facility.

Duration Fees:

The Borrower will pay a fee (the "**Duration Fee**"), for the ratable benefit of the Lenders, in an amount equal to (i) 0.50% of the aggregate principal amount of the loans under the Bridge Facility outstanding on the date which is 90 days after the Closing Date, due and payable in cash on such 90th day (or if such day is not a business day, the next business day); (ii) 0.75% of the aggregate principal amount of the loans under the Bridge Facility outstanding on the date which is 180 days after the Closing Date, due and payable in cash on such 180th day (or if such day is not a business day, the next business day); and (iii) 1.00% of the aggregate principal amount of the loans under the Bridge Facility outstanding on the date which is 270 days after the Closing Date, due and payable in cash on such 270th day (or if such day is not a business day, the next business day).

PROJECT SILVER BULLET  
\$1.17 Billion Senior Unsecured Bridge Term Loan Credit Facility  
Summary of Additional Conditions Precedent<sup>2</sup>

The borrowing under the Bridge Facility shall be subject to the following additional conditions precedent:

1. The Acquisition Agreement (including all schedules and exhibits thereto) and all other related documentation shall be satisfactory to the Arranger (it being understood that the Acquisition Agreement delivered to the Arranger at 8:26 a.m., New York City time, on July 12, 2015 is satisfactory). The Acquisition shall have been consummated substantially concurrently with the borrowing under the Bridge Facility in accordance with the Acquisition Agreement on or prior to the Outside Date, and the Acquisition Agreement shall not have been amended or modified, and no condition shall have been waived or consent granted, in any respect that is materially adverse to the Lenders or the Arranger without the Arranger's prior written consent (it being understood and agreed that (a) any modification, amendment, supplement, consent, waiver or request that results in a reduction of the purchase price in respect of the Acquisition (other than pursuant to any purchase price adjustment provided in Section 2.7 of the Acquisition Agreement) that (x) exceeds 10% in the aggregate or (y) is less than or equal to 10% and is not applied to reduce commitments under the Bridge Facility on a dollar-for-dollar basis shall be deemed to be materially adverse to the Lenders and the Arranger and (b) any modification, amendment, supplement, consent, waiver or request that results in an increase in the purchase price in respect of the Acquisition that exceeds 5% in the aggregate (other than pursuant to any purchase price adjustment provided in Section 2.7 of the Acquisition Agreement) shall be deemed to be materially adverse to the Lenders and the Arranger except to the extent funded with equity.)

2. The Arranger shall have received (a) U.S. GAAP audited consolidated balance sheets and related statements of income, stockholders' equity and cash flows of each of Black Hills and the Target for the three most recent fiscal years ended at least 90 days prior to the Closing Date and (b) U.S. GAAP unaudited consolidated and (to the extent available) consolidating balance sheets and related statements of income, stockholders' equity and cash flows of each of Black Hills and the Target for each subsequent fiscal quarter ended at least 45 days before the Closing Date; *provided* that the financial statements required to be delivered by this paragraph 3 shall meet the requirements of Regulation S-X under the Securities Act of 1933, as amended, and all other accounting rules and regulations of the SEC promulgated thereunder applicable to a registration statement under such Act on Form S-1.

3. The Arranger shall have received a pro forma consolidated balance sheet and related pro forma consolidated statement of income of Black Hills as of and for the twelve-month period ending on the last day of the most recently completed four-fiscal quarter period for which financial statements have been delivered pursuant to paragraph 2 above (together with such other pro forma financial statements as shall be required in connection with a registered offering) prepared after giving effect to the Transactions as if the Transactions had occurred as of such date (in the case of such balance sheet) or at the beginning of such period (in the case of the income statement), which pro forma financial statements shall meet the requirements of Regulation S-X under the Securities Act of 1933, as amended, and all other accounting rules and regulations of the SEC promulgated thereunder applicable to a registration statement under such Act on Form S-1.

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<sup>2</sup>All capitalized terms used but not defined herein have the meanings given to them in the Commitment Letter to which this Exhibit B is attached, including Exhibit A thereto.

4. The Administrative Agent shall have received legal opinions, corporate organizational documents, good standing certificates, resolutions and other customary closing certificates, in each case as are customary for transactions of this type and reasonably satisfactory to the Administrative Agent.
5. The Administrative Agent shall have received a solvency certificate in substantially the form of Annex B-I hereto.
6. The Arranger and the Lenders shall have received (or shall simultaneously receive) all fees and invoiced expenses required to be paid on or prior to the Closing Date pursuant to the Fee Letter or the Bridge Facility Documentation.
7. The Arranger shall have received, at least five business days prior to the Closing Date, all documentation and other information required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including, without limitation, the PATRIOT Act.
8. All principal amounts due or outstanding in respect of (i) the \$150 million five-year term loan of the Target, (ii) the \$25 million incremental term loan of the Target, (iii) the \$40 million term loan of the Target’s wholly owned direct subsidiary and (iv) the \$26 million revolving credit facility of the Target’s wholly owned direct subsidiary shall have been repaid.

