

WAIVER AGREEMENT

WHEREAS, McKenzie Electric Cooperative ("McKenzie Electric") and Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. ("Montana-Dakota") are parties to a Service Area Agreement to establish service areas and to designate service locations to be served by McKenzie Electric and Montana-Dakota within the City of Watford City and the surrounding area pursuant to N.D.C.C. 49-03-06 ("Service Area Agreement"); and

WHEREAS, Section 13 of the Service Area Agreement provides in pertinent part: "[i]f the City Council of Watford City does not grant franchises consistent with the terms of this Agreement before February 28, 2014, this Agreement shall be void *ab initio*";

WHEREAS, the City Council of Watford City granted franchises consistent with the terms of the Service Area Agreement with final approval of such franchises given on March 3, 2014; and

WHEREAS, McKenzie Electric and Montana-Dakota desire the Service Area Agreement be operative in accordance with its terms and not void *ab initio*;

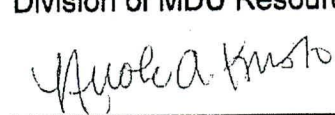
NOW, THEREFORE, McKenzie Electric and Montana-Dakota mutually waive and declare ineffective to the following provision of Section 13 of the Service Area Agreement: "or if the City Council of Watford City does not grant franchises consistent with the terms of this Agreement before February 28, 2014,"

Except as expressly waived herein, all other terms and conditions of the Service Area Agreement shall continue unchanged and remain in full force and effect.

MCKENZIE ELECTRIC COOPERATIVE

MONTANA-DAKOTA UTILITIES CO., a
Division of MDU Resources Group, Inc.





Date: 4/15/14

Date: 4/21/14