

INVESTMENT BANKING AGREEMENT

THIS AGREEMENT is made and entered into this 18th day of February, 2014, by and among the Consolidated Wyoming Municipalities Electric Power System Joint Powers Board and the City of Gillette (the "Issuer") and RBC Capital Markets, LLC (the "Underwriter" or "RBC CM"), with reference to the following facts:

RECITALS

WHEREAS, the Issuer plans to issue Lease Revenue Bonds in a single financing or in a series of financings (hereinafter "Bonds") to fund the purchase of a gas-fired electric generating facility (the "Project"); and

WHEREAS, the Issuer desires and is authorized by law to retain the services of the Underwriter in connection with the issuance of the Bonds; and

WHEREAS, the Underwriter agrees to be retained by the Issuer and to provide to the Issuer the services described herein; and

WHEREAS, the Underwriter agrees to act as sole managing underwriter, subject to the conditions set forth herein,

NOW therefore, for and in consideration of the mutual promises, covenants, and conditions herein contained, the parties hereto agree as follows:

Scope of Services

The Underwriter shall develop a financing plan with the purpose of assisting the Issuer in achieving its financial objectives. All services are provided on an arm's length, commercial basis and may or may not be provided in conjunction with services provided by advisors to the Issuer, such as, but not limited to, a financial advisor or a municipal advisor. The services of the Underwriter shall consist of the following:

1. Analyze the financing alternatives available to the Issuer for the issuance of the Bonds and develop a financing plan, taking into account the Issuer's objectives and considerations;
2. Size the Bonds, taking into account the needs of the Issuer, reimbursements to the Issuer, rating services, fees and other costs of issuance;
3. In cooperation with Issuer, prepare and/or review of all documents necessary to implement the issuance of the Bonds, including, but not limited to, authorizing resolutions, bond purchase agreement, and preliminary and final official statements distributed to potential investors, as required;
4. Together with the Issuer and any other appropriate parties, consult on the terms and conditions of the Bonds, such as maturities, coupon rates, call features and security features, for the purpose of meeting market demands and the objectives of the Issuer;
5. Provide information and material as needed to support presentations for rating agencies and/or bond insurance companies; if requested;
6. Coordinate printing and distribution of the preliminary and final official statements;
7. Schedule, coordinate and attend necessary rating agency meetings (as applicable) to support the Issuer's efforts to obtain the highest possible rating on the issue;

8. Organize and participate in information meetings, if needed, to create investor interest with potential retail and/or institutional clients in the bond issue;
9. Together with the Issuer and other appropriate parties, provide market information on the timing of the sale of the Bonds in relation to the market conditions and financing needs;
10. Arrange for distribution of the final official statements in accordance with Section 240.15c2-12 of Title 17 of the Code of Federal Regulations;
11. Arrange for the printing of the Bonds and assist in the signing and delivering of the Bonds; and
12. Serve as sole managing underwriter of the Bonds, which obligation is conditioned upon the execution of a mutually satisfactory bond purchase agreement and other customary documentation, and coordinate with all parties so as to consummate the sale and delivery of the Bonds in a timely manner.

Limitation of Duties

The Issuer acknowledges and agrees that RBC CM is not making a commitment to extend credit, make a loan or otherwise fund the Project beyond the obligations contained in a mutually satisfactory bond purchase agreement. The Issuer acknowledges that the services provided under this Agreement involve professional judgment on our part and that the results cannot be, and are not, guaranteed.

Disclosures Concerning the Underwriter Role

1. MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.
2. The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriter has financial and other interests that differ from those of the Issuer.
3. The underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.
4. The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the Bonds to investors at prices that are fair and reasonable.
5. The underwriter will review the official statement for the Bonds in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction¹.

Disclosures Concerning the Underwriter Compensation

The underwriter will be compensated by a fee and/or an underwriting discount that is outlined below and will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction

¹ Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

Conflicts of Interest Disclosures:

RBC CM has not identified any additional potential or actual material conflicts that require disclosure.

Disclosures Concerning Fixed Rate Bonds

Since RBC CM has not recommended a “complex municipal securities financing” to the Issuer, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.