**Form of Solvency Certificate**

[DATE]

This Solvency Certificate (“**Certificate**”) of Black Hills Corporation, a South Dakota corporation (“**Black Hills**”), and its Subsidiaries is delivered pursuant to Section [ ] of the \$1,170,000,000 Senior Unsecured Bridge Term Loan Credit Agreement, dated as of [ ] (the “**Credit Agreement**”), by and among Black Hills (the “**Borrower**”), the Lenders from time to time party thereto, and Credit Suisse AG, as administrative agent. Unless otherwise defined herein, capitalized terms used in this Certificate shall have the meanings set forth in the Credit Agreement.

I, [ ], the duly elected, qualified and acting [Chief Financial Officer] of Black Hills and its Subsidiaries, DO HEREBY CERTIFY, as follows:

1. I have reviewed the Credit Agreement and the other Loan Documents referred to therein (collectively, the “**Transaction Documents**”) and have made such investigation as I have deemed necessary to enable me to express a reasonably informed opinion as to the matters referred to herein.
2. As of the date hereof, after giving effect to the Transactions, the fair value and the present fair saleable value of any and all property of Black Hills and its Subsidiaries, on a consolidated basis, is greater than the probable liability on existing debts of Black Hills and its Subsidiaries, on a consolidated basis, as they become absolute and matured (it being understood that the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing as of the date hereof, represents the amount that can reasonably be expected to become an actual or matured liability).
3. As of the date hereof, after giving effect to the Transactions, Black Hills and its Subsidiaries, on a consolidated basis are able to pay their debts (including, without limitation, contingent and subordinated liabilities) as they become absolute and mature (it being understood that the amount of contingent liabilities at any time shall be computed as the amount that, in the light of all the facts and circumstances existing as of the date hereof, represents the amount that can reasonably be expected to become an actual or matured liability).
4. As of the date hereof, after giving effect to the Transactions, Black Hills and its Subsidiaries, on a consolidated basis are otherwise “solvent” within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances.
5. Black Hills and its Subsidiaries, on a consolidated basis, do not intend to, nor do they believe that they will, incur debts that would be beyond their ability to pay as such debts mature.
6. As of the date hereof, before and after giving effect to the Transactions, Black Hills and its Subsidiaries are not engaged in businesses or transactions, nor about to engage in businesses or transactions, for which any property remaining would, on a consolidated basis, constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which they are engaged.
7. For the purpose of the foregoing, I have assumed there is no default under the Credit Agreement on the date hereof and will be no default under the Credit Agreement after giving effect to the funding under the Credit Agreement.

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# BLACK HILLS CORPORATION

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## Black Hills Corp. to Acquire SourceGas Holdings LLC

- *Strategic acquisition accretive to EPS, beginning first calendar year after closing*
- *Highly complementary fit enhances operating scale and efficiency of service delivery to customers*
- *Increases customer base by 55%, to more than 1.2 million electric and natural gas utility customers in 790 communities in eight Rocky Mountain and Midcontinent states*

**RAPID CITY, S.D. - July 12, 2015** - Black Hills Corp. (NYSE:BKH) today announced it entered into a definitive agreement to acquire SourceGas Holdings LLC from investment funds managed by Alinda Capital Partners and GE Unit (NYSE:GE) GE Energy Financial Services. SourceGas operates four regulated natural gas utilities serving approximately 425,000 customers in Arkansas, Colorado, Nebraska and Wyoming and a 512-mile regulated intrastate natural gas transmission pipeline in Colorado.

Black Hills Corp. is acquiring SourceGas for total consideration of \$1.89 billion, including reimbursement of an estimated \$200 million in capital expenditures through closing and the assumption of \$720 million of debt projected at closing. The effective purchase price is \$1.74 billion taking into account approximately \$150 million of tax benefits resulting from the transaction. The transaction will add meaningfully to Black Hills' earnings per share beginning the first calendar year after closing.

This combination brings together two well-regarded utility operators with complementary geographic footprints, creating a stronger utility with enhanced operational expertise and financial resources to meet the region's future energy needs. The combined entity will serve more than 1.2 million electric and natural gas utility customers in 790 communities in eight Rocky Mountain and Midcontinent states. Black Hills Corp. will operate the acquired company under the name Black Hills Energy.