Expenses

The Issuer, from the Bond proceeds, will pay the Underwriter’s costs incurred in the performance of this Agreement, including costs of its legal counsel, if any, communication, preparation of the official statements, and overhead expenses.

The Issuer, from the Bond proceeds or other lawfully available funds, will pay for legal fees, including disclosure counsel; rating agency and credit enhancement fees including all related travel (if any); the cost of appraisal, fiscal consultant, statistical, computer, and graphics services (if any), cost of printing and distribution of the official statements and expense of publication, advertising, and informational meetings; and the costs of fiscal agent or bond trustee and registrar.

Compensation

The Underwriter agrees to prepare and coordinate all aspects of the sale of the Bonds. The Underwriter's compensation will be \$6/bond, calculated on the total par amount of the Bonds.

Fees and commissions are paid from the proceeds of the Bonds and are calculated as a discount on the total bond amount. All fees are contingent on a successful sale of the Bonds and are payable from the Bond proceeds.

Term of Agreement

This Agreement is to continue until the Project is financed or until the Governing Board of the Issuer formally abandons the Project, unless previously terminated by mutual written consent of the parties hereto.

This Agreement may be terminated at any time by the Issuer, upon five business days’ prior notice to such effect to the Underwriter, or by the Underwriter upon five business days’ prior notice to such effect to the Issuer.

Severability of Provisions

If any provision of this Agreement is held invalid, the remainder of the Agreement shall not be affected thereby if such remainder would then continue to conform to the terms and requirements of applicable law.

Governing Law

This Agreement, and the rights and obligations of the parties hereto, shall be construed, interpreted and enforced pursuant to the laws of the State of Wyoming, and exclusive venue in any and all actions existing under this Agreement shall be laid in the action or proceeding which Issuer or Underwriter may be required to prosecute to enforce its respective rights within this Agreement. The unsuccessful party therein agrees to pay all costs incurred by the prevailing party therein, including reasonable interest and attorney's fees, to be fixed by court, and said costs, interest, and attorneys' fees shall be made a part of the judgment in said action. Prior to the commencement of any litigation concerning this Agreement, the Issuer and the Underwriter agree to first submit any disagreements to mediation. This mediation requirement is intended to reduce the costs of dispute resolution for both parties.

Subcontractors

The Underwriter shall, with the prior written approval of the Issuer, use such subcontractors as are necessary in the fulfillment of this Agreement.

Selling Group Members

The Underwriter shall, at the direction of and approval by the Issuer, include underwriting firms as part of a selling group to broaden the sale of bonds to Campbell County investors.

Miscellaneous

Nothing contained herein shall preclude the Underwriter from carrying on its customary and usual business activities. The Underwriter specifically reserves the right, but is not obligated, to bid for and maintain secondary markets on any Issuer outstanding bonds subject to appropriate information barriers. Services provided by the Underwriter in connection with this Agreement shall not limit the Underwriter from providing services for the Issuer in conjunction with other services requested by the Issuer except as limited by rule of law or regulation.

In connection with services agreed to herein, it is understood that the Underwriter will render professional services as an independent contractor. Neither the Underwriter nor any of its agents or employees shall be deemed an employee of the Issuer for any purpose.


The Underwriter shall not assign or otherwise transfer any interest in this Agreement without the prior written consent of the Issuer.

This Agreement constitutes the entire agreement between the parties relating to the subject matter thereof and supersedes any prior understandings or representations. The Agreement may be amended or modified only by a writing signed by both parties. It is solely for the benefit of the Issuer and RBC CM, and no other person.

This Agreement is submitted in duplicate originals. The acceptance of this Agreement by the Issuer will occur upon the return of one original executed by an authorized Issuer representative, and the Issuer hereby represents that the signatory below is so authorized.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first written above.

RBC CAPITAL MARKETS, LLC

By 
Name Jon Moellenberg
Title Managing Director
Date February 18, 2014

ACCEPTANCE

ACCEPTED this [] day of [], 20__

By _____
Name _____
Title _____
Date _____