"This announcement delivers on our commitment to grow earnings and create long-term shareholder value," said David R. Emery, chairman, president and chief executive officer of Black Hills Corp. "SourceGas is a great strategic fit, adding to our strong utility base and providing operational and financial benefits to all the customers and communities we serve. We are excited to significantly expand our presence in Colorado, Nebraska, and Wyoming, and look forward to serving customers and developing new relationships in Arkansas. The transaction continues our proven record of growth in the utility business through targeted acquisitions -- over the last decade, we have successfully integrated 19 electric and natural gas systems in support of this growth strategy."

The purchase of SourceGas unites two companies with above industry average growth rates. The combination enhances Black Hills' operating scale, which will help drive more efficient delivery of utility services, thereby benefitting customers. The acquisition provides additional capital investment opportunities in growing service territories and the ability to share best practices in support of organic growth initiatives. SourceGas enjoys attractive regulatory constructs in all states, allowing for timely recovery of capital expenditures and fair and reasonable allowed returns on equity.



In addition, the transaction increases Black Hills' business, regulatory and geographic diversity to strengthen its "excellent" business risk profile and support continued solid investment grade credit ratings. It also provides increased cash flows and earnings to support further utility investments, fund future dividends and drive shareholder value.

The purchase is supported by a fully committed bridge facility from Credit Suisse. The company expects to permanently finance the acquisition with the aforementioned \$720 million of assumed debt, \$450 million to \$550 million of new debt, \$575 million to \$675 million of equity and equity-linked securities, and the remainder with cash on hand and revolver draws.

During the integration planning process, staffing and facility decisions will be made to best optimize the continued safe and reliable delivery of natural gas to customers.

The acquisition is expected to be completed in the first half of 2016. The transaction is subject to customary closing conditions, regulatory approvals from the Arkansas Public Service Commission, Colorado Public Utilities Commission, Nebraska Public Service Commission and Wyoming Public Service Commission, and is also subject to the notification, clearance and reporting requirements under the Hart-Scott-Rodino Act.

Credit Suisse Securities (USA) LLC served as exclusive financial advisor and Faegre Baker Daniels served as legal advisor to Black Hills. J.P. Morgan served as exclusive financial advisor and Bracewell & Giuliani served as legal counsel to the sellers.

### **Financial Community Conference Call and Webcast to Discuss Transaction**

Black Hills will discuss the transaction during a conference call and live webcast for the financial community on Monday, July 13, 2015, at 8:30 a.m. ET / 6:30 a.m. MT. The dial-in number is 877-705-5946 in the U.S., and 281-542-4135 for callers outside the U.S. Enter the passcode 84444435 when prompted. Access to the live webcast is through the "Investor Relations" section of [www.blackhillscorp.com](http://www.blackhillscorp.com). Please allow at least five minutes for registering and accessing the presentation.

A replay will be available at the same website or by telephone through Monday, August 3, 2015, at 855-859-2056 in the U.S., and at 404-537-3406 for callers from outside the U.S., using passcode 84444435.

### **Black Hills Corporation**

Black Hills Corp. (NYSE: BKH) is a growth-oriented, vertically-integrated energy company with a tradition of improving life with energy and a vision to be the energy partner of choice. Based in Rapid City, S.D., the company serves 792,000 natural gas and electric utility customers in Colorado, Iowa, Kansas, Montana, Nebraska, South Dakota and Wyoming. The company also generates wholesale electricity and produces natural gas, oil and coal. Black Hills Corp.'s more than 2,000 employees form partnerships and produce positive results for our customers, communities and shareholders. More information is available at [www.blackhillscorp.com](http://www.blackhillscorp.com).

### **Caution Regarding Forward-Looking Statements**

This news release includes "forward-looking statements" as defined by the Securities and Exchange Commission, or SEC. We make these forward-looking statements in reliance on the safe harbor protections provided under the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, included in this news release that address activities, events or developments that we expect, believe or anticipate will or may occur in the future, are forward-looking statements, including statements regarding the anticipated benefits of the transaction and the expected closing date of the transaction. These forward-looking statements are based on assumptions which we believe are reasonable based on current expectations and projections about future events and industry conditions and trends affecting our business. However, whether actual results and developments will

conform to our expectations and predictions is subject to a number of risks and uncertainties that, among other things, could cause actual results to differ materially from those contained in the forward-looking statements, including, without limitation, the risk factors described in Item 1A of Part I of our 2014 Annual Report on Form 10-K filed with the SEC, and other reports that we file with the SEC from time to time, and the following, among other things:

- The possibility that regulatory approval is not obtained or that the transaction otherwise does not close;
- The risk that permanent financing for the transaction may not be available on favorable terms;
- The provisions of regulatory commission orders pertaining to the transaction;
- Our ability to integrate administration and operations of the combined companies;
- The transaction does not generate the anticipated benefits; and
- The strategic direction of our business changes.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time-to-time, and it is not possible for us to predict all such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. We assume no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise.

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